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Delegations will find attached the Joint Report by the Commission and the Council on social inclusion as adopted by the Council (EPSCO) on 4 March 2004.

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## EXECUTIVE SUMMARY

### Overall assessment and key conclusions

#### *A renewed political commitment*

The Lisbon European Council of March 2000 asked Member States and the Commission to take steps to make a decisive impact on the eradication of poverty by 2010. It also agreed that Member States should co-ordinate their policies for combating poverty and social exclusion on the basis of an open method of co-ordination combining common objectives, national action plans, common indicators with the aim of promoting more ambitious and effective policy strategies for social inclusion. In this context Member States have prepared a second generation of National Action Plans against poverty and social exclusion (NAPs Inclusion). These constitute a strong political acknowledgement, three years after the Lisbon Summit, of the continuing challenge to ensure social inclusion across the European Union. They represent a renewed commitment to the Union's social goals and a reiteration by Member States that modernisation of the economy should go hand in hand with efforts to reduce poverty and fight against exclusion. They underline that this should be the case even at a time of economic constraints and difficulties.

The NAPs inclusion are an important contribution to the modernisation of the European social model. In this approach, relatively high levels of investment in policies to promote social inclusion and social cohesion are recognised as also making an important contribution to achieving sustainable economic and employment growth. This view is reinforced by the fact that the most socially progressive countries within the Union are also among the most economically advanced. However, in pursuing economic growth, it is clear from the NAPs/inclusion that those countries starting from a lower level of development are also giving priority to social development and recognise this as an integral part of achieving economic as well as social progress. Thus it is clear that relatively high levels of social investment are making and will continue to make a significant contribution to the achievement of the Union's overall strategic goal of becoming, by 2010, "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". This emphasises the mutually reinforcing role of social, employment and economic policies, the importance of which is highlighted by the Lisbon Strategy.

#### *A still worrying background of poverty and exclusion*

Despite an overall improvement since 1995, the numbers affected by relative income poverty are still very significant with more than 55 million people or 15 % of the EU population living at risk of poverty in 2001. More than half of them lived persistently on low relative income. Across the Union there are considerable differences in the severity of the problem. For instance, the overall risk of poverty ranged in 2001 between 10% in Sweden and 21% in Ireland. In Southern countries, as well as in Ireland, poor people not only benefit comparatively less from the overall prosperity of their respective countries, but also are more likely to be subject to more persistent forms of poverty and deprivation. The risk of poverty tended to be significantly higher for particular groups such as the unemployed, single parents (mainly women), older people living alone (also women mainly) and families with numerous children.

A particular risk of poverty and social exclusion is faced by young people deprived of sufficiently solid skills to get a firm grip on the labour market. In 2002, almost 19% of the

people aged between 18 and 24 had exited the school system too early and were not following any training. Also children are in a vulnerable situation. They tend to experience levels of income poverty that are higher than those of adults (19% in 2001), and material deprivation in the early years may affect negatively their development and future opportunities. A particular concern arises when children are living in jobless households, without almost any links to the world of work (10% of all children in the Union, in 2002).

***The eradication of poverty and social exclusion requires further steps*** Given this context of continuing high levels of poverty and social exclusion the importance of achieving the Lisbon aim of making a decisive impact on the eradication of poverty by 2010 should not be underestimated. What has already been achieved by some countries in terms of social development needs to be built on even further. Other countries need to aspire to the benchmark set by the most successful and to progressively close the gap. The commitment to make such progress is evident from a number of positive strategic developments in the second generation of NAPs Inclusion.:

- The new NAPs are generally broad in scope, reflecting the multi-dimensional nature of poverty and exclusion and covering a wider range of policy fields, notably the provision of basic services like lifelong learning, health, and housing. They also better reflect the diversity of national strategies and the different degrees of development of social protection systems.
- There is a clear effort on the part of a majority of Member States to set quantitative targets for the reduction of poverty and social exclusion. Others have set quantified intermediate targets which nevertheless can serve to lend more ambition to policy and to facilitate monitoring of the NAPs.
- Many Member States have significantly strengthened their institutional arrangements for mainstreaming poverty and social inclusion into national policy making. There is also much greater emphasis on extending this process to regional and local levels.
- The process of encouraging the participation of key stakeholders of civil society (NGOs, social partners and business community) in the preparation of the NAPs has been improved. This should strengthen the relevance of the NAPs and the Nice objectives as a reference tool for national policy making.

However, while real progress has been made, it should also be noted that more needs to be done, in particular:

- A truly multidimensional approach will require further attention to issues such as housing, lifelong learning, culture, e-inclusion, and transport.
- The setting of targets needs to be developed further so that targets are increasingly specific, quantified and ambitious.
- More emphasis should be put on achieving and monitoring the efficiency and quality of measures designed to tackle poverty and social exclusion.
- The progress made in mainstreaming social inclusion through strengthening institutional arrangements needs to be further deepened, particularly to ensure that social inclusion goals be borne in mind in setting overall expenditure priorities.

- The increased participation of civil society must be extended beyond the preparation of the NAPs to their implementation and monitoring.
- More needs to be done by Member States to ensure that there is a consistent link between social, economic and employment policies so that they are mutually reinforcing.

Overall, progress will critically depend on how Member States translate the strategic ambitions set out in their NAPs/incl into concrete actions to improve the living conditions of the most vulnerable people. It is also crucial that the EU economies return fast to a trajectory of sustainable economic growth.

### ***Six key priorities***

Taking into account the diversity of the NAPs Inclusion 2003-2005, the Member States are urged to give particular attention, over the course of the next 2 years, to the six following key policy priorities. These are especially relevant in the context of a continuing uncertain global economic and political climate:

- |    |  |
|----|--|
| 1. | Promoting investment in and tailoring of active labour market measures to meet the needs of those who have the greatest difficulties in accessing employment;  |
| 2. | Ensuring that social protection schemes are adequate and accessible for all and that they provide effective work incentives for those who can work;            |
| 3. | Increasing the access of the most vulnerable and those most at risk of social exclusion to decent housing, quality health and lifelong learning opportunities; |
| 4. | Implementing a concerted effort to prevent early school leaving and to promote smooth transition from school to work;  |
| 5. | Developing a focus on eliminating poverty and social exclusion among children;   |
| 6. | Making a drive to reduce poverty and social exclusion of immigrants and ethnic minorities  |

To ensure progress on these policy priorities and towards the overall objectives, it will be essential to strengthen the evaluation procedures by further developing indicators and other monitoring mechanisms at the national and EU levels. In this context, it is important to continue to develop both the EU and the national statistical capacity in order to support the measurement and analysis of all key dimensions of social inclusion.

### ***Keeping the momentum ahead***

In order to keep up the momentum of the positive developments evident in the NAPs until the assessment of the open method of co-ordination for fighting poverty and exclusion, which will take place in 2005, Member States and the European institutions should:

- continue to promote the mobilisation and participation of all stakeholders from civil society as well as the marginalised persons themselves in the implementation and monitoring of the NAPs/inclusion 2003-2005 and ensure greater visibility of the NAPs/inclusion as a tool for encouraging political debate and support for national strategies

- ensure that the inclusion and employment strategies are implemented in a consistent and mutually reinforcing way and that a good interaction is ensured between the different components of the upcoming streamlined social protection process ;
- ensure that the social inclusion priorities identified in the NAPs are reflected in the mid-term review of the Structural Funds and in the strategic orientations for their future after 2006;
- take full account of gender issues and the increasingly significant issue of exclusion among immigrants and ethnic minorities;
- maintain the efforts to develop the commonly agreed indicators or, where appropriate and with a complementary role, national indicators for the monitoring of national policy targets, with a view to facilitating the assessment of the achievement in reducing poverty and exclusion in 2005
- make full use of the pool of good practices already displayed by the NAPs/inclusion, by intensifying the process of exchange of best practice by ensuring effective dissemination of learning and by supporting this through by EU funding programmes such as EQUAL or the Community Action Programme to combat social exclusion;
- promote the progressive phasing in of the candidate countries into the overall process, based upon the forthcoming Joint Inclusion Memoranda (JIMs) and upon the adoption of national action plans for the new Member States in 2004;
- ensure that the Union's social inclusion goals are reflected during the course of the preparation of and the follow up to the next Spring European Council, and in particular that there is consistency between such goals and the Broad Economic Policy Guidelines and the European Employment Strategy.

### *The future of the social inclusion process*

This report, on the basis of an analysis of the NAPs Inclusion, identifies key trends and challenges across the Union and good practice and innovative approaches of common interest. It assesses progress made towards meeting the Lisbon objective for poverty eradication and maps out the policy agenda for the future EU social inclusion process in a context which is set to change radically. The process will, from 2004, have to take account of the accession of 10 new Member States where the nature and extent of poverty and social exclusion are often sharply different.

By 2005, the social inclusion process will have reached its mid-point and an evaluation of the work carried out up to that date will be undertaken as part of the preparation for the streamlining of EU-level social protection/social inclusion processes. From 2006 onwards, it will form part of the new streamlined approach as proposed by the Commission in May 2003 and endorsed by the Council in October 2003.

## INTRODUCTION

### **Purpose and structure of the report**

The present report assesses progress made in the implementation of the open method of co-ordination, sets key priorities for urgent action and identifies good practice and innovative approaches of common interest to the Member States. It aims at promoting more ambitious and effective policy strategies for social inclusion through mutual learning. It draws extensively from the National Action Plans for social inclusion 2003-2005, that all Member States submitted in July 2003. The report is intended to provide the basis for the Joint Report on social inclusion that the Commission and the Council will present to the Spring European Council of 2004, as a key step in the periodic assessment of progress towards the social and economic goals defined by the Lisbon strategy.

The focus of the report is on policies and strategies implemented by Member States in combating poverty and social exclusion, and therefore promoting greater social inclusion. It highlights examples of good practice in several policy domains, on the basis of indications and information provided in the NAPs/inclusion for the period 2003-2005. It is not the purpose of this report, nor of the NAPs/inclusion, to present a general description of how national social protection systems are organised or what impact such systems as well as policies in other domains have had on social cohesion. Therefore, the report will tend to privilege recent action and may neglect more structural policies or institutions that concur in a decisive manner to promote social inclusion. For this reason, references to Member States in the text of the report cannot be interpreted as exhaustive, in the sense that they will highlight examples of recent policy action, while disregarding those cases where similar policies exist for long.

In order to provide the necessary context information, the report starts by analysing the key features and trends as regards social inclusion in the EU. This analysis is carried out in a comparative framework, on the basis of the set of commonly agreed indicators endorsed by the Laeken European Council. The report then moves to a description of the main challenges as perceived by the Member States in their NAPs/inclusion, on the basis of which it is possible to set a policy agenda for the Union over the period covered by the Plans (2003-2005) in the form of a concise list of six key priorities, taking into account the diversity of initial situations and of social systems.

The report further assesses how Member States are translating the EU common objectives into national strategies to combat poverty and social exclusion. This role of the report is of special significance given that the NAPs/inclusion 2003-2005 were expected to bring out significant improvements as regards the multidimensionality, the coherence and the ambition of national strategies. The experience gained with the first series of NAPs/inclusion as well as the setting of national targets, as requested by the Barcelona European Council, should be of considerable help here.

Throughout the report, frequent use is made of the expressions "poverty", "social exclusion" and "social inclusion". For ease of reference, the following definitions are given<sup>1</sup>:

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1 These definitions are intended to complement and reinforce the understanding of poverty and social exclusion which is reflected in the common objectives and commonly agreed indicators which underpin the open method of co-ordination.



**Poverty:** People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.

**Social exclusion:** Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feeling powerless and unable to take control over the decisions that affect their day to day lives.

**Social inclusion:** Social inclusion is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have greater participation in decision making which affects their lives and access to their fundamental rights<sup>2</sup>.

## Background

Following the recognition under Articles 136 and 137 EC of the Amsterdam Treaty of combating social exclusion as one of the fields where the Community had an active role in supporting and complementing the activities of Member States, the Lisbon European Council of March 2000 agreed on the need to take steps to make a decisive impact on the eradication of poverty by 2010. It also agreed that Member States should co-ordinate their policies for combating poverty and social exclusion on the basis of an open method combining common objectives, National Action Plans and a Community action programme.

In December 2000 the Nice European Council decided to launch the new method in the field of combating poverty and social exclusion and defined a common set of four objectives:

1. To facilitate participation in employment and access to resources, rights, goods, and services for all;
2. To prevent the risks of exclusion;
3. To help the most vulnerable;
4. To mobilise all relevant bodies.

National Action Plans for social inclusion (NAPs/inclusion for short) play a key role in the EU process, to the extent that they translate the common objectives into national policies, while taking into account their individual national circumstances and the particular nature of national social protection systems and social policies.

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2 As defined in the Charter of the Fundamental Rights of the European Union.

All Member States submitted their first NAPs/inclusion in June 2001. Their preparation provided an opportunity for wide information and consultation of the most concerned stakeholders and to review the bases of the national strategies to fight poverty and social exclusion. It also represented an opportunity to develop a more strategic and integrated approach. Moreover, the information provided in the NAPs/inclusion provided a good basis for the exchange of learning and best practice across the Union.

The main findings of the examination of the NAPs/inclusion carried out by the Commission and the Member States were presented in the Joint Report on social inclusion, which was endorsed by the Laeken European Council in December 2001.

A solid basis for monitoring progress and assessing the effectiveness of policy efforts was established with the endorsement, also at Laeken, of 18 commonly agreed indicators to approach the measurement of poverty and social exclusion. A variety of domains is covered - income poverty, as well as long-term unemployment, health and lifelong learning – reflecting the widespread perception that poverty and social exclusion in Europe have a multi-dimensional nature and cannot be reduced to one single variable. These indicators should serve as a basis for the EU and each individual Member State to assess objectively progress of the multi-annual process on the basis of verified outcomes. National indicators should continue to have a role, in particular in those fields (e.g. housing) where it was not yet possible to define a significant common ground.

Another achievement in 2001 was the adoption of the first Community action programme to encourage co-ordination in the fight against social exclusion. The programme, which will be implemented in 2002-2006, is intended to support policy analysis and statistical improvements, the exchange of good practice and the promotion of networking across Europe among NGOs active in fighting poverty and social exclusion. The programme, which is part of the Open Method of Co-ordination, should be closely combined with the NAPs/inclusion.

During the first two years, the implementation of the EU social inclusion process was smooth and is regarded by the Commission, the Council and other stakeholders as a positive step. Reflecting a wide consensus about the usefulness of the new process and the robustness of the common objectives adopted in Nice, the Council decided in December 2002 to ask Member States to prepare a second round of NAPs/inclusion for July 2003 on the basis of common objectives where just a few substantive changes were introduced:

- (a) An invitation to Member States to include national targets in their NAPs/inclusion (in fulfilment of the conclusions of the Barcelona European Council);
- (b) An emphasis placed on gender differentiation in the analysis of social exclusion and in assessing policy impact;
- (c) The highlighting of the special difficulties facing immigrants as regards their social inclusion.

### **The future of the EU social inclusion process**

In line with the Lisbon strategy, the Open Method of Co-ordination on social inclusion should be seen in close connection with other processes contributing to economic growth and greater social cohesion. Particularly relevant for the fulfilment of the goals of the social inclusion process are the economic and the employment policy co-ordination processes, underpinned

respectively by the Broad Economic Policy Guidelines and the European Employment Strategy. Also increasingly relevant is the Open Method of Co-ordination on pensions that was launched in 2002 and the co-operative exchange on health and long-term care for the elderly. It is vital that at national level, Member States ensure coherence between their strategies for social inclusion and their policies in these areas.

Equally at the EU level, there is a need to improve the consistency between the policy messages arising from the different co-ordination processes, while avoiding a multiplication of processes with different rules and often overlapping objectives. These are the main reasons why the Commission has set out in a recent communication<sup>3</sup> a proposal aimed at streamlining and simplifying policy co-operation in the field of social protection based on the Open Method of Co-ordination. This will involve the creation of a streamlined process, on the basis of a common set of objectives encompassing healthcare, pensions and social inclusion, which fit more effectively other policy co-ordination processes, notably the Broad Economic Policy Guidelines and the Employment Strategy, thereby giving more visibility to the social dimension in the implementation of the overall Lisbon strategy. Reporting arrangements will be simplified, with one single strategic report every three years alternating with light updates in the intervening years from 2006 onwards. The Commission has further proposed that a Joint Report on social protection and social inclusion be issued for the first time in 2005, with the aim of analysing major policy developments against the background of recent social and economic trends and forecasts and providing the basis for the delivery of key policy messages to the Spring European Council.

In moving gradually to this new streamlined process of policy co-ordination, it is crucial not to lose the momentum that the preparation and monitoring of the NAPs/inclusion has set off in many Member States. Throughout the consultation following the publication of the communication of May 2003, this point was well stressed by many stakeholders and Member States. The visibility of the different elements of the process and in particular of the NAPs/inclusion has to be therefore ensured in the future within a context leading to increased consistency in the formulation of strategies at both national and EU level. Furthermore, the goals and the monitoring tools of the EU social inclusion process will need to be adequately and consistently reflected in the Sustainable Development Strategy.

### **The impact of enlargement**

With enlargement, the Union will have to face new and comparatively greater challenges in promoting social inclusion. It is possible to infer from comparative social indicators based on national data, as well as studies, that large sections of the populations in the applicant countries live on low income and lack access to some basic services and facilities. In most applicant countries unemployment is high and social protection systems are not sufficiently developed in order to provide secure income to elderly, sick or disabled people. In some, the social situation of ethnic minorities, of children and of mentally ill persons raises serious concerns. On the other hand, income inequality is generally lower and lifelong learning performance is better than in many present Member States. In a general context where the concept of social exclusion as defined above is still rather recent and where there is a risk that the promotion of social inclusion may be seen as a secondary goal subordinate to competitiveness or economic growth, it will be essential to emphasise the complementarity between policies and strategies aiming for economic growth and social cohesion.

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3 COM(2003)261 of 27th May 2003.

However, enlargement should also be seen as a positive opportunity for a more widespread two-way exchange of experience and good practice, and more intense networking between associations, local and national authorities facing broadly similar challenges. The greater diversity of social situations and systems in the Union after enlargement will act as a powerful stimulant for driving forward the open method of co-ordination in the area of social protection and social inclusion.

For these reasons it was crucial to involve all Accessing Countries in the EU social inclusion process, well before the date of formal enlargement. DG EMPL and each of the Accessing Countries agreed in 2002 to initiate a bilateral co-operation process centred on the drafting of Joint Inclusion Memoranda (JIMs) with the aim of identifying the key social challenges in each country, setting out the major policies in place or envisaged and highlighting a few key policy issues for further review. The JIMs were signed jointly by the Commission and each of the 10 acceding countries on 18 December 2003. This process is expected to prepare the accession countries for their full participation in the social inclusion process which will start in mid-2004 with the submission of their first NAPs/inclusion for the period 2004-2006.

## **PART I – THE EUROPEAN UNION**

### **1. SOCIAL INCLUSION – THE EU SITUATION**

After setting the economic and demographic context, this chapter provides a synthetic comparative analysis of the situation and trends over recent years of social inclusion in the Union. It does so on the basis of a selection of the EU commonly agreed indicators of poverty and social exclusion. A description of these indicators, together with background information on their adoption process, the methodological framework for their selection and the statistical sources used, is included in chapter 10 and in the Statistical Annex. The latter also contains tables showing the results of the indicators on the basis of common EU sources.

#### *The economic and demographic context*

The situation of social inclusion since the launch of the EU inclusion process must be seen in the context of deteriorated overall macroeconomic conditions, with the EU continuing to feel the impact of the prolonged economic slowdown. EU GDP growth averaged only 1.1% in 2002, down from a brisk annual growth rate of 3.5% in 2001. According to the Commission's Autumn Economic Forecasts, the sluggishness in the EU economy is expected to continue in 2003 and there is unlikely to be a vigorous rebound. GDP growth is expected to average a mere 0.8% in 2003 before picking up to a modest 2% in 2004 and approach 2.5% only in 2005.

Although during the initial stage of the economic slowdown EU labour market performance remained quite resilient, employment growth in the EU slowed down in 2002, after growing by well over 1 percentage point per year on average since 1997, and unemployment has started to rise again after half a decade of steady decline. Employment contraction has been a worrying feature in Belgium, Denmark and Germany. The average unemployment rate for the EU as a whole rose to 7.7% in 2002, and is projected to rise to 8.1% in 2003. Despite progress in the immediately preceding years, unemployment rates remain particularly high in Finland, Greece and Spain, and especially so for women in the latter two countries. It is expected to rise beyond the 9% level in France and Germany.

Notwithstanding these disappointing developments, the EU has continued to make progress towards reaching the Lisbon and Stockholm employment targets, although at a much slower pace compared to recent years. In 2002, the employment rate in the EU is estimated at 64.3%, almost one percentage point higher than in 2001, when it stood at 63.4%. The employment rate for women has risen more noticeably to 55.6%, up from 54.1% in 2001, while for men it fell slightly over the last year to 72.8%. The gender gap in employment rates is thus narrowing, but large differences of between 27 and 29 percentage points remain in Greece, Italy and Spain. For the older age group (55-64 years of age) the employment rate for the EU as a whole stood at just over 40%, with Belgium recording the lowest rate (at just under 27%) and Sweden the highest (68%). Over recent

years the employment rate for older people has risen substantially in all Member States except Austria, Germany, Greece and Italy.

Meanwhile, the long-term societal consequences of ageing of the European population are becoming clearer. Soon the century-long growth in the size of Europe's working age population will come to a halt, and in less than a decade the impact of the retirement of the baby-boomers will begin to be fully felt. Although fertility increased slightly from 1.45 children per woman in 1999 to 1.47 in 2001, it is still well below the replacement level of 2.1. Life expectancy is growing – it increased by two years for both men and women over the past decade – and mortality is increasingly concentrated in old age. Today, people aged 65 and over represent 16% of the total population while those below 15 represent 17%. Already by 2010 these shares will be inverted. The most dramatic increase will occur in the number of 'very old' people (aged over 80), which will rise by almost 50% over the next 15 years.

The rising old age dependency rates will increase demands on society to cope with caring needs. At the same time, developments in household structures slowly undermine the objective conditions for inter-generational solidarity within the family. There are fewer and later marriages, and also more marital breakdowns. The trend towards smaller households, with more people living alone at all ages, is continuing. There is also a striking rise in the number of children living with only one adult, and a fall in the number of couples with children. In 2000, 10% of children aged 0-14 years were living with just one adult compared with 6% in 1990. The overwhelming majority of these single parents are women.

*At-risk-of poverty rate: cross-country comparisons in 2001*

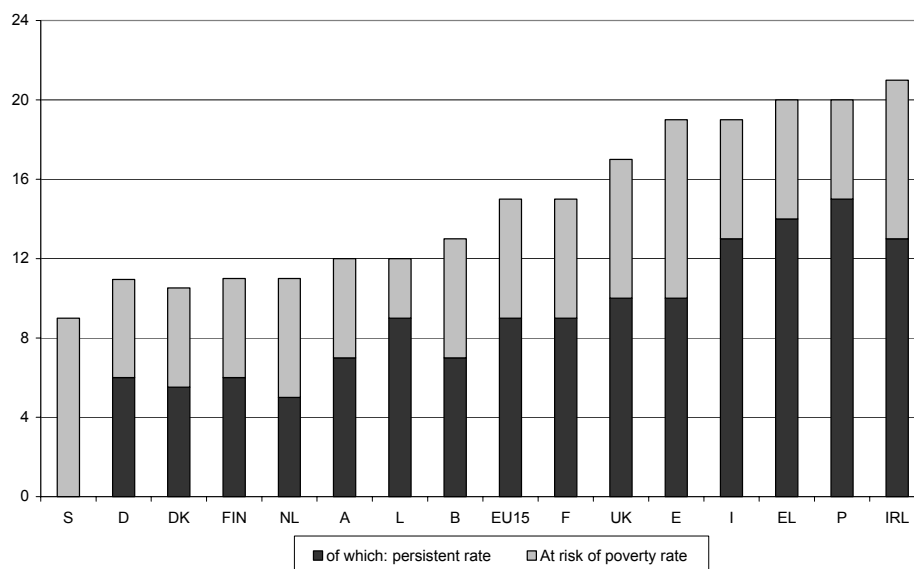
In the absence of a fully developed set of indicators reflecting the multi-dimensional nature of the issue, the analysis of poverty and social exclusion in the EU is largely based on available, primarily income-related indicators. There is a primary focus on indicators of relative (income) poverty, defined in relation to the average level of prosperity in a given country and point in time. An absolute notion is less relevant for the EU for two basic reasons. First, the key challenge for Europe is to make the whole population share the benefits of high average prosperity, and not to reach basic standards of living, as in less developed parts of the world. Secondly, what is regarded as minimal acceptable living standards depends largely on the general level of social and economic development, which tends to vary considerably across Member States.

The proportion of individuals living in households where equivalised income is below the threshold of 60% of the national equivalised median income is taken as an indicator of relative poverty. Given the conventional nature of the retained threshold, and the fact that having an income below this threshold is neither a necessary nor a sufficient condition of being in a state of poverty, this indicator is referred to as a **measure of poverty risk**.

In 2001<sup>4</sup>, 15% of the EU population were classified as being at risk of poverty, corresponding to more than 55 million individuals in the EU. This average value for the EU masks considerable variation across Member States, with the share of the population at risk of poverty ranging from 9% in Sweden to 21% in Ireland.

The longer the length of time someone has to live on low income the greater the risk of deprivation and exclusion from social, cultural and economic activity and the greater the risk of extreme social isolation. In all countries, half or more of those at risk of poverty in 2001 have been living on low income for an extended period of time, that is, they had an equivalised income below the 60% threshold in the current year and at least two of the preceding three years (i.e., 1998-2000). In Greece and Portugal, where the at-risk-of-poverty rate is very high, as many as two out of three of those with an income below the poverty threshold in 2001 have been persistently at risk of poverty. On average in the EU, 9 % of the population have been persistently poor in 2001.

**Figure 1. At-risk-of-poverty rate, total and persistent share - 2001**



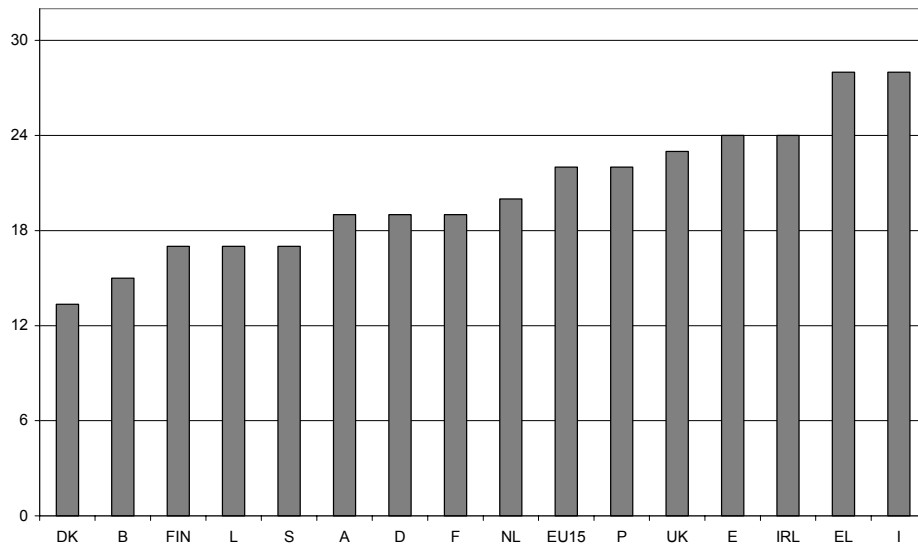
*Sources:* See Tables 1 and 3 in the Statistical Annex.

The relative median poverty gap - i.e., the difference between the median equivalised income of the poor and the 60% threshold, expressed as a percentage of this threshold - measures how far below the threshold the income of people at risk of poverty is. This is an important indicator to complement the headcount measure of poverty risk, as it provides information on "how poor are the poor".

4 Indicators of poverty risk are derived from European Community Household Survey. In this survey, information on income refers to the calendar year before the date at which the interviews take place. This means that 2001 wave data refer to 2000 incomes.

In 2001, the median poverty risk gap was 22% at EU level. This means that half of those at risk of poverty had an equivalised income below 78% of the at-risk of poverty threshold, or 47% of the median equivalised income.

**Figure 2. The median at-risk-of-poverty gap, 2001 (%)**



*Sources:* See Table 2 in the Statistical Annex.

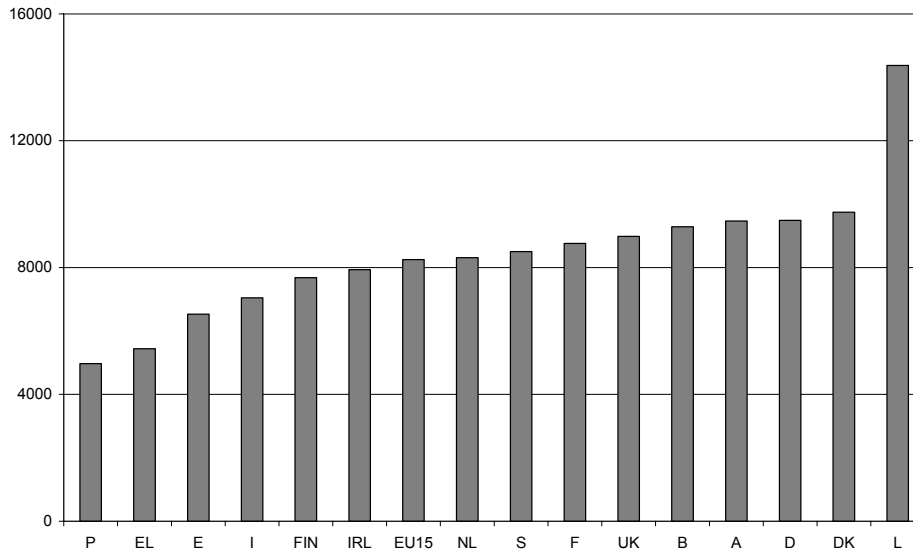
The comparative analysis of the national thresholds helps to illustrate the relative dimension of the poverty measure that is being used. This comparison is important for the understanding of the different level of economic well-being across countries<sup>5</sup>. Figure 3 shows the monetary value of the national at-risk of poverty thresholds in Purchasing Power Standards for a single adult household. The values for Portugal and Greece are particularly low. At the other extreme, Luxembourg stands out for having a value of the threshold which is 170% of the EU average.

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5 Such comparison will be all the more important in the context of an enlarged Union, since in Accession countries relatively narrow income distributions result in rates of poverty risk that are not too dissimilar from those recorded in the current Member States, in spite of their very low levels of average national income.



**Figure 3. Illustrative value of the at-risk of poverty threshold for a single adult household, in PPS, 2001**



*Sources:* See Table 5 in the Statistical Annex.

From the analysis above it appears that the income poverty risk manifests itself in various forms simultaneously. The countries with the highest exposure to poverty risk in terms of headcount ratio, both when measured in one point in time and over a longer period, often also display the highest relative poverty gap. This is the result of wide income distributions at the bottom, combined with relatively low overall living standards.

The focus of the poverty risk measure is on the bottom part of the income distribution. It is also interesting to look at the overall income distribution, for example as measured by the relative position of the bottom quintile to that of the top group. In 2001, the total equivalised income received by the top income quintile was 4.4 times greater than that received by the poorest income quintile group. Ratios range from 3 in Denmark to 6.5 in Portugal (see Table 6 in the Statistical Annex). The ranking of countries is quite similar if one looks at the Gini coefficient, which is a summary measure of the overall distribution of income (Table 7). It is notable that income inequality appears to have decreased (or at least remained stable) over the period 1995-2001 in all except the Nordic countries which have traditionally been characterised by low income inequality anyway.

*Incidence of poverty risk by gender, household type and age*

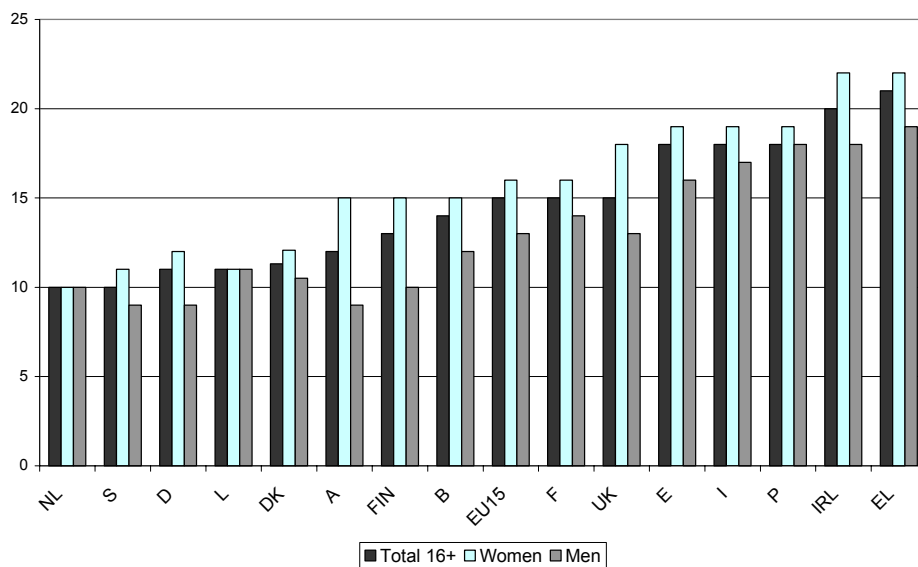
Women are generally at greater risk of living in a poor household: in 2001, 16% of adult women (aged 16 years or more) had an income below the threshold, against 13% of men in the same age group<sup>6</sup>. This pattern is consistent across all Member States, with the

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6 Except for single person households, gender gaps in poverty risk need to be interpreted with caution, since they rely on the assumption of equal sharing of income within the household.

widest differences being recorded in Austria, Finland and the United Kingdom. Austria and Finland, together with Ireland, also display the largest gender gaps in terms of persistent poverty risk (Table 3), whereas the gender gap for the EU as a whole for this indicator is small. Evidence concerning the median gap by gender is mixed (Table 4), as in many countries the gap is higher for men than for women. The risk of poverty is comparatively greater for women in specific age groups, in particular for older women (aged 65 years and over: 21% as compared to 16% for men in the same age group for the EU as a whole).

**Figure 4. At-risk-of-poverty rate for individuals aged 16 years and over by gender, 2001**

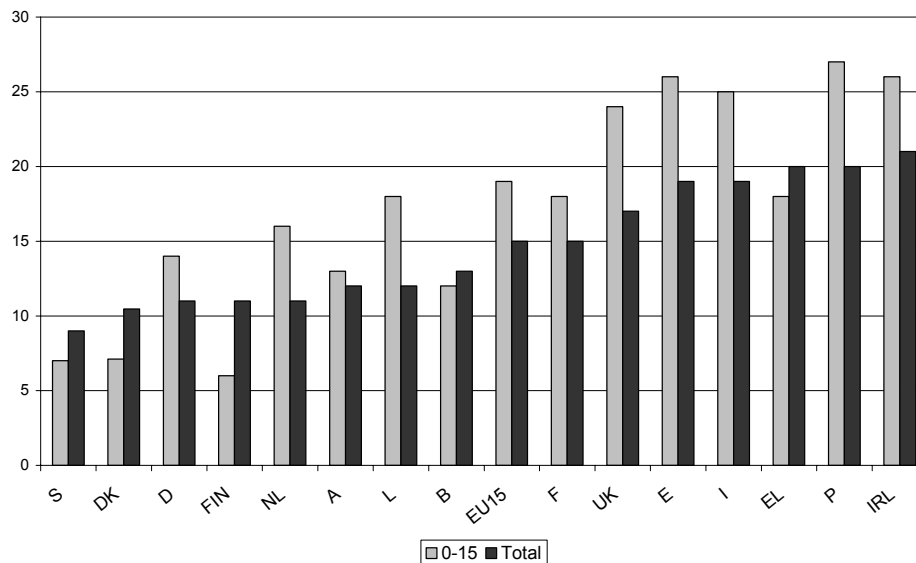


Sources: See Table 1 in the Statistical Annex.

By household type, the risk of poverty is highest among single parent households (35% for the EU average), most of which are headed by women. In the United Kingdom, the exposure to the poverty risk for single parent households, which represent a relatively high proportion of all households, is particularly high (50%, see Table 9). Also those living in large households with three or more dependent children are particularly exposed to income poverty risk, with Ireland, Italy, Spain and Portugal displaying the highest risk (between 34% and 49%, against a EU average of 27%).

As a consequence, in most countries children experience levels of income poverty that are higher than those for adults. Material deprivation among children must be a matter of serious concern, as it is generally recognised to affect their development and future opportunities. In 2001, rates of poverty risk for children were of 24% or more in Spain, Ireland, Italy, Portugal and the United Kingdom. Differences in the persistence of child poverty relative to adults are also significant (12% as against 9% for the EU as a whole), which suggests that specific factors shape the risks of poverty faced by children relative to those faced by the entire population.

**Figure 5. At-risk-of-poverty rate for children (aged 0-15 years), 2001**



Sources: See Table 1 in the Statistical Annex.

At the other extreme of the age scale, people aged 65 years and over (Table 2) suffer from a relatively high risk of poverty as well, especially in Greece, Ireland and Portugal. On the other hand, in Italy, Luxembourg and the Netherlands, the elderly are less affected by the risk of poverty than the total population.

The analysis of the income situation of the population, but particularly of the elderly, can suffer from the fact that the data source used to calculate income poverty rates takes no account of imputed rent, *i.e.*, the money that one saves on rent by living in one's own accommodation. This is likely to result in underestimated living standards of older households<sup>7</sup>, who are generally more likely to be living in their own accommodation than younger households. Furthermore, the omission of interest payments will tend to overestimate the disposable income of those (generally younger) households who are still paying a mortgage. All this will also tend to affect comparisons of the overall poverty risk across countries, as long as the share of owner-occupiers in the total number of people at risk of poverty varies a lot across countries. This is actually the case, as this share is highest in the Southern European countries, with a maximum of 93% in Greece, and lowest in Germany and the Netherlands (35% of the total number of those at risk of poverty). Therefore, if imputed rent were taken into account, the distribution of the poverty risk across countries would likely be flatter than Figure 1 suggests.

Analysis of income data may also suffer from not taking into account benefits in kind (social housing, home care, free services, *e.g.*), which are particularly relevant for

7 International comparisons of income and living conditions of elderly people also suffer from the lack of statistical information on people living in institutions.

assessing the net income situation of elderly persons, and are more prevalent in some countries, for example Denmark and Ireland, than others.

*Trends in poverty risk over the most recent years*

Determining trends in income poverty risk since 2001 remains problematic due to delays inherent in compiling and validating statistics<sup>8</sup>, although recent investment in statistical capacity-building is expected to bring some improvement in timeliness in the future. It is therefore not possible to establish a clear picture of the impact on income poverty made by the new EU co-ordination process. The years immediately preceding the set-up of the new strategy have witnessed a trend reduction of the level of relative poverty, with the EU average declining from 17% in 1995 to 15% in 2001 (Table 1).

The relative nature of the measure of poverty risk under consideration must be kept in mind when interpreting changes over time. A decrease (increase) in the proportion of the population at risk of poverty means that there are less (more) people with an income below the threshold, which itself varies over time since it refers to a central value of the income distribution of the year in question. If the level of the poverty threshold increases, namely as a result of economic and employment growth, and at the same time the at-risk of poverty rate decreases, then the income of some of those below the poverty threshold in the starting year will have grown at a faster pace than the level of the threshold.

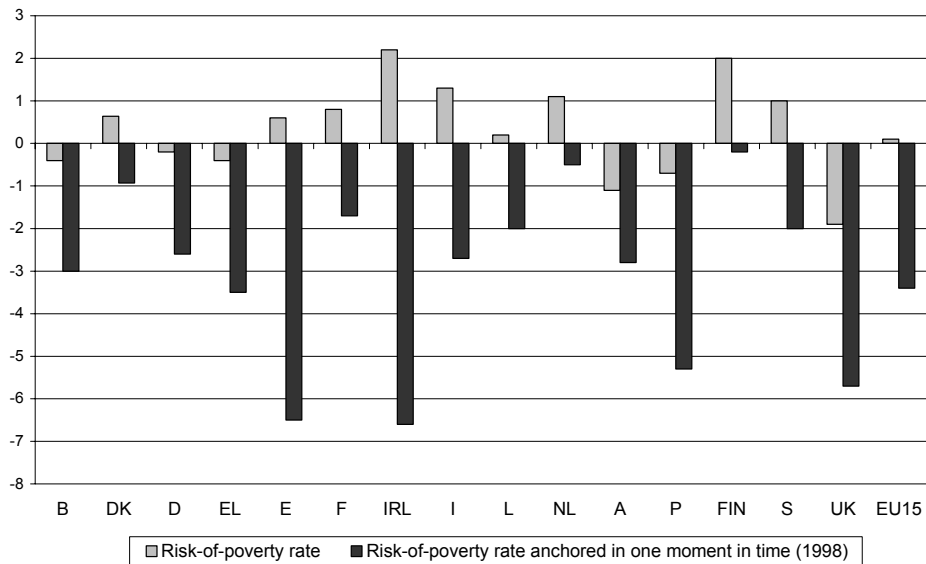
In all countries, the value of the poverty threshold has grown by more than just inflation, reflecting the growth in the overall level of prosperity. How do the results of poverty risk rate observed for 2001 relate to this improvement? Figure 6 below shows the percentage point change over the period 1998-2001 of both the standard poverty risk rate and the "poverty risk anchored in one moment in time", which is calculated with reference to the value of the threshold in 1998 updated only by inflation. In all countries, the at-risk of poverty rate anchored in 1998 has decreased over the three years to 2001,<sup>9</sup> especially in Spain and Ireland. However, in Ireland, the proportion of the population at risk of poverty has increased: this means that the income situation of some individuals has not kept up with the overall rapid increase in living standards in the country and has thus fallen below the at-risk of poverty threshold.

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8 Another problem is the lack of confidence interval estimates for changes over time. Trends over time must, therefore, be interpreted with caution.

9 When comparing the evolution of the poverty risk rate over time and across countries, the difficulty that arises by comparing different points of the economic cycle needs to be borne in mind.

**Figure 6. Changes between 1998 and 2001 in the at-risk-of-poverty rate and the at-risk-of-poverty rate anchored in one moment in time (1998)**  
*Percentage point changes*



Sources: See Table 11 in the Statistical Annex.

#### *Measuring the impact of social protection*

One important methodological principle for the selection of the commonly agreed indicators is that they must measure social outcomes rather than the means by which they are achieved. This is in the respect of the very nature of the open method of co-ordination, whereby Member States agree on objectives but are left free to choose the policies by which these objectives are to be met. Furthermore, an indicator that measures policy effort is of little help if there is no way of knowing whether the effort is achieving its goal. One indicator that makes a partial exception to this rule is the indicator of at-risk of poverty rate before social cash transfers, which when compared to the risk rate after social transfers can be seen as an indicator of impact of social transfers in reducing poverty.

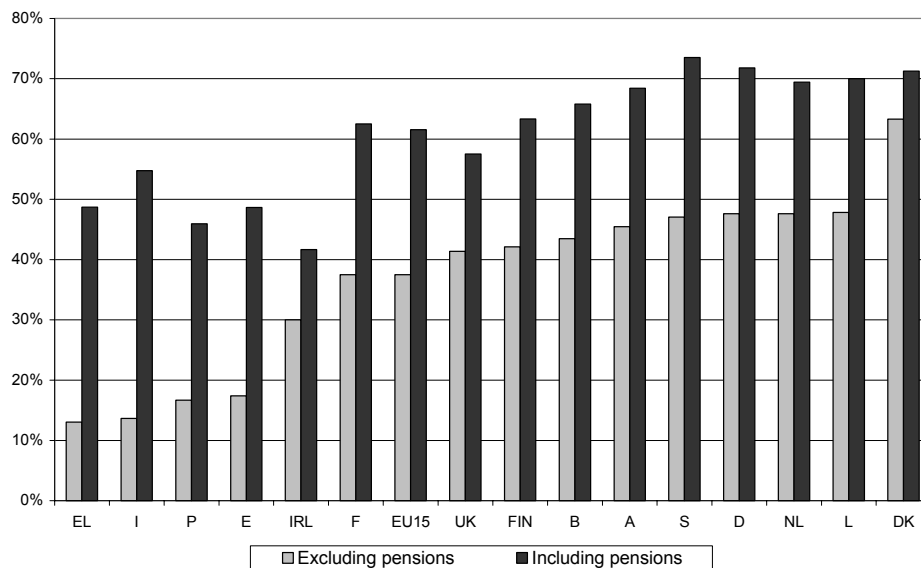
In the hypothetical situation of absence of all social cash transfers and pensions, the poverty risk for the population of the EU would be considerably higher than it is in reality (39% instead of 15% in 2001). It can be argued that the prime role of old age pensions, in their earnings-related function, is not to redistribute income across individuals but rather over the life-cycle of individuals. If, therefore, pensions are considered as primary income rather than social transfers, the at-risk-of poverty rate would be 24%, 9 percentage points higher than the poverty risk measured after social transfers.

Figure 7 below shows the percentage drop (in absolute value) of the at-risk of poverty rate calculated before and after cash transfers, both excluding and including pensions from the notion of "social cash transfers". When pensions (including disability and non-contributory old age pensions) are excluded and considered as primary income, the drop

is lowest in Greece, Italy, Portugal and Spain. It is highest in Denmark. When pensions are included, the picture changes significantly. The contribution of social transfers to the reduction of income poverty risk becomes much higher in Italy and Greece. These differences in impact reflect both the structure of social protection expenditure and the structure of the at-risk-of poverty populations.

**Figure 7. Impact of social transfers (excluding and including pensions) on the at-risk-of poverty rate, 2001.**

*% reduction in the total at-risk-of-poverty rate*



Sources: See Table 12 in the Statistical Annex.

The impact of social cash transfers on the poverty risk rate differs across age groups (Table 12). For the EU as a whole, social cash transfers excluding pensions have the highest poverty risk-reducing effect on children (in 2001, the drop was of 39%, as against 33% for people of working age and 24% for older people). In the Nordic countries, the drop in the poverty risk rate for children was as high as 65% or more; on the other hand, in Greece, Spain, Italy and Portugal, children are the group who benefit least from poverty relief allowed by social benefits (the percentage drop was of less than 15%). When pensions are considered as social transfers, obviously, it is older people who benefit most from the poverty-risk reducing effect of social protection.

The indicator of poverty risk before social transfers must be interpreted with some caution, for a number of reasons. First, no account is taken of interventions that, like social cash transfers, can have the effect of raising the disposable income of households and individuals, namely transfers in kind as well as tax credits and tax allowances. Second, the poverty risk before social transfers is compared to the poverty risk after transfers keeping "all other things equal" – namely, assuming unchanged household and labour market structures. Finally, it must be kept in mind that social protection can provide a relief to poverty but does not *per se* help individuals and families durably elude poverty. If they are to be effective in the fight against poverty and social exclusion,

social transfers in cash must be accompanied by adequate health care, education, social services and integration into the labour market for those capable of working. This is why many Member States are increasingly focusing their policies on promoting individual self-sufficiency through an employment-friendly social protection system that fosters participation in the labour market.

Low income is just one of the dimensions of poverty and social exclusion, and in order to measure and analyse this phenomenon more at length, it is necessary to take into account other equally relevant aspects such as access to employment, education, housing, healthcare, the degree of satisfaction of basic needs and the ability to participate fully in society. Many of these aspects are in reality very difficult to measure, especially at the level of the EU. The rest of this chapter discusses the evidence based on the EU commonly agreed indicators of poverty and social exclusion agreed to date, which do not cover other important aspects like adequacy of housing, mortality and access to health care by socio-economic status and social participation.

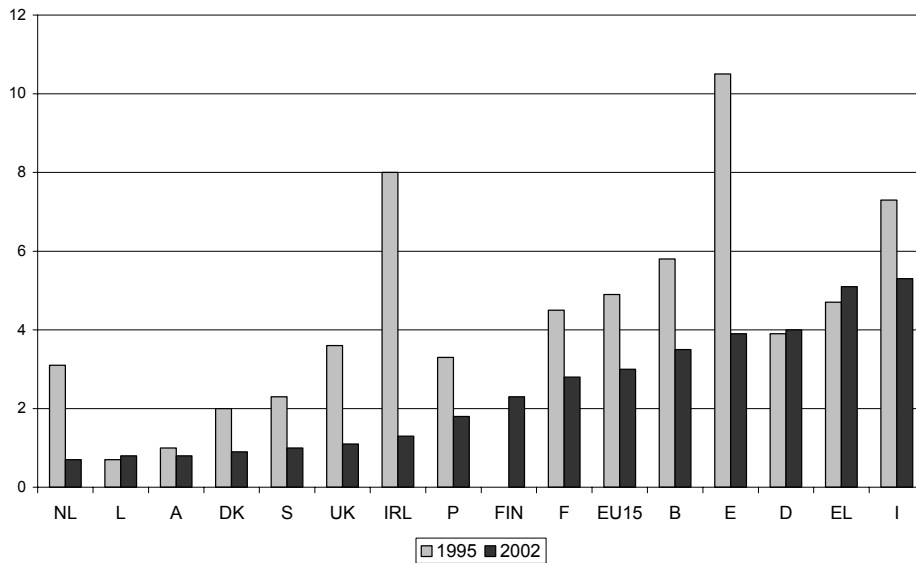
#### *The labour market dimension of poverty and social exclusion*

Employment is a key factor for social inclusion, not only because it generates income but also because it can promote social participation and personal development.

Long-term unemployment is very closely associated with social distress, as people who have been jobless for a long time tend to lose the skills and the self-esteem necessary to regain a foothold in the labour market, unless appropriate and timely support is provided. In 2002, long-term unemployment affected 3% of the EU labour force (and 39% of the unemployed). Almost two thirds of them had in fact been unemployed for a very long time (at least 24 months, see Table 20). Within the EU, according to 2002 figures, Austria, Denmark, Luxembourg, Netherlands and Sweden have long-term unemployment rates of 1% or below. Long-term unemployment remains high in Greece and Italy, where more than 5% of the labour force is affected. These two Member States, along with Spain, also display the greatest disparity between genders. For the EU as a whole, long-term unemployment rates are higher for women than for men, although in Finland, Ireland, Sweden and the UK the opposite applies.

At the EU level, long-term unemployment has declined gradually from its peak level of 4.9% in 1995 to 3% in 2002. The most evident gains are recorded in Ireland and Spain: between 1995 and 2002, Spain more than halved its long-term unemployment rate to just below the 4% level, while in Ireland it decreased from 8% to 1.3%.

**Figure 8. Long-term unemployment rate, 1995 and 2002**

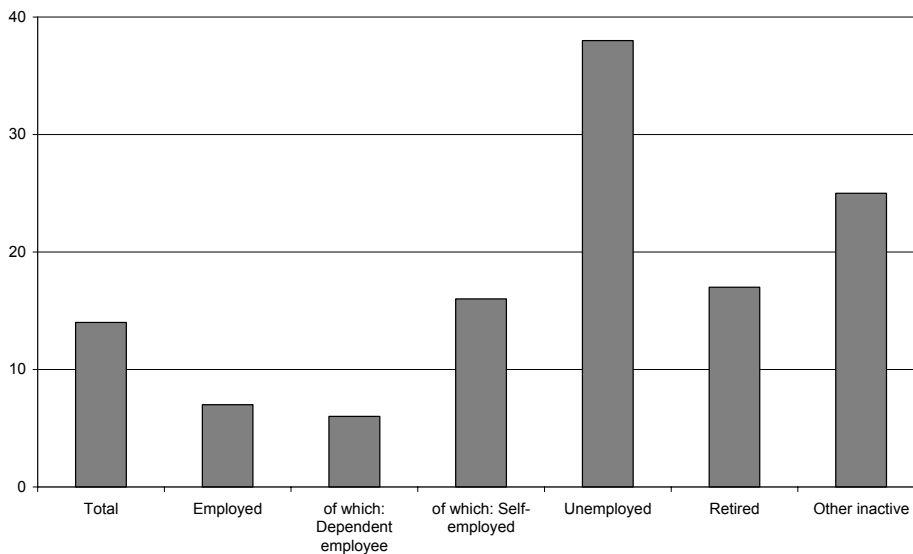


Source: Eurostat, EU-LFS

The fact that being in employment is by far the most effective way to secure oneself against the risk of poverty and social exclusion is clearly borne out by the evidence shown in Figure 9 according to which only 7% of the employed population (and 6% of wage and salary employees) in the EU lived below the risk of poverty line in 2002, as against 38% of the unemployed and 25% of the other inactive. In Ireland, Italy and the United Kingdom, around one in two unemployed persons are at risk of poverty. The retired are particularly exposed to the risk of poverty in Greece and Ireland, whereas in Denmark, Ireland and the United Kingdom other economically inactive people display a high poverty risk.



**Figure 9. Risk of poverty rate and most frequent activity status, 2001**



*Source:* See Table 13 in the Statistical Annex. Even if people in employment are less exposed to the risk of poverty than other status groups, they represent a large share of those at risk of poverty, since a large part of the adult population is at work. In the EU, around a quarter of the people aged 16 years and over at risk of poverty are in employment; in Luxembourg, the Netherlands and Portugal this share is of 40% or higher. The in-work poor, therefore, must raise policy concern. Low pay is obviously an important risk factor of in-work poverty, but being low-skilled and remaining in unstable and often part-time employment<sup>10</sup>, can also lead to poverty as well as to inadequate pensions in the future. Other, equally important factors relate to the household situation of workers: clearly, lone parents or sole earners in a household with children are particularly vulnerable to poverty risk (see Table 14).

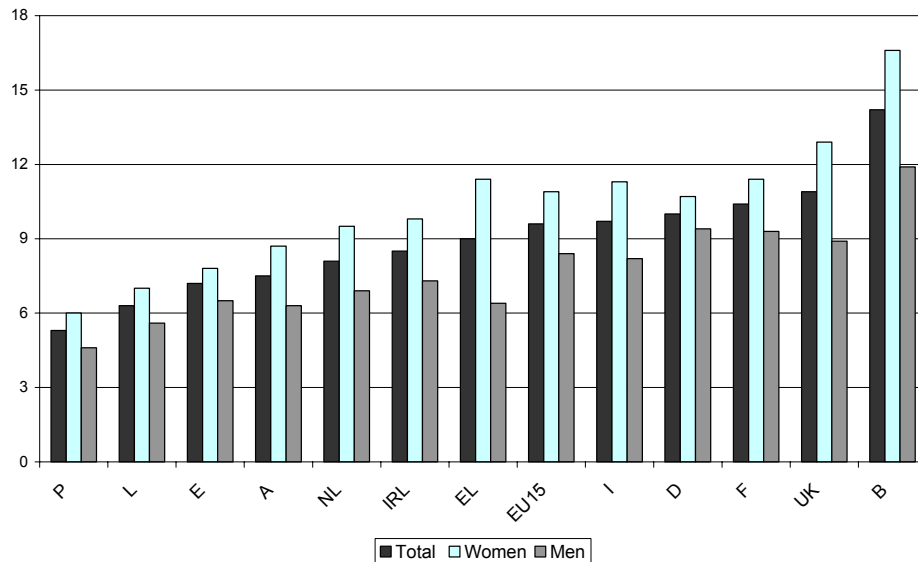
Indeed, the notion of in-work poverty only partly refers to the situation of individuals, since the poverty risk is measured at the household level. Thus, the economic well-being of the unemployed, the inactive or the low paid depends on the sum of all the resources contributed by all the members of their households. Increasingly, therefore, the extent to which working-age household members are active in the labour market is a major determinant of the exposure to poverty risk of individuals (Table 15). The potentially negative impact of living in a jobless household goes beyond the lack of work income, as it extends to the lack of contact with the world of work. In the EU as a whole, in 2002, around one in ten individuals aged 18 to 59 years were living in jobless households (Figure 10). This share was highest in Belgium (14%), followed by the United Kingdom (11%). Invariably, women are more likely to live in a jobless household than men.

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10 The evidence shows self-employment as being another "risk factor". Reliability of income data for the self-employed, however, is not guaranteed, given the problem of under-reporting of income.

There is some evidence of progress in this area. The proportion of working age adults living in jobless households has declined between 1995 and 2003 in most countries, with particularly large falls in Ireland, the Netherlands and Spain.

**Figure 10. People aged 18-59 years living in jobless households, 2003**

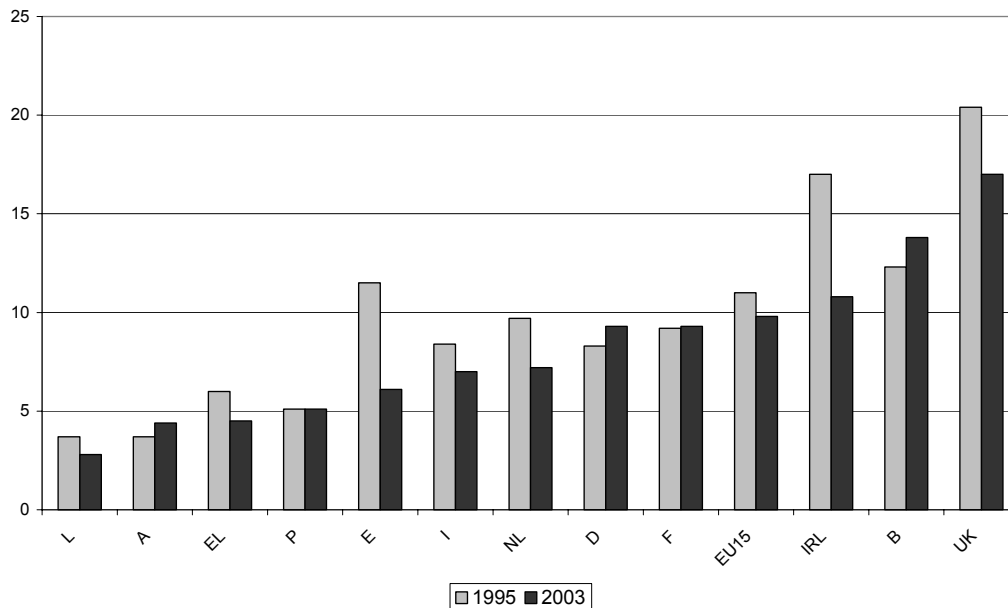


Source: Eurostat, EU-LFS

Particular concerns are raised when children are growing up in a jobless household, as the absence of a working adult as a role model could be a factor affecting educational and future labour market achievements of children. In 2003, the share of children living in jobless households was slightly higher than for prime age adults (9.9%) but variations across countries are more marked, with less than 3% of children living in jobless households in Luxembourg and 17% in the United Kingdom.

The share of children living in jobless households has decreased in many countries, and considerably so in Ireland and Spain.

**Figure 11. Children living in jobless households, 1995 and 2003**



Source: Eurostat, EU-LFS

### *Regional cohesion*

All the indicators that have been examined so far are calculated at the national level. Yet, territorial differences matter not only across but also within countries. A clear understanding of the nature and situation of poverty and social exclusion at the sub-national level is important for the design and implementation of effective policies to fight against them. It may be particularly relevant, for instance, to distinguish between rural and urban areas. Unfortunately, however, considerations of statistical reliability hinder a breakdown by region of most of the EU commonly agreed indicators. Furthermore, there is no accepted definition, at EU level, of regions other than those based on administrative and political criteria (i.e. the NUTS classification).

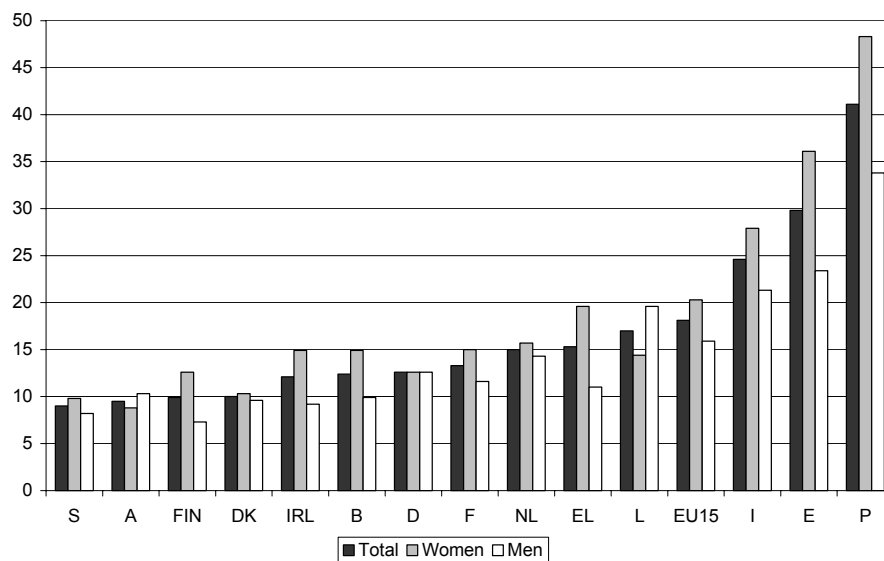
A proxy measure of social cohesion across regions is represented by the dispersion (coefficient of variation) of employment rates at NUTS2 level. Regional cohesion is lowest in Italy, followed at some distance by Spain. The former country also shows little improvement since 1996, whereas for the EU as a whole there appears to be some convergence of regional employment rates (Table 16). Objective 1 regions have seen their employment rates increase at a faster pace than in others: between 1996 and 2002, the number employed in the former rose by over 5% of the working-age population, as against 4% in the rest of the EU. Still, the proportion of the working-age population in employment remains markedly lower in Objective 1 regions (56.2% in 2002) than in others (66.7%).

### *The skill dimension of poverty and social exclusion*

The lack of basic competences and qualifications is a major barrier to inclusion in society and this is even more the case in an increasingly knowledge-based society and economy. There is thus a growing danger of new cleavages in society being created between those having access to lifelong learning for employment and adaptability, personal development and active citizenship and those who remain excluded. “Making a European Area of Lifelong Learning a Reality”<sup>11</sup> therefore still remains a major challenge for a socially inclusive society.

2003 LFS data show that around 18% of all 18-24 years old had only lower education (i.e., less than upper secondary qualification) and had not attended education or training in the four weeks preceding the survey. Values ranged from 10% or less in Denmark, Austria, Finland and Sweden to 41% in Portugal. In all countries, young men are more likely to leave the education system with low educational qualifications than young women (Table 21).

**Figure 12. Early school leavers not in education or training, by gender, 2003**



Source: Eurostat, EU-LFS

Trends over time can be observed by looking at different cohorts of people: the difference between the share of people with low educational attainment among youth (18 to 24 years) and the elderly (aged 65 years and over, Table 22) is striking: in the EU as a whole, as many as 70% in the latter group have attained less than upper education, as opposed to the 18% of all 18-24 year olds noted above. Major gains appear to have been

11 (COM (2001) 678 final)

recorded in Southern countries, which all started with low educational attainment rates for the older cohorts of well over 80%.

### *Health*

An indicator in the area of health that can be seen as expressing the health status as well as the general well-being of nations is life expectancy (Table 23). This is a complex indicator reflecting several dimensions; apart from the health status of individuals, it reflects access to and utilisation of health services, as well as wider socio-economic factors.

The EU population is characterised by high life expectancy at birth: national figures are between just around 77 years (in Denmark, Ireland and Portugal) and above 79 years (Spain, France, Italy, Sweden and the United Kingdom). Although life expectancy is almost six years higher for women than for men, due to persistently higher male mortality throughout the entire life cycle, the gap is starting to narrow as life expectancy has increased more for men than for women in the last decade in the majority of the Member States.

There is a widespread understanding that poor health is both a cause and a consequence of wider socio-economic difficulties. Accordingly, the overall health status of the population tends to be weaker in lower income groups. The percentage of people claiming their health to be bad or very bad is significantly higher for those in the bottom quintile of the income distribution than for those at the top quintile in the Union as a whole (16% and 7% respectively), as well as in all Member States (Table 24).

## **2. KEY TRENDS AND NEW AND EMERGING CHALLENGES ARISING FROM THE NAPS/INCLUSION**

Trying to identify current trends from the NAPS/inclusion is made difficult due to the absence of recent data, even at national level, and the very different approaches taken in the analytical chapters. In general, however, the NAPS/inclusion of 2003 reflect a less optimistic climate for tackling poverty and social exclusion than was the case at the time of the first NAPS in June 2001. Most Member States fear that the current economic slow-down, accompanied by rising long-term unemployment and fewer chances of getting jobs, may put more people at risk of poverty and social exclusion and worsen the position of those already affected. However, this perception varies significantly from country to country. In spite of the more difficult world economic situation a number of countries, while still with relatively high numbers at risk of poverty and social exclusion, remain broadly confident that they will sustain recent positive economic trends and that these will contribute to a reduction in poverty and social exclusion (EL, E, IRL, I, UK). Others, while highlighting some increased pressures, appear confident that they will be able to maintain their existing relatively high levels of social inclusion and cope with increased demands on the basis of their existing well developed systems, but with perhaps some additional attention being given to particularly vulnerable groups (B, DK, FIN, L, NL, A,

S). However, a number of other Member States appear more pessimistic and note an increased challenge, particularly in relation to growing unemployment (D, F and P).

Significant efforts have been made over the past two years in a number of countries to strengthen their efforts in several areas. As a result some positive trends are beginning to emerge. In some countries (IRL, UK) there appears to be real progress in reducing the numbers at risk of persistent or long-term poverty. Significant steps forward can also be seen in reducing child poverty (IRL, UK).

On the negative side there are a number of trends that seem to be increasingly common in several countries. Unemployment levels are increasing overall. In some countries in spite of more positive developments in relation to unemployment relatively high income gaps have persisted (IRL, UK). The numbers dependent on minimum income schemes tend to increase. In terms of accommodation there are indications that housing waiting lists have grown and there is a tendency for homelessness to increase. While overall health standards have been largely maintained there has been some indication of an increase in mental health problems and in problems related to addiction.

The major structural changes identified in the 2001 Joint Report continue to be recognised as important factors which are impacting on poverty and social exclusion, sometimes positively and sometimes negatively. These are:

- the impact of the major structural changes in the labour market as a result of rapid economic change and globalisation;
- the impact of the rapid growth of the knowledge based society and Information and Communication Technologies;
- the effect of an ageing population and the resultant higher dependency ratios and greater demands on care services;
- the impact of increased migration and growing ethnic diversity;
- the continuing changes in household structures with continuing high levels of family break ups, growing numbers of lone parent families and the trend towards the deinstitutionalisation of family life;
- the trend to greater equality between men and women and in particular higher labour market participation by women.

The risk factors associated with poverty and social exclusion which were identified in 2001 are confirmed in the 2003 NAPs. These are: long-term dependence on low/inadequate income, long-term unemployment, low quality or absence of employment record, low level of education and training and illiteracy, growing up in a vulnerable family, disability, health problems and difficult living conditions, living in an area of multiple disadvantage, housing problems and homelessness, immigration, ethnicity, racism and discrimination.

However, while the range of risks and barriers remain constant the 2003 NAPs paint a more nuanced and complex picture and some situations emerge more strongly than before as particularly associated to social exclusion: living in a jobless household, inadequate income, over indebtedness, mental illness, alcohol or drug misusing, disability, depending on long term care, asylum seekers, refugees and migrants, living in urban and rural disadvantaged areas.

In relation to the link between unemployment, poverty and social exclusion three aspects are particularly noteworthy. The first is the increased recognition that the unemployed are not a homogeneous group and the reasons people have difficulties in accessing the labour market vary significantly from person to person. This is especially the case for the long-term unemployed, who tend to suffer from a cumulative series of disadvantages which may include functional illiteracy, outdated competencies, lack of linguistic competencies, disability or poor health, addiction, too long absence from the world of work and other factors. These, if not countered by adequate and timely support, may lead to permanent exclusion from the labour market. In addition, such disadvantages can be exacerbated by negative objective factors such as lack of jobs, lack of child care, lack of transport, living in a region of high unemployment, lack of housing, lack of open and flexible learning opportunities meeting their needs and interests, prejudice and discrimination (e.g. against immigrants, ethnic minorities, ex-prisoners, people with learning difficulties, women or men due to their sex). Secondly, there is more emphasis on the very vulnerable situation of jobless households but also the greater poverty risks for households where one rather than two people are working. Thirdly, vulnerability of three particular groups is repeatedly stressed: older male and female workers whose skills became redundant, young men and women in the 16-25 age group without formal competencies or accredited qualifications and immigrants and ethnic minorities.

In relation to low income and poverty five aspects receive more attention. First, there is some evidence that countries where economic growth has been strong and notwithstanding that the incomes of the poorest have increased in real terms, income disparities remain high (UK, EL) or may indeed have grown (IRL).. The second is an increased emphasis on the very high risk faced by people who are surviving long-term on a low income (FIN, UK). The third is a concern in some countries to avoid any growth in in-work poverty. The fourth is the recognition of the extent that over indebtedness can trap people in poverty (A, B, FIN, F, IRL and UK). Finally, there is particular concern in several countries (e.g. UK, IRL, D, I, L, P, S) over the situation of children growing up in families on low incomes.

The importance of disadvantage in education and training as a barrier to social inclusion and the knowledge economy and society was already well emphasised but the new NAPs draw particular attention to three aspects. The first is the issue of functional illiteracy not only among pupils, but also in the whole adult population (D, F), the second is the particular problem of early school leaving (D, FIN, IRL, NL) and the third is the growing importance of life long learning and the acquisition of new basic skills like learning to learn, languages, social competencies, ICT and a sense of enterprise.

In relation to poor health and disability there is recognition that the nature and degree of the risk varies widely depending on the type of disability (S). In general there is more emphasis given in the NAPs to the particularly high risk of long-term poverty and exclusion for people with a disability (A, IRL, NL, and DK).

The higher risk of poverty and social exclusion linked to immigration or as a result of coming from an ethnic minority is highlighted far more in the 2003 NAPs by many Member States. However, the complexity and diversity of situations is also stressed. Particular aspects that are mentioned are difficulties in finding accommodation, acquiring a well-paid job (F, FIN, S,) barriers in access to lifelong learning, especially of languages. More attention is also given to older immigrants (D), to forced/arranged marriages, to poorer health (S) and lower educational levels (NL, DK). Gender differences are also highlighted in some NAPs (IRL, S). The particular problems faced by Roma and many Travellers (IRL) are highlighted by several Member States. A number of Member States (UK, S, F, FIN, B and IRL) make a direct link between discrimination and social cohesion issues.

Generally the 2003 NAPs emphasise the need to take more into account the situation of people facing multiple risks or an accumulation of problems as they can become trapped in poverty and social exclusion (S, FIN). In particular the following groups are regularly highlighted: ex-prisoners, homeless, people leaving institutions, alcohol and drug abusers, mentally ill, prostitutes.

An important feature of the 2003 NAPs is the increased attention given to regional and local variations in the levels of poverty and social exclusion and how the underlying causes of poverty and social exclusion can vary from region to region (B, F). In particular declining regions with negative migration, high unemployment and increasing dependency ratios (FIN, P) contrast with problems of congestion in growing regions where issues of accommodation feature more highly. Also the issue of marginal rural areas with ageing populations, poor services and higher dependency levels is highlighted (IRL, EL, P, UK). The particular concentrations of poverty and multiple deprivation in specific communities in cities is regularly highlighted. In this regard the problem of a decline of social capital is noted. In communities facing multiple disadvantage there has often been a decline in the networks of relationships, support systems and organisations that facilitate the active participation of people in the community in which they live and which are a necessary part of a strong and vibrant civil society.

Another issue that features more prominently in the 2003 NAPs is the significant role that gender inequalities can play in poverty and social exclusion. However it is less clear that this reflects an increase in the actual impact of gender of just a greater awareness of the issue. The gender dimension is particularly raised in the context of lone parents, domestic violence, the problems created by flexible working and diminished pension rights. Gender differences among the most disadvantaged groups are also emphasised, for example in relation to homeless, ex-prisoners and addicts (DK).

The recognition of the extent to which poverty and social exclusion can be passed on from one generation to the next is not new in the 2003 NAPs. However, there is an



increased recognition of the extent to which those who grow up in poverty are at high risk of becoming the next generation of poor and unemployed. More attention is given to the ways in which the intergenerational transfer of poverty takes place and on the particular dimensions of child poverty that need to be addressed to break this cycle.

Another important dimension of poverty and social exclusion that is given more attention is the movement in and out of poverty. A few NAPs/inclusion highlight the need to understand better what is it that traps some people in long-term poverty or why some are regularly in and out of poverty while others (the majority) may only be poor for relatively short periods.

### **Core Challenges**

The overarching policy challenge that emerges from the NAPs is the need for Member States to ensure that there is a strong integration of economic, employment, lifelong learning, cultural and social policies and that a concern with preventing and eradicating poverty and social exclusion is mainstreamed across all these policy areas. This is essential if an integrated and co-ordinated approach to eradicating poverty and social exclusion is to be achieved. It is also clear that countries that combine high levels of social protection with highly productive economies and continuously high levels of employment are most able to sustain socially inclusive societies. Effective policies in areas such as social protection, lifelong learning, health, housing, transport and culture, sport and recreation that result in accessible services for all are vital. However, for more vulnerable persons such universal provision often needs to be complemented by targeted and tailored supports which will help them to overcome particular barriers to participation in society.

The first joint report identified 8 core challenges that to a greater or lesser degree need to be addressed by all Member States. Analysis of the 2003 NAPs as well as the analysis carried out in the previous chapter suggests that these continue to provide a robust framework for Member States. However, a number of dimensions of these overall challenges have gained more emphasis.

*Developing an inclusive labour market and promoting employment as a right and opportunity for all:* Without exception Member States stress the importance of a job in preventing and lifting people out of poverty. A broad range of policies and approaches are emphasised many of which are also reflected in their NAPs/employment. However, the NAPs/inclusion particularly highlight the challenge of developing tailored and individualised supports to those who are most disadvantaged and distant from the labour market (e.g. immigrants, ex-prisoners, persons who left institutions, people with disabilities) and the need to give special attention to the situation of jobless households and the young unemployed lacking basic competencies or formal qualifications.

*Guaranteeing an adequate income and resources to live in human dignity:* While employment is stressed as being, for most people, the key way of ensuring an adequate income the importance of effective systems of income support for those who cannot earn their living or are retired remains a key challenge and several Member States need to do

more in this regard. Linking income support systems closely with policies to increase people's ability to access the labour market and to end long-term dependency is also seen as very important. It is equally important to ensure that tax, income support and minimum wage policies are carefully integrated so that work pays sufficiently to lift people out of poverty.

*Tackling educational disadvantage by prevention and lifelong learning opportunities:* Within this overall challenge four particular challenges now stand out: developing co-ordinated and integrated responses to prevent early dropping out from school; learning opportunities for all of those who suffer from functional illiteracy; increasing access to lifelong learning for all marginalised persons with a particular focus on the older workers, the ageing population and groups at high risk of exclusion; increasing the focus on early childhood education and early and flexible individual support in all formal education and training (including universities) to break the cycle of educational disadvantage and to open up doors for second chances throughout life. It is also important to recognise that lifelong learning is not only important to facilitate people moving into employment. Given that over 50% of people over 25 are outside the labour market more attention needs to be paid also to preparing people for a meaningful life in dignity outside the labour market. A lack of competencies is stated for both men and women in areas like managing a household, in parenting, in dealing with money or debts, with health risks in the household and competent care for ill persons or the elderly, in culture and active citizenship. As neither schools nor families reliably transfer these essential competencies, a new challenge for opening up lifelong learning opportunities for all is clear.

*Preserving family solidarity while promoting gender equality and protecting the individual rights and benefits of family members and the rights of the child:* The changing nature of the family and the implications of this for the provision of support and care are of major concern in a number of Member States. Nearly all Member States continue to face the challenge of higher levels of poverty and social exclusion for lone parent and larger families. The importance of maintaining equity during times of economic difficulty is also highlighted, as these groups are even more at risk. There is also a high recognition that if poverty and social exclusion are to be reduced in the long-term then the cycle of child poverty needs to be broken. All the Plans acknowledge the importance for families of managing the balance between work and family life and in this regard more attention is given to the need to ensure that low income groups benefit from efforts to reconcile work and family life. The challenge of supporting particularly vulnerable families and especially of addressing domestic violence is frequently highlighted.

*Ensuring good accommodation for all:* The challenge of developing integrated strategies that will prevent and reduce homelessness is one that seems to be increasingly shared by Member States. In addition economic change is leading to new pressures on housing and some Member States face the challenging of providing an increase in affordable housing in some cities in order to tackle increasing waiting lists and overcrowding. There is a particular challenge to recognise that the market on its own is not meeting all housing needs and that some groups such as those with disabilities and immigrants face particular difficulties.

*Guaranteeing equal access to quality services (health, transport, social, care, cultural, recreational and legal):* Ensuring the provision of quality services which are adequate, accessible and affordable for all citizens is still a major challenge for some Member States. In particular the challenge of increasing access to health services and care services especially for the elderly and the mentally ill or suffering as well as the importance of access to transport are given a new prominence in many NAPs. The need for greater recognition to be given to access to culture as both a core dimension of social inclusion and as a means of helping people to overcome social exclusion is evident.

*Improving delivery of services:* The challenge of providing services in a flexible way which responds to local and individual needs and which takes on board the particular needs of excluded groups and communities is a common one. For some Member States the challenge is to maintain good services at a time of economic slow down while for others the challenge is to continue to invest in the development and the quality of services when resources are tight. A growing challenge is to guarantee to low income families equal access to core services such as electricity, water and transport in a context when there is an increasing liberalisation of these basic services. A common challenge is to ensure a better access to and a much closer co-ordination and sharing of information between different services and between the different levels of governance thus facilitating multipurpose initial reception and better-integrated support. With an increasing emphasis in some Member States on targeting or tailoring services for persons at risk it will be important to avoid people experiencing continued exclusion from the mainstream, for instance in separate education and training “measures”, by ensuring that all public services mainstream social inclusion in their own concept, management and procedures thus demonstrating their corporate social responsibility.

*Regenerating areas of multiple deprivation:* Developing local partnerships between all relevant actors and developing integrated economic, social and employment responses to tackle the problem of multiple deprivation in some communities is a widely shared challenge. Within this increased attention is also given to the task of rebuilding social capital and mobilising local people themselves through community development and "learning cities and regions" or "social city" approaches which help to empower people to change their lives. In the process of regeneration a particular challenge is to tackle crime and to reduce drug abuse. However, it is striking that, while the issue of urban areas of multiple deprivation is well covered, only a few Member States address the problems of poverty and social exclusion in rural areas. Those that do emphasise the need for more emphasis to be given to multi-dimensional and integrated approaches that will address the interconnected range of problems such as out-migration resulting in depopulation and ageing populations, diminishing economic base with limited employment opportunities, small unviable farms, low income and dependence on social welfare and non availability or withdrawal of key services. This is an area that will merit more attention in the future development of the social inclusion process.

## **6 Key Priorities**

It is clear from the preceding analysis that an effective strategy to significantly reduce poverty and social exclusion needs a multi-dimensional and long-term approach tackling

in particular the 8 core challenges identified above. However, in the context of the continuing uncertain global economic and political climate, Member States are urged to give particular attention over the course of the next two to three years to the 6 key priorities outlined below. These priorities are especially important if the momentum towards the Lisbon goal of achieving a decisive impact on the eradication of poverty and social exclusion by 2010 is to be maintained and if those most at risk are not to suffer disproportionately the impact of the slowdown in economic growth or the controls of the budgetary deficits.

1. Promoting investment in and tailoring of active labour market measures to meet the needs of those who have the most difficulty in entering the labour market and a better linkage between social protection, lifelong learning and labour market policies so that they are mutually reinforcing.
2. Ensuring that **social protection systems**, including minimum income schemes, are adequate for all to have a sufficient income to live life with dignity and that they provide effective work incentives for those who can work.
3. Increasing the **access of the most vulnerable** and those most at risk of social exclusion to decent housing conditions, to quality health and long term care services and to special and regular mainstream lifelong learning opportunities, including to cultural activities.
4. A concerted effort to prevent early leaving from **schools and other areas of formal education and training** and to tackle the continuing problem of the transition from school to work in particular of young people leaving school with low qualifications.
5. A focus on eliminating poverty and social exclusion among **children** as a key step to combat the intergenerational inheritance of poverty with a particular focus on early intervention and early education initiatives which identify and support children and poor families.
6. A concerted drive to reduce the levels of poverty and social exclusion and to increase the labour market participation of **immigrants and ethnic minorities** to the same levels as the majority population.

In pursuing these key priorities it will be important for Member States to develop integrated and co-ordinated strategies at local and regional levels and especially in communities facing multiple disadvantages. Such strategies should adapt policies to the local situation, facilitate the mobilisation and involvement of all actors and ensure more accessible and quality services for poor and socially excluded citizens. It will also be essential to ensure that gender is mainstreamed all through these priorities with a view to promoting gender equality.

### 3. STRATEGIC APPROACHES ADOPTED IN THE NAPs/INCLUSION (INCLUDING TARGETS)

The fundamental reason for Member States to develop National Action Plans is to enable them to review and further strengthen their policies and programs with a view to moving them on to a new level of effectiveness. Member States approach this task from very different starting points both in terms of the level of poverty and social exclusion, in terms of their very different welfare traditions and in the light of different structures of governance. Member States also differ significantly in the extent to which they already focus on access to rights, including social rights, as a core principle underpinning their approach to the development of policies and programmes. All these factors influence how they approach the task of preparing a National Action Plan. Indeed there is a noticeable trend in several of the 2003 NAPs/inclusion for Member States to adapt the framework drawn up on the basis of the Common Objectives and to prepare a plan that fits more closely with their own national policy making tradition. To some extent this "nationalisation" of the plans can be seen as a positive step towards mainstreaming the preparation of plans into national policy making processes. However, it runs the risk of some important dimensions of poverty and social exclusion identified in the Common Objectives being neglected.

Whatever the starting point adopted by Member States, it is clear that developing effective strategic plans for tackling poverty and social exclusion in the context of the common objectives agreed by all Member States require three critical dimensions:

- first, plans need to be comprehensive and multidimensional - that is they should reflect all the different policy domains (economic, employment, social and cultural) that affect people's lives and they should ensure that actions and policies across these different areas are, as far as possible, integrated and are thus mutually reinforcing;
- secondly, plans need to be coherent and logically planned thus moving from an in depth analysis of the situation, to setting clear objectives and priorities and then proposing specific actions to meet those objectives;
- thirdly, they must set clear targets that need to be achieved if significant progress is to be made towards the overall goal of eradicating poverty.

The NAPs and not the systems in each Member State are assessed below in relation to each of these three areas.

#### **Multidimensional Approach**

National Plans mostly highlight the multidimensional nature of poverty and social exclusion. However, the extent to which they go on to address the broad range of policy domains outlined in the common objectives in an integrated and comprehensive manner varies significantly.

Some countries made a real start in the development of a multidimensional approach to combating poverty and social exclusion. **Belgium**, for example, develops a quite genuine

multidimensional approach to social inclusion, while attempting to adopt measures on specific areas (justice, culture, education and training, sports and leisure, family policy) and to tackle the problems of the most vulnerable (homeless, children in care, victims of human trafficking, illiterate persons). The **French** Plan is also quite comprehensive, and covers a broad range of actions in the different policy areas affecting social inclusion. However, an interaction and integration of these actions it is less evident. The **Irish** Plan also presents a well-balanced and broad-ranging strategic approach. While it sees employment as the major route out of poverty, it recognises that not everyone can use the labour market as a way out of poverty. Therefore, a number of targets are set in relation to the provision of adequate income support structures and special programmes are targeted at specific groups who have particular difficulties (people with disabilities, Travellers, ex-prisoners, homeless, migrants and ethnic minorities). The **United Kingdom** strategy to tackle problems of poverty and social exclusion is broad and comprehensive. It is based on the improvement of employment opportunities and on a longer-term investment in public services with a view to enhancing the quality of these services. A key objective is the eradication of child poverty. **Portugal** adopted a systemic strategy, guided by implementation principles, and through transversal strategic intervention areas, and based on a quite strong analysis of the main trends in poverty and social exclusion. An overall aim is the recovering of the gap which separates Portugal from the other European countries in the space of a generation. **Greece** considers social protection as a building block of the overall development path. It combines general policies, especially in the area of economic growth and structural change, aimed at sustaining the pace of increase in social spending while at the same time developing specific policies to address problems of poverty and social exclusion.

In other countries, multidimensionality of poverty and social exclusion and targeting are combined in a strategy which seeks an effective inclusion policy through setting limited and appropriate political objectives. While many measures are planned to continue and reinforce a universal social welfare system, there are measures on specific areas and attempts to tackle the problems of the most vulnerable people. In this respect, the revised common objectives and the Common Outline for preparing the NAPs seem to have contributed to a thorough reflection on priority groups such as the homeless, people with disabilities, migrants and ethnic minorities, children in care, illiterate persons. The **German** Plan builds on the multidimensional approach adopted in the first report on poverty in 2001. It sets its objectives in the context of its political target to achieve a more active participation of all citizens in social life through lifelong learning and employment policy, better work-life balance, as well as appropriate social protection services. **Luxembourg** sets 5 spheres of activity, arising from the 4 Nice objectives and representing the overall goals of its strategic framework: activation and participation in employment; conciliation between family life and professional life; access to housing; reinforcement of the mechanism to fight social inclusion of young people under 25; access of vulnerable people to resources, rights and services. The **Finnish** plan responds to the common objectives with a number of concrete measures, aiming in particular at improving the universal system. Targeted special actions are, at the same time, being reinforced. **Sweden** is following a mainstreaming approach combining the overall aim of including the total population in a universal social welfare policy system and health

services (and to avoid targeted systems) with a stronger awareness of the need to ensure that the most vulnerable groups are fully integrated into the regular system.

Some other countries, whether or not they have universal social welfare systems, adopt a more individualised approach directed towards those most at risk, or justified on the basis of an analysis of their specific situation and the challenges to be faced. **Denmark** has adapted its first plan's main objective of the creation of a more inclusive labour market, through a more specific focus on the most disadvantaged groups (drug abusers, families with alcohol abuse, the mentally ill, the homeless and prostitutes). Social policies in **Spain** continue to be highly structured around specific groups. This has allowed the beneficiaries to be highly involved in the planning and implementation stages, but makes the introduction of a more integrated approach difficult. **Italy** bases its strategic approach following closely the White Paper on Welfare, which identified two basic issues: the demographic situation (effects of low fertility rate combined with a high rate of ageing population) and the role of the family as a pillar of the Italian social model. **Netherlands** sets a sharper demarcation of poverty and social inclusion issues and puts a stronger focus on the most vulnerable people, for the identification of whom, an innovative risk model has been developed. The **Austrian** Plan sees the risk of social exclusion and poverty as being particularly concentrated on a number of specific groups characterised by one or more risk features.

Despite clear progress, there is still a lack of a comprehensive and strategic approach in a number of important areas, notably access to lifelong learning opportunities, access to culture, access to transport and eInclusion. Indeed in many cases significant and important work that is often happening on the ground is not well reflected. The potential that a focus on access to social rights and their interdependence can bring to ensuring a multi-dimensional approach is evident in some plans such as those of Belgium and France. However, this remains an area for further development. In this regard the recent work by the Council of Europe on how to strengthen access to social rights is helpful.

### **Coherent and Planned Approach**

In assessing the extent to which Member States have in their Plans framed their policy measures in a coherent and planned approach, three criteria have been applied: first, the quality of analysis and the diagnosis of key risks and challenges to be addressed by the Plans; secondly, the extent to which the Plans have taken into account this analysis and their past experience in setting clear and detailed priorities and goals; and, thirdly, the extent to which specific policy measures and actions are detailed which link with the preceding analysis and setting of objectives.

Overall, the 2003 plans tend to be more coherent than the first round of plans. They contain more extensive analyses and a more in-depth identification of those who are at greatest risk and reflect wider consultation in their preparation. Many have clearer objectives, more focussed priorities and more specific targets which provide the basis for introducing concrete new actions. More plans link better to national policy making. However, some plans still remain more reports than action plans. While documenting well the situation and describing existing programmes and local or nation wide actions

they tend to lack ambition and lack clear and precise details of what actions will be undertaken to further enhance the effectiveness of national policies.

A number of NAPs set out clear and coherent plans, consisting of good analysis, the development of strategic objectives and priority goals which follow logically from the analysis and the formulation of policy measures to achieve these. The Netherlands NAP is a striking example, with planned policy measures and actions closely linked to achieving the goals. The coherence of the plan is facilitated by its relatively narrow focus. Sweden, Denmark and Finland also achieve a coherent approach within focused plans, as, to some extent, also do Austria and Germany. Ireland takes a broader approach covering more fully the range of common objectives, but also manages to achieve a coherent approach where the actions described link well to the analysis and objectives as, to some extent, do Luxembourg and the UK. In certain plans, there is an interesting and detailed analysis followed by a broad range of policy actions, but the connecting link between the two dimensions – strategic objectives and goals – is less evident in the NAPs of France, Belgium, Italy and Portugal. There is good analysis and priorities and goals have been clearly set in the case of Greece and Spain, but policy measures to achieve these goals are less developed.

In addition to the above-mentioned criteria, it is also necessary to consider a further dimension reflecting the extent to which responsibilities in the fight against social exclusion are distributed between the central, regional and local authorities. Given the increasing tendency towards a decentralisation of competence for some social policies to the sub-national level, the issue of the balance to be struck between the different levels of authority arises widely in the NAPs. In several of the countries with devolved structures (Belgium, Germany, Spain, Italy, France, United Kingdom) considerable emphasis is put on developing integrated strategies in this regard. However, co-ordination of inclusion policy with a view to create a strategic approach is often difficult between the different levels.

### **Setting Targets**

The conclusions of the Barcelona European Council invited Member States "to set targets, in their NAPs, for significantly reducing the number of people at risk of poverty and social exclusion by 2010". This was subsequently included in the revision of the Common Objectives that was agreed by Member States in December 2002. This invitation was elaborated on in the Common Outline that was agreed for the 2003/2005 NAPs/inclusion by the Commission and Member States. This stated that: "Quantified targets should be set for reducing the number of people at risk of poverty and social exclusion. These should draw as appropriate on the commonly agreed indicators but also take into account other issues identified in the report on indicators such as deprivation, housing and homelessness and literacy and numeracy. When necessary they should also draw on national data which better reflects those aspects of poverty and social exclusion that are a priority for a Member State. Targets should be disaggregated by sex whenever data is available and this is relevant." An Appendix was also included giving suggestions on approaches to setting targets.



There are many non-quantified and broad targets set throughout the NAPs. However, only a few Member States have set ambitious, achievable and time specific quantified targets for the reduction of the number of people at risk of poverty and social exclusion across a range of relevant policy domains. A more common approach has been to set either intermediate outcome targets that are indirectly linked to the reduction of poverty and social exclusion or to set input targets related to policy effort (see table below).

**Table 1. Use of Quantified Targets in the NAPs/inclusion**

Country	Direct Outcome Targets <sup>1</sup>		Intermediate Outcome Targets <sup>2</sup>	Input Targets <sup>3</sup>
	Laeken	Non Laeken		
Belgium				
Denmark			*	
Germany			*	
Greece	*		*	
Spain	*			
France		*	*	*
Ireland	*	*	*	*
Italy			*	
Luxembourg			*	*
Netherlands		*	*	*
Austria		*	*	*
Portugal	*	*	*	*
Sweden			*	
Finland			*	*
United Kingdom	*	*	*	*

1. Direct Outcome Targets are those targets that directly indicate a reduction in poverty and social exclusion in a key policy domain (i.e. unemployment, low income, poor housing/homelessness, educational disadvantage, poor health). They are subdivided into targets based directly on Laeken indicators and targets based on other national measurements.
2. Intermediate Outcome Targets are those outcome targets which may indirectly contribute to a reduction in poverty and social exclusion (e.g. reduction in number of people depending on assistance payments; general increase in employment levels; reduction in level of sick leave)
3. Input Targets are those targets which aim at an increase in policy effort (e.g. increasing the number of homeless assisted; ensuring that all immigrants can participate in an integration programme)

The setting of clear *overall* targets for the reduction of people at risk of poverty and social exclusion is most developed in the NAPs of Greece, Spain, Ireland and Portugal. Greece, Spain and Portugal base this on the Laeken indicator of 60% of median income. Greece sets a series of targets, most of which are quantified, which are to be achieved by 2010 and includes specific targets for the elderly and children as well as the overall target but does not set targets for the timespan of the plan. Spain sets just one target of reducing

the at-risk-of-poverty level by 2% over the course of the 2003/2005 plan. Portugal aims to reduce the risk of poverty by 2% in 2005.

Ireland sets an overall target of reducing the numbers who are consistently poor (measured by a combination of income and deprivation indicators) below 2% and if possible to eliminate consistent poverty.

The UK sets a quantified target of reducing the number of children living in low-income households by a quarter by 2004-05. This is a contribution to the broader target, to be fully quantified when a long-term measure of child poverty has been settled, of halving child poverty by 2010 and eradicating it by 2020.

The Member States which most consistently and systematically set quantified targets derived from the priorities and objectives they set in their plans are Ireland, France, Netherlands, Portugal, Sweden and the UK. Ireland and the UK comprehensively set targets across a wide range of policy domains covered by the Common Objectives. The UK sets a very extensive range of targets (100) covering key areas identified in the common objectives. These are spread across the four devolved administrations, but some targets only cover one of them. They are mainly aimed at measuring specific outputs and outcomes such as rising standards in lifelong learning, improving health and cutting crime. France sets targets across a range of policy areas but these tend to focus more on input or performance targets (e.g. number/percentage of people to be covered by different policies) rather than on actual outcomes in terms of social exclusion, though a specific output target for the reduction 10 000 in the number of young people leaving the education system without a diploma or qualification is included. The Netherlands adopts a more focussed approach and its targets (a combination of outcome and performance) relate very coherently to the priorities in their plan but do not touch on many important aspects of social exclusion. Sweden likewise focuses quite ambitious targets on a few key areas such as achieving an employment rate of 80% or halving dependence on social assistance between 1999 and 2004 or halving the number of sick days by 2008. All of these can potentially make a very important contribution to reducing poverty and social exclusion. However, none are direct measurements of the reduction of poverty and social exclusion. Also, while setting ten national targets in areas crucial to social inclusion apart from the overall targets mentioned earlier, most are not yet quantified.

A number of Member States are less systematic in setting quantitative targets across the full range of the common objectives. In general targets are more common in the area of employment/unemployment and this may reflect targets already set in the employment process. Thus intermediate targets towards the Lisbon objectives for employment are the only targets that are quantified in the Italian NAP. Finland includes in its NAP quantified targets for a few sectors, which would contribute to reducing poverty and social exclusion. For instance it aims to raise the employment rate to 75% towards the end of the decade and to increase the average effective retirement age by at least 2-3 years by 2010. It also includes an input target on social housing production. Germany's targets are partially taken from other contexts but without relating them to the issue of poverty and exclusion and they are rarely quantified or specified. Germany adopts intermediate output targets in a range of policy areas, which may have an important impact on poverty and

social exclusion. In some cases quantified and specified targets, such as cutting the number of youth not having obtained vocational qualifications by half by 2010, have been developed. In spite of setting an overall target for reducing numbers at risk of poverty, Spain does not set targets in key areas such as health, housing and lifelong learning.

Belgium does not include quantified targets in its NAP but intends to subsequently produce an annex with quantified targets.

Few Member States take the gender dimension into account when developing quantitative targets. Thus examples of engendered targets are rare. Among its targets Ireland emphasises the Lisbon target of increasing the employment participation of women to an average of more than 60% in 2010. Sweden specifies reducing the number of women and men, irrespective of ethnic background, whose income is under 60% of the median income but does not specific targets. The UK aims to achieve a 20% reduction in the rate of unplanned children of teenage mothers and a reduction of 40% in the rate of births to teenage mothers under 17 by 2007.

Poverty and social exclusion of disadvantaged people take complex and multidimensional forms and require the mobilisation of a wide range of policies in an integrated approach at the local level. Such an approach has certainly been adopted by most Member States in addressing the problems of disadvantaged areas. However, for other areas, the importance of linking and integrating policies in a consistent way, from the identification of the key risks and challenges to the establishment of clear priorities through the assessment of the effectiveness of existing responses and the setting of targets, is not yet evident in the NAPs.

#### 4. KEY POLICY APPROACHES FOR OBJECTIVE 1.1. 'PROMOTING EMPLOYMENT'

In the context of the European employment strategy, and the implementation of the guidelines in particular:

(a) To promote **access to stable and quality employment** for all women and men who are capable of working, in particular:

– By putting in place, for those in the most vulnerable groups in society, **pathways towards employment** and by mobilising **training policies** to that end;

– By developing policies to promote **the reconciliation of work and family life**, including the issue of child- and dependent care;

– By using the opportunities for integration and employment provided by **the social economy**.

(b) To prevent the exclusion of people from the world of work by **improving employability**, through human resource management, organisation of work and life-long learning.

All Member States emphasise the key role of participation in employment in fostering social inclusion, as it is a crucial means of both ensuring an adequate income (both in the present and when retired) and facilitating social participation.

### **The link between the Naps on inclusion and the Naps on employment**

The NAP inclusion must be closely co-ordinated with the NAP employment and both plans should be read together to get a fuller picture of the measures being taken to combat social exclusion through participation in the labour market. The NAPs employment provide the framework for the formulation of specific policies for the integration of disadvantaged groups in the labour market, as they cover the whole range of policy actions aimed at increasing employment levels towards the Lisbon targets, improving the functioning of labour markets and enhancing employability. These are all essential conditions for making the labour market more open and inclusive. The NAPs inclusion place a focus on actions that facilitate participation in employment for those individuals, groups and communities who are most distant from the labour market. In many cases there exists a strong and natural overlap between the two plans, even if they are part of two different exercises. However, only few NAPs present additional elements on strategies to prevent and tackle social exclusion on the labour market.

The Employment strategy itself is increasingly concerned with the objective of an inclusive labour market. In 1999, a separate guideline concerning the integration of disadvantaged groups and individuals in the labour market was introduced in the European Employment Strategy. Recently, in June 2003, a new European Employment Strategy was introduced, built around three objectives: full employment, the promotion of quality and productivity at work, and strengthening social cohesion and inclusion. The latter overarching objective calls for participation in employment through promoting access to quality employment for all women and men capable of working, combating discrimination on the labour market and preventing the exclusion of people from the world of work. Attention is also given to reducing regional employment and unemployment disparities and employment problems in deprived areas in the European Union and positively supporting economic and social restructuring.

The new strategy translates the overarching objectives into ten guidelines, many of which support the aim of an inclusive labour market. One specific guideline promotes the integration of and combating the discrimination against people at a disadvantage in the labour market and includes targets such as achieving a significant reduction in the unemployment gap between non-EU and EU nationals and for other groups according to national definitions. Specific reference to the reduction of the number of working poor is made in the context of the guideline on making work pay. Also other specific guidelines such as life long learning, increasing labour supply and promoting active ageing and transforming undeclared work into regular employment contribute to promoting an inclusive labour market. The implementation of the guidelines and in particular the way member States promote inclusive labour market will be reported in more detail in the Joint Employment Report 2003/2004, based on the national action plans on employment.

### **Promoting participation in employment: priorities, overall measures and the institutional framework.**

Several Member States stress the importance of the macroeconomic climate to generate high rates of growth and employment, and a well-functioning labour market. Some Member States underline that an essential condition to achieve these objectives, as well as an inclusive labour market, is a better co-ordination of economic, fiscal, employment and social policies.

Three aspects in the new NAPs are particularly noteworthy and represent an improvement compared to the first NAPs. The first is the increased recognition that the unemployed, particularly the long-term unemployed, are not a homogenous group and that the barriers to their access to the labour market vary significantly from person to person. Secondly, there is more emphasis on the very vulnerable situation of jobless households but also the greater poverty risk for households with a sole earner. Thirdly, vulnerability of some specific groups is repeatedly stressed: disabled people, immigrants and ethnic minorities, older workers whose skills are at risk of obsolescence, youth with a low level of educational attainment. Furthermore, women are recognised as a distinct group whose participation in the labour market can only be increased with a combination of services and care support.

While all Member States place great emphasis on the need to promote an inclusive labour market, there are differences in priorities of action. Some countries concentrate on the reduction of unemployment, particularly long term unemployment, and the barriers faced by the most vulnerable groups, whereas others emphasise the need to increase labour participation in general and of specific groups in particular – namely youth, women, in particular lone parents, and the elderly. In the latter case, the effective integration into the labour market of those at a disadvantage is seen as having the multiple purpose of delivering increased social inclusion, raising overall employment rates and improving sustainability of social protection systems.

For example, developing policies to improve the labour market situation of *older workers* is important for a number of perspectives, the most important of which is that unless the participation rate of older workers is increased, population ageing will strongly affect the availability of labour resources, economic growth and the sustainability of social protection systems. But promoting active ageing could also help alleviate the social effects of ageing populations. Several Member States (Austria, Denmark, Greece, Ireland, Luxembourg, and the Netherlands) consider *active ageing* by means of improving the working conditions for older workers, reducing early retirement schemes or stimulating demand on the part of employers as well as labour supply.

*Delivery:* Member States continue to devote particular attention to delivery mechanisms as a means of developing more effective labour market programmes. The trend towards greater decentralisation that was already noted in the first Joint Inclusion Report continues. Regions, the local actors and the municipalities are more and more involved and increased emphasis is given on local conditions for the conception of employment policy measures related to poverty. The public employment service is being decentralised

and/or given greater autonomy vis-à-vis the central government, often with a strong involvement of the social partners, NGOs, the social services and other local actors.

In the Netherlands, functional integration is occurring at the level of municipalities, which are made financially responsible for both social benefit payments and reintegration measures. In Italy, the decentralisation of labour market policies and of the PES is part of a wider political design, but the search for greater effectiveness of labour market policies is also an important consideration. Yet, in the absence of a strong co-ordination of policies and measures, and adequate allocation of financial resources as well as of effective strategies for sharing information (e.g., using common reporting and monitoring standards) there is the risk that imbalances between regions affected by different or even dynamics might even increase.

#### **THE NETHERLANDS: EXPERIMENTS IN SOCIAL ACTIVATION (1996-2001)**

During 1996-2001, the Ministry of Social Affairs and Employment authorised (on request) the municipalities to deviate from a number of provisions of the National Assistance Act (ABW) in order to develop new activation instruments to prevent social exclusion of benefit recipients who are greatly distanced from the labour market and promote their reintegration into the labour market.

The experiments were followed closely by means of a longitudinal evaluation study. A supporting project was set up by the Ministry of Social Affairs and Employment to follow and disseminate the results, whilst supporting the municipalities. Evaluation studies show that the experiments have contributed to a reduction in social isolation, a strengthening of the labour market position and a more active attitude among the participants. The experiments have provided the incentive for developing long-lasting social activation strategies, which are continued even beyond the experimental period.

The success factors in the experiments were that the policy received widespread support among the municipalities and that they converged with the development of policy strategies aimed at strengthening social cohesion within cities and neighbourhoods. In carrying out the experiments, the municipalities co-operated with other municipal departments as well as several other related bodies and sometimes even client organisations.

It is notable that the experiments were carried out without extra subsidies. Social activation experiments are now being implemented for other groups of benefit recipients, particularly those on disability benefit schemes. Steps have also been taken to strengthen the policy.

*The regulatory framework:* A comprehensive policy framework to enhance the openness and responsiveness of the labour market to excluded people has to pay attention to the regulatory framework in which labour markets operate as well as labour market arrangements and institutions. Measures in this area include the introduction of social clauses/chapters in collective agreements or the establishment of quotas for the employment of persons with reduced capacity to work (e.g., Germany). General legislative provisions promoting equal opportunities in favour of excluded groups, namely migrants (see Chapter 5), also facilitate their access to the labour market. Finally, extending social protection coverage to workers on atypical contracts is also seen as a means of achieving a more inclusive labour market. In Austria, coverage of severance

pay has been extended to atypical contracts. Moreover, in Spain, policy efforts are directed at converting fixed-term contracts into open-ended ones.

Most Member States refer to the *active involvement of employers* in the creation of a more open and inclusive labour market. Besides the more traditional instrument of employment subsidies to employers, this is done in various ways, mainly employment campaigns in favour of specific target groups, particularly disabled people and migrants; measures to stimulate social corporate responsibility (Austria, Belgium, Italy and Spain), and general actions focused on combating discrimination. As many as six Member States, however, do not refer to these types of involvement of employers in the social inclusion process in their strategy.

In line with the 9<sup>th</sup> guideline of the European Employment Strategy, Greece and Italy also put priority on the *transformation of undeclared work into regular employment*. Curbing the extent of employment in the black economy is seen to lead to an increase in social rights and help prevent disincentives and distortions in the labour market; it also would limit non-wage labour costs for the whole labour force. In order to improve the transformation of undeclared work into regular work, Greece counts on the computerisation of the Social Insurance Institute, on the legalisation of immigrants and the upgrading of the Labour Inspection Services.

Another important headway in comparison with the first NAP is that for a number of Member States, *monitoring* or even *evaluation* of policy measures is being carried out or announced. Still, more attention needs to be paid to this aspect.

### **Promoting access to stable and quality employment: pathways towards employment**

A variety of approaches are adopted by Member States to tackle barriers to access to employment – let alone quality and stable employment – faced by vulnerable groups.

As observed for several years, many Member States offer personalised guidance to the unemployed or job seekers, which means that an individually-tailored combination of measures is used to create pathways towards employment. More and more countries rely on such packages, where labour market interventions are often integrated with measures in other related areas, such as social services, health care and rehabilitation, language learning courses, etc. This approach calls for close and effective co-ordination of various bodies, at both the central and local level. Some examples:

- In Finland, a pilot project was launched in 2002 to promote the employment of the long-term unemployed. The objective is to formulate packages of employment services, labour market policies, municipal social welfare and health care services and social insurance institution rehabilitation services. Based on the outcomes of this experiment, a reform of the public employment service is planned for 2004 to create a network of workforce development centres, which will involve the employment office, the local authority, the social insurance institute and other service providers.
- The Netherlands offer a ‘reintegration ladder’ to people greatly distanced from the labour market. It begins with social activation measures and ends with regular work.

Each step on the ladder demands higher skill requirements. Individual goals for the client are adapted over time. Those with multiple problems (for example a combination of long-term unemployment, problematic debts and psychosocial problems) can access an integrated offer of various services.

- In Luxembourg, the guaranteed minimum income scheme provides for activation measures defined together with clients within comprehensive integration contracts based on individual skill profiles.

Although the most important aim is to facilitate integration into the "primary" labour market, this is very difficult for certain groups with very serious difficulties. To these people, various forms of sheltered work are offered. These forms of work tend to offer only a narrow range of work skills which are not easily transferable. Therefore, they may not help to make the "primary" labour market more accessible. Consequently, sheltered jobs must be carefully targeted at persons whose work capacity is very limited on a permanent basis, and for whom it would be very difficult to attain the productivity norm required in the competitive sector.

Several member states intend to further **exploit the job creation potential of the social economy**, which in many countries (Austria, Germany) already represents a high share of national GDP. In Belgium, this is done through a system of co-financing by the Federal government. In Sweden, financial support is given to centres providing information and advice to encourage people to start co-operative enterprises and to promote the development of entrepreneurship in the social economy. Obviously, the social economy must be seen not only as a vehicle of job creation, but also as fulfilling needs for social services and assistance that are unmet by the market economy.

Finally, inactivity and poverty traps created by the tax-benefit system are recognised in virtually all NAPs as a potentially important barrier to employment. Member States have therefore put in place various **activation measures**, with a view to eliminating disincentives to employment or training by implementing minimum labour incomes, increasing low wages or tax reforms. Indeed, activation is a consolidated key goal of labour market and social policy in many Member States, namely Ireland, Luxembourg, the Netherlands, Sweden and the United Kingdom, where it is combined with job search assistance and skill formation. Other countries – Greece and Italy – have only recently been shifting towards a welfare-to-work approach. More details about Make Work Pay policies are given in the next chapter, concerning the promotion access to resources, rights, goods and services.

### **The vulnerable groups**

Many NAPs place stronger emphasis on the vulnerable groups than it was done in the first round of NAPs. Groups that are frequently indicated are immigrants, ethnic minorities and refugees, people with disabilities, the long-term unemployed, disadvantaged youth, older people, the low skilled and social assistance recipients. There are also a large variety of groups such as drugs and alcohol misusers, (ex-) prisoners, people living in disadvantaged areas, lone parents, social benefit recipients... that are



mentioned by one or two Member States. Measures for these groups are often co-financed through EQUAL and ESF funds.

For the identification of the most vulnerable groups or individuals, the Netherlands have put in place an innovative risk model that links characteristics of poverty and social exclusion to risk factors such as income situation, position on the labour market, health and living conditions. This risk model enables a better identification of risk accumulation and of generation-to-generation poverty. In Spain, the establishment of a system of indicators for profiling individuals at risk of exclusion in employment, so as to facilitate the shift towards a preventive approach, has been set as an objective. In Luxembourg, assessment centres have been set up to this purpose.

#### LUXEMBOURG – ASSESSMENT CENTRES

Recipients of the minimum guaranteed income (RMG) who are capable of working receive an insertion allowance equivalent to the minimum social wage if they participate in an activation measure and if they are registered as jobseekers.

"Assessment centres" were created with the purpose to establish for each of these recipients an assessment of their capacities and the obstacles they face to insertion. On the basis of this assessment, individualised insertion plans are drawn up aimed at restoring, improving or maintaining their "employability". Participants are thus directed towards the reintegration measures that are considered most suited to them (training periods within firms, social utility jobs, vocational training, and therapy).

Participants to this measure are being followed up every 3, 6 and 12 months from the start of the assessment. Results are very promising, as more than 90% of the measures proposed are still being followed after 3 or 6 months.

Participants appear to have benefited from this measure in various ways: strengthening of the social competencies, improvement of the presentation and of the approach to the labour market and the job search, enhancing of their professional skills.

*Ethnic minorities and migrants:* Many Member States pay attention to policies for the integration of ethnic minorities, refugees and migrants. In the Netherlands, a specific quantified target relates to the employment rate of these groups. While paying attention to the particular needs and disadvantages of these groups, many countries also emphasise their "obligations" or responsibility in the labour market. In Denmark, for example, a wide range of initiatives and activities are started by authorities spanning the labour market and the social, housing and educational sectors, but these are combined with the stick of a lower out-of-work social assistance benefit, so as to strengthen incentives to take up work.

*Disabled people:* All Member States are developing a wide range of actions and instruments to improve the employment situation of disabled people. Merely looking after the financial needs of disabled people through cash benefits is insufficient; as it would still leave many excluded from the labour market and often from society more generally. In addition to vocational rehabilitation and training measures, various types of employment assistance schemes are offered to the persons with disabilities: employment

subsidies, sheltered jobs and continued assistance with disability aids and related costs once a person makes the transition from benefits to paid employment.

### **Reconciliation of family and work life**

In order to raise employment rates, especially among women, all member States highlight the importance of making it possible to combine working – or studying – with parenting. However, availability and use of childcare facilities should not be seen only as a means to help reconciliation, but also as an important means of fostering early learning opportunities for all children, in particular for children from more disadvantaged backgrounds. Member States generally fail to highlight this issue.

Various approaches can be identified, namely the extension of child care facilities, the provision of financial support for families with young children, the creation of a family-friendly working environment, the increase in flexible or part-time working patterns, reviewing the parental leave and maternity schemes and, finally, raising awareness of employers about the importance of creating a family-friendly working environment.

While early childhood care and education services are extending, there is a remaining care gap for the 10 – 18 year old children, as youth services have less and less staff and locations and tend not to cover these age groups with reliable services on each working day. Only the Nordic comprehensive approach to school welfare systems, notably Finland, is comprehensive enough to take all care gaps into account.

### **Improving employability**

All the NAPs recognise the importance of skills as a necessary condition for entering the labour market. Training measures for specific target groups such as disabled people, migrants, older people, disadvantaged youth, are therefore developed in all Member States. Additionally, some Member States (France, Belgium, Luxembourg and Portugal) promote the valorisation of informally obtained competencies. This approach is of particular interest of low-skilled workers or migrants and non-EU nationals who have acquired experience in their home country.

The promotion of lifelong learning also goes through organisational reforms and institutional changes. In Greece, a new subsidiary of the PES was created to take up the vocational training responsibilities. Furthermore, a new corporation (Employment Observatory) was established with the main purpose to identify existing needs in the labour market and evaluate active employment policies.

From this the importance of effective adult education systems in developing employment related training is becoming increasingly clear. The development of such systems needs to be based on a thorough needs analysis and the formulation of a coherent policy directed at specific target groups. This means, for instance, that initiatives should provide national certification pathways, offering a variety of modes of assessment, including credits and accreditation of prior learning. An effective adult education provision involves the key stakeholders and pays specific attention to outreach activities and guidance, counselling and support at all stages of the process. The use of "learning

mediators", liaising between the target group and the provider can be particularly important in ensuring the participation of minority groups. Removing financial disincentives to participation in adult education can also be important.

While the improvement of employability is seen as an essential means for the access to the labour market, there is less emphasis on policies to maintain and improve employability throughout working lives as a way to stay in jobs and move up the job ladder.

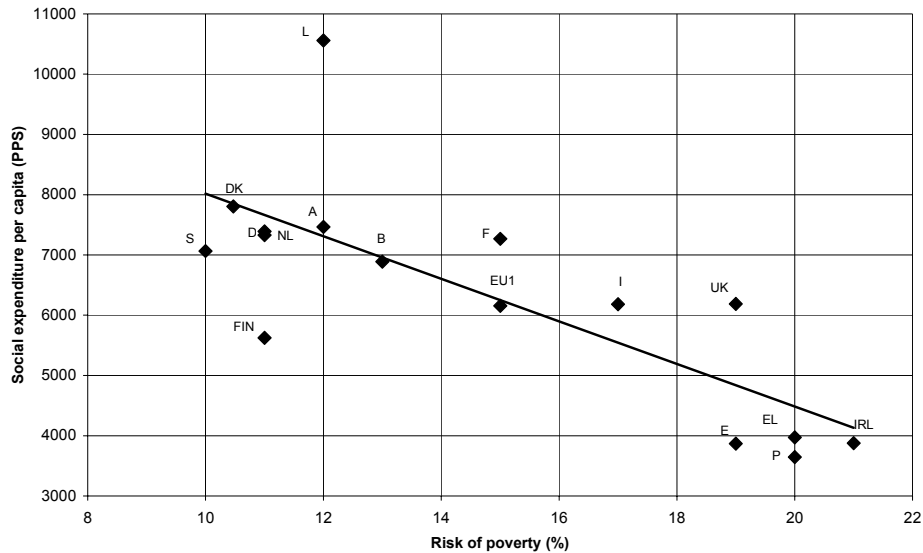
## 5. KEY POLICY APPROACHES FOR OBJECTIVE 1.2. 'PROMOTING ACCESS TO RESOURCES, RIGHTS, GOODS AND SERVICES'

- (a) To organise **social protection systems** in such a way that they help, in particular, to:
- Guarantee that everyone has the resources necessary to live in accordance with human dignity;
  - Overcome obstacles to employment by ensuring that the take-up of employment results in increased income and by promoting employability;
- (b) To implement policies which aim to provide access for all to **decent and sanitary housing**, as well as the basic services necessary to live normally having regard to local circumstances (electricity, water, heating, etc.).
- (c) To put in place policies which aim to provide access for all to **healthcare** appropriate to their situation, including situations of dependency.
- (d) To develop, for the benefit of people at risk of exclusion, services and accompanying measures which will allow them effective access **to education, justice and other public and private services**, such as culture, sport and leisure.

### 5.1. Social protection systems

Social protection systems fulfil a fundamental role in preserving social cohesion by preventing people momentarily or permanently deprived of earned income from falling into poverty. The correlation between the level of expenditure in social protection and the risk of poverty, though complex, is reasonably established on empirical grounds. As can be seen from Figure 13, Member States with higher than average per capita social expenditure tend to show relatively lower risk of poverty, and vice versa. However, this simple correlation should not be taken as the only guide for policy action. A number of other equally relevant factors are at play in determining the share of the population falling below the poverty threshold, such as the extent to which the tax system responds to social equity objectives, the way the benefit system is structured by major branches, the targeting of welfare provision, the efficiency of services delivery, the age structure of the population, the business cycle and the general pattern of income distribution and overall economic prosperity.

**Figure 13. Correlation between risk of poverty and per capita social expenditure – 2000**



Faced with demographic ageing, all EU Member States must modernise their social protection systems in order to ensure adequate pension and healthcare provision in the future without jeopardising the stability of public finances. A number of Member States (Italy, Portugal, Greece, Germany, Austria, France), are undertaking wide-ranging reforms of their social protection systems which will have an impact on the inclusion policies described in the Action Plans. More generally, Member States are facing difficult choices in times of sluggish growth between the need to control rising costs (due to mounting pressure on social assistance and unemployment benefits) and the need to provide adequate coverage to more exposed fringes of society.

### Minimum income

For people permanently excluded from the labour market, basic protection against poverty and exclusion has to be ensured by means of a last resort “safety net” whenever other forms of social insurance are exhausted or not available. Nearly all Member States provide some form of minimum income guarantee for all legal residents. Such financial assistance is supplemented by a variety of allowances or services delivered locally to help beneficiaries bear costs with housing, education, care or legal assistance. Two Member States (Greece, Italy) are developing an alternative concept of a “solidarity network”, based on a strong preventive role of the family and combining a variety of targeted schemes administered in a decentralised way. While minimum income guarantee schemes have contributed to reduce significantly the risk of poverty in many EU countries, they have come increasingly under scrutiny in order to ensure that they promote rather than hinder effective integration in the labour market and that they are administered in an efficient way. On the other hand, it remains to be seen how the alternative approach will be implemented in Greece and Italy so as to tackle effectively the considerable challenge of poverty reduction in these countries.

The NAPs/inclusion document a number of policy reforms with incidence on the level, the scope, the access, or the eligibility to minimum income benefits.

**Improving/maintaining adequacy:** On this issue, there is a variety of policy approaches in the NAPs/inclusion, ranging from plans to increase the real value of minimum income benefits up to a given target (Spain, Ireland) to the recognition of the need to cut them back in order to avoid discouraging the up-take of jobs or as a result of the current economic slowdown (Denmark, Netherlands), whereas others attempt to maintain purchasing power through some form of indexation (France, Belgium, Luxembourg).

Spain announces the purpose to harmonise progressively the provision of the “minimum income for integration” (RMI) across all Autonomous Communities and to increase the dedicated budgets to 70% of the minimum wage, in average. Ireland sets the target to achieve a weekly rate of EUR 150 (in 2002 terms) for the lowest social welfare benefits by 2007. During the period of the Plan, rate increases will be made in order to reach this target. Both countries link strategically the objective of raising the adequacy levels of minimum welfare payments to their global poverty targets. Austria announces the intention to harmonise social assistance schemes across the Länder in terms of rates, access and eligibility.

**Ensuring a sufficient old age minimum income:** This is the area where more intense reform action is taking place as nearly all Member States are reviewing policies with the aim of ensuring financial sustainability in the long term while guaranteeing an adequate minimum level for pensions. This can be interpreted to some extent as an attempt to anticipate the effect of earlier reform efforts with the aim of reducing future pension liabilities, while trying to ensure the position of those having earned little or no pension rights. Many countries, in the context of reforms aiming to ensure the sustainability of pensions, may see replacement rates of old age pensions cut back (Germany, Austria, France, Italy and Sweden). Measures announced in some NAPs/inclusion seek to safeguard the position of those most vulnerable persons, who rely on minimum or social (non-contributory) pensions. The Austrian Plan sets out a number of schemes for this purpose, including temporary inflation protection of pensions (for 2 years), the creation of hardship funds and the setting of a 10% ceiling for the reduction the value of pensions comparatively to 2003, as a result of reform. Austria will also be raising the supplements for married old aged couples and will be reducing the tax liability of people on low incomes. In Sweden an additional subsistence allowance has been created for (mainly immigrant) older people deprived of rights Belgium pledges to set a rate of increase for the income guarantee of older people.

Other countries however, (Ireland, UK, Portugal, Greece, Spain) where old age poverty risk is significant, seek to increase the real purchasing power of minimum pensions, sometimes by setting targets. In Ireland, the government plans to increase the supplementary pension coverage from the present 50% to 70% and has set the target for social welfare pensions to reach the target of EUR 200 by 2007. The UK has now added a new Pension Credit to their State pension system and announced a further £ 100 payment for pensioners over 80. As a result of these measures, the poorest third of pensioner households is expected to gain around £1 600 a year in real terms (two thirds are

women). Spain plans to increase survival and minimum pensions. In Greece, the introduction of the EKAS supplement has made pensions increase faster than wages over recent years. In Portugal, minimum old age and disability pensions will be made to converge to 65-100% of the minimum wage, and elderly couples (over 75) will have a social pension set at the level of the minimum wage.

**Tuning assistance schemes to specific needs:** Some NAPs/inclusion announce measures with the purpose of improving protection for particular categories or tackling specific issues. Austria increased the net income replacement rate for the lowest unemployment benefits from 55% to 80% (people with dependants) or to 60% (people with no dependants). Greece is piloting three income support schemes targeted to poor households living in disadvantaged or mountainous regions, older long-term unemployed persons and poor households with children under 18. It has decided to proceed with such schemes over the life span of the Plan. Belgium (Flanders region) will ensure minimum electricity provision to poor households. France focuses on the financial difficulties of larger families and extended the family allowance beyond the 20th birthday of the eldest child. Finland expanded the scope of preventive social assistance in order to alleviate difficulties caused by rent in arrears, participation in active measures, or over-indebtedness, and resulting in a sudden deterioration in the person's or family's financial situation. It also introduced a social credit for persons without possibilities to obtain credit on reasonable terms because of a low income and limited means.

Some policy reforms raising welfare support to child bearers can be interpreted partly also as a means to increase birth rates. However, to the extent that childcare allowances are not conditional on any type of occupational status, they may act as a disincentive to participation in employment. Austria's new childcare allowance offers a universal right to a cash benefit whose aim is to lift young families above the minimum income level even if not employed. Ireland will set child benefits at the level of 33-35% of minimum welfare benefits. Other countries are reflecting the goal of making work pay in their family support policies. Finland has increased child and other family allowances and the criteria for eligibility will be relaxed with a view to increase the attractiveness of working rather than going on social security. Sweden introduced a ceiling on childcare fees which will prevent the increase of childcare costs as a result of parents increasing the numbers of hours worked. Efforts have also been made to protect the pension rights of parents who interrupt their working career for the sake of child bearing. Such efforts have been particularly stepped up in Germany and Austria.

The calculation of minimum income or assistance is not yet adapted to the Lisbon Strategy, as access to the knowledge society is more and more limited by fees which cannot be covered by a very small income. Access to e-learning or transport and costs for books for learning or library services is not possible if there is no expenditure foreseen in the individual budgets when public knowledge related services are not free any more.

### **Making work pay**

The NAPs 2003 reflect Member States' ambition to develop activation strategies in accordance with the guidelines established under the European Employment Strategy.

Increasingly such strategies are extended to beneficiaries of minimum income schemes and other social assistance benefits. The recent Hartz IV reform in Germany, which merges unemployment benefit and social assistance schemes for those capable of working, is paradigmatic. Following on the experience gained with the activation of recipients of unemployment benefits, many Member States try to minimise the discouraging effect provoked by social assistance upon the willingness to search for a job or to participate in active measures. Also, in an increasing number of countries financial incentives are being created or improved with the aim of making receipt of welfare benefits continue after the take-up of a job. The purpose is to overcome obstacles to employment by ensuring that the take-up of a job will always have a positive effect on personal income.

Sweden gives a strategic content to this objective by holding on to the long-term "social justice" target of halving the number of people dependent on social assistance by 2004, through a combination of job creating economic growth and activation policies. The target has been set in the 2001 NAP/inclusion but seems now harder to be met, given the more difficult economic climate.

A number of NAPs/inclusion announce **reviews of the eligibility conditions for minimum income and other welfare benefits** in order to encourage recipients to participate in active labour market programmes, to intensify their efforts to look for work and to accept job offers (Austria, Denmark, Germany, Netherlands). However, the success of these policies is dependent on the performance of the labour market.

Denmark reduced cash-benefits of claimants having received them for six months or more. Public benefits such as housing benefits partly or wholly cease after a six months' cash-benefit period, unless the benefit claimant has supplementary wage income. At the same time, the financial incentive was reinforced, by setting off a smaller amount of wage income against the cash benefit. Netherlands will abolish the municipal specific allowances for those younger than 65, and long-term unemployed persons on social assistance will be offered activation. At the same time, a new "persistent minimum income supplement" will be introduced in favour of those long-term welfare recipients who have no prospects of returning to the labour market. Such benefit will have therefore no incidence on the poverty trap. In Germany, a consequence of the 'Hartz IV' reform is to give former social assistance recipients access to active labour market policy measures and be included in the social insurance schemes. However, the possible impact on incomes of the former recipients of long term unemployment benefits (Arbeitslos) of stricter means testing and lower levels will have to be monitored. A special responsibility will be borne by the renewed public employment service together with local authorities in avoiding the "creaming off" of those having lost entitlement to benefits.

France has set out in the past a number of activation schemes with the aim to provide individualised support and job opportunities to persons who are distant from the labour market. Under the new decentralised framework, a new type of subsidised contract ("Activity Minimum Income" or RMA) will be created with the aim of providing recipients of the integration minimum income (RMI) a pathway of integration of 18 months comprising part-time work and individual guidance. Luxembourg is giving

priority status to new claimants of guaranteed minimum income (RMG) for traineeships in enterprises and individualised integration (to become compulsory for people aged 25-35).

An increasing number of Member States seek to improve **financial incentives to take up work**. Measures include the retained payment of (a part of) benefits after a job has been taken up, tax reforms to increase the take-home pay of low wage earners and minimum wage increases. Other measures to make work more attractive include an adaptation of social security rules in order to better cover atypical contracts.

In-work benefits have a long tradition in the UK and Ireland. They now gain increasing popularity elsewhere. The Netherlands increased the tax credit for people in work and for working parents, and intends to increase it further, in order to promote the outflow from benefits to paid work. Belgium, with the "*bonus crédit d'emploi*" (after 2004), and France, with the "*prime pour l'emploi*" (since 2001) are introducing tax credit schemes with the aim of improving the net income of low wage earners. In both countries, the conditions offered to part-timers will be improved. In addition, Belgium has targeted working single parents through fiscal measures in order to increase work attractiveness and lift them out of poverty. Finland will experiment for a three-year period with the rule that at least 20 % of the earned income of a person or family applying for income support will be disregarded. In-work benefits exist in Luxembourg since 1986. In 2002, the proportion of earned income that is disregarded in determining eligibility to income support has been increased from 20% to 30%.

The UK has reformed its tax credit system with the creation of the Working Tax Credit (WTC) and the Child Tax Credit (CTC). WTC provides financial support to adults in low-income households as well as help with eligible childcare; CTC is a means-tested support for families with children, bringing together all pre-existing income-related support for children. Both CTC and the childcare element of the WTC are now paid directly to the main *carer* in the family, often a woman. This should lead to a transfer of resources from men to women of up to £2 billion. Also in the UK, funding for tenants and part-time workers (generally lone parents and disabled people) will be improved from April 2004. Ireland has established a Family Income Supplement providing additional income support for those on low incomes from work and comprising additional allowances for child dependants. Lone parents in need receive the One Parent Family Payment and are now eligible for a substantial earnings disregard in order to facilitate the taking up of jobs.

Raising net minimum wages widens the wedge between earned and welfare income and contributes to driving people into jobs. It also has an important differential effect on women's income. The UK National Minimum Wage (NMW) is explicitly conceived as a tool (together with tax credits) for affording a minimum income from work while allowing wages to respond to labour market conditions. Further increases of NMW are planned for 2003-2004, amounting to the double of the average pay rise. An extension of the NMW to youths aged 16-17 is being considered. Austria has set the target of a monthly gross wage of EUR 1000 for full-time work, to be implemented through collective agreements, and pledges not to tax income up to that level. Germany has



increased to EUR 400 per month the threshold for exemption of social contributions on the so-called Mini-Jobs, and between EUR 400 and 800 employee contribution is introduced only gradually. Since the introduction of the reform, the number of insured small jobs increased considerably. Many new entrants stem from the illegal economy. Since they are now covered by basic old-age insurance, they tend to be less exposed to the risk of poverty.

## **5.2. Housing and basic services**

The 2003-2005 NAPs/incl all agree that decent housing, at an affordable price for households and in a safe, dynamic environment offering appropriate social support and an environment where children can grow up in good conditions, is a central plank in the fight against poverty and social exclusion.

The social and economic cost of the absence of decent housing, though not yet evaluated at European level as the absence of social protection has been, appears to seriously compromise the dynamism of a country or region.

The Joint Report on Social Inclusion, adopted in December 2001 and presented at the Laeken-Brussels European Council, had stressed that for all Member States the need to guarantee everyone access to decent housing was one of the **eight core challenges** of their policies against poverty and social exclusion. It stated that: "Access to good quality and affordable accommodation is a fundamental need and right. **Ensuring that this need is met is still a significant challenge** in a number of Member States. In addition, developing appropriate integrated responses both to prevent and address homelessness is another essential challenge for some countries."

On the question of access to housing, in the absence of common indicators and in their failure to present any national indicators in spite of the request formulated at the Laeken-Brussels European Council, the 2003-2005 NAPs/incl tend to be little more than reports emphasising certain elements of the policies introduced at national or regional level. While most Member States (Belgium, Denmark, Finland, France, Greece, Ireland, Luxembourg, Portugal and United Kingdom) emphasise the acuteness of their unmet housing needs, they fail to set any objectives for eradicating their existing housing problems by 2005, or even 2010, or even further down the line. The sole exception is the United Kingdom, which guarantees that by 2010 all social housing will be decent. While measures for combating the situations of penury, degradation or squalor reported are mentioned, it is therefore difficult in most cases to assess them against the Nice objective of **access for all to decent and sanitary housing**.

For certain Member States, such as Belgium, France, Ireland and Luxembourg, which are experiencing a steep increase in unmet demand for affordable housing for persons on low incomes, it is a particularly important challenge.

For others, such as Greece, Portugal and the United Kingdom, the paramount challenge between now and 2010 is to combat the dilapidation and squalor which affects a large part of the housing stock for people on low incomes and promote the social integration of

the families concerned, notably by rehousing them. France also plans to make this a big priority for the next five years.

Finally, for countries such as Denmark, Finland, the Netherlands, Spain and Sweden, the main challenge is still to help target groups such as young persons, single persons, the elderly, disabled people, immigrants, Roma, travellers and the homeless to obtain accommodation appropriate to their specific needs. These Member States also give priority to improving the neighbourhood and the surrounding areas.

### *Consumer protection*

In the first instance, the Member States need to ensure compliance with the standards defining the concept of decent housing and a fair balance between the rights and responsibilities of tenants and landlords.

Avoiding exploitation or abuses on the property market and preventing the expulsion of tenants or owners who have got into social difficulties (separation, unemployment, illness, etc) is a concern expressed by most of the Member States (Austria, Belgium, Finland, France, Germany, Spain, Sweden), although it is not possible to evaluate the situation prevailing in the other countries.

Several new initiatives in this area are described in the 2003-2005 NAPs/incl.

- Support for tenants throughout all stages of the expulsion procedure: obligation to be put in contact with the social services, specifications relating to the social investigation to be carried out by the social services, training social workers in the legal and welfare aspects of the expulsion procedure, liaison with the Debt Commissions, paying off of rent arrears for persons with no ability to pay these sums back (France, Sweden, Germany).
- Statutory obligation to attempt to reach an amicable settlement in disputes relating to requests for rent adjustments, recovery of unpaid rent or demands for expulsion from the accommodation. Development of social mediation services (Austria, Belgium, France, Ireland and Spain).
- Encouraging owners' associations and tenants' associations to co-operate in preventing unfair rent increases and implementation of expulsion procedures (Finland).
- Development of accommodation advice and information services, especially for immigrants (Austria, France).
- Giving disadvantaged persons more legal protection against accommodation unfit for habitation and against "sleep merchants", i.e. owners who rent furnished rooms or mattresses in overpopulated rooms or insalubrious buildings (France, Belgium).

### *Access to decent, affordable housing*

All Member States, because of the deficiencies in their housing markets, need to intervene in order to combat the exclusion of persons or families affected by social problems or living in certain geographical areas. Such State aid, although not allocated on a non-discriminatory basis, is a legitimate element of public policy<sup>12</sup>.

The Member States describe a series of measures designed to give low-income households better access to decent housing appropriate to their needs. These measures are essentially social transfers in favour of low-income groups and thus contribute significantly towards reducing poverty and social exclusion.

#### – Aid for social housing:

- Modulation of subsidies for social housing managed by public or private not-for-profit bodies:
- New subsidies for public or not-for-profit bodies for the construction of social housing, increasingly targeted on geographical areas where shortages have been noted, on small flats for single people where a significant demand is not being met, on accommodation for young people, elderly people, disabled people and immigrants (Austria, Denmark, Finland, France, Germany Ireland, Luxembourg, Spain, Sweden).
- Earmarking of land or imposition of obligations on local authorities for the construction of new social housing (France, Ireland, Portugal and Spain).
- Payment of compensation to local authorities for structural cost differences linked to the needs of services and specific factors such as changes in the structure of populations or influxes of immigrants (Finland).
- Transparency in the allocation of social housing, through the widespread introduction of a single registration number (France).
- Sale of social housing to existing occupants, thus creating cash for new investment and a better social mix (France, Ireland, United Kingdom).
- Adjustment of the means-tested income limits for tenants and of the rules fixing social housing rents (Denmark, France, Luxembourg and Spain).

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12 In so far as it is limited to what is strictly necessary (the principle of proportionality) and does not affect trade between Member States in a proportion contrary to the Community interest, it is fully in line with the basic objectives of the Treaties and is in the interests of the Community. Commission Decision: State Aid N 209/2001 – Ireland – guarantee for borrowings of the Housing Finance Agency.

- Aid for private investment with a social aim:
  - Aid for investment and to cover the possible rental risks incurred by private owners who undertake to rent accommodation to persons on low incomes for a certain duration and at capped rents (France, Luxembourg).
  - Tax measures to encourage owners to put vacant property back on the rental market (France).
- State aid for tenants and property acquirers of modest means:
  - National objective of limiting the proportion of net rent in the disposable income of low-income households and the net disposable income after total expenditure on housing (Netherlands).
  - Housing allowances or tax incentives for persons on modest incomes or certain target groups, such as young people or the elderly (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal, Sweden).
  - Aid funds for situations where essential services have not been paid and adjustment of electricity and water tariffs for the very poor (Belgium, France)<sup>13</sup>.
- Public programmes for the renovation or demolition of housing plus rehousing:
  - Programmes for the transformation or the eradication of housing falling below the minimum standards of decency (Belgium, Spain, France, Portugal and United Kingdom).

*Aid for persons and families with income, disability, health or social integration problems.*

The housing component in policies for the social protection of persons and families with income, disability, health or social integration problems is the third justification for State intervention in this field.

In the 2003-2005 NAPs/incl, a major priority is to focus State intervention in the housing field on the most vulnerable groups and on the regions in the greatest difficulties.

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13 The recently adopted electricity and gas directives require Member States to ensure that there are adequate safeguards to protect vulnerable customers, including measures to help them avoid disconnection. Member States may also take measures to protect final customers in remote areas. In this context, the implementation of such measures will also contribute to the prevention of social exclusion.

In addition to this priority, a number of new initiatives are described:

- Programme of co-operation between the social housing agencies, the social services and the care services for the integration of disabled people, the elderly, immigrants, refugees, travellers, Roma, the homeless (Finland, United Kingdom).
- Refocusing of urban development policy on the most vulnerable groups and most disadvantaged regions (Denmark).
- Coverage of the additional housing costs for disabled people (Austria, France, Luxembourg)
- Programme of local advisers for the co-ordination of local social initiatives, support for the development of residents' networks, social prevention measures (Denmark, Finland).
- Development of mediation bodies (public agencies, not-for-profit associations and co-operatives) which offer information and brokerage services for the renting of accommodation, accessible to disadvantaged persons (Belgium, France, Luxembourg).
- Development of supported housing (which includes the support of a social work professional or health professional) for elderly persons, disabled persons, homeless persons, etc (Denmark, France, Germany, Luxembourg, Netherlands, Sweden, United Kingdom).

**SOCIAL AND BUDGETARY SUPPORT FOR GAS AND ELECTRICITY CONSUMERS FACING PAYMENT PROBLEMS (BELGIUM)**

When people run into debt, their debts nearly always include energy bills. Yet energy is a basic need. The Federal Government has taken the initiative of allowing the "*centres publics d'aide sociale*" (social assistance centres) to step up their efforts in terms both of prevention and cure, by adopting an Act of 4 September 2002 assigning to the social assistance centres the task of providing guidance and financial social assistance in the context of the supply of energy to the very poor.

This law meets the need to anticipate the consequences of the liberalisation of the electricity and gas markets on the one hand, and to tackle the growing demand for help with overindebtedness on the other. When the electricity and gas markets were opened up, provision was made for the possibility of creating in Belgium a fund sourced from a tax on transportation of energy, with a view to financing in full or in part certain public service obligations. It was also decided to collect resources from the gas and electricity sector in advance and allocate these to the social assistance centres in order to provide funding for the tasks specified in the Act in question.

These tasks fall into two categories. The first involves providing support and social and budgetary guidance for gas and electricity consumers facing payment problems, establishing and negotiating repayment plans, and offering guidance in day-to-day household budgeting. The second concerns the possibility of granting financial assistance for the payment of bills, so that the person concerned can start anew on a healthy financial basis, and the development by the social assistance centres of a preventive social policy in relation to energy supply.

### 5.3. Access to health care

Effective access for everyone to the health care they require is regarded as a priority by all Member States.

Nevertheless, certain obstacles to access to health care seem to persist in most Member States, and these impact most severely on the most disadvantaged population groups:

- Waiting times;
- Cost burden of care and treatment too high for low-income patients;
- Administrative, cultural or geographical difficulties in obtaining access to health care.
- Inadequate screening, vaccination, awareness-raising;

Moreover, cost containment plans in relation to medical care covered by social protection schemes could well result in persons with low or modest incomes having even worse access to care and treatment in the future, unless such access is guaranteed by the Member States. These cost-containment measures, although announced in numerous Member States, are nevertheless not presented in the 2003-2005 NAPs/incl.

Finally, the studies cited by various Member States in their NAPs/incl indicate a high prevalence of problems among the most disadvantaged social groups, such as mental disorders, tobacco, alcohol and drug abuse/addiction, respiratory disorders, obesity, sequelae of accidents, premature or low-weight babies, infant mortality (France, Belgium, Germany, Ireland, Portugal).

While certain Member States (Belgium, Denmark, France and the Netherlands) adopt a holistic approach to reducing socio-economic inequalities in the health field or, as in the case of Ireland, are moving in this direction, others prefer to focus more on certain specific problems.

The measures described in the 2003-2005 NAPs/incl fall into three main categories.

#### *Making health services more affordable and more accessible*

Access to health care, medical treatment and surgery may be hampered by financial, institutional, administrative, cultural and/or geographical obstacles.

These obstacles result in belated access to health care for disadvantaged populations, with a concomitant aggravated deterioration of their state of health and higher economic and social costs.

Four Member States appear, in setting targeted and time-dated objectives, to have made a resolute commitment to cutting waiting times for patients to see GPs and specialists and to obtain medical treatment and surgery (Finland, Ireland, Netherlands, Portugal and Sweden).

Two others (Belgium, France) have taken steps to abolish or reduce the financial obstacles to access to health care and treatment by introducing the following measures:

- Extension of the annual ceiling on expenditure chargeable to households, and guaranteed right to health care for persons residing illegally in the country (Belgium).
- Flat-rate allowance for supplementary health insurance for persons whose means exceed by no more than 10% the ceiling for universal medical cover, whereby persons on modest incomes receive 100% reimbursement of medical care costs (France).

Additionally, some Member States have taken steps to improve access to their health services for disadvantaged populations. The following new measures are described:

- Creation of offices staffed by a medico-social team in hospitals to receive and assist patients with no means of support; educating medical, administrative and welfare staff about the problems of precariousness and social exclusion; organising continuity of care for persons in precarious situations (France).
- Mobile medical teams, including psychiatric teams, for persons living on the streets, in partnership with the NGOs (Denmark).
- Improvement of first-line health care availability (primary health care network) in rural areas or disadvantaged urban areas, or for specific population groups such as homeless persons or migrants (Austria, Belgium, Greece and Portugal).
- Improvement of the emergency services (France, Portugal).

#### *Adapting the services to the needs of the most disadvantaged populations*

Adapting the organisation of health care to the priority needs of the most disadvantaged populations is the second major priority of the policies aimed at giving all individuals access to the requisite health care, including persons with dependencies.

Some of these needs are specifically underlined and are being addressed through the reinforcement of existing mechanisms relating to:

- medical care for children and adolescents (Germany);
- disabilities, the dependency of elderly persons (Greece, Italy, Netherlands, Spain, Sweden);
- mental problems (France, Greece, Netherlands, Spain, Sweden, United Kingdom);
- treatments of alcoholism or drug abuse (Denmark, Germany, Sweden).

*Developing screening, disease prevention, awareness and health education for all, with a particular focus on the poor.*

A few Member States present complete strategies in this area:

- France intends to renew its regional plans for access to prevention and care, mobilising health professionals, NGOs and institutions and involving a whole raft of actions such as measuring infection risks, preventing addiction, preventing lead poisoning, giving close attention to the health problems of young people in difficulties. It also intends to continue with its "Health and Urban Policy Workshops", whereby professionals, in consultation with the local population, can identify the specific needs in run-down neighbourhoods and improve co-ordination.
- Belgium and Spain are developing intersectoral prevention and health education strategies for at-risk groups.

Several Member States are giving priority to initiatives to promote the health of children and pregnant women, with the following measures aimed at disadvantaged social groups:

- Schemes to reduce the incidence of low-birth weight in the lower socio-economic groups through health education during pregnancy (concerning diet, drinking and smoking), and encouragement for pregnant women to attend pre-natal medical check-ups (Ireland).
- Financial encouragement for mothers and their young children to have regular medical check-ups (Austria, France).
- Development of preventive school medicine: screening, vaccinations, identification of mental or language problems (Austria, France, Netherlands).
- School sex education to reduce teenage pregnancies, an important poverty risk factor (Denmark).

The Netherlands is the only country presenting a strategy to raise the life expectancy of persons in the lower socio-economic groups (from age 53 to age 56 by the year 2020). The Netherlands has also set a target of halving worker sick leave through the development of occupational health services and part-time leave and through adaptation of the workload on return to work.



#### **REGIONAL PROGRAMMES OF ACCESS TO PREVENTION AND CARE (FRANCE)**

These regional programmes (French abbreviation: PRAPS) are designed to help reduce inequalities in access to care and prevention for people in precarious situations by providing a regional impetus. They have succeeded in mobilising professionals, institutions and NGOs in all regions. This process has led to more than 1500 initiatives in a wide variety of fields: the mental health of young people in difficulty, the mental suffering of persons in precarious situations, addiction prevention, measurement/reduction of infection risks, measures to combat slum housing or lead poisoning, shelters for battered girls and women, etc. Under these programmes, more than 370 public hospitals have been equipped with permanent health-care reception services ("permanences d'accès aux soins de santé - PASS) for marginalised members of society: socio-medical units providing access to health care, prevention and screening for these individuals, dealing with their problems and helping them complete procedures necessary for recognition of their rights to social protection. The role of these PASS services is to provide first-line care for these people, both upstream and downstream; to promote suitable care facilities, mobile if necessary, for the most marginalised members of society; to educate medical, administrative and welfare staff about the problems associated with precariousness; to devise support and care arrangements suitable for persons needing to undergo extensive treatment after leaving hospital. Twenty PASS centres have been equipped with medical, social and administrative software for local epidemiological data collection.

#### **5.4. Access to education**

All NAPs devote a lot of attention to access to education as a crucial right and tool which prevents social exclusion, reduces risks and supports re-integration into civil society and the work place. There is also a growing recognition that all formal education is not something that happens at one point in a person's life but needs to be seen in the framework of **lifelong learning** which also includes all non-formal and informal learning opportunities. This should range from early childhood learning (competent parenting at home and public care and learning services), through pre-school education, to higher education, initial vocational training, adult general, civic and vocational training. All these dimensions are important. However, the successful completion of initial and basic education is critical to providing people from a disadvantaged background with a way out and breaking the hereditary and intergenerational dimension of social exclusion. Paying especial attention to early childhood education and to supporting parents through targeted and multi-professional support, involving learning the family-related competencies, can be particularly important in breaking the cycle of intergenerational poverty and helping children with special needs to catch up their peers before starting compulsory education. Lifelong learning then provides second chances for all age groups, especially for those who left school earlier.

In spite of the extensive coverage of education one does not get a full sense of its fundamental importance in tackling social exclusion, nor a sense of an overall strategic approach to the issue of lifelong learning and social exclusion. This is in part because of the structure of the NAPs which means that many of the measures relevant to lifelong education in its fullest sense are scattered through different sections. There is also a

tendency in some NAPs to see education primarily through the prism of the access to the labour market and not to sufficiently acknowledge its importance for inclusion in civil society, particularly in the context of the emerging knowledge based society and active citizenship. The interconnections between progress in learning and other dimensions that affect people's lives such as health, environment, family and community circumstances are not generally well represented. Nor do the NAPs well reflect the emphasis that Member States gave to inclusion by active participation opportunities of young people at all levels of society and open and participative lifelong learning structures which was a feature of their 2002 reports in the follow-up of the White Paper on Youth. There is now an extensive body of good practice in Member States arising from then support of Community programmes such as Socrates, Leonardo and Youth. These highlight the contribution that education and life long learning can make to tackling social exclusion. However, they are only infrequently referred to in the NAPs.

In spite of the reservations outlined above, one can, from the various actions and approaches that are indicated by Member States and drawing on the experience of programmes like Socrates, begin to identify a framework for ensuring that lifelong education and training opportunities contribute fully to building a socially inclusive knowledge society in Europe. The following elements emerge as being important for a comprehensive approach:

- to make all stages of education and training available to all without discrimination of age, sex, disability or cultural, religious or regional and national background;
- to encourage the participation of the learner and his or her rights during all stages of the learning process;
- to mainstream social inclusion within all lifelong learning;
- to ensure that everyone has access to literacy and new basic skills for the knowledge society;
- to extend the network of specialised guidance and counselling services, including counselling and guidance which will assist people to move from one level of education to another; and
- to create an open learning environment in society and at work.

A number of themes occur regularly in the NAPs/inclusion.

**Increasing early intervention:** There is a widespread recognition of the critical importance of learning in early years. However, only a few countries have a systematic policy towards providing care and learning for pre-school age children, while others tend to regard it as just a support for working mothers or for families, not as a learning opportunity for all, especially for children from disadvantaged backgrounds. There is a need to ensure that a screening system is put in place in all countries to identify (potential) learning difficulties so as to prevent problems and to ensure early intervention

during early childhood. Such an approach will require ongoing and structured co-operation between the health, education and social sectors.

In its NAPs Denmark stresses the need for learning to start early to break the negative social legacy. Strengthening basic competencies like communication with early language learning, numerical, social, cultural and civic competencies starts in early childhood. Thus early co-ordinated effort in kindergartens is highlighted. The UK again stresses the importance of integrated local initiatives in the early years through its Surestart programme. Sweden has expanded pre-school provision, which means that more children from unemployed and immigrant backgrounds have access to pre-schools. Germany focuses on expansion in 0-3 sector and improving the quality of care and education for young children. Ireland emphasises an Early Start Programme.

#### **LINKING NURSERY FACILITIES AND PRIMARY EDUCATION (NETHERLANDS)**

In 2001 the 's-Hertogenbosch municipality contracted-out nursery facilities to five school bodies within the municipality. Almost all school bodies (around 93 per cent) participated in this through the association Stichting Peuterspeelzaalwerk 's-Hertogenbosch. The goal of the administrative collaboration between nursery facilities and primary education is to achieve an unbroken development line for children aged between 0 and 12, in other words a development without fault-lines between the (teaching) services which are present.

To this end in the coming years the 's-Hertogenbosch municipality will physically accommodate all nursery facilities within the primary school. By May 2003 this had already been realised by 70 per cent. Within the framework of the regulations on pre- and early-school education programmes (vve), collaborative clusters have also been formed around the implementation of the vve programmes between nursery facilities and primary schools. These collaborative clusters are situated in disadvantaged neighbourhoods because the vve regulations are aimed at children from this target group, aged between 2 and 5 (i.e. nursery and the first two primary education years). The most important aim of the regulations is a timely approach to disadvantages or learning arrears suffered by indigenous and children from ethnic minorities, to prevent a (language) disadvantage in group 3 of the primary education.

**Preventing educational disadvantage within the school system:** Ensuring equal opportunities for all in the education system is a common theme though approaches tend to vary between stressing improving the universality and inclusiveness of existing provision (FIN, F, S) to better targeting of particular groups (A, D, DK, EL, E, I) such as immigrant children and children and young people with impairments. A wide range of different approaches are identified:

- give particular attention to the transition between different stages of schooling including between kindergarten and primary school (F) and from school to further education (FIN);
- closer monitoring of pupils is highlighted (DK,) and the development of more personal action programmes to meet the individual needs of pupils experiencing difficulties (E, L, S) and to give individual support to those at risk of dropping out (IRL, L);

- increase efforts to prevent illiteracy among children (A, E, F, IRL, S, UK). For example France proposes smaller first grade classes in disadvantaged establishments to master reading, writing and ICT as well as the early testing and treatment of dyslexia and that reading training should be continued until pupils reach secondary level if necessary. The Netherlands talks of targeting extra resources to schools for students who have learning problems especially languages. Ireland through the Early Literacy Measure is developing a proactive approach to preventing literacy difficulties. Sweden, in order to improve the attainment of objectives in upper secondary school, strengthens the pupils' right to support at school and makes an allocation of funds to develop the pupils' basic reading, writing and mathematics skills;
- strengthen remedial services (FIN, F, IRL) and educational guidance and counselling services (DK, FIN, F, IRL)
- improve out of school supports such by enhancing the development of homework assistance measures (DK, L), creating out of school opportunities (UK) and after school care centres;
- develop the training of teachers on social inclusion (DK, EL, P) and strengthen links between parents and schools and parent participation (DK, E, I, IRL)
- address cost barriers to full participation in schools including purchase of equipment and participation in external activities (B, E, NL, UK, );
- develop integrated approaches to educational disadvantage at the local level such as through Education Action Zones (UK) or improving schools in segregated areas (S).

It is clear from the range of measures highlighted by Member States that the roles of schools are changing and that they are increasingly taking on a broader support role. They are becoming learning communities which are open to a range of other kinds of supports. This means involving all necessary partners in their work and developing a vision of an inclusive school. The range of different measures also highlights the need for increased co-ordination between the different levels of administration. Thus coherent planning systems are needed to set objectives, monitor implementation and to evaluate progress, in particular in relation to early school leaving which is a problem involving several sectors.

**Tackling early school leaving:** Many Member States give especial attention to early school leavers. Much of the emphasis is on preventing the problem through the types of measures outlined above especially by improving the social and intercultural dimension of school management and procedures and better individual monitoring and support for those at risk of dropping out. Promoting better links between general and work related education (F) and, for those who can not be integrated back into the mainstream education system, strengthening the link between learning and work programmes (NL) are highlighted. For the Netherlands the need for a comprehensive approach and the mobilising of diverse bodies is also important as is developing integrated responses for

Belgium and Luxembourg. Ireland, through a schools completion programme, directly targets those in danger of dropping out of the education system and is a key initiative for discriminating positively in favour of children and young people who are at risk of early school leaving.

**Expanding access to adult education and increasing literacy and basic skills:** The importance of adult education providing a second chance for those who lost out at school is a recurrent theme (DK, IRL). The needs of particular groups such as disabled people, immigrants, women are often raised. For example Sweden emphasises extending adult education (including outreach, counselling and individual study plans) to immigrants. Intensifying the fight against illiteracy amongst adults is highlighted by many NAPs (B, D, DK, F, NL, UK). The estimations on the degree of adult literacy vary largely and give the impression that Europe needs a major adult literacy campaign. In this regard there is an urgent need for research into assessment methodologies for adults with literacy and numeracy difficulties. In several NAPs particular attention is given to integrated approaches at regional and local levels (D, F) and to teaching language to immigrants (DK, F, L, NL, S). Greece uniquely looks at the opportunity to address educational weaknesses by offering illiteracy and lifelong learning opportunities for conscripts as part of a broader social policy. However, while literacy and numeracy are regularly mentioned access to relevant competencies for the knowledge society (ICT, interpersonal and civic competence and learning to learn) is rarely ensured systematically at local, regional or national levels. This is particularly true for those who do not belong to the active labour force anymore. Thus there is a need to ensure that adult education systems provide a broad range of education and training which should meet the individual learners' needs which are often related to life skills.

Finland stresses the importance of further strengthening lifelong learning opportunities for older people. However, in spite of the ageing populations, most NAPs do not give much attention to making it easier for older people to access learning opportunities though there is now a growing body of good practice in Member States on informal intergenerational lifelong learning opportunities which could be drawn on.

The dominant impression is that learning opportunities reported in the NAPs are mainly focussed on supporting transition to employment. As most of the excluded population is not in employment, lifelong learning opportunities should also be opened to life, survival, active citizenship and social skills. Making the knowledge society available for the participation for all those who are without paid activity and therefore regarded as "inactive" in the labour market is much less addressed and this especially affects women.

It is striking that in most NAPs little attention is given to **access to higher education** even though lifelong learning policies in Europe are dedicated to open up higher education to non-traditional learners and to increase the representation of persons from ethnic and cultural minorities in universities. However, Sweden makes improving access of women and men, irrespective of ethnic background, to higher education one of its key targets. The UK mentions a package for assisting single parents in further and higher education by supporting additional childcare costs. Ireland details a range of programmes to increase the participation of vulnerable groups in third-level education such as the

Special Fund for Students with Disabilities, the Student Assistance Fund and the establishment of a National Office for Access to Higher Education.

### **5.5. Access to culture**

Cultural policies should be a central part of any comprehensive and multi-dimensional approach to tackling and preventing poverty and social exclusion. Participation in cultural activities is a key way in which people and communities can define and develop their own identities and communicate and represent themselves to others and engage in symbolic exchange. It is thus a means of people becoming active agents in democratic society. Thus promoting access to and participation in cultural activity is as intrinsically important and valid an aspect of building an inclusive society as promoting participation in the economic, employment or social domains. A crucial factor about cultural activity in relation to social policy is that it has a positive starting point: people are not defined as a problem, but as a potential and actual asset.

In addition to the intrinsic value of culture there is now a very wide body of practice on the ground that shows that participation in cultural activities can also be instrumental in helping people and communities to overcome social exclusion. It is well-documented how active involvement in cultural and arts activities can be a key tool in helping people who are isolated and marginalised to gain skills and self-confidence. This often creates new opportunities for their participation in society and can also be an important route for supporting the retraining and reintegration into the labour market of people who have been long-term unemployed. Equally significant is the contribution that cultural programmes can play in the regeneration of disadvantaged communities and regions both through building a positive sense of community identity and social capital and through being a trigger for economic and employment growth.

In spite of the centrality of culture to the process of social inclusion the 2003 NAPs/inclusion are striking for their lack of a strategic approach to the development of inclusive cultural policies. There is more mention of access to culture in some NAPs/inclusion (DK, F, EL, IRL, L) than in 2001. However, many Member States still give little or no attention to this issue. In many cases where access to culture is mentioned this is limited merely to increasing access to cultural institutions such as museums and libraries, which, while important, is only part of what needs to happen. Even here exciting initiatives that are taking place in Member States such as training staff in cultural institutions like theatres, museums and libraries as lifelong learning mediators making learning opportunities more available and attractive and reaching out to non-traditional visitors or the training of actors with a multicultural background for theatre work with socially excluded persons is not mentioned. Similarly important and extensive work that is going on the ground in many countries, particularly in the fields of community arts and of outreach to marginalised groups and communities by cultural institutions like libraries, museums and theatres, is not well reflected in the NAPs. This may indicate a failure of some NAPs to give sufficient importance to linking to and building on experience on the ground where significant co-operation already takes place between economic, social, employment and cultural actors. In many cases it would also appear to result from the lack of involvement of relevant cultural ministries and agencies in the preparation of the

NAPs/inclusion. However, it may also be evidence of a lack of understanding within many cultural ministries and agencies of the relevance of the social inclusion agenda to their work and a lack of alignment of broad social and cultural objectives – in other words a failure to mainstream a concern with poverty and social inclusion into the cultural domain. More broadly this may also reflect the lack of a truly multi-dimensional understanding of social exclusion and a tendency in the NAPs to overemphasise the significance of access to employment at the expense of other important dimensions instead of seeing them as being mutually reinforcing. The lack of visibility at policy level of the multitude of local cultural activity that is directly supporting social inclusion is particularly worrying at a time of economic recession. The importance of much of this activity in countering social exclusion may not be appreciated and it may cease to be prioritised for financial support, for instance in the expenditure of EU Structural Funds which have made a very significant contribution in this area.

In their NAPs/inclusion Denmark, Finland, Greece, Ireland and Luxembourg give some mention to programmes for increasing access to cultural facilities and involving children in cultural activities. Denmark stresses that a considerable number of the cultural benefits such as libraries and museums are available cheaply or free and are thus expected to help to prevent social exclusion. To support participation in cultural life the government has sought to support cultural activities for children through networking between major institutions such as the Cultural Inheritance Protection Agency, the National Library Authority, the Film Institute and the Danish Arts. Greece highlights a scheme of the Ministry of Labour and Social Security to give performance vouchers providing free admission to theatrical performances, summer open-air cinemas, concerts and other arts events and free tickets for performances at Epidaurus and other ancient theatres. Greece also highlights the role of the libraries particularly in remote rural regions. Finland also mentions the continued free provision of basic library services and their role in providing access to knowledge and culture. Ireland recognises that as general access to arts and culture facilities improves and participation in arts and culture activities increases, there will be a positive impact on socially disadvantaged individuals and groups.

France, Sweden and the UK detail more extensively initiatives to increase access. Sweden outlines its proposed Agenda for Culture 2003-2006, which contains a range of initiatives aiming to make cultural activities more available. The UK makes access to culture a specific policy objective and the devolved administrations also share this objective. For instance Scotland has produced a National Cultural Strategy and there is a target to increase the number of under-represented groups, particularly children and young people, taking part in cultural and sporting activity by 5% by 2006. A number of interesting initiatives in England are detailed such as Creative Partnerships aimed at developing the creative potential of children in deprived areas. France proposes a range of innovative activities to increase participation in cultural activities and to increase understanding between those in the cultural sector and disadvantaged populations. A network to battle exclusion in the cultural sector is proposed. Belgium and Portugal treat the issue in most depth and stress the central importance of access to culture for promoting social inclusion. Portugal stresses the link between education and culture and the potential for personal development and redressing structural inequalities in basic education. Belgium provides data on participation in cultural activities and highlights the

low participation of people at risk of poverty. The Belgium NAP also describes a range of initiatives in relation to preventing the risk of exclusion arising from a lack of culture and promoting cultural initiatives in favour of the most vulnerable. One interesting project which seeks to increase the access of the poorest to culture through the granting of cultural cheques is included as an example of good practice.

#### THE AGENDA FOR CULTURE 2003-2006 (SWEDEN)

The Ministry of Culture presented an Agenda for Culture 2003-2006 at the beginning of 2003. In order to make cultural activities available for more people, admission to a number of state museums will in future be free of charge. Other features of the agenda include continuing measures for children, disabled persons and culture at work and more regional programmes. In addition, the Government Book Price Commission will, up till the end of 2005, continuously monitor and evaluate the effects of the reduction of VAT on books and newspapers from 25% to 6%. Inviting professional artists and cultural workers to visit schools, workplaces or unconventional environments is one way of giving more people access to culture. During the period 2003-2006 the Ministry of Culture will, in co-operation with cultural workers, artists' organisations and employers, explore new roles for artists outside mainstream cultural life.

One dimension of access to culture that is assuming growing importance is the role it can play in promoting social inclusion in societies in which increased immigration is leading to greater ethnic and cultural diversity. Promoting social inclusion and social cohesion is not a question of uniformity. Culture is a precious factor of difference and this means allowing for the celebration of different cultures within a single society. Equally increasing access to the cultural activities of the majority community can help to foster better understanding and a sense of belonging providing the aim is not assimilation. In this regard the Finnish NAP acknowledges the need to target support for cultural plurality in response to the projected growth in Finland's immigrant population. The overarching policy objective is to prevent the escalation of cultural conflicts and promote social participation of ethnic groups. The government also plans to draft an immigration policy programme that is designed to promote the language and cultural rights of children from ethnic groups.

#### 5.6. Access to justice

The problem of access to legal services and justice, especially for certain vulnerable groups, is very widely recognised in the NAPs/incl. Most Member States (Belgium, Denmark, France, Ireland, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom) feature measures to promote access to justice in their Plans.

The subject has certainly been given a higher priority than in the NAPs/incl 2001-2003. Measures concerning justice feature among the strategic measures in the Belgian NAP/incl, and the **Netherlands** has even set a specific target for the introduction of an appropriate system of legal aid for disadvantaged persons seeking legal redress, so that these persons can use the system of legal aid and mediation in the same way as the more comfortably-off.



The NAPs/incl particularly emphasise:

- the stepping up and extension of free legal aid for people on low incomes, by relaxing the eligibility conditions in terms of level of income;
- access to good-quality information, including through information campaigns regarding services already available, which is recognised as essential for the settlement of disputes and effective application of the laws;
- mediation on behalf of populations in a precarious situation, which is used also for settling disputes, including disputes between administrations and citizens.

The groups identified in the NAPs/incl include ethnic minorities, immigrants, asylum seekers, ex-offenders and persons on low incomes living in rented accommodation. Legal protection is also necessary, and is envisaged, for victims of domestic violence, children, disabled persons, victims of human trafficking, transsexuals, cohabiting couples and prostitutes.

**Spain**, for example, plans to create an arbitration system for settling complaints and claims by disabled persons, as well as legal defence measures. It also plans to adopt a law protecting disabled persons' assets.

The NAPs/incl also report other measures designed to improve access to the law and to justice, such as improving support for victims, training police officers and judicial officers, setting up specialist advice centres for asylum seekers, establishing a complete network of departmental legal access committees to produce initiatives aimed at helping people in danger of social exclusion, and simplifying procedures and making them easier to understand.

### **5.7. Access to sport and leisure**

As stated in the Nice Declaration on the specific characteristics of sport and its social function in Europe<sup>14</sup>, access and participation in sport and leisure activities play an important role in contributing preventing vulnerable groups becoming isolated and in increasing participation in voluntary activities and thus has a positive impact on socially disadvantaged individuals, groups and areas. However, improvement of access to sport and recreation activities does not feature prominently in the NAPs/incl.

#### *Sport*

Only **United Kingdom** set a specific target - for Scotland – aiming at increasing the number of under-represented groups, especially children and young people, taking part in cultural and sporting activity by 5 per cent by 2006.

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14 Annex 4 of the Nice European Council Conclusions.

In other Plans, measures aim in particular at making participation in sport available cheaply or for free (**Denmark, Belgium, Greece, France**). Other actions include:

The **Irish** Sport Capital Programme provides funding on an annual basis to voluntary and community organisations to assist with the provision of sporting facilities aimed at increasing levels of participation and improving standards of performance. Priority is awarded to applications from organisations located in areas of social disadvantage.

In **Belgian** Flanders a campaign has been organised for the support of sport in neighbourhood and districts, with the participation of 60 municipalities, aiming in particular youngsters disadvantaged as their access to sport. In 2003 a specific training for sport educator in districts is being developed.

**Greece** promotes the participation of people with special needs in popular sports programmes, putting particular emphasis on the development of special programmes, such as: sport at work, Gypsy encampments, areas with a high population of repatriated Greeks, Muslim and immigrant communities – where activities are organised in association with their own community groups. Special efforts will be made for the Paralympics games.

In **Sweden**, the Government launched a project to study and disseminate information about how public resources for sport benefit people with various ethnic backgrounds, how disabled people can use these resources and how the resources are distributed between women and men, girls and boys.

### *Leisure*

Initiatives aim in particular at facilitating groups and individuals holidays for low-income and disadvantaged people and their children (**Belgium, Luxembourg**). Other measures featured in the Plans:

**France** will pursue and reinforce culture programmes for people with disabilities. The label “Tourism and Disability” aims at promoting accessibility of tourist sites and equipment for disabled persons (target: 500 labels in 2003). The label will also be reinforced and integrated with a national communication campaign and an itinerary exhibition.

The **Greek** Workers’ Hearth Organisation specialises in the securing of access for its members to cultural goods and leisure activities (social tourism vouchers, excursions, theatre tickets, etc.).

**Irish** National Play Policy provides play environments for children in local communities and rural areas, especially those which are disadvantaged.

The **Portuguese** “without frontiers” Programme ensures access to cultural activities, sport and recreation to children and young people at risk of exclusion. 450 books in Braille will be published, between 2003-2006, in order to improve the access of people

with visual impairments to the National Library. Portugal will also increase by 10% the number of disabled participants and their families in cultural, leisure and sport activities.

### **5.8. Access to transport**

A small number of Member States draw attention in their 2003 NAP's to the important impact that transport policies can have in either contributing to social exclusion or in facilitating social inclusion. However, in general there is a failure to develop a coherent or strategic approach to the connection between social inclusion and transport policies. This reflects a weakness in the multidimensional approach adopted by most Members States and a failure to mainstream a concern with poverty and social exclusion into transport policy. Indeed, the majority of Member States give no attention at all to the issue of transport.

From those Member states who do address the issue of access to transport (B, EL, F, IRL, L, UK) one can begin to develop a picture of how transport related factors can compound the primary risks of social exclusion but also how a positive linkage between transport and social objectives can promote social inclusion. Limited access to transport, whether because of cost or availability, can increase social exclusion by:

- limiting the ability of the unemployed to access jobs and/or training opportunities;
- limiting access to key services such as health, lifelong learning, culture, sports and recreation;
- limiting the possibility of some groups such as the elderly and people with disabilities or women with small children to access facilities and maintain social contacts;
- undermining social capital and forcing people on low incomes to have an increasingly local and restricted lifestyle;
- absorbing a disproportionate part of the income of people living on low wages or dependent on welfare payments;
- limiting the possibility of flexible working and reconciling work and family life;
- containing the opportunities for immigrants and ethnic minorities living in disadvantaged areas to engage and integrate with the wider society.

Lack of good transport infrastructure can also limit the possibility of economic and social regeneration of disadvantaged communities and contribute to the continuing decline of marginal rural areas. Poor communities can frequently bear a disproportionate part of the costs of traffic as they are often situated next to major strategic transport networks which can isolate them from surrounding neighbourhoods, lead to higher levels of air and noise pollution and increased risk of accidents, especially to children. As the mobility gap between car-owners and non car-owners in the EU countries continues to grow, unless positive policies to improve access to transport for all are in place, their transport will continue to be a factor in entrenching social exclusion and inequality in society.

Policy approaches identified in the NAP's can broadly be divided into two groups; first, policies to increase access for all and, secondly, measures which specifically target the socially excluded. Greece stresses that improving the quality of public transport and keeping fares at a reasonable level mainly benefits those at risk of poverty and that good transportation connections are of vital importance for the countryside and the islands, especially for vulnerable groups. France, under the heading of improving universal access to essential services, highlights its use of transportation solidarity cards allow the social and economically disadvantaged to use public transportation networks for a reduced charge. France also plans to extend its "travel with a handicap" programme.

Ireland takes the broadcast approach by stressing its commitment to integrate transport policies with other government policies, particularly balanced regional development and social inclusion. As well as emphasising major general investment in the transport structure to ensure that accessible transport is provided in both urban and rural areas, it gives especial emphasis to overcoming isolation and exclusion of people on low incomes living in rural areas and plans to build on a series of rural transport initiatives that have been isolated since 2001. Like France, Ireland is also committed to further developing disability access. Belgium highlights the importance of ensuring that transport policy contributes to enabling a better link between home and work and thus removing a barrier to people taking up employment. The UK mentions a recent report on "Transport and Social Exclusion" undertaken by their Social Exclusion Unit and makes comments in passing that older people may have more difficulties with transport and about free school transport.

## **6. KEY POLICY APPROACHES FOR OBJECTIVE 2. 'PREVENTING THE RISKS OF EXCLUSION'**

- (a) To exploit fully the potential of the knowledge-based society and of new information and communication technologies and ensure that no-one is excluded, taking particular account of the needs of people with disabilities.
- (b) To put in place policies which seek to prevent life crises which can lead to situations of social exclusion, such as indebtedness, exclusion from school and becoming homeless.
- (c) To implement action to preserve family solidarity in all its forms.

### **6.1. Promoting e-inclusion**

The impact of the knowledge-based society and Information and Communication Technologies (ICTs) on inclusion, the *eInclusion* issue, is substantially **recognised** by the different Member States, as was already the case in the 2001 Inclusion NAPs.

Again, the starting point varies greatly among member states, as some of them (e.g. the Nordic countries and the Netherlands) experience much higher levels of diffusion of ICTs (e.g. in terms of Internet penetration, also specifically in low-income groups) and of use of the possibilities they offer for social inclusion. However, it is interesting to notice that,

with respect to 2001, internet penetration in the EU - when measured in terms of internet users as percentage of the total population<sup>15</sup> - has globally increased from 34.3 % to 43.5 %; this trend has affected all considered age groups and socio-economic categories, although to different extents. In particular, the increase in access rate has been higher for women (~ 10.8%) than for men (~ 7.5%), thus showing a trend toward bridging the existing "gender divide" within the digital divide. Moreover, access has proportionally increased more among unemployed and self-employed people (~14%) with respect to populations belonging to other employment-related categories (~10-12%). On the other side, Internet penetration among housepersons, especially women, retired people and in rural areas is clearly lagging behind. The picture is obviously much diversified if statistics at country level, and especially at regional level, are considered. In fact, big disparities characterise the "geographical" distribution of access and use of ICTs across the EU.

Luxembourg and the UK now join the Nordic countries and Netherlands in scoring an Internet access rate above – or much above - the 50 % threshold. A group of countries – such as Italy, Belgium, Austria, Germany are positioned around the EU average; Ireland, Spain and France still have a lower than average access rate (~35%), together with Portugal and Greece (~21%). Between 2001 and 2003, the growth in Internet penetration in the UK, Luxembourg, Germany, Belgium and France has been higher than the European average (+10-12 %).

As the diffusion of ICTs among (national) populations is a complex phenomenon to a large extent market driven, it is difficult to directly relate actual trends and phenomena to policy measures addressing them, as the ones implemented by the Member States in the 2001-2003 period. However, higher than average growth rates in internet access among certain disadvantaged groups (women, unemployed) or within certain countries (Germany, Belgium, Luxembourg, UK), often match the strategic objectives that the NAPs 2001 had set and the effort put in wide-ranging eInclusion programmes.

Measures concerning access to the new ICTs and their opportunities are foreseen again by Member States for the 2003-2005 period. Some initiatives still aim at the overall population (policies for raising awareness and providing computer literacy and access to a broad section of society). Finland and France introduce an innovative approach along this line, whereby access to new technologies is mainly considered as access to their contents and services, especially cultural contents. Thus coupling digital and traditional literacy and the fight against cultural exclusion are at the core of the eInclusion policy of their National Plans.

Other countries target specific groups at risk of exclusion, such as younger people in situations of disadvantage (Luxembourg), low-income/ unemployed/ retired people (Belgium, Ireland) and women. An interesting trend - conducive to social capital building - is the provision of ICTs equipment and skills to parents and children – involving schools, families and local communities (Belgium, Denmark, UK). Also, the progressive

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15 Source of all data mentioned in this section: Eurobarometer 59.2 – Spring 2003.

creation of public access points in libraries, community centres, cybercafes is foreseen by many Member States. A correlation between the achieved level of Internet penetration in a country and the choice of general vs. group-specific eInclusion policies implemented is not necessarily found.

ICTs related measures fostering access to employment are addressed in the 2003 Inclusion NAPs; however, the 2002 Employment NAPs had already partly covered this domain. ICTs are used as tools supporting services for job search, orientation and vocational training; provision of ICTs skills for socio-professional integration of groups at risk of exclusion is planned – and in fact implemented - by most EU countries. Moreover, new open and flexible forms of learning supported by new ICTs (e-learning) are progressively used for re-qualification of workers, training of people under temporary contract, adult education.

Integration of ICTs in school curricula at all educational level and provision of internet connection to all educational institution is a goal achieved by some countries and pursued by many others; as a matter of fact, access and digital literacy provided through public education are considered by MS as being among the most important means for including the new generations in the knowledge society. Again, the description of policies and measures planned or taken in this field is often included in the NAPs Employment 2002, and only partially covered by the NAPs Inclusion 2003.

Provision of ICTs access and services to disabled people has been particularly focused on by practically all national governments. European initiatives in this field<sup>16</sup> have stimulated the adoption of WAI guidelines for public web sites - several Member States have developed legislation to mandate the adoption of the Guidelines - and the engagement in developing universal design for e-accessibility following the creation of the "European network on Design for all", EDEAN<sup>17</sup>. The implementation of speech recognition applications for adapting ICTs equipment to the needs of some categories of disabled people is an innovative approach in this respect (Denmark). Initiatives for integrating disabled people in the labour market with the support of ICTs are also a good model to be followed (Austria), as well as the programmes aiming at improving access by disabled people to services in the field of health or education. Sweden gives a high priority to meeting disabled persons' needs of effective telecommunications and other services and to meeting their needs for products and services that depend on high transmission capacity (broadband).

As a matter of fact, the opportunities potentially offered by the knowledge society reside very much in the – universal – provision of contents and services, access being a mean and not an aim in itself. From this point of view, relatively little is included in the NAPs 2003-2005 (with some exceptions). Some initiatives have been launched in the field of public services provided on-line – portals for social services, provision of administrative

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16 In particular under the Action Plan eEurope 2002, action line "participation for all in the Knowledge based economy".

17 EDEAN has created a National Network in each Member State and in Europe more than 100 organisations are participating.

information or of legal assistance (France, Germany, Greece, Netherlands); a working group on eHealth has been created in Greece. A programme for training and exchange of good practices in the field of e-government at local level is foreseen in France. A particular attention to ICTs access and use at local level is especially to be found in the UK and Ireland. Greece addresses the issue of Internet penetration in rural areas, with grants to young farmers for purchasing computers and Internet connections.

Equal participation of women to the knowledge society is among other issues targeted in the NAPs with specific initiatives, such as provision of education and professional training in the ICTs field, support to networks and to women entrepreneurship.

All in all, the impression is more of isolated initiatives and actions than broad ranging strategies. As a matter of fact, only few NAPs attribute a really strategic importance to eInclusion (Portugal, Greece, Spain, Sweden), while most National Plans choose to focus on other priorities. Often, programmes and actions targeting specific groups or areas are actually implemented in Member States but are not reported in the NAPs Inclusion. In some cases, only a reference is made to other national strategies or documents. An opportunity for exchange of practices and policy responses is thus missed.

#### FOUR E-INCLUSION ACTIONS (GREECE)

1. **Women and the Information Society:** The Operational Programme "Information Society" has a twofold strategy. It includes measures of a *general* nature to facilitate the dissemination of technologies and information science (e.g. in education, in very small businesses) and measures *specifically* designed for women. Projects have been designed with a positive discrimination quota in favour of women (70/30), such as programmes to develop skills in new professions.
2. For the **participation of disabled people** a Working Group on "Universal Access and Ease of Use in the Information Society" was set up in 2002 to put together a general framework. The following actions have been proposed: advanced Eurozone services for disabled individuals, special education equipment, promotion of equality of access to health services and development of health information systems for the elderly and for disabled people, development of educational programmes, provision of telecommunications services for disabled people, involvement in the process of creating a national network "e-accessibility.gr" being part of EDEAN.
3. **Introduction of new technologies into education:** The Ministry of Education is coordinating a number of measures to ensure that the potential of ICT is assimilated into the day-to-day teaching process. The initiative is designed along three axes: 1) Development of equipment 2) Development of digital content 3) Further training of teachers.
4. **For the rural areas,** grants are to be paid to young farmers to allow them to purchase computers and internet links.

Indicators for eInclusion in 2003-2005 are provided by France, Greece, Spain and Portugal. In general, this area is slightly better developed than in the 2001 NAPs; however, we are still far from a system of indicators which could really allow the monitoring of progress at national level.

## **6.2. Preventing and tackling over-indebtedness**

Most of the NAPs/incl see preventing and tackling over-indebtedness as a major element in the fight against social exclusion and poverty. Some emphasise that over-indebtedness has damaging consequences for individuals and their families, making participation in economic and social life difficult (D). It limits freedom of movement and makes it difficult to escape from poverty (B), and can even lead to loss of accommodation, often a factor behind the rise in homelessness, an extreme form of social exclusion. It makes it difficult to find work, because it deters employers who know it will be their responsibility to collect the debt from the worker's salary, with all the legal and administrative procedures that that entails (A).

In some Member States the 1990s saw an unprecedented growth in consumer credit, stemming from the liberalisation of the financial system, lower interest rates, increased advertising and, in some cases, irresponsible encouragement of consumers to take advantage of facilities offering immediate access to goods and services (P).

The main causes mentioned behind the growing problem of over-indebtedness in some Member States (growing numbers of debtors, increasing levels of debt) include: loss of job or job insecurity (FIN), family events such as separation or divorce (D), problems faced by certain low-income families in avoiding amassing multiple debts (UK), and the ignorance of some young people about the dangers of obtaining goods or services via new technologies such as the Internet and mobile phones (B).

Member States apply two types of measures, although not always in the same way: preventive measures, focusing on information, advice and education; and remedial measures, involving strict rules on seizure of assets, easier repayment schemes and debt cancellation.

### **Information, advice and education:**

- Luxembourg and Belgium announce information campaigns on the risks of running into debt;
- Portugal plans to extend its consumer education network, with the affiliation of education establishments and the establishment of local training and information services in locations where they do not exist at present, while the Walloon region in Belgium intends to continue supporting 125 "consumer schools";
- France is studying measures to ensure consumers are given more objective and fairer information, particularly in the field of advertising;
- With effect from 1 June 2003 Belgium supplemented its negative database of incidents of loan repayment with a positive database of loans awarded, while France is planning reforms in these areas and strict rules concerning revolving credit;



- In Austria, Belgium, Finland, Germany, Ireland, Portugal and the United Kingdom, there are plans for reinforcing the competent services that provide advice, training and guidance for people in debt;
- In Belgium (Walloon region) there are plans to try out savings-and-loan groups, "*Groupes Épargne Crédit*" (based on systems that already exist in other Member States, such as the "Credit Unions" in Ireland), whereby local members can better meet their financial needs by pooling their resources, while at the same time collectively sharing the risks and responsibilities.

### **Treatment of over-indebtedness**

- In Germany, in accordance with the commitments given in the NAP/incl 2001-2003, new rules were introduced in 2002 reforming the civil bankruptcy procedure.
- More appropriate rules relating to seizure of assets (ceilings regarding unseizability, realisation of assets seized, etc.) have been introduced in Germany, in accordance with the commitments given in the NAP/incl 2001-2003, and Belgium has in turn announced similar measures, as well as a new law on the amicable recovery of debts (prohibition of any behaviour which violates the debtor's life, honour or human dignity).
- France and Belgium have launched a re-organisation of the funds set up to help people with debts, particularly rent debts.
- A civil bankruptcy procedure (known in France as "rétablissement personnel"), whereby persons of good faith who are permanently unable to repay their debts due to insufficient means can have their debts written off, has been introduced in Germany, is the subject of a new law in France, is being debated in Belgium and is slated to form part of a reform package in Finland which will also cover debt restructuring and seizure procedures.

### **MONEY ADVICE AND BUDGETING SERVICE (IRELAND)**

The Money Advice and Budgeting Service (MABS) is a countrywide service funded by the Department of Social and Family Affairs. The service is managed by 52 locally based companies with board members drawn from the statutory and voluntary sectors. The MABS provides an independent, free and confidential service primarily to low-income families who are in debt or at risk of getting into debt. It has an emphasis on practical, budget-based measures that will succeed in removing people permanently from dependence on moneylenders and open up alternative sources of low cost credit through their local Credit Unions. Credit Unions are member owned and member run financial co-operatives. Members of a credit union have a common bond generally based on where they live (community) or where they work (occupational). The MABS has a special relationship with the credit unions which operate a "special accounts" system to enable the MABS client repay debts and save small amounts. A Loan Guarantee Fund also operates to provide "crisis" loans as an alternative to the moneylender. The aim of the service is to help people to regain control of their finances and to budget for the future. It helps them to prepare a budget plan and to contact their creditors with a view to rescheduling repayments. The Money Adviser also helps the client to maximise their income, prioritise their debts, and where necessary, contact and refer to other support agencies. The MABS frequently intervenes to prevent repossession of the family home and also to prevent disconnection of gas and electricity supply. A Pilot Debt Settlement Programme was recently agreed by the MABS and the Irish Bankers' Federation and supported by the other main creditors. This Pilot Scheme provides a non-judicial alternative for resolving cases of multiple consumer debt that are likely to prove intractable and otherwise end up in court. The scheme introduces a range of innovative features that are new to this jurisdiction such as a finite period for an agreed debt repayment programme, the freezing/reduction of interest and the write-off of residual debt on successful completion of the programme. The debtor's principal private residence is secured against enforced sale or repossession

### **6.3. Preventing and tackling homelessness**

Being "homeless", "without a roof over one's head" or having "no fixed abode", depending on the terminology used in the Member States, is probably the most extreme form of social exclusion and poverty in Europe. The consequences are particularly serious, in terms of health, employment (finding or keeping a job), children's access to education, and family life.

The following groups of people are defined as homeless in the Finnish Plan: persons sleeping out of doors or in temporary shelters; persons using lodging houses etc. because they have no home of their own; persons in various forms of institutional accommodation because they have no home of their own; released prisoners who do not have a home; persons living temporarily with friends or relations because of the lack of a home; families living separately or in temporary accommodation because they do not have a home; homeless mothers living in a home for unmarried mothers; and unmarried couples that are about to have a child and do not have a joint home. This definition which is the most comprehensive seems to have been accepted by most agencies researching the phenomenon and the European Observatory on Homelessness.

The 2003-2005 NAPs/incl make it clear that homelessness can stem from a variety of factors: over-indebtedness, family break-up (often preceded by domestic violence), unemployment, drug addiction, alcoholism, release from prison, mental illness.

"Those who live on the streets are no longer the traditional marginalised members of society, beggars and vagabonds. A new generation of homeless, including more and more women and young people, is now emerging, among whom are people with mental disorders, drug addicts, alcoholics, ex-prisoners and others who, whether due to structural or personal reasons, find themselves cut off from the usual standards and institutions – social links broken, absence of rules and routines, self-marginalisation, estrangement from work, reduced cognitive capacity – and with no social, psychological or financial support", states Portugal's NAP/incl.

In the absence of clear, common definitions, and given the difficulties of counting a population which slips under the radar of the normal censuses, it is difficult to establish precise and comparable figures. The efforts made since 2001 by certain Member States (Austria, Belgium, Finland, France, Netherlands, United Kingdom) and by Eurostat have still not yielded harmonised statistics, and despite the recommendations of the Laeken European Council many Member States do not present "tertiary indicators" of homelessness in their NAPs/incl.

The estimates are therefore based more on administrative data (numbers of persons dealt with by the homelessness services) than on exhaustive data. And assessment is made even more difficult by the massive influx into certain Member States of asylum seekers or immigrants in irregular situations, with no specific abode.

Homelessness is a multidimensional problem which calls for an integrated and holistic approach straddling a number of domains, not only housing but also health (especially mental health), employment, training, justice and social protection.

While all Member States describe in their NAPs/incl efforts to improve the emergency reception and temporary housing of homeless persons and to alleviate their day-to-day difficulties, and some emphasise the prevention dimension (Germany), only four have introduced strategies designed to eradicate homelessness completely (Austria, Finland, Ireland, United Kingdom) and three are preparing such strategies (Belgium, France, Portugal).

These strategies for preventing and combating situations of homelessness are based not only on improving the social emergency mechanisms, providing more temporary accommodation, setting up multidisciplinary mobile outreach teams, networking between public authorities, health care and psychiatric institutions, emergency shelter institutions and social housing agencies, co-operation with NGOs and a guaranteed rehousing capacity by the public authorities, but also on sustained efforts by professionals and volunteers to help with social integration and re-integration.

#### HOMELESSNESS STRATEGY IN SCOTLAND (UNITED-KINGDOM)

In 1999 the Scottish Executive established a Homelessness Task Force, which made 59 recommendations. All have been accepted and all legislative recommendations have been taken forward<sup>18</sup>. These will mean that all homeless people are entitled to permanent accommodation by 2012 and that support will be provided to those who are intentionally homeless. All local authorities are required to produce homelessness strategies, incorporating the need to ensure groups at risk should receive appropriate advice and support. These strategies were submitted by all Scottish local authorities in March 2003 and are currently being reviewed.

The Scottish Executive is also targeting considerable resources to tackle this problem. Along with local government, it has pledged that any need to sleep rough will end by 2003. The Rough Sleepers Initiative (RSI) has already made considerable progress, receiving funds of £36 million over five years. Revenue funding of £11 million a year is now paid directly through the Rate Support Grant, thus allowing local authorities to match their funding stream to specific local needs. In addition, a further £2 million of capital funding was made available for 2002/03 and 2003/04. A key element is the Glasgow Hostels Decommissioning programme, the staged closure of all of the city's large-scale hostels and replacement by purpose-built accommodation and tailored support services. Finance is provided the city council's RSI programme plus an extra £47 million from the Executive over the next three years.

#### 6.4. Preserving family solidarity

Across Europe there is evidence that the family unit is changing and evolving. For example, there are fewer and later marriages, and also more marital breakdowns. In 2001 there were only 5 marriages per 1 000 inhabitants in EU-15, compared with almost 8 in 1970. Furthermore, the estimated divorce rate for marriages entered into in 1960 was 15%, whereas for marriages entered into in 1980 the figure almost doubled to 28%. The trend towards smaller households, with more people living alone at all ages, is also continuing. Furthermore, there is a striking rise in the number of children living with one adult, and a fall in the number of couples with children. In 2000 10% of children aged 0-14 years were living with just one adult compared with 6% in 1990. The overwhelming majority of these single parents are women.

At the same time there are many societal changes, which place new and significant demands on the family unit, such as longer periods of education, managing the life-work balance, increased unemployment (including for young people), support to old age dependency, participation in long-term care and the cost of housing. These trends reflect the crosscutting and important nature of family issues among Member States. Furthermore, they make it clear that, not only is the capacity of the family to meet the demands placed on it affected by policies from several domains, such as employment, social protection and health, but it is also important to monitor what the specific impact is of these policies on the family.

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18 via the Housing (Scotland) Act 2001 and the Homelessness etc (Scotland) Act 2003.

Despite the heterogeneity of the situations and approaches across Member States, there is a certain amount of convergence in the challenges faced, and solutions considered. For example, most Member States highlight the fact that the size of the family – in terms of both the number of children and the number of parents – affects the likelihood of social exclusion. In general, it appears that single parents are relatively more likely to be affected by social exclusion, as are, in most Member States, families with three or more children. Furthermore, during periods when the economic situation is relatively poor, these groups are even more at risk. This issue is addressed specifically by, for example, the Netherlands and Luxembourg, where the importance of maintaining equity during problem periods is highlighted.

Given the broad range of family-related issues and concerns referred to above, there is, as would be expected, a wide range of measures aimed at addressing the issues, both explicitly with family policies, and more broadly in other policy areas. When discussing family policy there is a consensus amongst Member States that the aim is to support parents so they are not financially disadvantaged, allowing them to invest in their children's welfare. This is addressed in many ways across the Member States, with a wide variety of mechanisms in place to support family formation. These range from mechanisms for all families, such as minimum income guarantees, updated parental leave entitlement or allowance, or the increase in flexible or part-time working patterns (all Member States), to mechanisms targeted at more specific subgroups, such as an increased allowance if twins are born (Ireland), or in the case of multiple birth (Austria) or for the first child (e.g. Finland), or a reduction in school fees for larger families (Spain). Furthermore, as employment is commonly identified as a key factor in ensuring social inclusion, and because all Member States are committed to increasing female employment rates, all NAPs/Incl. recognise the importance for families of managing the balance between work and family life. This topic is addressed under two main headings: family formation and work balance, and caring for the elderly generations.

When discussing *family formation* all Member States highlight the importance of making it possible to combine working – or studying – with parenting. In addition to parental leave entitlement, one of the most important factors is therefore the availability of childcare. Indeed, one of the targets defined at the European Council of Barcelona (2002) was for Member States to "...strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between 3 years old and the mandatory school age and at least 33% of children under 3 years of age". Member States (in particular the Mediterranean Member States and the UK) have highlighted that the availability of childcare alone is not sufficient to bring more mothers into the labour force; childcare must be affordable (increasingly so in large families or for lone parents) available at times consistent with working patterns and of a high quality.

The issue of the cost of childcare is part of the overall debate to ensure that parents who work, or study, are not financially disadvantaged for doing so. As would be expected, there is a range of financial (fiscal and/or cash) initiatives in all Member States focused on this highly relevant point. For example, a Lone Parent Childcare Grant has been introduced in Scotland, with £24m (EUR 34m) funding between 2001 and 2004, to assist

lone parents into further and higher education, by supporting additional childcare costs and childcare supply. This grant provides lone parents with the opportunity to study, with the aim of improving their prospects in the labour market, and, in turn, providing a more secure future for their children – a subject which is echoed across all NAPs/Incl. This trend of opening of welfare payments as support to higher and tertiary levels of lifelong learning is coherent with the Lisbon Strategy and the emphasis on access to the knowledge society while in former times support for access to lifelong learning was often limited to basic skills. A further example can be found in Sweden, where childcare places have been expanded and a ceiling on childcare fees has been introduced.

An additional point of interest is that of choice. For example, since July 2002 local authorities in Denmark have had the opportunity to grant parents financial assistance to look after their children for a limited period, instead of placing the children in a day-care facility. If parents do wish to rejoin the labour market after a period of caring for their children, all Member States have practices in place to help them back into work.

Ensuring the provision of quality services which are adequate, accessible and affordable for all citizens is still a major challenge for some Member States. In particular the challenge of increasing access to health services and care services especially for the elderly and the mentally ill or suffering are given a new prominence in many NAPs. Regarding the *care of elderly generations*, there are variations across the Member States in the level to which care is 'institutionalised'. For example, in Greece the key objective is that "the elderly and disabled people should be able to remain in their familiar physical and social environment; that the cohesion of their family should be preserved; (and) that the use of institutional care should be avoided, as should situations of social exclusion...". There is, however, a general agreement across all Member States that a level of formalisation of care provision is increasingly necessary, to support but not supplant the role of the family. To this end, the majority of Member States now have an established carer's leave and/or carer's allowance system in place, which allow elderly people to be cared for in the family home, whilst having contributions or fiscal measures in place to ensure the carer is not financially discriminated against. In Austria, for example, employees who take up this responsibility by taking family hospice leave are protected from redundancy and dismissal and also have health and pension insurance contributions paid for them during the period they are caring. Accompanying measures aim to prevent the exclusion of people with low income. A further example can be found in Ireland, where a "carer's leave benefit" scheme has been introduced, which guarantees employment, social security payments and maintenance of social insurance contributions for up to 65 weeks.

#### *Breaking the intergenerational transfer of poverty*

The recognition of the extent to which poverty and social exclusion can be passed on from one generation to the next is not new in the 2003 NAPs. However, there is an increased recognition of the extent to which those who grow up in poverty are at high risk of becoming the next generation of poor and unemployed. More attention is given to the ways in which the intergenerational transfer of poverty takes place and on the particular dimension of child poverty that need to be addressed to break this cycle.

The need to break the intergenerational transfer of poverty is discussed in most NAPs, with Member States introducing new policies – or building on existing ones – to address this area of concern. These policies take different forms in different Member States. For example, Austria, Denmark, Finland, Spain and the UK discuss the need to identify children at risk of poverty from an early age and act appropriately. For example, children's centres are being introduced into disadvantaged areas within the UK and a Working Group being set up in Sweden, specifically to analyse the situation of young people in particularly vulnerable families, to break the intergenerational transfer of poverty.

**PROJECT TO PROVIDE HOME AND FINANCIAL ASSISTANCE TO FAMILIES IN DIFFICULTY  
(CIGNO MOUNTAIN COMMUNITY, VALLE BIFERNO, ITALY)**

The aim of this project is to assist families who, for a variety of reasons, are at risk of social exclusion and also find it difficult to properly manage relations between parents and children. More specifically, the priority objectives of the project include:

- to avoid having to take children away from homes and to re-establish normal family relations
- improvement and recovery of families' educational resources
- improvement of parents' ability to manage domestic affairs and look after their children
- creation of a network of links between the family and environment
- promotion of a process to offer a real solution to family problems
- prevention of psychological and social problems in minors by promoting harmonious and complete development of their personalities.

These aims and objectives are addressed by working with various social partners to build up a solidarity network around the family. Family support activities include dealing with problems associated with care for children during the first three months of life, children's difficulties at school, and help at the most critical points throughout the day. Economic support, in the form of a fund which families can apply to, is also being planned. This approach is thought to be a viable alternative to bringing families into an office for family therapy.

## 7. KEY POLICY APPROACHES FOR OBJECTIVE 3. 'HELPING THE MOST VULNERABLE'

(a) To promote the social integration of women and men at risk of facing persistent poverty, for example because they have a disability or belong to a group experiencing particular integration problems such as those affecting immigrants.

(b) To move towards the elimination of social exclusion among children and give them every opportunity for social integration.

(c) To develop comprehensive actions in favour of areas marked by exclusion.

These objectives may be pursued by incorporating them in all the other objectives and/or through specific policies or actions.

### 7.1. Promoting the integration of people facing persistent poverty

*People with a disability*

#### **Main trends and challenges**

Even if all Member States recognise in the NAPs/inclusion that disability appear as a determinant of poverty and exclusion, it should be noted that only some Member States have included a **specific reference** to people with disabilities under the section "challenges". Disabled people are mainly included in the "disadvantaged " category. Therefore, it is unclear where certain measures for "vulnerable" groups apply to people with disabilities. Nevertheless, most Member States included in their NAPs/inclusion a considerable amount of policies and measures for people with disabilities in chapter 4 (strategic measures), probably reflecting the preparations of the European year of people with disabilities (2003).

Examples of challenges mentioned by MS in NAPs/incl:

#### **Data and indicators**

Few data and indicators appear in the NAPs/incl. Most of them relate to employment and the health sector. Germany includes also statistics from surveys related to poverty rates, disability and quality of life. Greece includes a statistical appendix based on a special survey on disabilities conducted in 2002. It should be noted that the definitions and criteria for determining disability differ across the Member States according to their perceptions of, and approaches to, disability. This constitutes an obstacle to the collection of comparable data. Therefore, it is crucial to start developing appropriate indicators and comparable data to measure progress towards eradication of poverty and social exclusion of people with disabilities.



## Main policy approaches

- Member States are generally taking a civil rights approach to disability: from seeing people with disabilities as the passive recipients of benefits, they acknowledge the legitimate demands of people with disabilities for equal rights. Accordingly, they are making efforts to develop policies that aim at the full participation of people with disabilities into the economy and the society. It implies equal opportunities, empowerment and active citizenship in mainstream society.
- There is a positive trend in Member States to design accessibility policies for the provision of goods, services and infrastructures to favour the inclusion of everyone including people with disabilities in social and economic life. Nevertheless several obstacles remain, notably those relating to physical barriers, legal and administrative barriers, new technologies and attitudes where much more efforts should be done.
- In order to combat the poverty of many people with disabilities, all Member States have established as main priority the promotion of social inclusion through employment of people with disabilities. Some attention is also deserved to the importance of co-operation with businesses and to corporate social responsibility.
- Only "modern" policies favour independent living at home rather than institutions. There is a general tendency for Member States to promote the provision of long-term care and assistance at home or in the family. However, an adequate or expensive care system leads in many cases to the family shouldering the burden of support.

## Legislation

The Council Directive 2000/78/EC of 27 November 2000, establishing a general framework for equal treatment in employment and occupation, constitutes a major step in the development of anti-discrimination policy. Some Member States have already or are expected to adapt existing anti-discrimination laws to the EU Directive. Others went or intend to go beyond the field of employment in their legislation, notably to introduce anti-discrimination measures in other sectors. Greece included a special article safeguarding rights of disabled people in its revised Constitution in 2002.

**Member States also adopt action plans for people with disabilities and multiple specific measures** in sectoral fields with particular emphasis in improving the employment of persons with disabilities. **Sweden** adopted in 2000 a national action plan, which requires central government agencies to take the disability perspective into account. **Portugal** intends to present in 2005 a national plan for rehabilitation and a law on NGOs representative of people with disabilities. **Spain** will approve a new action plan for people with disabilities aimed notably at promoting the autonomous life for disabled people who live with the family at home.

Some Member States prepare overview reports on the situation of people with disabilities in order to support policy-making decision on the medium-long term (Austria, Germany (2004)).

**ESF and EQUAL funds** associated to national financial resources are used by Member States for employment, training and access to new technologies for people with disabilities. Austria allocated EUR 104m in 2002 for employment promotion programmes for people with disabilities. This fund will be increased further in 2003 and 2004 by EUR 36m.

### **Mainstreaming disability issues**

Exclusion from people with disabilities from full participation in society results from various factors, demanding action in many policy areas.

Even if some developments in disability Member States policies (mainly in Nordic countries) show an increasing tendency towards mainstreaming disability issues in the relevant policies, there is a lack of visibility of this in the NAPs/incl. In Sweden, the national action plan for disability policy underway is based on a mainstreaming approach and therefore involves all social sectors and, in particular, requires central government agencies to take the disability perspective into account. **Therefore, it is a challenge to get Member States to do more in this area, as recalled by the Council resolution of 15 July 2003 on promoting the employment and social integration of people with disabilities**<sup>19</sup>.

Mainstreaming the disability perspective into all relevant sectors of policy formulation requires taking into account the needs of disabled people when developing general policies. This approach requires action at an early stage, in co-operation with all relevant stakeholders including those who will be affected by the policies. In many countries **special structures** aim to ensure the coherence of national actions. Often they favour the participation of NGOs. But these structures tend to focus on measures in support of people with disabilities, so they lack the mainstreaming approach. Sweden has also a Disability Committee chaired by the Minister for Children and Families (who is also responsible for disability policy) including state secretaries from all the ministries that deal with issues related to disabled persons, as well as representatives of organisations for disabled persons. Italy created a new "national committee for disability issues".

### **Review of the progress since the 2001 NAPs/incl**

In general, Member States have not defined very precise objectives and targets on disability issues. In addition, the issues involved in poverty and social exclusion are so complex that two years is too short to indicate whether changes have had effects. It is why it is difficult to make a clear assessment of progress made. There is no significant report on the few targets announced in the first NAPs and on the concrete outcomes of policies. Indicators and data on disability issues are generally missing. Therefore, there is

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19 2003/C 175/01 OJ C 175 of 24.7.2003.

a need for establishing more concrete objectives and targets against which conduct assessment and a more systematic evaluation of national policies.

- The development of policies and the delivery of services to promote the social inclusion of people with disabilities are receiving increasing attention in most Member States, particularly with respect to their integration into working life. In general terms, the results of employment measures seem mixed.
- Most Member States active policies designed to combat unemployment have moved towards more personalised policies tailored to addressing the needs of individuals. Some countries have established targets on the participation of disabled people and severely disabled people in working life: in Germany, there was a reduction in the number of severely disabled people unemployed of around 24% (initial target 25%). Ireland set target aiming at reducing the level of unemployment experienced by vulnerable groups towards the national average by 2007.
- Introduction of innovative legislation for disabled persons with regard to their employment and income (Luxembourg).
- Policies on social security and social protection related to people with disabilities are being refocused in certain Member States notably to favour the employment of people with disabilities. Belgium: new method of calculation for aggregating earned income with sickness benefit.
- Education of children with disabilities in mainstream schools has improved in most Member States. In Ireland, programmes to increase the participation of vulnerable groups in higher education have been expanded, and include the Special Fund for Students with Disabilities.
- Policies on independent living have been developed in many Member States. They raise problems related to family, to the right and actual possibility to live as every other citizen, etc. Austria has developed services for people with disabilities and improved the situation of people requiring long-term care: the burden on the family members providing care – who are mostly women – is reduced, thus increasing their employment opportunities. The targets related to services for people in need of long-term care set in the plans of the Länder until 2010 have in part already been reached.

Conclusion: Even if employment is a critical factor for social inclusion of people with disabilities, it is more and more acknowledged that social exclusion goes beyond unemployment. It should be mentioned that the effects of disability have not been sufficiently addressed by some Member States in key policy areas such as education, training, information society, care, housing, transport or participation in culture and sport, to name just few examples.

## **Objectives and targets**

In line with the strategies defined in the NAPs 2001-2003, all Member States propose a wide range of measures for the inclusion of people with disabilities, mainly related to their employability. Sometimes the objectives are quite vague and a lack of coherence is visible.

Only some countries have set targets, which are often not very ambitious, see under 5.

A clear allocation of financial resources to support these actions it is rarely mentioned. Some countries give data on allocations to some employment measures notably funded by ESF and EQUAL.

### **CLEARING: ASSISTANCE FOR YOUNG PEOPLE WITH SPECIAL NEEDS IN THEIR TRANSITION FROM SCHOOL TO WORKING LIFE (AUSTRIA)**

For many young people with special needs, leaving school brings with it the danger that the continuity in their support might be broken. After leaving compulsory school, some move to various institutions and measures, and a considerable number stay at home with their families without any perspectives for support or employment. A comprehensive safety net or support system for the after-school phase of disabled schoolchildren did not exist until now.

With “Clearing”, a new service was developed which acts directly at the interface between school and employment. Clearing facilities have the task in the final or penultimate school year of determining together with those affected the best-suited individual package of measures for integration into employment. This service includes in particular : drawing up a profile containing interests and suitability; carrying out a strengths/weaknesses analysis; establishing or outlining any possible needs regarding extra training; revealing employment perspectives on the basis of the interests and suitability profile, and building on that; the drawing up of a career/development plan. The idea is not to take existing problems away from young people and their parents, but that they should be offered the support necessary to solve issues which arise as independently as possible, according to the principle of “helping people to help themselves”. An essential factor for success is the active inclusion of the young people, their parents and teachers. The needs, possibilities and interests of the young people form the basis of the actions of the clearing offices.

Clearing also has an essential co-ordinating function in the existing distribution of responsibilities for support, which is not always transparent for those affected. The co-operation partners are the provincial education authority, the Public Employment Service, class teachers, parents, facilities for people with disabilities and the Federal Social Welfare Office, whereby the latter plays a managing role. The clearing process was successfully completed with 1450 young people in 2002. As it was possible to provide suitable apprenticeships, employment contracts, Public Employment Service measures or further school education for many young people with disabilities, the clearing measures are to be further extended.

*Immigrants & ethnic minorities (incl. Roma and Travellers)*

The first round of National Action Plans for Social Inclusion (NAPs/incl) in 2001 clearly demonstrated the need to address the issue of integration of immigrants in a more comprehensive, integrated and strategic manner. In the revised common objectives for the second round of the Social Inclusion Process (Copenhagen European Council December 2002), the emphasis to be given to the situation regarding ethnic minorities and immigrants<sup>20</sup> was, therefore, reinforced, with Member States agreeing to "highlight more clearly the high risk of poverty and social exclusion faced by some men and women as a result of immigration".

As in previous National Action Plans, a majority of Member States continue to clearly identify ethnic minorities and immigrants as being particularly at risk of social exclusion. In Germany, for example, the unemployment rate of immigrants is twice that of the general population and immigrants are more than twice as likely to be in low-income households. In Denmark, activity, employment and education rates are lower for immigrants across the board, in particular for first generation and female immigrants. In France, the poverty rate for foreign households is significantly higher than the national average. Immigrants in Finland are four times more likely to live in poverty and are three times more likely to be out of work than the population as a whole.

Most countries, however, continue to present the issue of immigrants and ethnic minorities in rather general terms, highlighting health, housing and employment as areas of particular concern. In many cases, however, only a brief reference is made to migrant and ethnic groups being at risk, with little attempt to analyse their situation or factors which lead to exclusion and poverty. Only a few countries attempt to identify trends, negative or positive, in the living and working conditions of these groups. It is regrettable that few Action Plans give clear evidence that the situation facing migrant populations has improved since the submission of the first action plans in 2001.

Only a minority of Member States (UK, S, FIN, B, IRL, F) made a direct link between discrimination and social cohesion issues. Sweden, for example clearly sets its work on vulnerable groups in a human rights/anti-discrimination context with a detailed overview of the work of the Swedish Ombudsman. Only a few countries link fighting discrimination and legislative measures. The Council directive on combating discrimination on the grounds of ethnic or racial origin<sup>21</sup>, which was to be implemented into national law during 2003, was highlighted in only a number of the National Action Plans, including Sweden, Denmark, Italy and Ireland.

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20 The term ethnic minorities generally refers to national citizens of a different ethnic origin than that of the majority of the population. These may include citizens from former colonies. Yet, it may also refer to groups among the immigrant population with an ethnic origin which is distinct from that of the majority of the population.

21 Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

In many cases the emphasis is on the need for immigrants to adapt, most notably through training and support measures. In Austria, Italy and Luxembourg, for example, a primary focus is on providing language courses for immigrants. Furthermore, Austria financially supports a great number of projects which on the one hand offer social and legal advice to the target groups and on the other hand facilitate integration. While these initiatives are important, in particular in the initial phase of integration, there is a continued need for measures that address the potentially discriminatory behaviour, attitudes or practices of the majority population which can prevent an immigrant from accessing a job or service or training course irrespective of his or her language ability. In addition, few plans explicitly acknowledge the contribution of foreigners and immigrants to the economic prosperity and cultural diversity of their country.

#### **INTER-CULTURAL SOCIAL MEDIATION SERVICE (SEMSI) - MUNICIPAL COUNCIL OF MADRID**

The SEMSI (Spanish Intercultural Social Mediation Service) of the Madrid City Council is a public service designed to further inter-cultural coexistence, to work on new forms of social relations on the basis of cultural diversity. It facilitates the access of the immigrant population to public resources, encourages their social participation, and enables the municipality to have at its disposal adequate knowledge of the situations, needs and problems of this group. It is developed through an Agreement with the General Foundation of the Autonomous University of Madrid, which provides the personnel for developing and co-ordinating the service (social mediators). The technical work is carried out in co-ordination with the Primary Care Social Services of the City Council.

The SEMSI arose from the need to tackle the problems and requirements of the immigrant population not only regarding difficulties they face in accessing public resources, but also with the aim of acquiring better knowledge of its problems and needs in order to achieve full integration. In particular: to encourage the participation of the immigrant population in the life of the community. To offer information about the social resources available to supply its needs: social, educational, health, and juvenile resources, resources designed for women, for leisure and free time, for social interaction; to collaborate with professionals in the municipal Social Services by offering an inter-cultural perspective; to create a climate in the community favourable to the expression of cultural diversity.

The SEMSI collaborates, inter alia, with different NGOs offering solutions to problems (legal, employment, housing...) which the immigrant population faces on arrival in Madrid, as well as supporting activities directed towards promoting intercultural coexistence.

#### **Lack of data and indicators**

As highlighted in the last Joint Employment Report, the lack of data on vulnerable groups, and in particular migrant and ethnic groups continues to be a major problem. There is a lack of generalised data and common indicators for people of immigrant's origin. Only a small number of countries (including United Kingdom, Belgium, Netherlands, Spain and France) list data or indicators thereby attempting to gain a real picture of the situation and needs in their countries. The UK continues to have a most developed range of statistics and indicators, for example on percentage of different ethnic groups in low income households, qualifications, etc.

Some progress can be noted however. In Germany for example, a recent study of poverty, immigrants and health highlighted the lack of data and research in this area. To improve this situation, a national health survey for children and young people commissioned by the Federal Government will develop a module to record the health conditions of children and young people with an immigrant ethnic background. This data should become available for the first time in 2006.

### **Objectives and targets**

Despite the acknowledgement that immigrants are at a particular risk of social exclusion, a narrow integrationist approach dominates, comprising mainly language and other training measures. Only a few countries have provided clear and specific objectives and targets for supporting immigrants. Examples include:

- The Netherlands has set a concrete target of increasing paid work of ethnic minorities by 0.75% per year to 2005.
- The Irish Plan includes a series of concrete targets in relation to the Traveller Community, including to reduce the gap in life expectancy between the Traveller Community and the population as a whole by at least 10% by 2007, and to double the participation in third level educational institutions by mature disadvantaged students, including Travellers and refugees, by 2006.
- Greece has set the target that by the end of 2005 no Greek Roma families will be living in tents or makeshift accommodation, and prefabricated and permanent homes are being made available to reach this goal.
- The Swedish Plan specifies the integrated nature of its approach, with all targets valid for both women and men, irrespective of ethnic background.
- Denmark has set the rather general target in that people from a non-Danish ethnic background must be integrated to allow them to participate in the labour market and society on par with the rest of the population.

Rather than specific measures, many Member States attempt to target vulnerable groups through their mainstream initiatives, with a general focus on improving employability, access to housing, lifelong learning opportunities etc.

National programmes for integrating immigrants consist in general of three main components: language tuition, orientation or introduction courses and professional labour market training. The programmes, compulsory in certain countries, are either of a general nature or tailored to the specific needs of the individual. Even such specific measures were highlighted, however, few indications were given on the allocation of financial resources to support this action.

Specific measures, which focus, in particular on employability, include:

- In the UK, National Asylum Support Service which provides funding for local authorities to support language training and wider employment integration initiatives for refugees.
- In Sweden, local authorities in co-operation with National Integration Office run induction programmes, language training and assistance for new immigrants in finding a job.
- In Denmark mentoring schemes for minority ethnic women have been set up targeting young women who enter into forced marriages and lose contact with their families and support network. The women are offered practical support and advice on pursuing education or training or applying for a job. In 2002, the Danish government also launched a programme “Urban areas for everyone”, involving five projects that will run over a four-year period, focusing on integrating new refugees and immigrants into housing schemes.
- Support by the Federal Government in Belgium for "Diversity Plans" in companies and certain sections of the civil service.
- In Germany, in the North Rhine-Westphalia Land, an information campaign “Immigrants: An Opportunity for Business and the Administration” has been running since June 2002, with the aim of improving the situation of young people from immigrant families in training and work. A second project has been launched in Berlin: “Berlin – City of Diversity”, aiming at equipping school and health authorities with qualifications in diversity and anti-discrimination issues.
- In Greece, an operational programme for immigrants with a budget of EUR 260m (between 2003-2006), has been planned. The programme will provide information, advisory and support services for immigrants; development and promotion of opportunities for integration into the labour market; cultural integration; upgrading of provision of health and preventive medicine services for specific groups of immigrants; creation of support structures to respond to emergency needs for reception and temporary housing.
- In France, a "contrat d'accueil et intégration" (reception and integration agreement) has been created for every newly arrived foreigner, which includes courses in the French language and civics training.
- In the Netherlands, "Integration Programmes" both for newly arrived immigrants and those longer established will be offered.
- In Luxembourg, introduction programmes and an awareness-raising campaign will be launched in view of the next local elections, to facilitate participation of immigrants in civic and political life.



In some cases, measures adopted need to be closely monitored to gauge their impact. For example, the Danish Plan seeks to combine a new cash benefit for immigrant households with a number of initiatives to support their education and use of skills. This includes the obligation to draw up a binding contract between newly arrived foreigners and local authorities and to develop a planned integration programme focusing on increasing employment. If an individual fails to stick to the terms of the plan, social benefits will be cut. It remains to be seen, however, if this scheme will in fact result in the integration of more people into the labour market.

## **BERLIN – CITY OF DIVERSITY**

(Introduction of Anti-Discrimination Training Measures to Public Administrations)

The aim of the project “Berlin – City of Diversity” is to equip the administration in the fields of education and health with diversity and anti-discrimination qualifications in order to promote equal treatment and the eradication of discrimination. This applies not only with regard to immigrants, but also to all minority groups. A change in the attitude of the administration’s employees to members of minorities in their capacities as customers and as colleagues is to be achieved.

“Introduction of Anti-Discrimination Training Measures to Public Administration” is a project which is supported by the EU Programme of Action to combat discrimination. The project is being implemented in three European cities: Berlin, Bangor (Northern Ireland) and Altea (Spain). In Berlin the project is called “Berlin – City of Diversity”. The project was developed by the Centre européen juif d’information (CEJI) [European Jewish Information Centre] in co-operation with the Northern Ireland Council for Ethnic Minorities in Northern Ireland (NICEM).

In Berlin, in addition to the Commissioner for Integration and Immigration, representatives of the administration as well as several non-governmental organisations are involved in the project. The office of the Commissioner for Integration and Immigration of the Senate of Berlin, in co-operation with Eine Welt der Vielfalt e.V., coordinates the project at regional level.

Between September 2002 and August 2004, the diversity and anti-discrimination trainers are being trained. They will then pass on their knowledge in eight courses. To prepare for the qualifications, there will be a deep analysis of needs, comprising general research and data collection of a number of single interviews, a survey using a questionnaire and several focus groups. In the next Phase (January 2005 – June 2005) the activities of previous phase will be evaluated. The aim is to allow the results and findings of the project to be incorporated in the administrative reform. In this way, the findings will be used effectively, they will be internalised.

The project develops training programmes for local officials in education and health services and addresses different forms of unequal treatment and focus on tackling multiple discrimination. The training is intended to emphasise the importance of cultural and ethnic diversity in policy design, working practices, recruitment and promotion of better community relations. A parallel aim is to produce a training manual which can be used by local authorities across Europe to develop their own programmes adapted to the local situation and needs.

## **Roma, Gypsies and Travellers**

In addition, to the above-mentioned targets for Ireland and Greece, a number of NAPs (Greece, Spain, Finland, Ireland, Portugal) present specific measures for the social inclusion of Roma, Gypsy and Traveller people, with a particular focus on equal treatment and equal opportunities. However, in some cases details are scant on how the envisaged measures should be carried out. No provision is given in any NAP/incl. on specific measures on the particular situation of Roma immigrants within Member States.

In Greece, work is continuing on the implementation of the Integrated Action Programme for the Social Inclusion of Greek Gypsies, which is designed along two axes: the creation of infrastructure to tackle the housing problem of the Roma population and to provide services in the areas of training, employment, culture, sport, health and welfare. This measure also featured in 2001 NAP/incl. However, no detail on assessment of the impact of this action is given.

In Spain, the aim is to improve the standard of living of the Gypsy population in a situation or at risk of exclusion, by ensuring access to and use of social protection systems. In addition, integrated social intervention programmes are to be developed, including activities in the fields of education, housing and environment, health, training and employment, and social services.

In Ireland, Implementation of “Traveller Health – A National Strategy 2002-2005” launched in February 2002 will continue. A Study Group has been established to develop an all-Ireland Traveller Needs Assessment and Health Status Study that it is expected to start in early 2004. An enhanced strategy will be implemented on Traveller education, with a particular focus on measures to reduce early school leaving. An Advisory Committee on Traveller Education advises the Minister for Education and Science on measures taken in this field.

### **New measures in pipeline**

A small number of Member States appear to be using the 2003-2005 NAPs as an opportunity to introduce new measures to support vulnerable groups.

Examples of new measures in pipeline include:

- In Germany, the immigration act under discussion in Parliament will introduce a new legal footing for integration initiatives, with statutory minimum provision to be provided by the Länder. A Federal Office for Migration and Refugees is due to be set up in order to provide a co-ordinating role for integration measures. Under the provisions of the act, new immigrants who intend to stay longer-term should take part in integration courses immediately after arrival (basic and intermediate language courses, orientation courses).
- In Finland, the Act on special subsidies for immigrants has been introduced to provide permanent income support for pensioner returnees and other immigrants in a similar

position. The special subsidies constitute a discretionary social benefit under the social welfare system, granted by the Social Insurance Institution (KELA). There will be an estimated 3 700 recipients of special subsidies in 2003. The new legislation comes into force on 1 October 1 2003. Its estimated cost is about EUR 20 million per year.

- In Sweden, the Government has invited the Confederation of Swedish Enterprise to collaborate on measures to help immigrants who are excluded from the labour market. A working group will examine how public bodies can make better use of the business sector's efforts to integrate immigrants into the labour market and will propose measures in order to facilitate co-operation in this area. The working group will report by 30 December 2003. Also Sweden has produced an action plan against racism.
- A National Action Plan Against Racism will be published by the Irish government by the end of 2003 and measures implemented from 2004 onwards. In addition, the health sector will work with the Equality Authority to integrate an equality dimension into the health service across the nine grounds of the Equal Status Act, 2000 (gender, marital status, family status, sexual orientation, religion, age, disability, race and membership of the Traveller Community) with a particular emphasis on equality proofing.

## **Conclusion**

Social inclusion policy measures for immigrants cuts across the full range of issues dealt with in the Plans. Although the vulnerability of immigrants and ethnic minorities to poverty and exclusion has been recognised by all Member States, in only a few cases specific targets and objectives have been set out.

Little attention is paid to promoting the access of immigrants and ethnic minorities to resources, rights, goods and services, in particular to social protection schemes, to decent and sanitary housing, to appropriate healthcare and to education. The Tampere European Council in October 1999 called for "a more vigorous integration policy", which "should aim at granting legally resident third country nationals rights and obligations comparable to those of EU citizens". In this context, the likely integration in the new Treaty of the Charter of Fundamental Rights of the European Union is an essential point of reference since most of its provisions are applicable to all persons irrespective of their nationality. This provides a useful framework for the further development of integration policies.

The lack of detailed data and indicators, let alone common indicators, hinders any thorough analysis of the situation facing these vulnerable groups. Envisaged and adopted measures need to be closely monitored and assessed to gauge their impact.

The specific situation of immigrants and ethnic minorities faced with poverty and exclusion will require greater effort and analysis if we are to increase their labour market participation to the same levels as the majority population, and to promote their participation in social, cultural and political life.

### *Other people facing persistent poverty*

#### Drug addicts

Equality of social opportunities for persons with drug problems is disproportionately reduced. Drug and alcohol problems often translate into homelessness, unemployment and low education. Furthermore, those addicted to illegal drugs are frequently affected by criminal law penalties and the subsequent exclusion. The NAPs/inclusion stress the importance to introduce or reinforce appropriate measures and programmes to reduce the sometime large gaps in school and work careers so that social re-integration succeed.

The main efforts concern re-integration programmes for former drug addict persons aiming at improving the social opportunities of those affected, in particular re-integration into work and employment, as in the **German Plan**. **Italy** is implementing a number of actions on prevention of drug abuse and re-integration of drug addict persons into society and the world of work: guidance, planning and co-ordination of activities running at a central and regional level; co-ordination of activities carried out by the different actors involved; action targeting drug addicts inside prisons.

Another important focus is on prevention policies and measures. In **Finland**, a new teacher training development programme was launched in 2001, with the aim to improve recognition of pupil difficulties and symptoms of drug use. The core content of pedagogical studies consists of: ethical and social basis of teaching work; human relations, co-operation and interaction skills; understanding of learning processes; and prevention of learning difficulties and exclusion.

In some countries, programmes on addiction prevention are reinforced within the context of an active and integrative urban development policy in order to bring districts of cities where social, economic and urban development problems are intensifying out of their situation and to stabilise them. In **Germany** the programme “The Social City” aims at an integrated encouragement (housing, economic, employment and social policy) of districts with a special need for development. In **United Kingdom**, particularly in England, the links between drugs and neighbourhood deprivation are addressed by close joint working between the Home Office and the Neighbourhood Renewal Unit. **Ireland** addresses the problem of the concentration of drug misuse in disadvantaged areas and districts, too.

In several countries (**Ireland, Italy, Austria Finland, Sweden**) efforts have been paid to a stronger interdisciplinary, cross-departmental co-operation between all those authorities involved in drug issues. Drugs advisory councils have been set up to monitor the implementation of drug programmes and bring a strategic focus to tackling drug-related problems. National Action Plans and Strategy programmes intended to link all the different dimensions of drug issues – prevention, reduction, treatment, rehabilitation, research – exist in some Member States (**Greece, Ireland, Italy, Portugal, Sweden**)

The need for further research and a particular attention to the collection and analysis of data has been identified and research projects (also aimed at identifying the needs of specific target groups) are important elements of national policy measures including in

**Ireland and Sweden. Belgium** plans to create a national observatory on drugs and drug addictions for gathering and analysing data and studying the impact of current policies in the field.

#### **IMPROVING THE PROFESSIONAL INTEGRATION OF ADDICTS “ADDICTION NETWORK”**

In RESTART seven project sponsors have come together to form a Berlin development partnership within the context of the EQUAL community initiative to use each of their skills to build up a network to improve professional integration and personal development and to prevent discrimination and unequal treatment in working life.

This development partnership is supported by strategic partners from various sectors of the economy, social sponsors and the administration (including from the areas for drugs and addiction and for policy on people with disabilities in the administration). The Berlin Addiction Network that is also active in the field of professional integration and qualification of disadvantaged people – i.e. drug addicts – is one of the strategic partners and has taken part in this development partnership with a sub-project. The representative of the Addiction Network is the Berlin addiction agency BOA e.V., which has carried out counselling, qualification and employment measures for people addicted to drugs and helped by medicine in the field of computers and new technologies.

As part of the sub-project within RESTART BOA e.V. wants to enable 30 addicted women living with drug substitutes to integrate into working life by means of tailor-made assistance and qualification. By means of interlinking, permeability and the harmonised structure of the measures within the development partnership, long-term structural changes for the optimum professional (re-)integration of this target group should be achieved involving the institutions involved in the process of professional integration and small and medium-sized companies.

#### **Prisoners and ex-prisoners**

People who commit crimes come often from disadvantaged backgrounds and released prisoners are at risk of leaving prison lacking the skills and resources needed to find a job and accommodation. Consequently, many find it very difficult to settle back in mainstream society, with the result of recidivism. NAPs/inclusion pay a specific attention to the elaboration of effective provisions for the re-integration of prisoners back into society thus reducing the risks of poverty and social exclusion. The creation or the reinforcement of measures alternative to prison is also often pointed out.

A special and widely acknowledged concern consists in preventing or reducing recidivism (**Austria, Belgium, Ireland, Finland, Sweden**). **Ireland** features a very high recidivism rate (approx. 70 %). In **Sweden**, a three-year pilot project involving intensified release preparations and the possibility of serving the last few months of a long prison sentence at home with electronic monitoring has been launched. **Finnish** Yhteistyössä rikoksettomaan elämään (‘Towards a crime-free life together’) is a co-operation project, backed by national, local and regional authorities, aimed at guidance of offenders towards a crime-free life which seeks to develop regional co-operation models.

A priority objective of the re-integration of prisoners is to secure employment for them with their release. The **Austrian** Plan mentions help to find outside jobs (by means of day

release) towards the end of their sentences, which they can then keep after their release. **Spain** envisages a programme for the entrance of prisoners into the labour market. **Greece** is implementing programmes to subsidise new jobs and new businesses for ex-prisoners and young offenders or young people at social risk. In **Italy** a 2000 edict outlines practical measures for the application of penal institution and reconsiders prison employment with a view to creating jobs for convicts, ex-convicts and offenders serving alternative sentences.

**Austria** and **France** plan specific training schemes for prisoners, France particularly focusing on fight against illiteracy. The provision of training and education is also a key element of the **Irish** strategy to enable prisoners to acquire practical skills which will help them secure employment and facilitate re-integration on release. Priority is also given to helping prisoners deal with drug addiction. Measures to encourage the integration of convicts and offenders serving alternative sentences into the workplace and professional training have been adopted in **Italy**.

The promotion of a better re-insertion after release and the goal of reducing re-offending risks also take into account the objective of limiting prisoners' children distress. **Belgian** Plan reports a French Community initiative to set up a legal framework to recognise specific schemes ("Services-Liens") aiming at allowing convicted parents to keep contacts with their children and **Spain** will launch a specific programme intended for female prisoners with children in their custody. Spanish Plan also contemplates to normalise health care in the prisoner population through its inclusion within the National Health System.

#### Other groups

Measures regarding specific situations of other groups feature, more sporadically, in the NAPs/incl. Actions are, in particular, focused on problems faced by people affected by chronic illness, notably mental health impairments, prostitute persons, persons victim of trafficking, persons victim of social distress. These actions are normally not implemented in the context of broader policies, and they are often carried out under pilot projects, sometimes at local and regional level, and the work of voluntary associations through target-group oriented services, prevention and counselling.

### 7.2. Eliminating social exclusion among children

Child poverty is a serious concern for many Member States and measures to prevent and alleviate it feature frequently in the 2003 NAPs/inclusion. Indeed child poverty and exclusion is set as one of the key priorities in a number of NAPs (D, IRL, I, L, P, S, UK). Member States repeatedly stress that in order to make long term progress on the eradication of poverty it is essential to break the intergenerational inheritance of poverty. This means focussing more on the social inclusion of children and when necessary countering the negative social legacy.

Some Member States emphasise the rights of children in the framework of the UN Convention on the Rights of the Child and on the right of children to grow up in a

psychologically and physically safe environment. For instance Sweden emphasises that the UN Convention should be taken into account in all policy areas and that the best interests of children are to be taken into account in all decision-making and measures that affect them. The parliament has recently passed provisions as a further step in compliance with the Convention. Austria will incorporate the UN Convention into its constitution and by 2004 will have drawn up a National Action Plan for children and young people. The rights of children are also reflected in the Greek NAP with the appointment of a Children's Ombudsman. Ireland has recently appointed an Ombudsman in addition to the already established National Children's Office, which aims to bring better focus and greater impact to Government activity in relation to children. The French NAP highlights the role of the children's rights commissioner in defending and promoting the rights of children notably in the area of child-protection policies. However, in many countries there is no acknowledgement of a rights-based agenda for children and young people. This means in effect that priority is given to basing children and young people's services on an adult understanding of what children and young people need rather than on their "rights" to universally agreed services. Thus there seems to be a particular variability in terms of basic services such as health and education and also broader topics such as "age of consent" and treatment of marginalised groups. Countries that give less emphasis to the rights of children tend to focus on children and young people as future employees rather than on improving the quality of life now.

The limited focus on children's and young people's rights in many NAPs is not surprising given their very limited involvement in the preparation of the NAPs. It also helps to explain the lack of use of indicators which define children and young people's experiences of poverty and social exclusion from their own perspective. The countries which do target child poverty as a headline indicator tend to use the 60% median income figure rather than broader based deprivation indicators, though Ireland applies its consistent poverty indicator which combines income and deprivation measures. It is striking that while many NAPs have gone beyond the Laeken indicators on other issues they have not chosen to do so on issues affecting children and young people. This remains an area for further development in the future<sup>22</sup>. One encouraging development is reported in Ireland with plans to commence a national longitudinal study on children.

It is clear from the NAPs/inclusion that there is a consensus that preventing and alleviating child poverty requires action in many different policy domains. Thus it is not surprising that it is an issue that cuts across many sections of the NAPs/inclusion. Important actions and policies are covered in the sections on employment, childcare, social protection, education, training, health and the family.

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22 In this regard it should be noted that the inter-generational transmission of poverty and social exclusion, the situation of children and persistent exposure to risks are also key considerations of a Commission task force that is currently developing indicators for the sustainable development strategy at the level of Member States and the EU.



### **PROMOTING THE WELFARE OF CHILDREN AND YOUNG PEOPLE (FINLAND)**

The Turku strategy focuses on children, young people and families with children. The strategy is pursued through a network model managed and monitored by a management group for the welfare of children and young people, whose members include experts from all service authorities and a town-planning expert. Indicators for monitoring relevant factors have been developed in Co-operation with the National Research and Development Centre for Welfare and Health (STAKES). The indicators are supported by a tri-annual 'child budget', a tool for examining after the fact how much the various authorities spend annually on managing children's and young people's affairs. In addition to indicator and resource monitoring (child budget) projects, an environmental impact assessment model from a child's viewpoint (child EIA) is being developed to ensure that children's views are taken into account in land use and town planning.

Three overall approaches to child poverty stand out: first, developing an integrated and holistic approach, secondly, early intervention and thirdly, supporting children wherever possible in the context of the family and the community. The UK puts tackling child poverty at the heart of its strategy and a major effort across government and involving very significant investment of additional resources is evident. Having set the ambitious target to halve child poverty by 2010 and eradicate it by 2020, much emphasis is put by the UK on partnership, multi-agency working and early intervention. The Sure Start programme is a major initiative to address the needs of the most disadvantaged children from 0-3 through a network of children's centres in areas of greatest need. Another feature of the UK approach is building from the bottom up in response to local needs and involving parents and children in designing and delivering services. This is evident in the Children's Fund, which works with children between 5-13 who show early signs of being at risk of social exclusion. Sweden stresses that arrangements that work well for all children – universal systems and broad-based solutions that benefit the large majority – are particularly appropriate for children at risk. It has recently strengthened provisions for the protection of children at risk and has established a working group to analyse the situation of young people in vulnerable families with a view to identifying areas in which further measures are necessary. In order to prevent and deal with child battering, measures are proposed to strengthen the collaboration between the police, schools, pre-schools, the health service and the social services. Germany, with its focus on making society child and family friendly and its programme on development and opportunities for children and young people in areas with disadvantages stresses the importance of interlinkage covering areas such as youth welfare, schools, administration of labour, urban planning and social, health and cultural policy. Finland stresses early intervention and the development of joint services and multi-professional co-operation. It intends, among other things, to strengthen and expand its model of early intervention with Co-operation between social welfare, health care, police, education authorities and NGOs and will give special attention to children with mental health problems. Portugal emphasises a range of priorities including early intervention and support for families and is putting in place local plans for the protection of children and young people at risk in 39 municipalities. Greece stresses how important it is for the development of children that they have access to services such as education, health and culture as well as to income

support. Spain intends to produce a National Strategy for Childhood and Adolescence in difficulty and at social risk and to develop an integrated prevention and intervention programmes with minors at risk in conjunction with NGOs.

**PLAN FOR THE ELIMINATION OF EXPLOITATIVE CHILD LABOUR (PEETI PLAN) (PORTUGAL)**

The PEETI plan was introduced in Portugal in 1998 as part of the active social policies to make individual citizens (minors and their families) and the general public more involved and more accountable in the fight against child labour.

The PEETI **objectives** are: (i) to identify, monitor and characterise the situation of young victims of exploitative child labour or dangerous work as a consequence of having dropped out of school; (ii) to guarantee a response to the situations identified in the PEETI plan, notably by implementing projects within the framework of the Individual Education and Training Plan (Portuguese acronym: PIEF), by employing flexible and differentiated strategies and by pursuing the School Holidays programme ; (iii) to combat the worst forms of child labour (ILO Convention No 182 and ILO Recommendation No 190, both ratified by Portugal); (iv) to promote the social and educational integration of children and young victims of child labour.

The plan was **designed** to help minors in the following situations: school drop-outs; minors at risk of early insertion into the world of work; victims of exploitative child labour and the worst forms of exploitation. To attain the objectives described, the PEETI plan **methodologically** implements the following measures: indication/diagnosis/reporting of child labour and school drop-out situations; an integrated programme and individual education and training plans; a school holidays programme/projects; allocation of training grants, monitoring of situations involving the worst forms of exploitation. The plan has five PIEF regional co-ordination structures, comprising representatives of the PEETI, the IEFPP, the DREs and the ISSS. In each of the five regions there is a regional PEETI co-ordinator for the respective area.

There is much emphasis on the need to target children who are at especial risk and experiencing a negative social legacy. Denmark is establishing a Committee of Ministers to co-ordinate efforts in this regard. It puts considerable stress on strengthening children's competencies through early intervention and a range of supports. The importance of recognising the particular problems faced by some children such as refugees who are minors, children from families where there is substance abuse or mental illness, children who are sexually abused and children with disabilities is stressed. Finland stresses the importance of developing the quality and quantity of foster care and of integrating children in need of special care into normal schools. In the UK the Welsh Assembly Government has established a Children and Youth Support Fund which works through partnerships in every local authority and aims to provide targeted support which will improve the life chances of children and young people from disadvantaged families. In Italy emphasis is put on support for the development of the foster family and adoption policies and under the 2002-2004 Childhood Plan implementation of various forms of foster care are planned. Ireland is putting in place a range of community-based services to address the needs of children with significant needs.

### 7.3. Promoting comprehensive actions in favour of areas marked by exclusion

The regional dimension of poverty and social exclusion receives more attention in the 2003 NAPs/incl, particularly measures which seek to capitalise on the strengths and opportunities in deprived areas.

The major challenges identified are the same as in the previous NAPs.

#### *Combating regional inequalities*

While some Member States stress the importance of overcoming regional inequalities, only very few of them identify it as a key issue in their Plans.

**Greece**, for instance, highlights the need to reduce the gap in quality of life between rural populations and urban populations as a particular priority. The Plan includes both integrated urban development initiatives and rural development initiatives.

#### *Disadvantages faced by rural areas*

Rural areas still face a diverse range of challenges from, inter alia, loss of population, lack of facilities and social services, pressures from ongoing agricultural restructuring and environmental concerns. Other rural areas are facing a more recent series of challenges such as population influx from urban conurbation.

**Greece** is the only country making the intervention in rural areas as a key strategy. Greek Plan faces the problem of poverty and social exclusion in rural areas through a wide set of measures. The integrated development of the countryside aims in particular at the elimination of the differences in quality of life enjoyed by urban and rural populations. The overall approach relies on three dimensions, economic, through qualitative development in line with the principles of sustainability and respect for the environment; pensions; and access to social services, particularly health and care services.

The **Irish** Plan presents a targeted investment programme for disadvantaged rural areas: the CLÁR programme (Ceantair Laga Árd-Riachtanais) or 'Programme for Disadvantaged Rural Areas', launched in October 2001. Key targets in relation to rural areas are: improve transport services to and improve access to employment, health, education and housing services for rural dwellers.

The **Austrian** NAP establishes balanced regional development as an essential objective for a more cohesive society and describes some measures adopted to combat poverty and social inequality in rural areas.

The **Portuguese** NAP emphasises the growing gulf between peripheral rural regions and coastal rural regions due to economic development which has led to an exodus of populations from the rural interior. Accordingly, an inclusion and development programme will be launched to combat, inter alia, isolation, population exodus and exclusion in depressed rural areas.

In **France**, a bill on the improvement of rural areas provides for the development of services to families and the elderly and greater "regionalisation" of health policy.

In **Spain**, the promotion of integrated plans for improving housing in rural areas is foreseen. The NAP also mentions support of the funding of NGO programmes in vulnerable rural areas.

In the **United Kingdom** a specific target has been established to narrow the productivity gap between the least productive rural areas and the national average by 2006, and to improve the rural population's access to services.

*Measures to help deprived areas and neighbourhoods*

In **Germany**, the promotion of an active and integrated urban policy has been reinforced since 1999 by the programme "Die soziale Stadt" (The Social City), which seeks to promote deprived urban neighbourhoods via an integrated approach (involving housing policy, economic policy, employment policy and social policy).

In the **Netherlands**, a specific objective from the year 2005 for deprived urban neighbourhoods offers assistance to 30 towns for formulating local integrated strategies to revitalise such neighbourhoods.

The **Spanish** NAP supports the promotion of integrated plans for deprived neighbourhoods and disadvantaged areas, as well as the support of the funding of NGO integrated programmes introduced in vulnerable urban areas.

**France** is devoting specific attention to the economic revitalisation of 751 run-down urban neighbourhoods. Another major strand of the Plan is the recently adopted town planning and urban renovation Act ("*loi d'orientation et de programmation pour la ville et la rénovation urbaine*"). No specific measures seem to be devoted to the overseas territories.

**Denmark** confirms its continuation of the initiatives launched for urban and residential areas exposed to a high concentration of social problems. An initial evaluation shows a reduction in the physical, financial and social deterioration of these areas. Future action will be focused more on priority areas and at-risk groups.

In **Portugal**, the above-mentioned "inclusion and development programme" will also promote the inclusion of marginalised and run-down urban areas. A project is also planned for the organisation and development of the communities of the City of Lisbon, to be monitored by permanent observatories.

In the **United Kingdom** a "National Strategy for Neighbourhood Renewal", launched in January 2001, will bend mainstream programmes towards the specific needs of the most deprived areas; the long-term aim is to eliminate inequalities and geographical disadvantages within 10 to 20 years. The accent is on integrating all available policies, not only local, sector-based initiatives.

**LOCAL DEVELOPMENT AGREEMENTS TO OVERCOME SEGREGATION IN THE LARGEST CITIES  
(SWEDEN)**

Parliament adopted a new national metropolitan policy in 1998. At the same time, local development agreements were introduced as an instrument for implementing the new policy. Breaking down segregation in a district calls for broad-based measures over a long period of time. It also requires participation, dedication and systematic co-operation between residents, business, voluntary organisations, interest organisations, local authorities, central agencies, the media and others. If the effects of this collaboration are to be lasting, development efforts must also have structural effects, i.e. changes in the regular activities of the bodies concerned. In other words, positive development calls for a strategy that embraces the local, regional and national levels.

An important task of metropolitan policy is to formulate and refine local development agreements as strategic instruments for collaboration. The agreements represent an objective-oriented learning and improvement process that promotes the development potential of both individuals and local authority districts. The effects of the development efforts must benefit the residents of the district or the district itself. External persons or organisations can therefore be engaged for certain tasks as long as they produce results in the district. Owing to the high rate of turnover in the local population it has proved difficult to follow and measure the effects of the efforts made on behalf of individuals. Work, including work on indicators, is in progress with a view to improving the monitoring of developments both with regard to individuals and to districts. A local development agreement consists of the main body of the agreement and a number of annexes. The body of the agreement sets out the obligations of the local authority and central government, the parties' objectives and the responsible evaluators. The annexes contain action plans, co-operation agreements, an appendix on future issues and evaluation programmes etc. Nowadays, these action plans basically represent the districts' development programmes and contain a description of the present situation, analyses, a strategy and a choice of measures. The agreement presents a continuous chain of objectives. It contains horizontal national objectives set by Parliament and local outcome targets set by the local authority in co-operation with other bodies. Evaluation is carried out at both national and local levels.

## 8. KEY POLICY APPROACHES FOR OBJECTIVE 4. 'MOBILISING ALL RELEVANT BODIES'

(a) To promote, according to national practice, **the participation and self-expression of people suffering exclusion**, in particular in regard to their situation and the policies and measures affecting them.

(b) **To mainstream the fight against exclusion** into overall policy, in particular:

– by mobilising the public authorities at **national, regional and local level**, according to their respective areas of competence;

– by developing appropriate **co-ordination** procedures and structures;

– by adapting administrative and social services to **the needs of people** suffering exclusion and ensuring that front-line staff are sensitive to these needs.

(c) **To promote dialogue and partnership** between all relevant bodies, public and private, for example:

– by involving the **social partners, NGOs and social service providers**, according to their respective areas of competence, in the fight against the various forms of exclusion;

– by encouraging the social responsibility and active engagement of **all citizens** in the fight against social exclusion;

– by fostering the social responsibility of **business**.

A striking feature of the 2003 NAPs/inclusion compared to 2001 is the extent to which many Member States have linked the NAPs/inclusion process more clearly with existing policy making processes and have extended and deepened their arrangements for mobilising all relevant bodies and for achieving greater co-ordination of effort in the struggle against poverty and social exclusion. This is evident not just in the arrangements for preparing their action plans but in the longer term arrangements that have been put in place to embed the objectives and values of the EU's social inclusion process into their policy making systems. However, in some cases there is still much to be done if a really coherent approach to preventing and tackling poverty and social exclusion is to be achieved. Several Member States recognised themselves that current arrangements are not completely satisfactory. Co-operation and consultation with the different partners need to be improved, both in view of the implementation and of the monitoring of the current Plans, as well as for the elaboration of the next ones. Happily there are an increasing number of examples of good practice across the EU that can assist them to strengthen their systems.

### 8.1. Promoting the participation of people suffering exclusion

The participation of people suffering exclusion in policy making is essential as their direct experience and knowledge contributes important insights to what does and doesn't

work and this leads to the development of better focussed and more relevant policies. The challenge is to put in place structured ways of ensuring this. In the preparation of the 2003 NAPs most countries extended the participation of the excluded and several countries strengthened their efforts to consult with groups representing the excluded. Some others (notably EL and NL) could have better detailed the presentation of consultation processes for the elaboration of their NAPs/incl. Little evidence is given in the Italian or Portuguese Plans on the amount and the quality of this involvement.

The most common ways the voice of the excluded is taken into account are through their involvement in consultative seminars or through involving representatives of NGOs on steering groups. The latter clearly works best when networks of NGOs concerned with poverty have been established and are recognised and sometimes resourced by national authorities. In most cases where advances have been made it is intended to carry this forward into the implementation and monitoring of the plans. In a few cases interesting attempts have been made to find better ways of directly assisting the most excluded to contribute to the policy debate. Belgium reports on an interesting enquiry into the participation of the excluded, Germany plans a study on people in extreme poverty and the UK has established a "Participation Working Group" looking at ways of increasing participation in the NAP. In the Netherlands, the number of municipalities which have established consultative bodies for people on benefits has doubled. However, one area where consultation and involvement has remained underdeveloped in most Member States is in relation to children and young people. There is little evidence of how, if at all, they have been included in the NAPs process nor is there evidence of linking the NAP process to existing children and young peoples structures such as school, youth parliaments and youth councils. This is surprising given the high priority given in many plans to child poverty.

There is a clear trend to give more importance to the involvement of those experiencing exclusion in efforts to tackle poverty and social exclusion at the local level. This is important because it helps to foster the personal development and empowerment of the person involved through building self-confidence, overcoming social isolation and creating new networks and contacts. Thus one finds in Spain emphasis on involvement in forums of public administration. In Sweden great stress is put on local participatory democracy and taking a user perspective into account. In Ireland there is an emphasis on supporting local community development projects and local fora and a comprehensive consultation process is underway with a view to bringing greater cohesion to community and local development programmes. A community development approach is also a key feature of the delivery of much of the EU PEACE Programme in Ireland and Northern Ireland. In Belgian, Finnish, Luxembourg and German NAPs one can also find examples of this involvement.

### **THE FLEMISH DECREE ON COMBATING POVERTY (BELGIUM)**

With the emergence of the first Flemish associations of the poor in the 1980s and the access to participation created at that time both by Federal policy and by Flemish policy, the associations requested structural recognition of their work. Their participation in the drafting and evaluation of policies at various levels highlighted the need for financial and professional support. Spurred on by the example of France, where a wide-ranging law on poverty was in preparation, this request led in 1993 to the idea of a poverty decree.

In 1993, the competent Minister approved for the first time an Order ("Arrêté") for subsidies in connection with the fight against serious poverty. Having met a series of conditions imposed, five associations received a subsidy. When the time came for renewal of these subsidies the following year, an additional condition was imposed: the associations were required to draft proposals for what should lead to a decree on poverty. A steering group composed of representatives of the associations and of the administration met five times, culminating in a note in 1996 to the Minister in charge of coordinating poverty policy and the Minister-President of Flanders on the recognition and subsidising of associations "where the poor have their say". The note set out the six criteria which can still be found in the Decree today.

All of these efforts culminated in the adoption, on 21 March 2003, of the Decree on policy for combating poverty. The decree provides a structural basis for the various initiatives adopted by the Flemish Government in the fight against poverty: the establishment of an action plan to combat poverty; the setting up of a permanent consultation arrangement; financial and content-related support for "Associations where the poor have their say" which meet the following six criteria: encouraging the poor to meet in groups, giving a say to the poor, working towards the social emancipation of the poor, working on the social structures, organising dialogue and training activities, continuing to seek out the poor; support for the Flemish network of these associations, whose task is to support and coordinate the activities of the "associations where the poor have their say"; the training and insertion of experts in the day-to-day reality of poverty.

The budget for implementation of the Decree in 2003 is EUR 1 170 000.

While it is important to point out the progress in comparison with the previous NAPs/incl, in most cases no evidence can be found of any direct impact on the design and delivery of policy measures resulting from this increased involvement. This impact is quite difficult to assess, but it can be assumed to be quite weak, except in a few, very specific, issues.

## **8.2. Mainstreaming the fight against exclusion**

### **The National Level**

In some Member States such as Finland and Sweden where promoting an inclusive society and preventing poverty and social exclusion is already at the heart of their policy making system the emphasis has been on reinforcing this. In others significant progress has been made in strengthening institutional arrangements to mainstream a concern with poverty and social inclusion. These include:



- ministerial committees to co-ordinate and mainstream policies on poverty and social exclusion (A, B, F, FIN, E, IRL, L, P, UK)
- co-ordinating or steering committees of senior officials (IRL, D) supported by agencies or offices (B, IRL, UK) to provide day to co-ordination and promotion
- mechanisms for ensuring that a concern with poverty and social exclusion is taken into account when policies are being proposed or reviewed such as poverty proofing in Ireland or Targeting Social Need in UK
- Interministerial memoranda of understanding to develop specific actions related to fight against poverty and social exclusion have been concluded in Italy

#### **INSTITUTIONAL ARRANGEMENTS AND POVERTY PROOFING (IRELAND)**

A range of institutional structures have been established to mainstream a concern with poverty and social exclusion at the heart of policy making and to ensure that a coherent crosscutting and co-ordinated approach is adopted by government departments and agencies. These include a *Cabinet Committee on Social Inclusion, Drugs and Rural Development* chaired by the Taoiseach (Prime Minister), a *Senior Officials Group on Social Inclusion*, a *Social Inclusion Consultative Group and Social Inclusion Units* in key government departments. An *Office for Social Inclusion (OSI)* has overall responsibility for co-ordinating the preparation and implementation of the NAPS and NAPS/inclusion and is required to publish an annual report to Government on progress in relation to the NAPS and NAPS/incl. The OSI is assisted by the *Combat Poverty Agency*, a specialist statutory public body responsible for advising government and working for the prevention and elimination of poverty and social exclusion through research and policy analysis, developing innovative anti-poverty measures and promoting a greater public understanding.

The mainstreaming of social inclusion at central Government level is reinforced by *Poverty Proofing*. This mechanism, introduced in 1998, requires that policies and programmes are assessed at design and review stage to identify their impact on people experiencing poverty so that this can be given proper consideration and any necessary ameliorative measures taken. This process has recently been evaluated and the Office for Social Inclusion has been mandated to address a number of weaknesses so as to make it more effective and to ensure that it is appropriately operationalised in all relevant Government Departments. Increased co-ordination will also be developed with other proofing mechanisms. In this regard, a template to support an integrated proofing approach encompassing poverty, gender and the wider equality agenda will be developed and piloted by the Office of Social Inclusion in partnership with the Department of Justice, Equality and Law Reform and the Equality Authority. This work will be carried out during the lifetime of this National Action Plan. It is also the intention that poverty proofing be extended to local authorities and other State Agencies.

However, in spite of the progress that has been made in several Member States to link their NAPs more strongly with national policy making processes there is still little clear evidence of the NAPs directly impacting on national budgetary processes and thus on the overall allocation of resources. Indeed there is little evidence of resources for social inclusion being significantly increased so as to make a decisive impact, though some increased prioritisation of poverty and social exclusion is evident. Finland does situate its NAP clearly within the framework of its new government programme and stresses that measures will be implemented within the framework of the budget for 2003 and the

budget framework decided by the Government for 2004-2007. Ireland does "poverty proof" its annual budget but the impact of this is unclear. However, in general the lack of a broad financial perspective means that it is not possible to tell if specific increases that have been announced in some areas have been balanced by cuts in other areas. However, Spain does include a table outlining the Global Budgetary allocation of the NAP 2001-2003 which details the relevant objectives related to the plan and the percentage of annual growth on spending as well as an estimate for spending for 2003-2004. From this it is possible to see increases in particular areas and thus better follow policy trends. More Member States than in the first round of NAPs do attempt to indicate the resources they will allocate to specific actions. Many NAPs list funding linked to the plans in a table or financial annex but often this is not broken down action by action and what is new or additional funding may not be clearly identified. In general the plans that are clearest about the specific actions they are developing to achieve specific goals are most likely to indicate clear allocations for specific measures (FIN, IRL, L, UK). It is clear that in future more and better analysis of spending trends over time and a better evaluation of who benefits from spending would strengthen future NAPs. This would help to clarify if shifts in spending over time are responding to changing needs and challenges and whether spending in particular areas crucial to social inclusion is increasing or decreasing. More and better analysis on the effectiveness of policy measures would also be useful to clarify the trend over time on the achievement of policy objectives in combating social exclusion and poverty.

### **Decentralisation to regional level**

A key feature of several NAPs is the increased attention that has been given to the need to mainstream a concern with social inclusion not just at the national level but at all levels of governance. Particularly striking is the extent to which the regional dimension has been taken into account in those countries with strongly devolved regional administrations. For instance:

- Austria has established a co-ordination committee involving the Länder and their activities and plans are more comprehensively reflected in the NAP.
- Belgium has given much attention to reflecting its complex federal structure and has involved regions on working groups on indicators and actions. Attention is given to how regional plans and actions link to the national plan, for example 'le Plan d'Action flamand de lutte contre la pauvreté'. Most of the regions have their own Action Plans which are incorporated into the NAP. The result risks, however, being a reporting exercise, rather than a truly strategic approach.
- Spain demonstrates notable advances in extending the strategy of combating social exclusion to the regional and local authorities, which have most of the competencies. 13 regional plans have been approved so far and the remaining four are expected to be approved shortly. Also the main capitals and important cities have presented or are planning to implement their plans. A more important active participation of regional parliaments is also foreseen.

- In Germany the Federal government has extended its dialogue on the NAP/inclusion with the Länder and city and local authorities. Further integration of the work of the Länder would enhance the NAP. Italy has emphasised the decentralisation to the regions and local authorities and most have improved their capacity to integrate multi-sectoral, decentralised and stakeholder and partnership-based approaches. On the other hand, a strong co-ordination of policies and measures as well as monitoring and evaluation seem necessary to avoid the risk that imbalances between regions affected by different or even divergent dynamics might increase.
- The UK NAPs highlights new strategic approaches being developed by the devolved administrations in Northern Ireland (New Targeting Social Need and the Promoting Social Inclusion Initiative), Scotland (Closing the Opportunity Gap) and Wales (Child Poverty Task Group). Community involvement was an important issue in the drafting process but needs to be developed further.

Decentralisation also leads to new professional challenges for local and regional administrations. Lifelong learning about new developments in social inclusion for local politicians and decision-makers and staff in public services is a challenge, which is not always met in the political strategies.

### **The local level**

The need to mainstream and co-ordinate efforts to tackle poverty and social exclusion at the local level is widely acknowledged. Thus the role of local and city authorities in this regard is featured by many Member States.

For instance Sweden emphasises the role of municipalities and the need to encourage horizontal co-operation in local action plans during implementation. Ireland draws attention to its local government anti-poverty learning network and the UK highlights the role of local authorities in producing community strategies in England and Wales. In France the new constitutional law on decentralisation will lead to close partnership between the State, local authorities, experts in the field and citizens concerned in developing new ways of implementing and assessing policies to fight financial insecurity and social exclusion and in future the department will in future have full responsibility for the minimum income integration programme and mobilising all the actors involved. In Denmark local authorities are well represented in the institutional set-up in combating social exclusion. Greece emphasises the need for networking and co-operation at all levels. The key role of the prefectural level in providing the introduction of cohesion and global vision in the provision of services and the establishment at this level of collective consultative bodies on issues of social policy including relevant NGOs is highlighted. Germany stresses that the way a problem is dealt with has to be found as near as possible to the site of the problem, that is locally. The federal structure and the federal guarantee for local government mean that regionally and locally different strategies are pursued when combating poverty and social exclusion. Local authorities are also actively involved in the consultation and deliberation process around developing the NAP through the "Permanent Group of Advisers". The Federal Government plans to further intensify dialogue with relevant players. In Finland autonomous local councils and municipalities

play a very crucial role in combating social exclusion. In Luxembourg the role of local authorities in elaborating and implementing the national plan is stressed. In Portugal the Social Network ("Rede Social") aims at combating poverty and social exclusion through the setting up of partnership structures in which local authorities play an essential role to promote local social development and to integrate planning dynamics of strategic participation. Ireland highlights the role of County and City Development Boards in co-ordinating social inclusion policies at local level and envisages the local authorities will develop local inclusion strategies to underpin and strengthen national actions.

It is not clear whether poorer and better-off local and regional administrations are equally provided with the necessary means for these responsibilities as the difference between poorer and wealthier regions has doubled in the course of the last ten years.

### ***The European Social Fund and the Community initiative EQUAL***

The European Social Fund is the main financial tool through which the European Union translates its strategic employment policy aims into action. Its mission is to help prevent unemployment in order to make Europe's workforce and companies better equipped to face new challenges and to prevent people from losing touch with the labour market.

#### **Breakdown of ESF allocations highlighting funding for EQUAL and the social inclusion policy field**

<b>Member State</b>	<b>ESF total (M EUR) excluding EQUAL</b>	<b>ESF policy field for soc/incl (% of total)</b>	<b>EQUAL (M EUR)</b>
B	1.007	12%	74
DK	430	22%	30
D	11.108	21%	514
EL	4.241	17%	104
ES	11.402	9%	515
F	6.506	26%	320
IRL	1.057	22%	34
I	7.836	5%	394
L	39	35 %	4
NL	1.826	36%	208
A	631	50%	102
P	4.370	16%	114
FIN	802	11%	72
S	996	15%	86
UK	7.100	25%	399

*Note:* These figures reflect the situation as currently known to the services of the Commission. However, they must be regarded as approximations because overlapping between different policy fields is unavoidable. One country may choose to regard some actions as more closely related to the policy field "social inclusion", while another country may instead prefer to classify the same action under a different policy field (for instance under the policy field for "employability"). Direct comparisons between the shares allocated to social inclusion by different countries should therefore be undertaken with caution.

All Member States refer to the European Social Fund (ESF) and its contribution to policy measures related to their National Action Plan on Inclusion. Spain, Denmark, Netherlands and the UK all provide Annexes outlining the contribution of EU structural funds and the Community Initiative EQUAL. However, in many Member States there is still little evidence of a strong strategic link being made between the challenges and priorities set in the NAPs/inclusion and the expenditure of Structural Funds. In most cases it is not clear what are the institutional arrangements for linking the NAPs process into the process for allocating and monitoring Structural Funds expenditure. Nor is it clear how the NAPs/inclusion priorities will be taken into account in the mid-term review of the funds. However, this clearly provides an opportunity for building a stronger alignment. It will also be important that the priorities identified in the NAPs process are fully taken into account in the debate on the future of the Structural Funds after 2006. These should be committed to contributing to achieving the Lisbon goal of making a decisive impact on the eradication of poverty and social exclusion.

Spain's NAP includes an analysis of the relationship between the ESF funding planned for the 2000-2006 period and the European inclusion strategy. Moreover, it includes a prospective table detailing the estimated budgetary effort required by the implementation of the NAP by major objective over the period 2003/04. Sweden outlines the importance of ESF funding. One element of the European Social Fund's programme Growing Power Objective 3 is Integration and Diversity. The equivalent of SEK 130 million in EU funds will be allocated for this initiative during the programme period 2000-2006.

The EQUAL Community Initiative Programme tests and promotes new ways of combating discrimination and inequalities in the labour market. The Programme which is partially funded by ESF, has certain key principles: trans-national co-operation, innovation, empowerment and partnership to enable the outcomes to inform mainstream policies and practices. The Programme operates on a thematic basis, and while it is structured around the European Employment Strategy it includes as a priority theme to address the needs of refugees and asylum seekers.

Several Member States have highlighted the initiatives funded by the Programme in their NAPs/inclusion (E, UK, A, IRL, D, EL, FIN, D, B, S, L). Ireland has formed 21 Development Partnerships through EQUAL. These partnerships are set up in order to focus on combating discrimination and inequalities in connection with the labour market. Austria has fifty eight development partnerships within the framework of the Community Initiative EQUAL. Three of these partnerships specifically target asylum seekers. Substantial amounts of ESF monies are provided to increase integration measures for people with disabilities.

### **Adapting Administrative and Local Services**

As well as the emphasis on co-ordination and decentralisation of services to a local level several Member States put stress on adapting all services to improve their accessibility and their inclusive quality and to ensure that they are more user friendly for all citizens. For instance France highlights plans to develop amongst other things a quality approach to reception in social welfare organisations, a system of multipurpose initial reception

and the creation of public service centres in disadvantaged neighbourhoods. Denmark highlights its advisory and consultative user councils but also stresses the need for improved user participation. The Belgian NAP/inclusion puts a special emphasis on concrete measures to accelerate the payment of social benefits and to improve information about rights. It also provides for automatic provision of pensions at statutory age (Kafka plan). Spain will promote "single counters" for dealing with several income dependent benefits. Ireland will continue adapting administrative and social services to the needs of people experiencing social exclusion, through the setting of standards and guidelines for delivery. Greece proposes to introduce a "network of services" which is designed to tackle the fragmentation of social services at the level of the user.

Many NAPs report about the problem of beneficiaries not taking up the social assistance they are entitled to. The Dutch Plan notes that such problem is to be found particularly among the self-employed, ethnic minorities and the elderly. For instance, in Germany some elderly do not apply for demand based social security (social assistance) out of shame or fear that their children would have to pay for them. The introduction of a flat rate minimum old age assistance will enable easier access. In addition, pensioners with less than EUR 844 in benefits will be informed by the administration to claim social assistance.

This trend might also be a challenge for the provision of services, which depend on transfer payments by regional, national governments and the European Union. At local level payments could be used in order to improve the inclusive quality of mainstream institutions, for instance in the field of lifelong learning or housing, instead of providing special institutions and cost-intensive "measures" by which excluded persons are again taken apart from the rest of the population and confronted with additional problems.

**LEGAL PROTECTION OF THE SOCIALLY VULNERABLE – LEGAL PROTECTION PROJECT  
"REACHING OUT TO USERS", CITY OF COPENHAGEN (DENMARK)**

The project aims to develop methodologies aimed at ensuring that intentions for legal protection in Denmark's legislation are realised in the practical work with socially vulnerable groups. As an aspect of the project, four pilot projects were initiated in Denmark's largest local authorities (Copenhagen, Odense, Aarhus and Aalborg). One of the local authorities is the City of Copenhagen, which is trying, via the project "Reaching out to users" to establish contacts to people who do not ask for help and who may not be motivated to become involved in and use public services. In some situations, to utilise the rights granted to users in social legislation, the individual user must be able to describe his or her needs and expectations to the social system. Some of the most socially vulnerable and most marginalised people can barely handle this task, and these are the people in focus for the project. The ambition of the project is to develop new methods to ensure that remedying services are offered to the most socially disadvantaged and marginalised people on equal terms with other users.

The project integrates outreach street work with caseworker assignments in local centres, and establishes a dialogue with users that subsequently enables them to utilise the local centre. The means of solving this task lies in establishing outreaching casework at street level in the local area where the user is, thus taking advantage of the fact that in their own space - open air - users are initially more open and receptive to discussions on their needs. The aim is to continue the project by launching street-level casework. Employees at the local centres run the project, having allotted time to realise the outreaching function. The project works with residential facilities for homeless people, the misuser treatment system, services for mentally ill people, the district psychiatry facilities and the health authorities. A midway report is available, and the final evaluation will be available in September 2003. Initial experience shows that the outreaching casework has succeeded in establishing good contacts to the target group. Additionally, this contact has shifted in a favourable direction for the users included in the project, and both employees and users review the experience as positive.

### **Monitoring and Evaluation**

An important tool for ensuring that the NAPs remain at the centre of policy debate is that their implementation should be regularly monitored and evaluated. The inclusion of marginalised persons in the overall monitoring and evaluation of the policies, objectives and targets would not only contribute to their active citizenship rights and their self-esteem, but also increase the quality, as the individual citizen's perspective is added. Arrangements for both the systematic monitoring and the evaluation of the 2003 plans are somewhat patchy. However, several Member States have included provisions.

In Belgium at mid-term the SPP Intégration sociale will prepare a report on progress. In France the Inter-ministerial committee to combat social exclusion is undertaking a study to establish the methodology and tools for monitoring and assessing the NAP. As part of its evaluation effort Germany has undertaken research on monitoring and evaluation. In the process of drafting its new NAP Finland undertook an extensive evaluation of the effectiveness, strengths, shortcomings and weaknesses of the first Plan. This involved many actors as well as research institutes. The findings are detailed in the NAP and serve

to highlight the value of an effective monitoring and evaluation process. In Ireland the Office for Social Inclusion has to publish an annual report to Government on progress. Spain provides for the monitoring and assessing of the NAP by the Interministerial Commission of the NAP on Social Inclusion and a report on the impact of the NAP from the Economic and Social Council. The monitoring and evaluation will also be done at the municipal level by the Social Services Commission of the Spanish Federation of Municipalities and Provinces (FEMPL). Denmark envisages a role for the Council for Socially Disadvantaged People. An important tool for monitoring progress is good data and analysis and several Member States highlight initiatives to strengthen data collection and Ireland puts in place a specific strategy on data involving a number of relevant actors. In Portugal, alongside the interministerial commission, a NGO Forum will follow the implementation and the assessment of the Plan. In Luxembourg, a "co-ordination and consultation Group" met four times to assess the implementation of the 2001-2003 Plan as well as to prepare the new one.

### **8.3. Promoting dialogue and partnership**

#### **Reinforcing dialogue at National level**

Mobilisation of actors, in the context of promoting social inclusion, can be both an instrument and an objective. Encouragingly several Member States have taken or are in the process of taking significant steps to ensure structured and ongoing dialogue between different actors on poverty and social exclusion at national level by establishing commissions or consultative committees involving the different actors. The development of such structures will have the beneficial effect of supporting the emergence of more representative and active bodies in civil society, and in some cases overcoming long-established reservations vis-à-vis central initiatives. Accurate and timely information about the activities of NGOs is needed to facilitate their contribution to overall national endeavours against social exclusion.

These include: Austria (Federal Platform for Social Integration), Belgium (La Commission d'Accompagnement du Service de Lutte contre la Pauvreté, la Précarité et l'Exclusion sociale), Denmark (Council for Social Disadvantaged People), Finland (Permanent Subcommittee 25 for EU-Affairs), France (National Council for Policies against Exclusion), Germany (Permanent Group of Advisers), Greece (The Commission for Social Protection), Ireland (Social Inclusion Forum, National Economic and Social Council, National Economic and Social Forum and Social Inclusion Consultative Group), Luxembourg (Groupe de Concertation et Coordination), Sweden (Committee for user influence in social development matters).

In Italy, a Poverty and Social Exclusion Enquiry Commission carries out studies and draw up assessment and policy proposals. The Netherlands while not reporting on its institutional arrangements makes encouraging active input by and close co-operation between all stakeholders one of the five main strategic objectives of its plan. France plans a national meeting in 2004 of those working in the fight against social exclusion and a European seminar of Ministers and major European social networks. In order to strengthen user influence in connection with implementation of the national action plan



Sweden has set up a committee for user influence in social development matters in the Ministry of Health and Social Affairs, in which the Network against Social Exclusion and representatives of the Swedish Association of Local Authorities and the National Board of Health and Welfare will have a major role. This committee is to act as a body for consultations between the public sector and voluntary users' organisations for the purpose of mobilising all relevant bodies in the efforts to combat economic and social vulnerability.

### **Promoting Partnerships at local level**

A growing emphasis in the NAPs is on ensuring that the integrated approach at national level is translated into integrated and multi-dimensional action on the ground. In particular stress is placed on bringing the knowledge and resources of different actors together so that their efforts are integrated and mutually reinforcing. Such networked co-operation and encouragement of interlinkages is given significant emphasis in the NAPs of Austria (development partnerships), Denmark (Social Council), Finland (local partnerships), Germany (e.g. Development and Opportunity for Young People in Socially Disadvantaged Areas), Ireland (area based partnership supported by a Local Development Social Inclusion Programme), Sweden (e.g. Joint Committees of local authorities and county councils for health and social services and local development agreements with metropolitan authorities) and the UK (local strategic partnerships).

Some of these initiatives (including Austria and Finland) rely on EU funding and programmes as the Territorial Employment Pacts Programme, the European Social Funds and EQUAL initiative.

### THE SOCIAL NETWORKS PROGRAMME (PORTUGAL)

The social networks programme involves the setting up of effective and dynamic partnerships combining the social welfare activities of the various players involved (public agencies and private not-for profit bodies), based on equality between them and agreed common objectives in the field of poverty and social exclusion, with a view to achieving more in the social welfare field than individual initiatives could achieve.

The programme promotes integrated, participative and systematic planning and reinforces synergies, capabilities and resources at local level (local diagnoses, information systems and social development plans).

It is designed to guarantee more effective responses and social interventions in the municipalities and parishes (*freguesias*).

The programme was launched at the start of 2000 in 41 pilot municipalities which already had some experience of partnership work, notably in connection with local implementation of the fight against poverty and the introduction of the guaranteed minimum wage. These were the first moves towards the mainstreaming of social inclusion. By 2003, 176 municipalities had a social network set up and had reached different stages of advancement in the actions planned (31 more municipalities had joined the social networks programme in 2001; another 45 in 2002, and a further 60 in 2003). On average, 50 to 60 partners are actively involved in each local project.

The main objective of this programme is, through concerted planning of social measures, to develop a system which, in each municipality, includes individuals and groups in situations of poverty and/or social exclusion as stakeholders, with a view to gradually improving the quality of life and thus achieving greater social cohesion. The desired outcomes are of various types: partnerships (and their internal rules) which organise into networks and gradually consolidate through the shared, linked and consensual production of diagnoses of social problems (updated as and when necessary), information systems, social development plans and feasible action plans, in order to resolve the problems and satisfy needs in situations of poverty and social exclusion.

### NGOs and civil society

The important role played by NGOs in the struggle against poverty and social exclusion is widely acknowledged and several member states highlight their traditions and policies for supporting activities by NGOs and volunteers. There is an emerging trend to include not only professionals, but also stakeholders and NGOs of socially excluded groups and specialised researchers in dialogues and partnerships as described above. More particularly several highlight the important contribution of NGO networks in advancing the debate on policies. Spain highlights the importance of supporting NGOs as strategic agents in social inclusion and indicates its intention to finance programmes intended to promote networks of NGO devoted to preventing exclusion and exchanging information on good practice. It will continue to promote the establishment of a state-wide network and autonomous regional networks of social action organisations in co-operation with EAPN. The UK reports on the role of regional anti-poverty networks (Poverty Alliance in Scotland, Anti-Poverty Network Cymru) as well as some national organisations in policy development. Finland stresses the role of the Finnish Federation for Social Welfare and EAPN-Fin in drawing on the experience of their members on the ground to contribute to policy debate. The importance that Ireland attributes to ensuring that the voices of those experiencing poverty and social exclusion are heard in debates on national and local

policy-making is reflected in the funding it provides to support the work of ten national anti-poverty networks. These cover a broad range of anti-poverty interests and are representative of people at particular risk of poverty. Germany highlights the involvement of non-governmental organisations (charitable associations, self-help initiatives, National Poverty Conference, etc.), together with other actors (trades unions, churches, the Länder and local authorities) in a regular consultation and deliberation process which has been further developed and institutionalised. Sweden highlights ongoing consultations with the Network Against Social Exclusion in the preparation of its plan. In some countries (including Greece, Finland, Germany, and Sweden) the participation of Churches and religious organisations to the elaboration of policy measures related to the fight against poverty and social exclusion and the involvement in the elaboration of the NAP/inclusion are stressed.

Finland elaborates in some detail on the important role played by NGOs in the delivery of a substantial proportion of the Finnish service and support system and provides estimates on the scale of the sector. It also stresses the role of NGOs in looking after and influencing people's rights and interests. The significant contribution of the Evangelical-Lutheran Church of Finland and its local parishes is also highlighted. However, in general there is little evidence in most NAPs of the financial volume, the exact kind of activities and the number of persons among the excluded and in the mainstream reached by NGOs and the social economy. Future action plans will have to take into account these details in order to assess where NGOs are covering a field effectively and where the areas of strategic concern still are.

In general, while important progress has been made, there is still a need to promote and ensure a real consultation, for which sufficient time is allowed and adequate resources are provided. The issue at stake is how to deepen the quality of the involvement of the different actors and how to establish a more equal and ongoing partnership.

### **Social Partners**

Social partners are involved in most of the consultation processes for drafting the NAPs. Their implication takes normally the form of participation in drafting groups and committees (including Belgium, Finland, Germany, Ireland, Luxembourg, Spain and Sweden). In other countries their role does not feature clearly. Austria stressed the participation of social partners in the work of development partnerships established under EQUAL.

In general, it is difficult to assess whether and to what extent this involvement is really proactive and covers also areas which are not traditionally part of the social dialogue.

### **Public awareness**

Several Member States highlight the need to create a wider public awareness of poverty and social exclusion and the NAPs/inclusion process and propose interesting actions in this regard. However, for most Member States, specific tools for raising awareness are not clearly indicated.

In Belgium various types of dialogue are set and publications prepared and a bi-annual report is also made available to everyone. France plans to launch an intra- and extra-media campaign to change the way the public thinks and raise awareness of the fight against social exclusion. Sweden emphasises that a key focus of the 2003 plan is to raise awareness of the social inclusion process as it is still not sufficiently known in many quarters. The dissemination of successful horizontal inclusion strategies to all local authorities is also proposed. Spain identifies a broad range of actions (dissemination of NAP, improving social media coverage, events, campaigns and debates, public opinion survey, involvement of schools) to increase awareness and debate on the need for social inclusion policies. In the United Kingdom, the profile of the 2003 NAP has been raised significantly by printing and publishing the text in both the English and Welsh languages. Several other NAPs have also been published (A, D, DK, IRL, NL). More generally in the UK the Social Exclusion Unit makes its research available to all parts of the country. In Ireland the Combat Poverty Agency has as one of its core functions to create a greater public awareness of poverty and social exclusion and what needs to be done about it.

Encouraging debate and discussion on social exclusion policies in national parliaments is highlighted as another means of promoting awareness in a number of NAP (E, IRL). Nevertheless, national parliaments' involvement in the process remains scanty.

### **Social responsibility of business**

Promoting the social responsibility of business is featured in a few NAPs (DK, E, F, IRL, I, S). For example in 2002 in Sweden the government established the Swedish Partnership for Global Responsibility whose overall objective is to improve the living conditions of poor people and to implement human rights. Also in Sweden corporate social responsibility is one of the priorities of the Swedish Equal programme. Ireland has a mechanism that promotes the social corporate responsibility, carried out by the Foundation for Investing in Communities. In Denmark a number of ways of promoting social responsibility of companies such as prizes for employing people requiring special work conditions and the development of a self-evaluation tool on social responsibility, the social index, are used.

## **9. GENDER MAINSTREAMING**

Gender mainstreaming concerns (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies, at all stages by the actors normally involved in policy making. It is a challenging task for which several Member States are demonstrating more awareness. Although only a very few mainstream gender consistently across their NAPs, others are slowly developing their means and know-how.

The gender perspective, in pointing out where social and financial inequalities intersect with gender inequalities, contributes to the overall strategy in two ways:

- by enhancing the effects of policies to combat poverty and social exclusion and,
- by developing gender equality among men and women with low incomes.

The use of gender issues as a tool to serve anti-poverty policies is prevalent in most NAPs. This implies that gender equality doesn't appear in the priorities set by most NAPs. Sweden, Ireland, Austria, Luxembourg, Denmark and Portugal gave evidence, to various degrees, that they develop their NAPs with a view to combating poverty and promoting gender equality. Sweden explained that "activities are organised on the basis of the needs, obligations, rights, roles, priorities and opportunities of both sexes, which in turn helps to raise their quality and effectiveness."

*Wide national differences regarding the organisation of gender mainstreaming*

In September 2002, the Social Protection Committee identified the following conditions for mainstreaming gender into the NAPs:

- (a) to create a context combining legal provisions, political will and the formulation of clear goals
- (b) to build a capacity including training and expertise all along the process
- (c) to establish adequate institutional mechanisms, keeping in mind that the ultimate institutional mechanisms are new ways of working, planning and implementing policies.

*Concerning the context*, legal provisions are in place in all Member States. Although political will is more often expressed than in the previous NAPs, it is not systematically flanked with clear goals. As mentioned above, many NAPs use gender issues as a means to achieve priority objectives such as child poverty or family crisis with the risk of neglecting gender equality. Only very few Member States remark that gender equality is also an objective to be pursued in its own right when combating poverty and social exclusion.

*Concerning building a capacity*, there are some promising examples of the use of gender experts and expertise. In Luxembourg, the members of the inter-ministerial committee had gender training. Austria used the Territorial Employment Pact's experts for gender analysis. Germany set up a competence centre to support gender mainstreaming through training and research. Greece has a new manual to help evaluating mainstreaming within operational programmes.

*Concerning the institutional mechanisms*, when mentioned, they appear to have been developed along three main lines by the Member States, sometimes combining with each other:

- a new way of working which integrates the gender competence in the core of the work of departments in charge of combating poverty. In Denmark, Finland and Sweden all public authorities have to incorporate and promote gender equality.
- a partnership between gender and poverty departments to allow the former to actively participate at key stages in the elaboration of the NAPs. This is an option taken by Ireland, Luxembourg and Denmark
- a consultation process between gender and poverty departments which both develop specific Action Plans. Portugal and Spain took this option. Although there is a risk of limiting this to a list of respective activities, if actively developed, it can lead to mainstreaming gender into poverty and poverty into gender equality policies.

Some Member States announced new institutional mechanisms for gender mainstreaming but these do not seem to be operational in the current NAPs. For instance, France plans a national equality council and a national charter for gender equality and Belgium announced the creation in 2003 of an the Institute for the equality of opportunities between men and women.

For the other Member States, their NAPs do not mention the mechanisms used to integrate gender issues, which makes it difficult to apprehend the sustainability of their commitment.

The way the above-mentioned conditions for gender mainstreaming are fulfilled impacts on the ability to consistently integrate a gender perspective across all stages of the Plans as is requested by the Common Objectives.

#### *More statistics but not enough gender analysis and gender impact assessment*

Statistics disaggregated by sex help uncover the gender situation in two ways:

- to show differences between men and women which should be further analysed in the light of existing policies
- to monitor policies and measures aimed at reducing poverty to make sure that women as much as men can benefit from them, that they do not widen gaps between them and, even better, they promote gender equality.

Nine Member States have improved their provision of sex disaggregated data. Six Member States (Greece, France, Ireland, Portugal, Netherlands and Luxembourg) provided a very partial gender breakdown, although, for most of them, data is available. France and Luxembourg, however, are planning further development.

The second step is to actively use statistics for gender analysis. Sweden and Austria made use of their gender information in many chapters of their NAPs. The statistics presented by Belgium, Denmark, Germany, Spain and the UK offered them more opportunities to develop gender analysis than they took up. The analysis conducted by Ireland, the UK and the NL are still mainly limited to the labour market. Germany went a bit further with the internet usage. Denmark turned its attention to gender in some of the most vulnerable groups where statistics are still scarce and where new surveys are being planned.

Consequently, there is often a limited coherence between what the NAPs' statistics show and the identified challenges. Results based on the commonly agreed indicators (cf. Annex) show differences between men and women regarding their risk of poverty according to age and household type. These differences should call for further gender analysis taking also into account other factors such as inactivity, employment status, health and childcare and the increasing need of care services for disabled people, seriously ill and elderly persons at home.

The third step after gender analysis is the gender impact assessment of policies and measures. Gender impact assessments help create effective gender mainstreaming and allow more in-depth policy adaptation. Limited gender impact assessment often leads to marginal adjustments. Only four Member States are involved in widening the scope of their gender impact assessment. Sweden and Denmark have made it compulsory for their local authorities. Ireland has launched the impact assessment of 130 measures as part of the National Development Plan. Luxembourg provides for a gender impact assessment of its NAP measures.

#### *Barely no quantitative targets segregated by sex*

Very few Member States have engendered quantitative targets apart from the targets already set in the European Employment Strategy. Sweden specifies most of its targets in relation to men and women. Germany have gender targets for IT training and internet usage. Austria intends to close gender gaps related to minimum pension. Greece has an indirect gender target with respect to childcare availability which goes beyond those set by the Barcelona European Council. Luxembourg plans to teach the Luxembourg language to migrant women in proportion to their share in the migrant population. The UK quantified targets on lone parents and teenage pregnancies.

There are barely no quantified targets for the vulnerable groups for which many Member States focussed their gender priorities in their NAPs.

#### *Gender mainstreaming across the common objectives: still limited to employment with enhanced attention to the most vulnerable groups of men and women*

Mainstreaming gender into policies means weaving equal treatment into the policy provisions. Additional specific measures can be taken to prevent or compensate for any remaining disadvantages which are identified linked to sex. The sustainability of these adjustments should be carefully analysed. When cutbacks in budgets occur, they are more likely to be discontinued.

Gender mainstreaming is better developed in the field of employment, as it has been boosted by the European Employment Strategy, as was also the case in the previous NAPs. In addition, this time there is slightly more attention given to difficulties met by women from low income groups. Lone parents' difficulties are also a constant concern in most NAPs as previously.

Specific measures are developed in the field of reconciliation with more attention given to improving childcare facilities and affordability. (cf. Ch. Employment). Reconciliation is a field where the risk of conflicting measures is increased by the lack of/limited gender impact assessment. Some backward steps have appeared since the 2001 NAPs, such as the rights to reconciliation for working fathers in Portugal.

Too little attention is paid to the gender deficit in access to income and resources and the measures to overcome them. An overall gender impact assessment of measures taken in employment, reconciliation and pension systems is often missing, which otherwise could help improve the situation of elderly women more exposed to poverty.

In most NAPs, gender mainstreaming is weak outside of employment issues. When gender is dealt with, it is mainly through specific measures, often geared to assisting vulnerable groups of women (sometimes men).

Specific measures cover initiatives associated with problems of gender relations per se such as, domestic violence (all except Belgium and the Netherlands), trafficking and prostitution (Finland, France, Greece, Denmark), and teenage pregnancies (UK only). Actions are mainly concentrating on the victims while prevention including the actors is not yet common.

Gender and disability is combined in Austria, Germany, Denmark and France. More attention is given to immigrants and to female immigrants in Austria, Greece, France, Denmark, and Luxembourg (cf. chapter 4.4.1). While the Netherlands identifies single older women, (older) women from ethnic minorities and single parents as risk groups in general there is little integration of social inclusion and gender policies in the NAPs and the gender dimension is not much reflected in policies proposed.

#### *Gender concern among stakeholders still marginal in many NAPs*

Member States were invited to mainstream gender in the mobilisation of relevant stakeholders. Only Spain and Ireland explicitly mentions the consultation of Equality bodies. Ireland has developed an elaborate institutional structure including at consultative level, the Equality Authority and national women's organisations. It is likely that Gender departments or Equality bodies were also consulted in a few other countries where such a process is standard practice. The participation of NGOs dealing with gender issues is very marginal (only mentioned by Ireland and Spain). In Ireland, gender equality stakeholders appear to be involved at every stage, in the preparation, the implementation, the monitoring and the assessment of its various measures. Regarding the involvement of men and women suffering from poverty and social exclusion, the UK organised



consultations where gender issues were raised. Examples include means-tested benefits, childcare, care work, low paid jobs, precarious and informal work and homeworkers.

## **10. USE OF INDICATORS**

### **Background**

Indicators are an essential tool in the Open Method of Co-ordination as they help monitor progress towards the common objectives and measure the challenges ahead. The importance of indicators was already stressed at Lisbon, when the Council called on the Commission to report annually on progress towards the Union's strategic goals. The Nice European Council invited Member States and the Commission to develop commonly agreed indicators in order to monitor progress towards the objectives in the fight against social exclusion and poverty. This recommendation was reinforced by the Stockholm European Council in March 2001, which gave the Council the mandate to improve monitoring of action against poverty and social exclusion by agreeing on a set of social inclusion indicators by the end of 2001. The task of developing this set of indicators was undertaken by the Social Protection Committee, and more specifically its Indicators Sub-Group that was set up in February 2001.

In December 2001, the Laeken European Council endorsed a first set of 18 indicators of social exclusion and poverty, organised in a two-level structure of primary indicators – consisting of 10 lead indicators covering the broad fields considered to be the most important elements in leading to social exclusion – and 8 secondary indicators – intended to support the lead indicators and describe other dimensions of the problem.

In setting out the methodological principles to guide the selection of indicators, the SPC stressed first that the portfolio of EU indicators should be balanced across different dimensions and, as such, it should be considered as a whole. As for the nature of the indicators themselves, the most important principle is that the indicators should address social outcomes rather than the means by which they are achieved. This is because an indicator that merely measures policy effort is of little help if there is no way of knowing whether that effort is achieving its goal. Furthermore, it is in the very nature of the open co-ordination method that Member States agree on the indicators by which performance is to be judged but are left free to choose the policies by which these objectives are to be met. Two other important methodological principles are that an indicator should be responsive to policy interventions and that it should have a clear and accepted normative interpretation. This means that indicators must be of a form that can be linked to policy initiatives and there should be agreement that a movement in a particular direction represents an improvement or deterioration of social outcomes. The remaining methodological principles are more obvious – to give just a few examples, that an indicator should be robust and statistically validated, should be measurable in a sufficiently comparable way across Member States, and should be timely and susceptible to revision.

On the basis of the above methodological principles, the Indicators Sub-Group has continued working over the past year to refine and consolidate the original list of "Laeken indicators". It highlighted the need to give children a special focus when analysing the commonly agreed indicators and, to this purpose, to have a standard breakdown by age of all the Laeken indicators, whenever relevant and meaningful (and conditional upon statistical reliability); it redefined the indicator of population living in jobless households and added a new indicator of in-work poverty. The list of commonly agreed indicators, as approved by the Social Protection Committee in July 2003, is included in the statistical annex.

### **The use of the commonly agreed indicators in the NAPs**

Member States were requested to make use of the commonly agreed indicators in the NAPs; they were also invited to use third-level indicators defined at the national level to highlight specificities in particular areas not adequately covered by them, and to help interpret the primary and secondary indicators. Given that the Social Protection Committee has not yet been able to put forward a proposal for a commonly agreed indicator on the key dimension of housing, it was agreed that in the NAPs this dimension should be covered through tertiary indicators, namely to describe the issues of decent housing, housing costs and homelessness and other precarious housing conditions.

All NAPs make use of the commonly agreed indicators. They do so in various ways and to various degrees. Many Member States (Belgium, Greece, Spain, Italy, Luxembourg, Portugal and Finland) draw an extensive analysis of the situation of poverty and social exclusion on the basis of both the Laeken indicators and national indicators supporting them or highlighting aspects relevant to their national situation. However, such analysis is hardly integrated into the core of the national action plan, that is, the formulation of the policy strategy for the fight against social exclusion and poverty. True, Greece, Spain and Portugal set overall quantified targets for the reduction of the poverty risk rate; in addition, Greece uses the indicators to identify the major challenges it is faced with and includes specific quantified targets for the elderly and children. However, indicators are not used for policy monitoring or planning purposes, nor are intermediate targets for the timespan of the plan set.

On the other hand, Ireland and the United Kingdom make large use of the commonly agreed indicators alongside the national definitions of poverty used in their own national strategy against social exclusion and poverty. These countries are also the most comprehensive in setting targets across a wide range of policy domains covered by the Common Objectives. However, they do so mainly on the basis of national indicators, in the respect of the national policy and monitoring tradition in the area of social inclusion<sup>23</sup>. Also the French NAP plans to make large use of indicators: it elaborates a

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23 Furthermore, in the United Kingdom, national indicators allow the presentation of information separately for England and the devolved administrations of Northern Ireland, Scotland and Wales.

rich system of indicators – combining common and national indicators, outcome and policy indicators – for the follow-up of the plan.

Austria, Denmark, Germany and the Netherlands make only limited use of the commonly agreed indicators, for different reasons. The Danish NAP is very much focused on the most vulnerable groups, for which there is no or little coverage in the Laeken indicators. In the Austrian and German NAPs, on the other hand, indicators are seen only as providing a framework for analysis. Finally, the Dutch NAP uses the Laeken indicators only for the purpose of benchmarking its performance against the performance of the other EU countries; in developing its strategy, it makes large use of national, mainly policy-related, indicators. Even the at-risk-of poverty rate is calculated with reference to the national minimum income level (threshold fixed at 101% of this level).

The use of indicators in the Dutch NAP raises the question of the lack of a clear link between the Laeken indicators and policy instruments. The NAP points for example to the impact of the economic cycle on the outcomes, something which cannot be controlled by policy-makers. Furthermore, in areas where the central Government has little influence, the Dutch NAP has opted for policy-related, mainly qualitative, indicators. These objections to the use of common indicators are justified only to an extent. Policy initiatives in the area of the Employment Strategy are subject to much the same problems as in the area of social inclusion: namely, performance in terms of employment and labour force growth is very much related to economic and demographic developments; yet the use of outcome indicators (and targets) is more consolidated and there is a vast body of theoretical underpinning for them. As a consequence, their use in policy-making is less questioned and statistical capacity in this area is more consolidated.

It must be recognised that there remain serious practical issues to be addressed before the commonly agreed indicators can be used to full advantage to assess performance in practice. Important issues concern the reliability and timeliness of relevant data. Many of the poverty and social exclusion indicators are drawn from the European Community Household Panel (ECHP), the EU-wide harmonised survey on income and living conditions. The use of this source for this purpose was explicitly recognised at the Laeken European Council in 2001. A new data collection tool, the EU-SILC, will soon replace the ECHP as the reference source for statistics on income and living conditions in the EU. With significant investment in statistical capacity-building, this is expected to effectively address some of the acknowledged weaknesses of the ECHP. For example, it is important that in the future we can calculate poverty risk rates taking account of the value of imputed rents for homeowners; information on gross income by components should also be improved to allow the calculation of the indicator of poverty risk before social transfers on both a gross and a net basis; last, but not least, timeliness of the data must be improved.

### **The use of tertiary or national indicators**

Several third-level indicators have been used in the NAPs.

Alongside the commonly agreed indicators, some Member States have used *different definitions and/or alternative data sources* for measuring and characterising current levels of poverty and social exclusion. For example, France, Germany, Italy and the United Kingdom use national data sources to calculate income poverty risk indicators, as they provide more timely results. Sensitivity analysis of the use of these different sources and definitions is presented as well. Greece and Italy define relative poverty risk on the basis of both income (Laeken definition) and consumption, and justify the use of consumption by the likely higher stability of consumption patterns and its greater adherence to the actual living standards of households. The high proportion of the self-employed, as well as the importance of house ownership, also among poor households, in these countries are other arguments in favour of the use of consumption-based measures. However, the use of consumption expenditure for the measurement of poverty risk presents some major shortcomings, both on theoretical and practical grounds. Expenditure reflects choices, not opportunities, and thus fails to reflect resources accruing to the household. Moreover, household expenditure surveys are not fully harmonised. This is why, for the measurement of poverty risk, the use of income data is generally preferred.

Some countries refer also to national indicators of absolute poverty (Italy), non-monetary indicators of living conditions (Belgium, Italy, France), or, still, measures of self-perceived poverty or deprivation (Belgium, Italy). Ireland uses the measure of consistent poverty, a combination of relative income and deprivation measures that is believed to give a more accurate picture of the category of the population that experience generalised deprivation due to lack of resources than income poverty alone. Such indicators clearly provide useful complementary information to that of relative poverty risk. In particular, Ireland uses the comparison of trends over time of the consistent poverty risk rate and the relative poverty risk to highlight the sometimes pro-cyclical nature of the latter measure (see also chapter 1, Figure 7).

The *sub-national* dimension of poverty and social exclusion is in some instances (Belgium, Greece, France and Italy) described through a regional breakdown of the common indicators. In particular, Greece interestingly distinguishes between rural and urban regions, highlighting the different nature of poverty and social exclusion in these two areas.

Most Member States used *policy-related indicators*, which can be more easily integrated within the development of a policy strategy. Examples of these indicators are the number of unemployed or long-term unemployed persons who are assisted by some labour market policy measure, the number of available social housing units and the amount of minimum income benefits. In fact, the distinction between input-related and performance indicators is not always straightforward and some indicators are better qualified as "intermediate output" indicators. Such indicators express on the one hand the policy effort in favour of those at risk of poverty and on the other hand the impact of social policies as well as of the economic context more at large. Benefit dependency indicators – quite largely used in the NAPs – are an example of this type of indicators. Even the

Laeken indicator of "early school leavers" can be seen as belonging more to the category of intermediate output indicators than a performance indicator in the strict sense.

Finally, some interesting indicators have been used in the area of health and housing. In the area of housing, issues of decent housing, housing costs and homelessness are addressed in some NAPs. In the area of health, many Member States show information on life expectancy by socio-economic status (proxied through a broad occupational classification). The Belgian and French NAPs display several indicators of health outcomes and access to health care by socio-economic status. They are based on a special health survey that should be closely analysed in order to see whether it could be replicated in other countries.

### **Indications for future developments at EU level**

In this second round of NAPs/inclusion, Member States were expected to make use for the first time of the EU commonly agreed indicators, to underpin both their analysis of the social situation and the monitoring of progress towards stated policy goals. The assessment of how indicators have been actually used in the NAPs is a precious opportunity for the Social Protection Committee, particularly its Indicators Sub-Group, to draw lessons for future work in the area of social inclusion.

While it is fair to say that the list of indicators has responded generally well to the above expectations, it is clear that EU indicators tend to be much more favoured as tools for international comparison in an analysis of the situation of poverty and social exclusion than as tools for policy monitoring.

The lack of a clear link between the commonly agreed indicators and policy instruments is an obvious reason for this, and the use of national or tertiary policy-related indicators was called for in order to fill this gap. However, it is unquestionable that the current list needs to be improved and, above all, that the statistical capacity to calculate them needs to be improved.

Looking at the current list of indicators as a whole, the concept of social exclusion that emerges seems to be related to lack of income, income inequality, lack of employment and lack of an adequate educational attainment level. It is unquestionable that these are some of the key dimensions of social exclusion and poverty, but other important areas – such as health, living conditions and housing - are not yet adequately covered and further efforts need to be devoted to them. Furthermore, it would be important to develop a better understanding of poverty and social exclusion at the sub-national level. In all these domains, however, a combination of factors – data as well as institutional differences across the EU – still make it difficult to define common indicators that can be used across all 15 Member States.

The major concrete challenge we are faced with is thus that of the statistical capacity. At both the Community and national levels, it is clear that there are big gaps in data availability. This is true in particular with respect to the vulnerable groups, where a

number of NAPs/inclusion lack basic quantitative information concerning groups which cannot be identified through conventional household surveys, such as alcohol abusers, drug addicts, homeless people, ethnic minorities, etc.

At the European level, the priority lies in improving the current European databases. In particular, it is of crucial importance that the new EU-SILC delivers timely and reliable statistics and that it is actively implemented by all national statistical services with the support of policy departments (as users). In the meantime, it is also important that the transition between the ECHP and EU-SILC is ensured in the best possible way.

## **11. IDENTIFICATION OF EXAMPLES OF GOOD PRACTICE**

The dissemination of examples of good or best practice is a key element in the open method of co-ordination for social inclusion. It allows Member States to learn from one another, by systematically exchanging information regarding their experiences in implementing new or radically overhauled policies or institutional mechanisms. Accompanied with evaluation results and details of how these results were obtained, it should facilitate the preparation of reforms or the implementation of model integrated multidimensional approaches and the mobilisation of all stakeholders, considered particularly effective.

The 2003-2005 NAPs/incl reveal the areas in which Member States appear to have made most effort over recent years to overhaul the content of their policies or the way the policies are implemented, whether at national, regional or local level.

Employment support measures for persons in situations of great difficulty head the list. Thirteen 13 such programmes are described, relating to disabled persons, persons long out of employment for various reasons, notably illness, the long-term unemployed, social assistance recipients and young persons.

Many Member States also describe measures designed to mobilise all local players and public authorities to combat social exclusion and poverty. Ten such programmes are described.

Many examples of good practice are also described in relation to child protection and protection of families from social exclusion. Seven such experiments or new policies are described.

Home help and care for dependent elderly persons is not forgotten either. Three such programmes are presented.

Four programmes relating to the reception, counselling, housing or re-housing of the homeless are also presented.

Examples of good practice for the prevention and treatment of over-indebtedness are described in three of the NAPs/incl.

Examples of good practice for the integration of immigrants are described in two of the NAPs/incl.

Four programmes to improve access to justice and the public administrations are presented.

Three schemes to create better dialogue and partnership with NGOs and persons in situations of exclusion or poverty are presented.

Areas in which just a single example of good practice is presented include cultural participation, education and social research, food aid, violence against women, care for drug addicts and the transformation of campsites.

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>1. EMPLOYMENT</b>			
<b>Austria</b>	'Clearing'	Assistance for young people with special needs in their transition from school to working life. A comprehensive safety net or support system for the after-school phase of disabled schoolchildren	Disabled people Children, Education.
	Labour Market integration	Labour Market integration measures for recipients of social assistance. Alongside a financial minimum income, an objective of social assistance – in the spirit of helping people to help themselves is the reintegration into the labour market of beneficiaries who are able and willing to work.	
<b>Denmark</b>	Integration of young people into the labour market	Integrating socially disadvantaged young people into the labour market – Young People's Unit Brøndby local authority. Nine local authorities are participating in the project. The project aims to transfer young people from the cash-benefit system and start them on an education or integrate them into the labour market via on-the-job training or work. They are supported by their caseworkers from the local authority, a voluntary or professional contact person supporting him or her in life outside the workplace, and a mentor at the workplace who makes sure that the young person is integrated into the environment	Children & Young People
<b>France</b>	Employment policies for persons in great difficulty	Employment policies for persons in great difficulty have been built around two main issues; bringing those persons back to productive activity by promoting employment and implementing a personalised support programme which is adapted to the situation and needs of the individual.	
<b>Germany</b>	"50 000 Jobs for the Severely Disabled"	A legally required objective of reducing the number of severely disabled people seeking employment by 25% between October 1999 and October 2002. A strengthening of the specialist integration services and of the employment exchanges. An increase of the vocational qualification training and individual mentoring schemes for unemployed severely disabled people. An advertising campaign to highlight the new measure, including, telemarketing/information hotline, brochures, events, trade fairs, Internet	Disabled people
	Project 'Opportunity 2000'	Qualification of unemployed social assistance recipients, who have long-term severe health restrictions, high degree of mental fragility and/or low self esteem and cannot be integrated into the labour market with the usual set of instruments.	Health Disability
	Federal Institute for Employment – 'FAIR'	The "FAIR" Special Programme has been implemented with the goals of improving performance at finding work for the long-term unemployed. Additional employees were hired who dealt solely with the better integration and mentoring of the long-term unemployed and finding work for them. The long-term unemployed are mentored in every one of the offices concerned, according to a systematic programme.	



<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>Ireland</b>	Preventative strategy for unemployment	The Employment Action Plan (EAP) Preventative Strategy aims to reduce unemployment, and prevent the drift into long-term unemployment, by actively engaging with unemployed people and assisting them to return to employment. The participants are interviewed to assess their current skills with a view to providing them with an individual plan which may lead directly to employment, retraining or education. The Preventative Strategy commenced in September 1998 with all those under 25 years of age who were six months on the Live Register and referred for interview. Over time the process has been progressively expanded to include additional groups crossing specified thresholds of unemployment duration.	
<b>Luxembourg</b>	Assessment Centres	Assessment Centres for those who are unemployed are able to increase their employability. This allows persons who are able to work, to find work, to have their own resources, to find their dignity and to escape a potential situation of poverty and of social exclusion.	
<b>Netherlands</b>	Experiments in social activation (1996-2001)	The Ministry of Social Affairs and Employment arranged opportunities to experiment within the (general benefits) law, with the goal of promoting reintegration into the labour market and preventing the social exclusion of those entitled to benefits who are greatly distanced from the labour market.	
<b>Spain</b>	Integrated Employment Project for the Insertion of Young People into the Labour Market	This is a programme for training and entering the labour market to promote innovative activities in the field of employment for youths who have serious difficulties in accessing jobs and a high risk of social exclusion. It includes information and personalised plans for employment integration, orientation and support for regulated or occupational training.	Socially disadvantaged people
<b>Sweden</b>	Stockholm Matching	The purpose of the Stockholm Matching project is to develop methods that help to find work in the open labour market for people who depend on social assistance to support themselves. The social services and the business sector are to collaborate on the development of methodologies for recruiting persons living on social assistance to work in the labour market. The main target group of the project is social welfare officers, representatives of the labour market and business and study and careers counsellors. The secondary target group consists of long-term unemployed persons who have no contacts with the regular employment services and receive a subsistence allowance.	
	DELTA-Financial co-operation in Hisingen	The DELTA project was launched in 1997, to see whether collaboration would be more effective in helping people who have been ill or unemployed for a long time. Social insurance offices, the primary health care system and social services collaborate with the DELTA project, county labour board, psychiatric clinics, and the adult education system on 26 related projects in Hisingen.	Mobilising stakeholders, Education Most vulnerable

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
	Work and Development Centres in Malmö	Work and development centres in Malmö is a collaboration project within the framework of the metropolitan programme between Malmö, the employment services and the social insurance offices. The main objective is that long-term unemployed people should find work or start studying within a year. Priority is given to people with a foreign background and unemployed youth in need of further motivation and counselling programmes.	
<b>2. MINIMUM INCOME/SOCIAL SAFETY NET</b>			
<b>Belgium</b>	Improve suitability of minimum income systems	Promote access to resources for all, along with the modernisation of administrative legal and financial content of various minimum allowance regulations.	
<b>Spain</b>	Plan for basic social service benefits of Municipal Governments.	This is a Social Services programme carried out over several years. It has currently been consolidated and led by the administration, financial and political foundations of the basic network of the Public Social Services system.	
<b>3. HEALTHCARE</b>			
<b>Austria</b>	Provision of long-term care	Along with the uniform nation-wide introduction of nursing care allowance, the <i>Länder</i> were obliged to draw up requirements and development plans for long-term care provision for people with disabilities as well as older people (outpatient, half-inpatient and inpatient services). This was also to provide a strategic orientation for long-term care in the respective province.	
<b>Belgium</b>	Making health services more affordable	Improve access to healthcare systems and prevent the risk of exclusion due to serious health problems through maximum cost bill institutional arrangement.	
<b>Denmark</b>	Social inequality in Health Horsens Local Authority Health Plan	The plan aims to provide better health for the vulnerable groups of the local authorities and break the negative effects of intergenerational transmission. The activities will focus on the most vulnerable citizens and have a preventive and health-promoting aim. The project encompasses several sub-goals, including counteracting social inequality in health aspects and improving the health of children and young people.	
<b>France</b>	Regional Health Care and Preventive Care Programme "PRAPS"	Regional programmes mobilising together healthcare professionals and institutions, local decision makers, and social, prevention and dependency programmes, and to improve outreach to the most disadvantaged persons and meet their specific needs. Under these programmes, more than 370 public hospitals have been equipped with healthcare help desks (PASS), 45 city centres (ASV) and activities such as addiction prevention, fight against unsanitary housing have been developed.	

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>4. HOUSING</b>			
<b>France</b>	The Social Watch Programme	This Programme has the task of informing, guiding and offering housing to all persons experiencing difficulties (single mothers, families and young people estranged from their families along with a strong onset of asylum seekers...).	
<b>Belgium</b>	Supporting those who have difficulty paying electricity and gas bills	Among the debts which people are confronted with this is often linked to energy supply. The federal government took the initiative to allow public centres of social aid to accentuate their efforts both at the preventative level and curative level. The first aspect is aimed at the framework and the social and budgetary accompaniment of those people who are having difficulties making payments. The second aspect is the possibility of granting financial aid to audit invoices so that the person concerned could set out again on a healthy financial basis.	
<b>Denmark</b>	Resident Advisors Programme	To perform preventative and outreach work, create networks and facilitate contacts to the local authorities, and to participate in co-ordinating local initiatives to improve social housing activities in the relevant housing areas.	Mobilising Stakeholders
<b>5. EDUCATION</b>			
<b>Netherlands</b>	Administrative collaboration between nursery facilities and primary education Hertogenbosch	The goal of the administrative collaboration between nursery facilities and primary education (five schools) is to achieve an unbroken development line for children aged between 0 and 12, in other words a development without fault-lines between the (teaching) services which are present.	
<b>6. E-INCLUSION (ICT)</b>			
<b>Greece</b>	Citizens Service Centres	The Citizens Service Centres (KEP) are organic units of the local government authorities in which they are established (Regions, Prefectures, Municipalities and Communes) and are responsible for providing administrative information to the public and resolving problems or transacting business the public may have with the authorities. The central website <a href="http://www.kep.gov.gr">www.kep.gov.gr</a> created by the Ministry of the Interior to further the objective of provision of information through the KEP and also to offer direct information to citizens with access to the internet, contains information mainly on administrative procedures and dealings which can be transacted at the KEP.	
<b>7. CULTURE, SPORTS, LEISURE</b>			
<b>Belgium</b>	Project ' Article 27'	A model for cultural participation managed through a specific NGO created by actors from the cultural sector. Access to cultural activities with very low price entry tickets,, for underprivileged people, with support from various French speaking communities and regions in Belgium and the partnership of 433 social and cultural institutions.	

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>France</b>	Programme "Ville-Vie-Vacances."	Every year this initiative provides approximately 800 000 young people who do not go on holiday with numerous sports and cultural activities as well as activities related to integration into the workforce. The participation rate among girls has grown significantly, thanks to a change in the orientation of activities for them based on their input.	
<b>Sweden</b>	Agenda for Culture	Agenda for Culture Programme 2003-2006	
<b>8. INDEBTEDNESS</b>			
<b>Ireland</b>	Money Advice and Budgeting Service	The Money Advice and Budgeting Service (MABS) is a countrywide service funded by the Department of Social and Family Affairs. The MABS provides an independent, free and confidential service primarily to low-income families who are in debt or at risk of getting into debt.	Helping the most vulnerable
<b>Netherlands</b>	Integrated Debt Assistance in Arnhem and Dordrecht	The points of departure for this model's integrated debt assistance are that registration is carried out from an integrated viewpoint (financial-technical and psycho-social backgrounds), that there are applicable simultaneous or consecutive assistance programmes for both aspects, that there is an official to monitor and co-ordinate the programmes (case management), and that a start on budget supervision or other forms of supervision is made as soon as possible. In integrated debt assistance there is also generally a chain of prevention, registration, assistance programmes (psycho-social help, budget supervision and budget management), connections with the statutory route (Debt Repayment Natural Persons Act), progress monitoring/supervision and aftercare or care for people who drop out.	
<b>9. HOMELESSNESS</b>			
<b>Austria</b>	Homeless strategy	By the year 2006, all formerly homeless families and individuals in Vienna are to be provided with their own rented accommodation at locations separate from hostels for the homeless. Homeless people will only be accommodated in supervised facilities for a temporary period of a maximum of two years. After the end of the supervised phase, they their own flats. For older people, specialised senior citizen's complexes are planned in Vienna for accommodation without time limits	
<b>Denmark</b>	To reduce the number of homeless persons.	Agreement in June 2002 concluded between the Danish government and the local authorities. The main priority areas are: housing assistance, emergency offers, alternative emergency departments and alternative nursing homes.	
<b>France</b>	Policies related to Homelessness	Promote a global and integrated approach of people who are in situation of greatest exclusion. Modernise, configure and co-ordinate the whole emergency service field. Insure a better protection of most excluded people, offer a true aid, prevention and social reinsertion policy. Services and social support for homeless people in partnership between public authorities and solidarity associations: telephone helpline 24h/24h, mobile teams, day-care centres, emergency accommodation, social	

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
		housing, temporary housing, accommodation and reinsertion centres, new normalised system of information common to the social emergency field.	
<b>Sweden</b>	Innovative methods for improving support for the homeless	Stockholm City has since 1999 offered a Roof Over Your Head guarantee as one element of the long-term efforts to improve support for the homeless. The objective is to guarantee all homeless persons who apply for a place at a hostel before midnight accommodation for the night, provided that their behaviour is not threatening.	
<b>United Kingdom</b>	The Rough Sleepers Unit (England)	The Rough Sleepers Unit (RSU), established in April 1999, had responsibility for delivering the target of reducing rough sleeping in England to as near to zero as possible and by at least two-thirds by 2002..	
<b>10. TERRITORIAL/REGIONAL DIMENSION</b>			
<b>Germany</b>	The Social City'	Measures in varied fields of policy, such as housing, economic, employment, activation of citizens and social policy, in disadvantaged districts with a special need for development, brought together into an active and integrative urban development policy in integrated programmes lasting several years.	
<b>Greece</b>	Local Development and Social Policy: The Municipality of Arkhanes	Through a comprehensive development plan, based on co-operation among the municipal authority, the Herakleion Development Corporation and the other agencies in the region, an attempt was made to differentiate the local economy and create new small and medium-sized businesses. As a result, the rural area in question has enjoyed significant rates of growth over the last ten years, as well as substantial increases in employment. At the same time the Municipality has implemented a comprehensive, integrated social intervention plan, intended to end social exclusion and improve the local quality of life.	
<b>Spain</b>	Project for integrated Social Integration in Aldea Moret	To improve the standard of living of the inhabitants of the neighbourhood where it has been carried out, from a multi-disciplinary perspective. All of the institutions of a social nature existing in the neighbourhood have been involved, to create a compact unit of technical and material resources, with the involvement of the population, for the optimisation of living conditions and egalitarian access to social protection systems.	
<b>Sweden</b>	Local development Agreement to overcome segregation in the largest cities	Breaking down segregation in a district calls for broad-based measures over a long period of time. It also requires participation, dedication and systematic co-operation between residents, business, voluntary organisations, interest organisations, local authorities, central agencies, the media and others. If the effects of this collaboration are to be lasting, development efforts must also have structural effects, i.e. changes in the regular activities of the bodies concerned. In other words, positive development calls for a strategy that embraces the local, regional and national levels.	Mobilising Stakeholders

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>United Kingdom</b>	The National Strategy for Neighbourhood Renewal (England)	The long-term goals are: to deliver lower worklessness and crime, and improve health, skills, housing and the physical environment in all the poorest neighbourhoods; and to narrow the gap between the most deprived neighbourhoods and the rest of the country. The emphasis is on using all mainstream government policies, not just local area-based initiatives, to regenerate neighbourhoods and improve local public services.	
<b>11. FAMILY SOLIDARITY/CHILDREN</b>			
<b>Austria</b>	Child Care Allowance (CCA)	This replaces the parental leave benefit system, creating a new universal family benefit, extending the circle of beneficiaries to housewives/househusbands, students, part-time employees, etc.	
<b>Finland</b>	The Turku Model for promoting the welfare of Children and Young People	The Turku strategy focuses on children, young people and families with children. The strategy is pursued through a network model managed and monitored by a management group for the welfare of children and young people, whose members include experts from all service authorities and a town planning expert. Indicators for monitoring relevant factors have been developed in co-operation with the National Research and Development Centre for Welfare and Health (STAKES). The indicators are supported by a tri-annual 'child budget', a tool for examining after the fact how much the various authorities spend annually on managing children's and young people's affairs.	
	HARAVA	Harava ('Rake') is a joint project between child protection organisations and the public sector, co-ordinated by the Central Union for Child Welfare in Finland and the Association of Finnish Local and Regional Authorities. The aim of the project is to use practical experiments to develop co-operation and service models for psychosocial services for children and young people. The project promotes co-operation between NGOs, the public sector and private service providers, and cross-sector co-operation between the social welfare, health care and education authorities.	
<b>Ireland</b>	Teen Parent Support Initiative	Teen parents support initiative: a pilot initiative implemented progressively since 1999 as part of National Child care Investment Strategy. The following supports are offered: support with parenting; provision of information on a range of issues including income supports, health services, education and training; access to group supports and one to one support.	
<b>Italy</b>	Project to provide home and financial Assistance to Families in difficulty	The aim of this project in the province of Campobasso is to assist <i>families at risk of social exclusion</i> who for a variety of reasons find it difficult to maintain a peaceful family environment and properly manage relations between parents and children, building up around them a solidarity network and implementing social action in order to make foster care and institutionalisation ever less of a necessity.	
<b>United Kingdom</b>	Lone Parent Childcare Grant (Scotland)	This is an innovative package, providing £24 million from 2001 to 2004, to assist lone parents into further and higher education through supporting additional childcare costs and childcare supply.	To help the most vulnerable

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>12. TO HELP THE MOST VULNERABLE</b>			
<b>12.1. IMMIGRANTS</b>			
<b>France</b>	New migrants integration	Creating a true public service for foreigners legally settling for a long period, pushing forward an integration policy, fighting against any form of intolerance. Interministerial action programme for integration of foreigners: help platform managed by International Migration Office (OMI); Guidance and support for newcomers and integration contracts; services benefit (language courses, pre-professional orientation, link with employment public service, information...)	
<b>Germany</b>	Anti-Discrimination Training Measures in Public Administrations Berlin	The aim of the project "Berlin – City of Diversity" is to equip the administration in the fields of education and health with diversity and anti-discrimination qualifications in order to promote equal treatment and the eradication of discrimination. This applies not only with regard to immigrants, but also to all minority groups. A change in the attitude of the administration's employees to members of minorities in their capacities as customers and as colleagues is to be achieved.	
<b>Spain</b>	Inter Cultural Social Mediation Service (SEMSI)	This is a public service which favours people living together in inter-cultural situations and working in new social relationship systems constructed on the basis of cultural diversity and the richness entailed by multi-cultural environments.	
<b>12.2. ELDERLY PEOPLE</b>			
<b>Greece</b>	Investing in Services: The Help at Home Programme	The objective is: "That the elderly and disabled should be able to remain in their familiar physical and social environment; that the cohesion of their family should be preserved; that the use of institutional care should be avoided, as should situations of social exclusion; that they should be ensured a decent and healthy life and that the quality of their life should be improved ". Each service provision unit in the programme consists of a social worker, who is responsible for co-ordinating the programme, one or two nurses and one to three home helps or community carers. These people apply the principles of team work and community planning.	
<b>Italy</b>	"The Elderly Project"	The <i>Fondazione del Monte di Bologna e Ravenna</i> launched the Elderly Project three years ago. The project includes a vast programme of home care for non self-sufficient old people living in the provinces of Bologna and Ravenna and has the two-fold aim of letting the elderly stay in their own home while relieving families of the burden of constant care and assistance thus making it possible for them to stay near to their loved ones.	
<b>12.3. DRUG MISUSERS</b>			
<b>Denmark</b>	Drug Abuse	To minimise the incidence of new drug misusers and limit existing misusers' abuse. To reinforce the access to relevant treatment (care, support, training, residential accommodation and employment). A social treatment guarantee for misusers introduced on 1 January 2003, obligating regional authorities to offer social treatment within 14 days. A committee of ministers has set up to prepare a strategy for reinforced efforts in combating drug misuse.	

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>Sweden</b>	Drug Prevention activities in the largest cities	The purpose is to work in partnership to find an appropriate balance between preventive measures, care and treatment and measures to limit the supply of drugs. The project will be implemented in four priority areas; Schools; Risk environments, e.g. restaurants and places of entertainment, and support for young people at risk; New arrangements for support for and treatment of young misusers; Care and support for long-term misusers.	
<b>12.4. OTHER VULNERABLE GROUPS</b>			
<b>Denmark</b>	Violence against Women	Combating violence against women, through bringing the violence 'into the open', preventing violence, setting up services for both victims and abusers and making them visible.	
<b>Portugal</b>	Anti-Poverty Programme"PCLP"	Stimulation, co-ordination, monitoring and assessment of local multi-dimensional projects aimed at combating poverty and social exclusion. It is planned to promote these fundamental actions with a view to change the exclusion situation and the social marginalization of certain groups that are more vulnerable to poverty and exclusion.	
<b>13. ACCESS TO RIGHTS AND PUBLIC ADMINISTRATION</b>			
<b>Denmark</b>	Legal Protection of the socially vulnerable	Legal protection project – 'Reaching out to users' in the City of Copenhagen to establish contacts to people who do not ask for help and who may not be motivated to become involved in and use public services	Justice
<b>France</b>	Access to rights and public administration policy	Improvement of the quality of services rendered to the disadvantaged people policy through measures and process such as: simplifying administrative language of the application forms with the participation of users; development of multipurpose initial reception; Internet portal of social services allowing professionals to give multipurpose initial practical information on rights (shared information network, simulation software estimating potential entitlements...); definition of a standard of quality of the reception in social welfare organisations (office layout, confidentiality, training of personnel...); deadlines to respond to a query...	
<b>United Kingdom</b>	The Community Legal Service (England and Wales)	The focus of the Community Legal Service (CLS) is the type of legal problems that most affect people's lives. These include such problems as housing, debt, employment, welfare benefits, community care, discrimination, immigration, mental health, and consumer disputes. The CLS provides the framework for local networks of legal and advice services known as CLS Partnerships (CLSP's). CLSPs bring together the local funders (such as local authorities, the Legal Services Commission etc) and local providers of services (Citizens Advice Bureaux, Law Centres, private solicitors etc).	Justice, Employment, immigration
<b>14. PROMOTING DIALOGUE AND PARTNERSHIP</b>			
<b>Belgium</b>	Dialogue and partnership promotion	"Flamish Poverty Decree": dialogue and partnership promotion between all actors, public authorities, social services, those who are excluded and all citizens. Working with all relevant actors in the implementation of policies that concern them.	



<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
	Yearly Report on Poverty (Brussels)	In <i>Brussels</i> , the <i>Observatory for Health and Social Affairs</i> produces yearly reports and provides technical assistance to initiatives of the regional government. A Decree of the Brussels Parliament (8 <sup>th</sup> June 2000) stipulates that the reports must be discussed in a Round Table with delegates from the Parliament, the public welfare centres (CPAS), municipalities and NGOs. These debates have resulted in various resolutions of the Brussels Parliament.	
<b>Finland</b>	Citizens' Welfare Network (HYVE)	HYVE is a regional welfare-boosting model in which one or more local authorities co-operate with the Finnish Federation for Social Welfare and Health, its regional associations and other local actors. The work is based on the social situation, needs, problems and challenges in the relevant area. The aim is to produce welfare services and support through co-operation in which the work of public-sector professionals is linked to third-sector and NGO work. This linkage is done by developing network models which not only combat threats and risks but also actively reform service concepts and welfare service structures.	
	Co-operation model for the prevention of Social Exclusion, Jyväskylä	In the Jyväskylä model, the basic strategy for the prevention of social exclusion involves marshalling local forces and launching joint projects. Involved in the projects are the City social welfare and health authorities and other authorities, the employment office, the Social Insurance Institution, the university, the polytechnic and organisations. The joint projects each have their own target group (e.g. the long-term unemployed, immigrants, those with mental health problems).	Immigrants Health Employment
	East Helsinki local working model for preventing social exclusion, Mellunkylä	The district suffers from high long-term unemployment, a large number of immigrants and a low level of income and education. The model is based on the City's own basic services. Because social exclusion is closely linked to an accumulated variety of shortcomings in living conditions, the model has a broad-based approach: all aspects of life, from everyday concerns to the living environment and culture, are considered important.	Immigrants Employment Education
<b>Ireland</b>	Local Government Anti-Poverty Learning Network	A network between local authorities created by the Combat Poverty Agency (CPA) which is a State agency with a statutory remit to fight poverty and social exclusion through providing advice to Government, conducting research and developing innovative approaches to tackling poverty. The purpose of the network is to encourage and facilitate practical changes within local authorities so as to enhance their capacity to promote social inclusion and anti-poverty measures. Services provided to Network members include: access to commissioned research on poverty and social exclusion; regular newsletters for local authority staff and members highlighting good practice and new initiatives; monthly electronic briefs (e-bulletins) exchanging ideas and information; regular quarterly meetings for exchanging information and enhancing skills; training on how to target and tackle poverty effectively; evaluation support for new projects; guidance on the facilitation, participation and consultation of communities; support and resources on community development; and grants to develop joint initiatives between communities and local authorities.	Territorial/ Regional Dimension

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>
<b>Italy</b>	Creation of a Services and Planning Centre for social exclusion (Provincial Administration of Potenza)	The Inter-institutional action to identify the most suitable initiatives for dealing with the economic and social problems in the province of Potenza through the involvement of all the various responsible parties. A statistical-information based system which makes possible to outline social emergencies in the city and monitor development in view of the creation of a Services and Planning Centre for Social Inclusion.	
<b>Portugal</b>	The Social Network Programme: to tackle poverty and social exclusion.	Local Mobilisation of all relevant stakeholders and public authorities to tackle poverty and social exclusion. To put in place at a local level plans for participation processes based on social diagnostic; in order to promote partnership with public bodies and associations with a view to seek the most appropriate solutions to provide essential services and equipment; improving widespread knowledge.	
<b>Sweden</b>	A pilot project systematically linking social services, higher education and research	The purpose of the project is to integrate the delivery of local social services into social work, social service care programmes and social science research. The aim is to develop new arrangements for co-operation between research, education and work in the field based on the practical social work being done in one or more local authority areas.	Education Health

## **PART II – THE MEMBER STATES**

## BELGIUM

**Situation and key trends:** The difficult economic situation since 2001 has resulted in a rise in long-term and youth unemployment which has offset the impact of the Belgian government to implement its Active Welfare State programme. Despite this, Belgium has combined improvements in social protection with active labour market measures. In 2001, 13% of the population were at risk of poverty, the EU average being 15%. Without all transfers, this rate would have been 38%. A new Federal government took office recently and an updated NAP is to be published in April 2004.

**Progress made 2001-2003:** Of the 300 measures in the 2001 NAP, two-thirds have been carried out or are in preparation though a quantitative assessment is difficult. An improved system of indicators is in place which will help in setting strategic priorities in the future. A big political effort has been made to make the transfer from benefits to work more attractive with targeted measures to help vulnerable groups. In health policy, progress has been made through innovations in care provision. The situation regarding housing however is becoming increasingly difficult for those on low incomes and achievements in this area are unclear. Efforts have been made to improve funding for educational priorities but financial barriers remain for many and Lifelong Learning remains underdeveloped. Anti-discrimination actions have taken place and there are new agencies to monitor equality questions.

**Strategic approach:** Belgium espouses an approach based on the ten fundamental rights laid down in the 1995 General Report on Poverty, combined with the Nice objectives and an improved set of indicators. However, the NAP itself does not show much evidence of strategic planning at national level although it appears to have taken place in the Regions. An integrated monitoring system may help to evaluate the impact of NAP actions. Key targets and quantified objectives are difficult to track but are promised in the updated NAP due next April. The institutional setting for civil dialogue is well-developed in Belgium and could be better exploited for the NAP. There is nevertheless evidence of fresh thinking and preparedness to broach new policy areas and this NAP represents a real progression from the 2001 exercise.

**Key policy measures:** While many measures continue the "Active Welfare State Strategy", there are measures on access to justice and culture, rights of atypical families, and attempts to tackle the problems of the most vulnerable. Gender issues are covered in a patchwork of measures rather than a strategic approach but the indicator system gives much new data with which to develop one. Immigration issues are addressed to a degree. Serious efforts are underway to face up to over-indebtedness among the poor.

**Challenges ahead:** The drift into long-term unemployment remains relatively high and jobless households remain a key concern. Housing remains an area where more innovative measures are urgently needed. The performance of the monitoring system for the impact of policy measures and target setting could be improved. A start has been made in developing a multi-dimensional, coherent approach to social exclusion and the task now is to build on this, including by better exploiting Belgium's solid institutional setting for social inclusion policy design.

## 1. Situation and key trends

With only 0.7% of GDP growth in 2002, Belgium has been through an economic slow-down since 2000. Though economic activity is now forecast to recover slightly, its effects on the labour market will be felt with a time-lag. Unemployment rose in 2001 and 2002 and is forecast to rise again this year to 7.8%. Employment rates in Belgium are still below the EU average especially for women and even more so for older workers. There is an exceptionally low rate of employment for the age group 55 to 64 years, 26.3% compared to the EU average of 37.8% (2000). National data (RVA-ONEM) out in September 2003 indicate that long-term unemployment, while it has fallen significantly since 1995, is rising once more, particularly for women and young people. In spite of a comprehensive activation strategy, the percentage of adults living in jobless households remains in 2002 the highest in the EU at 14%. The Belgian at risk of poverty rate (13%) is somewhat lower than the EU average (15%). The situation is not uniform across all groups of the population with over-65s at 26% in 2001 appearing worse off than the EU average of 19% and women generally being worse off than men. Single parent households fare worse than others at 25%. The unemployed have an overall rate of 32%.

Belgium has a well-developed social protection system and the dilemma of the fight against poverty on the one hand and the removal of inactivity traps on the other has been one of the key policy issues. While spending on social protection in real terms has risen by 2.75% between 1999 and 2000, it is following the EU pattern of falling as a percentage of GDP (down to 26.7 in 2000 from 27.4 in 1999 and just below EU average of 27.3). However, without all transfers, Belgium would see a risk-of-poverty rate of 38%. In a country where early retirement is common and at a time of poor economic growth, continuing to provide a quality social protection system for an ageing population will be an increasing challenge.

## 2. Assessment of progress made since the 2001 NAP-inclusion

The Administration set up a detailed monitoring system for 300 measures but due to a problem of timing it has proved difficult to keep up to date. The improved Belgian system of indicators is now in place and will be useful to evaluate long-term trends but a real quantitative assessment of the last NAP is not yet possible.

An important element of the last NAP was the great political effort to combat inactivity traps at the same time as raising minimum incomes to alleviate rising poverty. Benefits are increasingly linked to activation, not always without controversy, and targeted fiscal and para-fiscal measures have been taken to make work more attractive. In the period 1999-2002, the number of guaranteed minimum income recipients decreased by 13.4% while the number of recipients in activation measures rose by 57%, a real achievement in adverse economic circumstances. Belgium has been allocated EUR 69.1 million for activation from the European Social Fund for the period 2000-2006.

The Belgian health-care and health insurance system are of high quality though inequalities remain. The last NAP set out to tackle this by, amongst other things, the Maximum Health Bill which reimburses excess expenses by use of the most advanced tools of e-government and this is now operational. Policies on education concentrated on countering school drop-out rates and smoothing transition to work and some good initiatives planned in the last NAP have taken place though little progress has been made in reducing the cost of education for parents. While access to decent, affordable housing was clearly an issue for intervention, the NAP's intentions were not ambitious and the achievements are unclear.

It has become clear that unemployment among immigrants may not simply be the result of low education and efforts are being made through the employment services to prevent discrimination by employers. There have been educational priority measures favouring immigrant children and there is also a wide-ranging new anti-discrimination law. The question of asylum seekers and the situation of those without proper papers remains very controversial. As the tight schedule did not allow for the intensive time-consuming process of consultation with the victims of social exclusion, the first NAP was seen as a top-down exercise. Since the last NAP, there has been a participatory evaluation research on health and task-forces on indicators and NAP actions involving stakeholders. It will be important to reflect their work in the follow-up to the 2001 NAP due in April 2004.

### 3. Strategic approach: main objectives and key targets

The federal structure is respected by presenting all initiatives on a Region by Region basis throughout. Unfortunately this results in a reporting exercise rather than a truly strategic approach. To the extent that there is an explicit overall strategy, the NAP espouses a rights-based approach to poverty prevention (taken from Belgium's 1995 General Report on Poverty) with the explicit involvement of all actors. The most striking difference between the first and second NAP is undoubtedly the extension of its scope to nearly all dimensions of social life, even though employment very much continues to dominate. Important new areas include justice, culture, sports and leisure, family policy. The new NAPs outline has contributed to a thorough reflection on priority groups such as the homeless, children in care, victims of human trafficking, illiterate persons and other very vulnerable groups.

Targets are more difficult to track as they are not treated systematically through the document but are to be listed in a separate document, not yet available. As regards the budget implications and the link with the Social Fund, the NAP occasionally mentions some figures but refers to the monitoring system for further details. The NAP shows that important work has been done in the field of indicators to provide a multi-dimensional view. The interesting statistical annex provides data combining indicators on living conditions and at risk of poverty rates.

### 4. Key policy approaches: strengths and weaknesses

There is a dense list of measures put forward under the overall schema with all the Regions being mentioned under each heading used. There are a number of measures to increase access to the labour market including support for the social economy, many of which will serve to reinforce actions already taking place, including those under the Employment Process. An increase in net benefits for various target groups is promised, while speeded up payments to benefit recipients and simplified procedures are promised under the 'Kafka' plan.

Access to justice has received attention from the newly elected government and there are several commitments covering access, speed, young people before the courts and victim's rights. In keeping with the overall rights-based approach, there is an effort to tackle access to culture, particularly for children and vulnerable groups. The chapter on family policy shows concern for the rights of atypical households. A more strategic approach to excluded families to prevent their children being taken into care has been set up but monitoring its impact will be important. The NAP has a section on literacy, on Lifelong Learning as a bridge to the labour market and some interesting new measures on e-inclusion. Some actions to counteract school failure and early drop-out appear, as well as movement towards integration of pupils with special needs into mainstream education. For health, the Maximum Health Bill scheme is to be widened.

The NAP recognises that the supply of social housing is far from meeting demand and that urgent efforts will have to be made find innovative and effective ways to address the problem through the private sector. Action has been taken to deal with the issue of people living on camp-sites. Other specific measures include the guarantee of a basic electricity supply in Flanders while on a Federal level there is a service dealing with debts related to energy costs. Other actions to reduce over-indebtedness include obliging financial institutions to keep track of all clients' other loans, a move which shows the administration's determination to face the problem.

#### 5. Gender perspective

Single parents, mostly women, were identified as a target group in the last NAP. Since then, the government has improved the system to ensure payment of child support. Participation of mothers in the work-force depends in part on affordable, quality child-care and while there has been increased provision, supply remains far less than demand. Indicators for the gender dimension have been dealt with extensively and should be useful in devising a more strategic approach to the overlaps between gender equality and social inclusion the future, while they do not seem to have been used for that purpose here. There is a patchwork of special measures for women in various fields such as literacy, social and health care and fresh efforts are underway to increase child-care places. An Institute for Equality between Women and Men has been created.

#### 6. Current issues and future challenges

The immediate challenge will be to fulfil the promises of the active welfare state: more jobs and better social protection. The national Employment Conference of September 2003 has shown the tension between reducing employment costs and maintaining the financial stability of social protection. Employment continues to be seen as the key to social inclusion but the NAP does not really include a strategic response to new trends or give key quantitative targets. Though there is a detailed monitoring system in place, results are not yet available.

Decent, affordable housing is becoming an acute problem for low-income households in Belgium. Care will have to be taken that the liberalisation of the energy market does not further increase the disadvantage of those in poor housing. Belgian over-65s appear worse off in income terms than the EU average while all other age groups are better off and in an ageing society this figure must be of concern. While the current health-care system gives coverage to most of the population, health outcomes are far from equal. The benefits of Lifelong Learning are not only linked to the labour market but there is extremely unequal participation in Belgium which is worrying for the future.

There is a solid institutional setting as regards inclusion policy design with the Resource Centre for the fight against Poverty which involves many stakeholders, and the Inter-ministerial Conference, as well as Task Forces. However, these had little direct influence in drafting the NAP and none at all were mobilised for gender issues. All concerned agree that the first steps have been taken but that there is some way to go before there is genuine participation in the NAP process. That being said, a real start has been made in the development of a genuine multi-dimensional approach to social inclusion and there is visibly fresh thinking going on at administrative level. The challenge now becomes to build on these initiatives to improve the interaction of different policy areas affecting social inclusion.

## DENMARK

**Situation and key trends:** The Danish social system is based on the principle of universality. All residents are guaranteed fundamental rights if they experience social problems such as unemployment, sickness or dependency. While it is legislation at national level that determines social policy, it is local tax-collecting authorities who actually implement a large share of the social activities. Hence, it is the municipalities who, out of their own budgets – with varying degrees of co-financing by the state – pay the benefits, develop and agree a personal social plan with the client and decide on the level of money set aside to implement the national government structures and administrative support. The Danish model is based to a large extent on a culture of ‘partnership’ characterised by the involvement of social partners, the local authorities and other relevant organisations, including user organisations. Denmark is among the Member States with the lowest risk of monetary poverty and a more equal income distribution. However, the data on life expectancy situates Denmark at the bottom. Moreover, while there has been an improvement in recent years, the increase in life expectancy between 1960 and 2000 was the lowest in EU15.

**Progress made in 2001-2003:** The overall objective of the first national action plan was the promotion of a more inclusive labour market. The creation of flexible and sheltered working arrangements, the anticipatory pension scheme and the introduction of the 'working capacity method' are the main achievements in these fields. The local co-ordination committees are expected to play a pivotal role in implementation. However, it would have been useful if the second NAP had included a more comprehensive overall evaluation of the attainment of the aims set out in the first NAP.

**Strategic approach:** In the second NAP, there is a more specific focus on the most disadvantaged groups than there was in the first national action plan in 2001. Comparing the first and second NAP, the first had a broader policy approach and a greater focus on the positive effects that the active social policy and open labour market might have in reducing social exclusion. The second NAP represents a shift, in the sense that the intention is to narrow the focus towards those who are already socially excluded and marginalised. Key objectives of this plan are to focus on those most in need; to adapt efforts towards individual needs, to increase user involvement, to strengthen voluntary work, and to maintain the focus of local authorities on helping these groups.

**Key policy measures:** A number of initiatives have been taken to develop policies for refugees and immigrants. These include the obligation to draw up a binding contract between newly arrived foreigners and local authorities and to develop a planned integration programme focusing on increasing employment. As a further means to reduce potential disincentives to work, the rules governing cash assistance have been significantly tightened: The social benefits to immigrant families during their first seven years in Denmark have been reduced to the level of the state grants given to students. The impact of these measures will have to be closely monitored.

**Challenges ahead:** Denmark intends to increase the employment and labour market participation of ethnic minorities, which is significantly lower than the average. The level of benefits should not lead to a situation where people base their existence on public support. The key challenge ahead is to devise labour market tools – with which efforts for ethnic minorities can be streamlined – in a manner that supports targeted initiatives and incentives.



## 1. Situation and key trends

In 2002, real GDP grew by 2.1% and is expected to continue to increase by a further 0.8% in 2003. Denmark continues to have employment rates well above the EU targets, including for women and older workers. However, employment in 2002 fell by 0.6%. In 2003, employment is expected to decline further by about 0.6%. While the number of long-term unemployed rose over the last year, it is almost unchanged compared to 2001. Moreover, during the 1990s and up to 2001 it has fallen sharply to one of the lowest levels in the EU. According to ESSPROS data, Denmark spends 28.8% of its GDP on social protection compared to the EU15 average of 27.3% (2000 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the Danish expenditure on social protection, at 7 754 PPS, is the highest of all Member States.

According to 2001 ECHP data, 11% of the Danish population lived on an income of less than 60% of the median income. Denmark has one of the lowest risks of persistent poverty in the EU at 5%. This reflects the fact that Denmark has one of the EU's most even income distributions. Immigrants and long-term unemployed are over-represented in the lower income brackets. This tendency might be affected by the above-mentioned reduction of the cash assistance given to immigrant families, depending on the employment effects of the reduction. The employment rate of people with another ethnic background than Danish is also below the general level for the population as a whole.

## 2. Assessment of Progress made since the last NAP/inclusion

The NAP points to a number of achievements in the implementation of the objectives of the first action plan: One significant development, which formed part of developing a more inclusive labour market, has been the creation of nearly 12 000 new flexible and sheltered working arrangements since 2000, increasing the number from 13 100 to 24 800 in 2002. A concerted effort, built on partnerships between public bodies and private enterprises, led to increased employment possibilities for persons who would otherwise be at risk of exclusion from the labour market and subsequent social marginalisation. This approach was further supported by the reform of the anticipatory pension scheme, which was agreed in 2001. The introduction from January 2003 of the 'working capacity method' is part of the reform. The new method emphasises the actual capacity of the person, rather than their limitations. A more explicit and shared assessment of the person's capability provides the basis for a more open and direct dialogue on the person's potential and labour market opportunities. A programme at national level to change the approach of social workers in assessing the person's social and labour market potential has been initiated, and initial reports indicate that the method is achieving good results. The effects of the reform, including potential effects on a number of recipients of anticipatory pension, still remains to be seen.

The creation of local co-ordination committees has also played an increasing role in developing a more open labour market. Since these committees were made mandatory in 1999, they have played an enhanced role in discussing and agreeing on local initiatives to increase working possibilities for those who have difficulties in entering or remaining in employment. The co-ordination committees are made up of representatives of the social partners, the disability organisation, the union of medical doctors, the public employment service, the municipality and other local social actors. Their role is to discuss measures at local level aimed at persons with limited abilities to work, preventing entry to or limiting retention in the labour market. While the committees have some financial means to support their initiatives, and this has strengthened their role, they do not replace public responsibility

but play a supplementary role with the purpose of improving co-operation between the relevant actors at the labour market.

Initiatives taken to improve efforts aimed at the most disadvantaged groups, such as the mentally ill, drug and alcohol abusers and the homeless, include the extension of residential facilities for mentally ill people and a social treatment guarantee for drug abusers.

The NAP underlines the importance of the ESF in an annex and gives examples of projects carried out with support from ESF. However, no details on the allocation of funds are provided.

### 3. Strategic approach: main objectives and key targets

The shift of emphasis in the new NAP is reflected in the action plan 'The Common Responsibility', aimed at co-ordinating efforts towards the most disadvantaged groups (drug abusers, families with alcohol abuse, the mentally ill, the homeless and prostitutes). The intention in 'combating negative intergenerational transmission' is to adopt a more individualised approach directed towards those most at risk, focusing on the responsibility of the family and the role of the public institutions. Clear expectations, based on measurable goals of attainment for all children, are to be developed by the public institutions, starting at kindergarten level with assessment of knowledge of the Danish language. Emphasis is to be put on early and targeted intervention, improved early learning among children, reducing barriers in changing from pre-school to school activities, and the development of social competencies and increased focus on formal qualifications to break the vicious circle that negative intergenerational transmission represents. However, the risk of stigmatising these children needs to be taken into account.

### 4. Key policy approaches: strengths and weaknesses

To increase incentives to work for third country immigrants, a so-called "waiting period" has been introduced in July 2002. Onwards, only individuals who have been living in Denmark for 7 out of the preceding 8 years are entitled to the full level of social assistance. If not, they will receive a reduced social assistance. This has been combined with a number of initiatives to support education and use of skills of the immigrants. Thus, the municipalities are responsible for the development of individual action plans for each person to direct them most expediently into jobs or into training and education. There is a sanction to cease social assistance if a person does not follow the elements in the plan. Questions have been raised, how families, who will receive support only at the new reduced benefit level for a period of seven years, can find the means necessary to ensure proper integration. Combating negative intergenerational transmission is presented as the key initiative in preventing the risks of exclusion. Basic education is seen as important in this regard, and again, the focus is on more targets and more systematic competence development. This is, coupled with a more individualised focus on the pupil, supported by tests and intentions in order to increase the focus on those who have particular problems and may need special support measures. As for the integration of refugees and immigrants, there is a strong normative element in the approach, emphasising the need to have a close relationship and dialogue with the individual family, and to ensure that basic values in an open society are accepted and practised by the pupil and the family. It is a challenge that much of the actual implementation will be in the hands of the local social workers, teachers, kindergarten pedagogues, and other individuals who are required to change the emphasis of their approach. It is important, how such individualised approaches can be introduced, while at the same time, reducing other social costs to keep local social budgets in balance. There is a

change in focus towards helping the most vulnerable groups. The effort will concentrate on giving the weakest groups a meaningful life, to reflect and respect the weakest groups' own needs and wishes, and to strengthen their possibilities of joining and contributing to the community. There are an estimated 14 000 drug abusers, some 22 000 mentally ill people, an estimated 8 500 homeless people, and an assessed 5-7 000 prostitutes in Denmark. Intentions are to focus directly on these people. The plan aims at greater adaptation to individual needs, increasing user involvement, and enhancing legal protection. For the period 2002-2005 significant resources are set aside to develop new activities. Among these are new treatment offers to drug abusers, a wider range of treatment offers for alcohol abusers, and an expansion and improvement in the quality of supports for the mentally ill. As for the homeless, the aim is that local authorities will establish temporary residential facilities with 300 beds until a sufficient number of permanent facilities are available. An additional 75 beds in alternative residential care facilities for drug and alcohol abusers with immediate care needs is planned.

In Winter 2002/2003, a 'White Paper on Socially Vulnerable Greenlanders living in Denmark', was published. Action to support this group is being implemented.

The establishment of the Council for Socially Disadvantaged People in April 2002 marked a new development, which will underpin the aims in the plan 'The Common Responsibility'. This Council for Socially Disadvantaged People was established as an independent body to monitor developments in the country and the effects of government policy. The Council will act as an advisor on policy-making regarding socially marginalised people. The gradual development of the role of the local co-ordination committees has also meant that the debate about a socially inclusive labour market has now reached the local level, where the initiatives are most likely to be successful. Finally, Denmark has a long tradition of co-operation between voluntary associations and the public sector in social matters. Further initiatives have been taken to strengthen voluntary social work, amongst others, through the agreement on the charter on co-operation between the voluntary sector and the public authorities.

#### 5. Gender perspective

Overall, the government aims at targeting the initiatives in the reintegration effort, according to the different marginalisation patterns of both genders, for example more men are homeless than women. Other gender-based initiatives include increased support to female victims of violence and a new action plan to prevent trafficking and to support its victims.

#### 6. Current Issues and Future Challenges

There is broad consensus as to the importance of attaining the target to significantly increase employment by 2010 in order to ensure sustainable public finances in the face of the ageing population. The Government has announced the establishment of a Welfare Commission, which is required to put forward suggestions for major reforms in the social benefits and policies by November 2005.

The municipalities and the counties are responsible for the major part of the implementation of government objectives. Budgets are currently under restrictions from the central government, but new initiatives are combined with resources allocated to the municipalities.

## GERMANY

**Situation and key trends:** A comprehensive social protection system ensures that, according to the ECHP, Germany is among the Member States with the lowest at-risk-of-poverty rate. In 2001, 11% of the population lived in households below the national poverty line and 6% were persistently under the risk of poverty. However, national data show higher poverty rates in the Eastern Länder (16% against 10% in the Western Länder) and for holders of foreign passports (22% against 10% for Germans).

**Progress made in 2001-2003:** The Job-AQTIV Law, and the four laws for the promotion of employment and reform of the financial support for the unemployed (Hartz I-IV), are presented as responses to the main labour market challenges. The goal to reduce unemployment among the disabled people by 25 % has almost been reached. Poverty in old age, and for people unable to work, is addressed more effectively through the introduction of a basic security system. The programme 'Social Town' has continued to act in overcoming complex disadvantages in life. Some progress has been achieved in terms of monitoring and evaluation of the implementation of the first NAP and this could be further strengthened and developed during the implementation of the 2003 NAP.

**Strategic approach:** The NAP sets a target to secure the active participation of all citizens in social life. This is to be achieved through education and employment policy, better work-life balance, as well as appropriate social services. It links the establishment of a sustainable strategy to fight poverty to four political objectives: improvement of people's capabilities to lead the kind of life they value, minimisation or prevention of poverty risks and social exclusion, strengthening personal responsibility and existing potentials, and making social security poverty-proof. The NAP also tries to establish a link with the 'Report on Poverty and Wealth' in order to establish an analytical and empirical framework for a policy against social exclusion.

**Key policy measures:** The NAP sets out a programme of aims. However, there is a commitment to assess the potential social exclusion risks and of the inclusion potential of the different political fields (Agenda 2010, reform of the tax system etc.) with a view to poverty proofing once the measures have been implemented. The importance of local and regional social policy and the interrelated distribution of competencies are rightly pointed out. However, it remains unclear whether, and to what extent, the regular consultation processes on both horizontal and vertical levels referred to, are actually developed to the required degree. This aspect is particularly important, because the multidimensional poverty situation requires a fully integrated approach.

**Challenges ahead:** The NAP makes it clear that active participation in working life is of key significance and emphasises the existing social security system's safeguarding function. There will be important future challenges in ensuring that the system can continue to be sustainable in order to perform this function effectively. The problems acknowledged in the NAP regarding potential gaps in coverage of the social protection system need to be addressed. Existing regional disparities and the problems of exclusion among immigrants need to be tackled. The four objectives of a sustainable strategy identified in the NAP to fight poverty need to become more operational.

## 1. Situation and key trends

In 2002, real GDP grew by 0.2% and is expected to remain unchanged in 2003. Employment growth in 2002 was negative at -0.6%. In 2003, employment is expected to decline further by about 1.5%. In 2002, the overall employment rate declined by 0.5 percentage points to 65.3%. The employment rate of women remained unchanged (58.8%). The overall unemployment rate has increased to 8.6% in 2002 and is expected to increase further to 9.4% in 2003. In 2002, unemployment was more than twice as high in the East as in the West. According to ESSPROS data, Germany spends 29.5% of its GDP on social protection compared with the EU15 average of 27.3% (2000 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the German expenditure on social protection, at 7.025 PPS, is above the EU15 average of 6.155 PPS.

As main challenges, the NAP identifies persistent unemployment, the lack of educational and vocational qualifications, insufficient reconciliation of work and family life, health impairments and finally immigration. It sees a challenge in further development of the existing level of social protection, in the face of social and demographic changes.

## 2. Assessment of Progress made since the 2001 NAPs/inclusion

The NAP claims progress in fighting social exclusion during 2001 – 2003 referring to numerous employment policy measures. Success is also stated in social environments to prepare immigrants and young people for a job. However, empirical evidence, for instance from the JUMP programme fighting youth unemployment, shows that the participation rate of holders of foreign passports continued to decrease despite a commitment in the last NAP to equal participation of immigrants in training and qualification measures. A new regulation in the pension laws improved pension entitlements for people working part-time whilst bringing up children. The reform of social housing construction, focussing on low-income households, has been completed. Measures for better protection for over-indebtedness have been taken. Since the start of the new Structural Funds programmes in 2000, ESF – including EQUAL – payments to Germany (Bund and Länder) to fight social exclusion have already amounted to more than EUR 650 million. In addition, more than EUR 1.750 million of ESF support for active labour market policies in ESF Policy Field A has already been paid to Germany. A considerable part was aimed at preventing the risk of social exclusion.

## 3. Strategic approach: main objectives and key targets

The NAP develops a broad-ranging strategic approach, which no longer confines the strategy to participation in the labour market above all, but extends it to four aspects: education; employment; family and social protection. Nevertheless, the approaches of political action are still strongly geared towards an increase of participation in gainful employment. At the same time, barriers and gaps in access to social protection are to be eliminated. The central importance of social protection is to be preserved and adapted to new demands in terms of sustainability, justice between generations and the reliability of the system for coping with the most important risks in life. People who are particularly disadvantaged, and whom the welfare state has considerable difficulty reaching are identified as a target group. Important headway, in comparison with the first NAP, is that for a number of measures and problem areas, an evaluation/ accompanying research is reported or announced, including a forecast of when results of respective projects can be expected.

As an overall strategy, the NAP defines a broad spectrum of different political approaches, measures and concepts over the short, medium and long-term. The strategy would benefit from better co-ordination between different authorities. The strategy does not lead to an “action plan”, but rather to a conglomerate of measures.

#### 4. Key policy approaches: strengths and weaknesses

Key areas of reform are unemployment benefits, personal (advice) services, and new organisational structures of the Public Employment Service, including closer co-operation with Social Welfare Offices. All of this is designed to speed up the reintegration of unemployed persons into working life. At this point in time, the benefits and costs of proposed reforms can only be assessed to a limited degree. The impact of both, the soon-to-be established 'unemployment benefit II' and the better placement efforts in job centres, on people at risk of poverty needs to be closely monitored. There is a commitment to offer everybody between 15 and 25 years of age a job or qualification measure, if unemployed. In the light of the shortage of vocational training places, that has intensified in recent years, the target to cut the number not having obtained vocational qualifications by half by 2010 is quite ambitious.

The federal Government wants to strengthen the integration process of non-German residents, in particular in the fields of linguistic competence, general pre-school, school and vocational education and individualised job placement ('profiling'). The NAP admits that migrants are still disadvantaged in these areas. Even among children and young people of families of foreign origin having resided in Germany for a long time, the disadvantages in comparison with German children and young people are still considerable. For example, in the provision of kindergarten places, school enrolment, attendance at various school types, including acquired school leaving qualifications, up to the provision of vocational training and university places. Whereas in the NAP 2001-2003 a promise was given to increase the participation of young migrants in further and continuing education; as well as in measures aimed at vocational integration corresponding to their proportion of the unemployed, this commitment has now been dropped. A rather narrow integration approach for migrants dominates, comprising mainly language training and continuing education. Equal access of migrants to social benefits is explicitly stressed. But, since 1996, asylum seekers receive lower social assistance rates during their first three years after their asylum application.

Society is to be made more child-friendly and family-friendly. The effect of the planned tax reform would be an easing of the burden on poor households, but only, if they have income from gainful employment. The abolition of the tax-free allowance for single parents will lead to a heavier tax burden. But the government has decided on a new relief amount to compensate for the extra burden of single parents. Families in precarious situations are to be supported by means of a family poverty prevention programme. The number of children dependant on public assistance is to be reduced considerably by 2006. The introduction of the nursing care insurance indicates progress for social inclusion, but nothing is said about the problems such as refinancing, under-supply of staffing in old people's care, and gaps in service supply in the case of dementia. The effects of the health reform especially on chronically ill persons will have to be closely monitored. The need to extend the network of advice centres for those in debt and to keep working on uniform nation-wide quality standards for counselling, involving all bodies is stressed.

The prevention of social exclusion from the knowledge society is to be reached mainly by an increase of Internet connections in the institutions of youth welfare services. Until 2005, the proportion of Internet users aged 14 and above is to increase to 70 %.

The NAP incorporates a few critical and positive remarks of different participants in the first and second consultation procedure, in particular the demand for better funding of advice for people in debt. The NAP contents itself with the reference to a co-ordination group between the ministries and a pledge to pursue a dialogue with academic representatives and an established group of advisers. Information, sensitisation and encouragement of a public discussion need to be further developed.

#### 5. Gender perspective

Under the first NAP, measures for better protection against domestic violence have been taken. In the new NAP, gender mainstreaming is taken into account more strongly. In order to promote the compatibility of work and family life, the expansion of day-care places for children below the age of three is reported. The Nuremberg project on poverty prevention for single parents is an attempt to bring together measures for the prevention of poverty. The programme 'Vocational qualification for target groups with special demand for development', focus on training for young women. The proportion of women in IT jobs is to increase to 40 %, but the quality of the jobs should be monitored according to the guidelines of the European Employment Strategy.

#### 6. Current Issues and Future Challenges

Together with the reports on poverty, the NAP is to be made the 'foundation for strategies for the strengthening of social integration and the fight against poverty in Germany'; however, concrete measures to achieve the four key objectives need to be made more operational. In particular, as regards labour market and education policies and the integration of immigrants, further initiatives could ensure social cohesion. Existing regional disparities will have to be tackled. Basic social security coverage serves well the prevention of poverty, but problems identified in the NAP regarding gaps in coverage should be addressed. The challenge of ensuring effective co-ordination between various levels of government needs to be further developed. The progress that has been made in ensuring the ongoing participation of stakeholders in policy formulation in the context of the NAP needs to be consolidated.

## GREECE

**Situation and key trends:** Greece has shown a continuous improvement in macroeconomic conditions since 1996. Real GDP growth (estimated at 4.1% in 2003) continues to be higher than the EU average (0.8% in 2003), employment growth has increased, while unemployment continues to decline. Greece is making a serious effort to extend and improve its social protection system, which is reflected in the substantial increase of the social protection expenditures as a percentage of GDP. The poverty rate (20%) is above the EU-15 average (15%) in 2001, although a downward trend has emerged during the last few years. The high rate of growth in recent years combined with rising expenditure on social policy and continuing job creation is expected to create an environment more conducive to tackling the issues of poverty and social exclusion through suitably designed policy measures.

**Progress made in 2001-2003:** The measures included in the NAPincl 2001-2003 are now under implementation, partly financed by the ESF. Their degree of success remains to be seen, though there are indications that their effectiveness is improving. Progress has been made in improving employability measures in favour of the vulnerable groups, accompanied by an increase in the number of social services provided to dependant household members. Cash Benefit Policy has been extended, with the aim of expanding the coverage to more groups at risk of poverty. Various legislative reforms have also taken place and a Convergence Charter was adopted in September 2003, all of which are aimed at increasing the effort in this direction.

**Strategic approach:** The new NAPincl is an integral part of the Greek convergence strategy with the EU, and considers social protection as a building block of the overall development path. Its strategic approach is based on: a) General policies, especially in the area of economic growth and structural change, to sustain the pace of increase in social spending and redistribution b) Specific policies to address problems of poverty and social exclusion. Four strategic policy interventions are proposed: (a) The countryside; (b) The elderly; (c) Promoting access to employment; and (d) Quality of governance. The major social policy goal is to significantly reduce the number of individuals living in conditions of risk of poverty. To this end, ten national targets are set out to be achieved by 2010.

**Key policy measures:** The policy approaches and measures of the NAPincl reflect an effort to strengthen and broaden the Social Protection System. The emphasis given to the need for better governance is welcome in social policy related areas. The existing measures require improved mechanisms for co-ordination, monitoring and implementation, especially at the local level. The initiative taken for the establishment of a network of social services at the local level will partly contribute to improve co-ordination and synergy between programmes run by different institutions. The newly established "National Commission for Social Protection" is the designated single instrument in the NAPs/inclusion for the mobilisation of all the stakeholders. Its performance has to be closely monitored.

**Challenges ahead:** The issue of **mobilisation** of the full range of relevant stakeholders remains a challenge. The socio-economic integration of **immigrants** constitutes another challenge requiring multidimensional policy approaches and sustained interventions. Of crucial importance are the initiatives in the fields of **Digital literacy** and **Life long learning**. In addition, persistent application of a gender mainstreaming approach, and widening accessibility to all areas of economic and social life for the various categories of people with disabilities, need to be strengthened.



## 1. Situation and key trends

Output growth in Greece has been strong since 1996, reflecting a continuous improvement in macroeconomic conditions. Real GDP growth accelerated in 2000 to 4.2% and continued at similar levels in the following years (it is estimated at 4.1% in 2003). These growth rates outstrip the EU averages (3.5% in 2000 down to an estimated 0.8% in 2003). Total employment growth on a year-to-year basis was of 0.76% in 2002(q2) and accelerated to 1.38% in 2003(q2). The total employment rate has been on the increase, thereby continuing to close the gap to the EU average. The relative gaps in employment rates are narrower once comparisons are made on the basis of FTE rates, reflecting the low incidence of part-time employment in Greece.

Unemployment has been declining since 2000 and is projected to decline further, but remains above the EU-15 average (10% against 7.7% in 2002 and 9.3% against 8% in 2003). It is still concentrated mainly among the young and women, reflecting a variety of institutional inefficiencies and structural imbalances. The long-term unemployment rate and the youth unemployment rate follow a downward trend but remain higher than the EU averages. A modest downward trend appears also in the unemployment rate of women.

Greece has been making serious efforts since 1996 to extend and improve its social protection system in terms of both quantity and quality. Part of this effort is reflected in the substantial increase of social protection expenditures as a percentage of GDP: from 22.9% in 1990 (against 25.5% EU's average) to 27.2% in 2001 (against a 27.5% EU average), which shows rapid convergence towards the EU average. The poverty rate in Greece remains high (20% against a EU average of 15% in 2001), although a downward trend has emerged over the last few years. Given that the vast majority of those with low incomes own their own accommodation, taking imputed rent into account would probably imply a lower incidence of poverty risk. The increase of the labour force participation rate and the fall in unemployment since 2000 are likely to have contributed to this downward trend.

ECHP data for 2001 show that the impact of pensions and other social transfers on the reduction of poverty risk is significant and rising; without them, the risk of poverty rate in Greece would have been 39% instead of the measured 20%. However, their poverty risk-reducing effect is lower than the EU average, with the impact of social transfers other than pensions being particularly low. Greece has not adopted a generalised minimum guaranteed income scheme for the entire population, but there exist several categorical income benefit schemes targeted to population groups at greater risk (the elderly, jobless and disabled people). The coverage of these schemes has been extended to new population categories during recent years.

## 2. Assessment of progress made since the 2001 Nap-inclusion

Employment policy towards the social vulnerable groups has shifted significantly during the last few years in favour of active measures. Largely under the influence of the European Employment Strategy, emphasis has increasingly been placed on improving employability instead of improving income support measures and other traditional passive policies, while efforts to establish the preventative and individualised approach are under way. Progress has also been made in increasing the number of social services provided (day-care, child-care centres, help at home etc.) to dependant household members (elderly, disabled persons and children), expected, among other things, to reconcile family life and work. The EU co-financing of some measures creates the preconditions for the transfer of actions to local

authorities at the end of the co-financing period whereupon the local authorities will have to secure the financing needed for the continuation of their activities.

Significant changes in social policy and other related areas have been underway, mainly through legislative reforms and arrangements that have been adopted in recent years. These are in the right direction and, undoubtedly, should contribute, when fully operational, to more efficient action for the promotion of social inclusion, and especially for the socio-economic integration of the most vulnerable population groups of the Greek society.

A safety net is to be provided by a Cash Benefits Policy, directed to specific groups, taking into account their special needs and, through the use of categorical non-economic information minimising the dangers of dilution. A generalised safety net is considered impractical and counterproductive at present, due mainly to the uncertainty as to the number of the eligible beneficiaries. NAPincl 2001 included three new initiatives of income support measures. After the initial phase during which the number of people covered was limited, the schemes have now been expanded. A "social package" announced in September 2003 comprises new initiatives to further the goals of the NAP inclusion. The measures further support income of people on low incomes and include some new targeted benefits.

Statistical information on the progress of the fulfilment of the four Nice objectives is, by its nature, hard to acquire on a timely basis. The absence of a detailed progress implementation report of the measures included in the first NAP, with proper related data and indicators, makes it difficult to provide an accurate implementation assessment. The monitoring system foreseen in the first NAP is gradually taking shape. All measures of the NAP are now under implementation, partly financed by the ESF.

### 3. Strategic approach: main objectives and key targets

The new NAPincl is part of the Greek convergence to the EU average strategy, underlining the importance attributed to safeguarding social cohesion and highlighting, the developmental role of social policy in the overall Lisbon strategy. Its strategic framework is based on: a) General policies, especially in the area of economic growth and structural change, so as to ensure steady growth, providing the funding for a gradual increase of social spending and redistribution; and b) Specific policies to address existing and emerging problems of poverty and social exclusion.

Within this framework, four linked strategic areas of focussed policy interventions are proposed. These are: (a) **The countryside**: eliminating differences in economic opportunities and quality of life enjoyed by urban and rural population in the context of integrated rural development; (b) **The elderly**: securing income support for those on low pensions and promoting accessibility to all social services; (c) **Promoting access in employment**: emphasis is placed on five population groups (Women, Older workers, Young people, Disabled people and Immigrants), while it considers critical the objectives of making work pay and transforming undeclared labour into regular employment; (d) **Quality of governance**: entailing four priority issues: strategic intervention; structured dialogue with civil society; decentralisation of actions; range and quality of services.

A distinctive feature of this strategy is the emphasis placed on the need for governance rather than reactive management. This is to be pursued along the following axes: co-ordination among policy sectors; compatibility of objectives among the different sectors; broad social consensus and joint efforts to achieve these objectives; and finally, a transcending of narrow personal or sectoral interests.

The major policy goal is to significantly reduce the number of individuals living in conditions of poverty. To this end, ten quantified national targets are proposed in areas crucial to social inclusion. Four of these targets concern improving the position of particular groups at high risk of poverty, while the rest refer to six other priority areas. The targets are set for 2010, as the other Lisbon targets, and not for the reference period of the 2003-2005 NAPincl. Success in reaching the employment targets, in particular, is shown to be indispensable for the social targets.

#### 4. Key policy approach: strengths and weaknesses

The new NAPincl entails a great variety of measures such as cash benefits, employment promotion and training schemes, social support related programmes, integrated actions, institutional arrangements etc. These measures reflect a continuation of effort and a commitment to strengthen further the Social Protection System so as to cope with identifiable traditional and emerging problems and needs in the area of poverty and social exclusion. At a strategic level, social inclusion is integrated in the overall convergence process set out in a Convergence Charter adopted in September 2003, while a package of new social measures complements those in the NAPincl. Particular emphasis is given to the need for governance, which is particularly important in social policy related areas in Greece. The existing measures, some of which are being extended and strengthened, require stronger mechanisms for co-ordination, monitoring and implementation, which need to be developed especially at the local level. The initiative taken for the establishment of a network of social services at the local level will partly contribute to improve co-ordination and synergy between programmes run by different institutions. The newly established “National Commission for Social Protection” is the designated single instrument for the NAPincl for mobilisation of all the stakeholders and the promotion of structured dialogue with civil society and mutual assumption of responsibilities between the institutions represented. The performance of this key Commission has to be closely monitored.

#### 5. Gender perspective

Certain priority criteria for women’s participation are being increasingly applied in recent years in the majority of employment and training schemes, which have led already to an increase in the share of female participation. Investment projects, involving the provision of subsidies exclusively for women’s business – start up and/or for the modernisation of existing business, have been increasingly promoted in recent years and are expected to continue. Furthermore, the number of accompanying social services aiming at helping women to reconcile family life and work have also been increasing. The effectiveness of policies will be greatly enhanced if a better co-ordination of individual policy initiatives is achieved. In particular policy measures aiming at increasing the supply and the demand for women’s labour need to be better co-ordinated so as to maximise synergies.

#### 6. Current issues and future challenges

The recent law on “Social Dialogue for the promotion of Employment and Social Protection” is a welcome initiative. Nevertheless, the issue of **mobilisation** of the relevant stakeholders to enhance their participation and ensure co-ordination of action through structured dialogue and mutual assumption of responsibilities remains a challenge. It is crucial for the Employment and the Social Protection Commissions to operate correctly in order to combat poverty and social exclusion. The socio-economic integration of **immigrants** constitutes another challenge requiring multidimensional policy approaches and integrated sustained interventions. The implementation of the action plan on immigrant

integration and the operation of the Immigration Policy Institute (IMEPO) are important steps to overcome these challenges. Of crucial importance are the initiatives in the fields of **Digital literacy** and **Life long learning** linked with present and prospective employment needs, of vulnerable social groups and to prevent problems emerging in future. Finally, the emphasis offset in the NAPincl on ensuring a **gender mainstreaming approach**, as well as in widening **accessibility** to all areas of economic and social life for various categories of **people with disabilities** will need to be pursued vigorously over the action plan period. Finally, the structural adjustment that agriculturally-oriented rural areas are expected to face requires the continued application of a holistic policy approach to rural development.

## SPAIN

**Situation and key trends:** Over the past two years the Spanish economy has maintained annual GDP growth above 2%, higher than the EU average. The economic situation and active employment policies have allowed the reduction of the LTU and VLTU rates. The situation of women in the labour market, although closer to EU averages, still shows very high unemployment as compared to men, in almost all age groups and educational levels. The proportion of temporary jobs (30.2%) is still very high. Spain shows a clear trend of convergence to EU averages on employment-related indicators. However, progress against some indicators still lag behind.

**Progress made in 2001-2003:** Notable advances have been made in extending the strategy of combating social exclusion to regional and local governments. The introduction of new legislation (included as measures in the first NAP) has set the foundation for the development of more concrete measures, now present. Some improvements have been recorded in co-operation between social and employment services, in the provision of resources for vulnerable groups and in the area of health policy. However, progress has been less in other important areas, such as combating school drop-out.

**Strategic approach:** The Plan describes a comprehensive range of measures although it is not clear how these are joined-up. One of the strategic weaknesses in the first NAP/incl, lack of targets, continues to be a problem, especially in the areas of health, housing and education. The approach to combating poverty and social exclusion is centred on specific vulnerable groups. Employment will continue to be the main instrument for achieving inclusion. However, special attention will also be focussed on guaranteeing access to health, education and housing for at-risk groups, or those in poverty. It is important to note the target set of a reduction by 2% of the number of persons under the 60% median income threshold.

**Key policy measures:** The reduction in income taxes for those with lower incomes, improvements in pensions, and incentives to employers should, according to the Spanish NAP, consolidate the trend towards better results regarding income levels. Prevention of exclusion is tackled through policies aimed at the family, at regional imbalances and at reducing obstacles to access ICTs. Following the first JIR, policies tackling obstacles to labour market participation of women with low social and educational levels (also used in NAP employment), have been included, as well as financial support to victims of domestic violence.

**Challenges ahead:** Co-ordination and co-operation among the different administrative levels is still required and the monitoring of progress at local and regional level is a challenge. The foundations have been set for some of the key areas (such as social health assistance), and mechanisms for information are now to be developed and implemented. Given the importance of employment as an instrument to achieve social inclusion, there is a need to strengthen the participation of social partners. The increase in the number of immigrants may have the effect of putting extra pressures in some social services and benefit schemes if this is not taken into account when drawing up the budget.

## 1. Situation and key trends

Over the past two years the Spanish economy has to maintained annual GDP growth above 2%, i.e. above the EU average. The most distinguishing feature of the Spanish economy over the past eight years has been the steady decrease in unemployment from 18.8% in 1995 to 11.3% in 2002 (harmonised LFS). Despite a rate that remains one of the highest in the EU (mainly due to high youth and female unemployment), there has been clear convergence.

These positive employment trends, and the gradual improvement of pensions, have in turn narrowed some of the gaps with the EU. Most income-related indicators show a path of convergence although Spain is still among the EU countries with the highest proportions of poor lying below the 60% threshold. According to ECHP data for 2001, the risk of poverty was 19% in Spain.

As the Gini coefficient shows, although there has been an improvement in the Spanish figure, the distance to the EU average remains unchanged (32% in Spain and 29% in the EU in 2000). More importantly, the figures before and after social transfers show that in Spain the effect of these transfers is weaker.

As pointed out in the last JIR, Spain ranks among the countries with the lowest ratios of expenditure on social protection as a percentage of GDP: 20% in 2000 (EU15 at 27.1%). 91% of the social protection budget (83% In the EU) is concentrated on old age, health and disability and unemployment, leaving only 9% for addressing other needs.

As regards non-employment indicators, progress has been somewhat more mixed. For example, although there has been a slight improvement since 1995, Spain continues to display one of the highest proportions of early school leavers. With respect to the most vulnerable groups, there has been a high increase in immigrant population.

## 2. Assessment of progress made since the 2001 NAP/Inclusion

The economic situation and advances in active employment policies have allowed the reduction of LTU and VLTU rates, although there is still concern over the high proportion of temporary jobs (30.2%). High regional disparities still persist despite slight improvement.

Under the competence of the regional governments coverage of minimum income guarantee benefits has expanded and all Autonomous Communities have now their own schemes. There is a trend to link these benefits to employment insertion activities. The most recent reform of the pension system has also been centred on those with the lowest incomes.

A Law on Quality of Education was passed in 2002 which has among its main objectives to reduce drop-out and school failure.

In housing, some measures have been centred on increasing access to rented accommodation and subsidies for house purchase. However, progress has been very limited and worsened by the steady increase in the prices of housing.

With respect to health, the most significant advance is the recognition of social health assistance within the national health system. This is a new benefit, which will improve health services and is expected to have a notable effect on the most vulnerable groups, but this will depend upon the degree to which the implementation is carried out. Effective access

by vulnerable groups and improving access to specialists (reduction of waiting lists) remain key issues.

Notable advances have been made in extending the strategy of combating social exclusion to the regional and local governments. 13 regional plans have been approved so far and the other four are expected to be approved shortly. Some cities have also presented, or are planning to implement, their Plans.

The provision of ICT programmes to the most disadvantaged groups has improved, as has the use of ICTs in the educational system.

With regard to disabled people, different plans on education, employment and accessibility have been introduced with the participation of beneficiary associations.

Regarding the mobilisation of all bodies, there has been important progress in the involvement of the regional and local governments, and a more active participation of NGOs and beneficiaries. However, participation by the social partners should be strengthened.

The role of ESF in supporting social inclusion aims is covered well by the NAP in an informative and illustrative annex to the main Report. The implementation of ESF-supported activity will provide an important contribution to tackling poverty and social exclusion in Spain.

### 3. Strategic approach: main objectives and key targets

One of the strategic weaknesses in the first NAP/inclusion (lack of targets) continues to be a problem in this new Plan, especially in the areas of health, housing and education. Reconciliation of work and family life, strengthening measures to stop domestic violence, and to facilitate access to ICT by the most vulnerable groups, have been included as main objectives.

The mobilisation of stakeholders should continue to allow improvement of the efficiency of inclusion policy. Two of the ten main objectives of the new NAP/inclusion specifically address this through the establishment of debate fora with NGOs and through the exchange of information and good practices. As in the 2001 NAP, the involvement of the regional and local administrations is part of the strategic approach. Three of the ten main objectives declared in the NAP/inclusion 2003-2005 address this issue through co-ordination, interregional cohesion - by means of inclusion plans at regional and local level (so that at least 50% of the population will be covered by these plans by 2005)- and a more active participation of regional parliaments.

It is important to note the target set of a reduction by 2% of the number of persons under the 60% median income threshold. This target may be reached through higher participation in the labour market and through the continued improvement of pensions, as well as through concrete fiscal measures reducing income tax rates for those in the lower income brackets.

As stated in the first NAP/incl, social policies in Spain continue to be highly structured around specific groups. This has allowed beneficiaries to be highly involved in the planning and implementation stages, but it is not the easiest way to introduce horizontal issues. However, the Plan also serves as a way to introduce these issues so that a more integrated or holistic approach can be achieved.

The co-ordination between the inclusion and employment NAPs is not mentioned specifically in the new NAP inclusion as part of the strategy being followed, but some of the measures specific to the NAP employment are included as objectives, such as reconciling work and family life, and improvement of co-ordination of social protection and employment and social insertion, as well as reduced Social Security contributions for those at-risk or in situation of exclusion.

#### 4. Key policy approaches: strengths and weaknesses

This new Plan includes 269 measures (84 measures more than in the first NAP), most of which are concentrated around the first three common objectives. Most of the measures have flowed through from the first NAP (to be implemented or on-going). Other measures develop those set out in the first NAP which have resulted in the introduction of new legislation and provide the basis for the development of concrete interventions. The main instruments in access to employment, also included in the NAP employment, are insertion itineraries, incentives for employers through reductions in the Social Security payments and strengthening of co-operation among NGOs and decentralised public employment services.

On access to other resources, the foundations set under the first Plan can now be developed and implemented, including in-depth studies into the needs and the extent of the population to be reached. There is a new battery of measures that aim to ensure access to justice. The alleviation of family disintegration factors, the correction of social problems at territorial level, and the combat against specific obstacles arising from access to new technologies are also addressed by different measures.

With respect to the first NAP/incl, this second edition has extended some measures and improved others. It continues the initial effort to mobilise and co-ordinate all relevant bodies at the administrative level. The efforts to gather all appropriate information on the very decentralised efforts to combat poverty and social exclusion is also a priority to be accomplished in this new Plan.

#### 5. Gender perspective

The situation of women in the labour market, one of the most peculiar features of the Spanish figures, still shows very high unemployment compared with men. The improved analysis on gender in the new Plan does make it possible to monitor the outcome of the measures targeted to specific groups in gender terms. An Integrated Plan for Domestic Violence Victims has been introduced which acknowledges the situation of social exclusion that victims of domestic violence are likely to experience.

The new Equal Opportunities Plan is also built into the main body of measures for the NAP/inclusion and aims to tackle the obstacles to labour market participation of women with low social and educational levels. A new challenge may be the increase in single parent households at risk of exclusion (most of which are headed by women).

#### 6. Current Issues and Future Challenges

Co-ordination and co-operation among the different administrative levels is still required in many areas in order to ensure a minimum standard of measures tackling inclusion policy. Although the foundations have been set for some of the key areas (such as health), the mechanisms, both information and direct access by beneficiaries, are now to be developed and implemented to ensure that those targeted by services are able to profit from.



Given the importance of employment as an instrument to achieve social inclusion, there is a need to strengthen the participation of social partners.

The progressive ageing of the Spanish population has been accompanied by specific measures to cater to the most disadvantaged older persons, but the caring needs of this group is one of the most important challenges in the near future. It would be useful to undertake further research into the health situation of those in poverty or at risk of poverty. The high increase in the proportion of immigrants also poses important challenges, as their integration cuts across many, if not all the issues reflected in the Plan. For example, this may have the effect of putting extra pressure in some social services and benefit schemes if not taken into account when drawing up the budget.

## FRANCE

**Situation and key trends:** After several years of sustained economic growth and falling unemployment, the very low rate of economic growth since mid-2001 has been accompanied by a slowdown in job creation and an upturn in unemployment, which now stands at its highest level for three years (9.6% in July 2003). Against this backcloth there has been an increase in "administrative" poverty, the numbers drawing RMI (the occupational integration minimum income allowance) having begun to rise again from the second half of 2002. The poverty risk, measured at 15% in 2001 according to Eurostat, is equivalent to the European average. However, the national statistics (INSEE) show a lower rate, 12.7% in 2000.

**Progress made 2001-2003:** As the overall evaluation of anti-exclusion policies provided for by the 1998 Act is not annexed to the NAPincl, analysis of the results is sometimes somewhat elliptical. Despite the encouraging results achieved by certain employment promotion schemes, unemployment remains very high. In the field of housing, the policies have proved inadequate to meet the needs. But while policies for the prevention of family breakdown leave room for improvement, substantial progress has been made in the areas of health, justice and, more broadly, access to rights.

**Strategic approach:** The Plan marries two strategies. The first continues the measures that have been in place since 1998, with an emphasis on access to employment and access to rights. The second involves mobilising regional solidarity to this end, via decentralisation and the private sector, which has been relatively inactive in this field so far. The Plan focuses in particular on procedures for mobilising stakeholders and on improving monitoring. Rather than setting a general overall objective of reducing poverty, it focuses instead on limited but realistic specific objectives in the main policy areas covered (employment, housing, education, health). Substantial effort has been put into indicators for portraying the intensity of the measures in the different areas.

**Key policy measures:** The strategic dimension of the NAPincl is somewhat blurred by its multidimensional character, since the measures, enumerated according to the Nice objectives, involve the mobilisation of a whole panoply of different State sectors. Of the new measures, decentralisation of the RMI and of vocational training, the employment insurance proposal, the civil bankruptcy ("*rétablissement personnel*") procedure and the five-year urban renovation programme raise high expectations. The previous Plan's coverage has been extended to disabled persons and foreigners. Much still needs to be done in terms of gender mainstreaming, but measures to help women are better identified.

**Challenges ahead:** Access to employment, job precariousness and housing issues remain the major challenges, along with the need to reduce regional inequalities and, as regards specific groups, to improve support facilities for asylum seekers. And the problem of effective access to rights, or even the creation of new rights, has been only partially addressed. The integration of foreign populations and the advancement into old age of poor populations are also key issues for the years ahead. The keenly awaited "co-ordinated inter-Ministerial policy project" (the PCPI) should help to make the financial aspects clearer. It would also reflect the firm commitments announced in the Plan regarding the integration, monitoring and evaluation of policies, particularly as the monitoring and evaluation commitments also apply to decentralised policies. In this context, the quantified objectives need to be presented in more detail.

## 1. Situation and key trends

After sustained growth from mid-1997 to 2000 the French economy has seen very slow growth since mid-2001 (1.2% in 2002, probably 0.2% in 2003 and a predicted 1.7% in 2004), a sharp slowdown in new jobs and an upswing in unemployment (8.8% in 2002, 9.6% in July 2003), with unskilled young people being hit particularly hard. Masking the steady decline since 1999 in very long-term unemployment (i.e. unemployment of more than three years), long-term unemployment has begun to rise again (2.9% in 2002), affecting some 700 000 job-seekers, most particularly the over-50s. The unemployment rate is higher among women (10%) than men, and substantial regional differences persist, with a variation coefficient of 8.8% in 2001 according to the national figures. Job precariousness is growing, with more people joining the unemployment register after the expiry of temporary contracts or fixed-term contracts. Working life for many young people consists of a succession of short spells of precarious employment sandwiched between spells of unemployment, as reflected by the French public employment service's inflow and outflow records for the 15/24 age-group.

According to Eurostat, the poverty risk rate (percentage of the population whose income is less than 60% of the national median) was 15% in 2001 (12.7% according to France's own statistics), at par with the European average, and the persistent poverty risk was 9%. Despite the economic upturn between 1997 and 2001, there are no signs that any significant reduction in poverty has been achieved. The national data indicate a slight reduction in the rate of monetary poverty between 1996 and 2000, only the number of RMI (minimum income allowance) recipients having decreased substantially, although this number has begun to rise again since the second half of 2002.

The groups most vulnerable to the risk of poverty and exclusion are still the same: the unemployed, the working poor, children under 18, unskilled young people, large and single-parent families, women over 65 and, in terms of specific populations, asylum seekers and travellers, who admittedly do not constitute a homogeneous category. The challenges identified in the first NAPincl remain broadly unchanged: the precarious existence of a large part of the population, the existence of marginalised populations, access to employment and improvement of occupational income, effective access to rights, and inequalities between regions, whether depressed urban neighbourhoods or rural areas.

## 2. Assessment of progress made since the 2001 NAPincl

Drafted during a period of growth, the NAPincl has been implemented in a less favourable economic climate, albeit one without any major discontinuity, despite weakened political leadership and the change of majority in 2002. It has enabled measures operating since 1998 to be embedded and extended, such as the TRACE programme to help young people in difficulties obtain work, or the regional health programmes. Although some of these mechanisms have produced interesting results, the scale of the problem and the worsening economy have limited the impact on employment. But it is in the field of housing that the gap between needs and results is the widest. The mechanisms for making households solvent could also be improved. In contrast, universal health cover and regional health mechanisms have had a certain impact on access to health care. The NAPincl has also allowed a number of experiments to be introduced in the field of culture, children, justice and, more generally, access to rights. In March 2003, the national plan to reinforce the fight against precariousness and exclusion, based on effective access to rights and support for persons in situations of serious exclusion, endorsed the priority accorded to this objective.

The 2001 NAPincl unfortunately never acquired high visibility. In addition, integration between the different strands, the participation of persons in situations of difficulty and training initiatives for stakeholders all remained limited. As regards monitoring, a substantial effort was made in terms of indicators. The overall evaluation provided for by the 1998 Act should be available by the end of 2003.

### 3. Strategic approach: main objectives and key targets of the 2003 NAPincl

Based on the multidimensional nature of exclusion and the dominance of the employment factor, the strategy proposed represents a straight continuation of the policies operating since 1998 and subdivides the four Nice objectives into a wide panoply of measures. The renewed role of local authorities, with the decentralisation project, and the accent on the market sector and its role in employment represent the clearest changes of strategy. The Plan is also innovative in the broadness of its scope, rather than in the detail of the actions, since many of these are continuations of existing measures or revivals of past practices. Fields that were left relatively unexplored in 2001, such as disability, foreign populations and gender are the subject of new developments. Bridging the gap between the strategy and the challenges sometimes relies on a degree of voluntary initiative over which the authors of the Plan have little control, such as the commitment of local authorities after decentralisation, or the appeal to private enterprise.

The Plan is accompanied by a vast range of indicators. Moreover, the setting of precise quantified objectives, albeit limited in number, is a positive innovation. Chosen for their relevance and realism, they cover the different policies only partially and do not have the global objective of reducing poverty, most being concerned more with the introduction of mechanisms rather than the anticipated impacts on the target groups. Quantification of the budget, although still lacking detail and precision at this stage, is a step in the right direction. However, the financial commitment of the State and the local authorities in a period of budgetary pressure may prove limited and will need to be monitored carefully. The operations co-financed by the ESF, mentioned selectively, ought to be identified more precisely in the context of the budget monitoring.

The Plan places a strong emphasis on an integrated approach in connection with decentralisation, involving new modes of relationship, management and evaluation of the policies concerned. This integration relies also on better co-ordination between Ministries (with several major monitoring and evaluation operations planned), on modernising the administration and on raising awareness among all players and the general public.

### 4. Key policy approaches: strengths and weaknesses

The first Nice objective, concerning access to employment, embraces most of the measures described, with a stronger policy of reducing social security contributions for the low-paid, an overhaul of "assisted contracts" for unskilled young people and reform of vocational training. The issue of "social minima" allowances is chiefly addressed under decentralisation of the RMI. Housing is the subject of numerous measures, including a five-year urban renovation programme. There is a strong emphasis on combating illiteracy, education provision for the most vulnerable and health in the school environment. The health care measures, mental health care measures and programmes of access to justice are continued and improved. More marginal measures deal with access to culture, sports and leisure.

Measures to prevent people losing their homes have been marginally improved, with an improved support mechanism for tenants. Special mention should be made of the

introduction of the civil bankruptcy procedure ("*procédure de rétablissement personnel*") to deal with cases of over-indebtedness. As e-inclusion is not put forward as a major challenge, initiatives in this area are limited. One example worth mentioning, however, is the proposal for a social services Internet portal as a general first port of call and a magnet for the pooling of good practice.

Among measures to help the most vulnerable, particular mention should be made of the integration pathway for immigrants and the global approach to situations of major exclusion. The provision of more accommodation, however, cannot prevent the market being saturated by asylum seekers. Improved care arrangements and the equal opportunities bill should help to improve the integration of disabled persons. Housing and economic development initiatives in rundown urban neighbourhoods have been extended, and a project for the revitalisation of rural areas includes plans to develop services for citizens and health policy. The implementation arrangements for all these mechanisms will need to be examined in order to assess their potential impact. The overseas territories, another vulnerable area, are included implicitly via the appropriations mentioned in the budgetary annex.

With regard to the mobilisation of all stakeholders, the Plan sets out to give people in situations of difficulty a bigger say and to improve co-ordination between all levels of intervention. Close attention is also given to communication and improvement of the services provided to users.

## 5. Gender perspective

This dimension receives less priority than it did in the 2002 NAP/empl. The challenges mentioned include inequality in the unemployment field, family situations, ethnicity and spousal violence. As a response, the Plan adopts a transversal and specific approach, with measures of varying levels of intensity to promote education, vocational training, employment and respect for human dignity. It also addresses the situation of disabled women and immigrant women. The mainstreaming approach is continued with the creation of a National Equality Council, a draft national charter and a proposal for capitalising on good practices. The French authorities have announced that the gender dimension will be included for virtually all the quantified objectives and that there will be a better breakdown by gender of the indicators, notably regarding monetary poverty.

## 6. Current issues and future challenges

Although combating unemployment and the phenomenon of the working poor remains a major challenge, the results hinge largely on the economic situation. In contrast, the proposals regarding housing are inadequate for the scale of the problem<sup>24</sup>. And it is regrettable that no major measures are announced to help certain specific categories, such as asylum seekers, travellers and people living in areas of deprivation, apart from those who are covered by urban policy measures. The impacts of periods of precariousness and reliance on social care for ageing populations are less tangible issues.

The introduction of a "co-ordinated inter-Ministerial policy project" (PCPI) to combat exclusion would help to make the financial commitments clearer and permit more refined

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24 Over 3 million people are apparently living in poor housing conditions (lack of comfort, overcrowding, insecurity of tenure), although the national indicator of poverty of living conditions, which covers accommodation difficulties, has been falling since 1998 (cf 8th report of the Haut comité pour le logement des personnes défavorisées, October 2002).

monitoring, which is difficult with the present budgetary structure. It would also reflect the "frame of reference" nature of the NAPincl by transforming it into a veritable programming document. The sophistication of the monitoring and evaluation procedure is essential for assessing the impacts of the numerous measures, notably planned measures, whether we are talking about financial adjustments, relaunching of certain programmes or major developments involving adoption of legislation, with timetabling uncertainties and possible changes. Issues particularly concerned here are decentralisation and the introduction of the RMA<sup>25</sup>, housing policy, rural policy, equal opportunities for disabled people and the concept of employment insurance linked to renewal of vocational training.

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25 RMA = Revenu minimum d'activité (Minimum activity income), a new assisted contract for persons drawing the RMI.

## IRELAND

**Situation and key trends:** The slowdown in the global economy has impacted on the pace of economic growth, resulting in a slight rise in unemployment and increasing pressure on Exchequer finances. Analysis of poverty trends shows that the national 'consistent' poverty measure continues to fall, from 8.2% in 1998 to 5.2% in 2001. However, the 60% risk of poverty indicator has risen from 19% to 21% over the same period, indicating continued income disparities affecting, in particular, elderly people, large families and lone parents.

**Progress made in 2001-2003:** The national anti-poverty strategy was reviewed and ambitious new targets and institutional arrangements have been established. An active engagement with all unemployed people at an early stage continues to record sustained success and progress has been achieved in the area of early school leaving and adult literacy. Social security payments have increased in real terms and investment in infrastructure continues to exceed the EU average. However, life expectancy remains low, relative to other EU states, and affordability of housing and homelessness continue to be a problem.

**Strategic approach:** This NAP presents a greatly improved strategic approach that is based on a more complex understanding of the causes of social exclusion and better addresses the common objectives. There are a large number of targets that are quantifiable and time focused. A new framework to tackle social exclusion has been established, with overall co-ordination and responsibility allocated to a new Office for Social Inclusion, although one would have to question if the resources allocated to this office are sufficient for the ambitious work programme outlined. A wide ranging consultation process and the establishment of a Social Inclusion Forum have increased civic society involvement. The key objective is to consolidate the economic success of recent years to ensure that high levels of employment are sustained and a more equal society is achieved.

**Key policy measures:** Ireland is active in addressing all four objectives, with particular emphasis placed on access to employment and raising standards of education. While employment is seen as the major route out of poverty, the Plan recognises that not everyone can use the labour market as a way out of poverty. A number of targets are, therefore, set in relation to the provision of adequate income support. Special programmes are targeted at groups who have particular difficulties, such as people with disabilities, immigrants, Travellers and ex-prisoners. Other groups, such as the homeless and ethnic minorities are identified as especially vulnerable. A range of social problems are highlighted for particular attention, such as domestic violence, indebtedness, and alcohol and drug misuse. The importance of care systems and preserving family solidarity are also addressed.

**Challenges ahead:** The major challenge will be to ensure that resources are made available to implement the agreed targets, particularly if the economic downturn continues. Key priorities will be enhancing infrastructure and access to services, particularly for those living in rural areas. Efforts to tackle educational disadvantage and the integration of refugees and immigrants must continue. The growing income inequalities require greater focus and a target in this area would be useful. The commitment to research the problem of high relative income poverty is welcome. While the Plan does identify significant gender inequality issues, it is weak in establishing targets and developing policy responses. Monitoring and evaluation of the NAP requires further clarification. Also, it is crucial that social inclusion co-ordination be strengthened at local and regional level to ensure an integrated approach.

## 1. Situation and key trends

Ireland has continued to record high economic growth although the downturn in the global economy has sharply reduced the pace of growth. GDP grew at 6.9% in 2002, which is the highest in the EU and far in excess of the EU average of 1.1%. It is noteworthy, however, that the corresponding increase in GNP was just 0.1%. Ireland's per capita income in PPS was at 118% of the EU average in 2001. The downturn in the economy is reflected in a slight rise in the overall unemployment rate to 4.4%, and also in the long term unemployment rate to 1.3% (in 2002). It is also apparent in the latest social partnership agreement, which is less ambitious in the social domain than previous plans.

Analysis of poverty trends shows that the EU common indicator of 'risk of poverty' (defined at the level of 60% of the national median) has risen from 19% to 21% between 1998 and 2001, and is now the highest in the EU. This trend indicates continued income disparities affecting, in particular, elderly people, large families and lone parents. Also worrying is the high rate of persistent poverty which, at 13% in 2001, is one of the highest among the EU countries. However, the national 'consistent' poverty measure, a composite indicator combining relative income and deprivation measures, continues to fall, from 8.2% in 1998 to 5.2% in 2001. Expenditure on social benefits increased by 25% between 1999 and 2001 but is still the lowest in the EU as a percentage of GDP.

## 2. Assessment of progress made since the 2001 NAP inclusion

Ireland has made substantial strategic progress in the last two years. The national anti-poverty strategy was reviewed and ambitious new targets and institutional arrangements have been established. Ireland has been very successful in facilitating participation in employment. A major achievement has been the 26% increase in the participation of women in the labour force between 1998 and 2003. A High Supports Process was introduced in 2003 to target and support those suffering greatest disadvantage. While tailored programmes are aimed at specific vulnerable groups such as Travellers, people with disabilities, refugees and lone parents, there is inadequate data available on these groups, which presents problems in assessing the impact of policies.

Although education spending has risen substantially in recent years, Ireland still invests less of its national income in education compared with other EU Member States. Key targets have been set in the area of literacy and reducing the number of young people who leave school early. Very positive results have been achieved with the rate of early school leavers dropping from 18.9% to 14.7% between 1997 and 2002 (Eurostat - EU Labour Force Survey 2002). Participation has increased in adult literacy courses, while a radio and TV programme attracted weekly audiences in excess of 146 000 in 2002. In addition, a successful pilot on workplace literacy has now been mainstreamed.

Commitments to increase social security payments have been largely met with total expenditure increasing by 42% between 2000 and 2002. All payments were increased in real terms, with the highest increases being granted to pensioners who are recognised as a group at high risk of poverty. Targets have been set to raise the lowest income support payments to EUR150 per week by 2007 (in 2002 terms), to raise pensions to EUR 200 and to ensure that child income support is at 33 to 35% of the minimum adult social security payment. Expenditure on universal child benefit increased by 129% between 2000 and 2002, with monthly payments increasing from EUR 54.00 to EUR 117.60. However, the impact of these increases has been somewhat diminished by high inflation relative to other Member States, increases in indirect taxes, and other utility and service charges, which are regressive



by nature. For those in low paid employment, the minimum wage will be set at EUR 7 per hour from February 2004, which is an increase of 25% since its introduction in 2000.

In the area of health, life expectancy for women is the lowest in the EU and for men it is the second lowest. These figures are substantially lower again for the Traveller population which accounts for 0.6% of the population. A national health strategy was published in 2001 with a key target of reducing the gap in premature mortality between the lowest and highest socio-economic groups by at least 10% for specific diseases by 2007. Despite major increases in expenditure on health, it is not clear if the resources will be available, or sufficient, to address health infrastructure and service deficiencies

Rural disadvantage is a distinct problem in Ireland, particularly with regard to access to services. Approximately 1 800 new transport services on 300 new routes have been established as pilot projects, but it is not clear how many of these schemes will be mainstreamed. A number of initiatives to improve the quality of customer services have been introduced and there is a commitment to ensure 'the development of more formal expressions of entitlement across the range of public services'. Although developing standards of access goes some way to meet the type of rights based approach called for in the consultation process, it does not fully address the issue. It is also noted that there are few targets set in this area.

Affordability of housing and homelessness affect a significant group of people, due in part to house costs increasing far in excess of the Consumer Price Index. Targets in this area have been set and a social housing programme providing for the delivery of 25 000 houses reached 65% of its target at the end of 2002. Improvements in housing for Travellers have also taken place, with the total number accommodated increasing from 3 805 in 2000 to 4 522 in 2002. However, there are still some 1 000 such families living in unauthorised sites with no facilities. An integrated strategy on homelessness, aimed at drawing up local action plans, was an ambitious and worthwhile exercise. However, specific targets for the elimination or reduction of homelessness were not required, thereby making it difficult to meet and measure long-term objectives.

Developments in a number of programmes designed to assist the most vulnerable groups have taken place. The 'Springboard' pilot projects, aimed at providing intensive family support to vulnerable families, have been mainstreamed. The Monetary Advice and Budgeting Service which assists more than 11 000 clients annually, agreed a new pilot scheme to develop a non-judicial alternative for those who have intractable and multiple consumer debt. This service will be of particular benefit to women who comprise in excess of 66% of the clients. Additional expenditure for sports and recreation is being targeted at areas of social disadvantage, indicating greater efforts to tackle broad social inclusion problems.

### 3. Strategic approach: main objectives and key targets

This NAP presents a greatly improved strategic approach that is well balanced and broad-ranging. It is based on a more complex understanding of the causes of social exclusion and better addresses the common objectives. There are a large number of targets that are quantifiable and time focused. It is also more balanced in terms of focusing on universal issues, as well as more specific groups, and is more comprehensive than the previous plan in covering a wider range of issues, such as access to legal services, equality, and participation in art and cultural activities. The establishment of a Social Inclusion Forum enables those experiencing poverty and social inclusion to contribute in a direct and active way. A wide

ranging consultation process took place and, in an innovative exercise, the Equality Authority proofed the NAP with the participation of groups from across nine distinct grounds of discrimination set out in the equality framework. It is intended to continue with this approach over the lifetime of the Plan.

However, it is noteworthy that Ireland operates a national centralised model of policy formulation and implementation, which makes it difficult to progress integrated locally based strategies. This is evident in the slow progress in implementing RAPID, a programme aimed at developing an integrated approach in the twenty five most disadvantaged urban areas in Ireland. The development of the Local Government Anti-Poverty Learning Network and the extension of 'poverty proofing' to local areas may assist in enhancing the capacity of local stakeholders. The establishment of regional education offices is another positive development. Other recommendations put forward in a recent review of social inclusion co-ordinating mechanisms should also lead to improvements at local and regional level.

The key objective is to consolidate the economic success of recent years to ensure high levels of employment are sustained and a more equal society is achieved. While employment is foreseen as the major route out of poverty, it is also recognised that this is not the answer for everyone, and a number of targets are set in the area of adequate income support. A key target is to reduce the numbers of those who are 'consistently' poor from 5.2% in 2001 to 2.0% by 2007.

#### 4. Key policy approaches: strengths and weaknesses

The NAP is focused and contains a large number of targets, far more than the previous NAP. The establishment of an Office for Social Inclusion should consolidate a cross-departmental and inter-agency approach, although one would have to question if the resources allocated to this new office are sufficient for the ambitious work programme outlined. The Plan is particularly strong in the area of employment, income supports and education. However, there is little reference to regional imbalance and this area needs to be strengthened. Demands in the consultation process for a right-based approach in social exclusion policies, are only addressed in terms of developing standards of access to quality public services. The position of refugees and asylum seekers requires particular attention in view of their high risks of social exclusion and the identified problem of racism. The policy of 'direct provision', whereby asylum seekers are provided with lodgings, food and a small payment instead of social security payments, militates against their social inclusion and increases the isolation of people, who are racially and culturally different from the general population. However, some worthwhile measures to promote integration have been taken, including language support and allocation of additional teaching resources to schools. Another important initiative is a national anti-racism programme aimed at building an inclusive society

#### 5. Gender perspective

There are a number of specific objectives and targets relevant to gender equality, notably in the area of employment. Progress has been made in increasing the supply and affordability of childcare, particularly in disadvantaged areas, but more is required. Overall, the analysis in relation to gender mainstreaming is limited and there is an absence of targets in many areas. The under-representation of women in decision-making arenas is particularly marked. The proposal to develop a national women's strategy should be used to strengthen gender mainstreaming.

## 6. Current issues and future challenges

Although the level of public investment in Ireland is very high at 5%, (almost double the EU average), it must be noted that infrastructure and many public services are still relatively underdeveloped because Ireland is starting from such a low historical base. Accordingly, there remain huge challenges to ensure that the deficits in infrastructure and social provision will be addressed. Educational disadvantage, and the integration of refugees and immigrants, must continue to be a priority. Growing income inequalities remains a key challenge that requires greater focus and a target in this area would be useful. The commitment to research and monitor relative income poverty is welcome, particularly in view of the fact that the 'consistent' poverty measure has recorded dramatic decreases that are contradicted by rises in the risk of poverty indicator. Work has started on the development of a data strategy to monitor progress on the set targets. Data is particularly needed to inform policy on specific vulnerable groups such as the homeless, migrants and other groups who are not readily identifiable in national statistics. Also, it is crucial that social inclusion co-ordination mechanisms be strengthened at local and regional level in order to ensure an integrated approach that will enable the successful delivery and implementation of the NAP objectives.

## ITALY

**Situation and key trends:** According to the latest ECHP survey (2001) the at-risk-of-poverty rate in Italy was 19%, indicating a slight increase over the previous year. The at-persistent-risk-of-poverty rate has also increased to 13%. National data (based not on income but on expenditure) for 2002 show a more nuanced picture: the overall national rate has declined to 12.4% from the 13.6 recorded in 2001, with the South and the Centre improving their rates while the North's has remained substantially stable. However, the profile of poverty has not changed: it affects mainly the larger households (of five people or more: for them the incidence of poverty in 2002 was 24.6%) and those whose head is unemployed (the incidence is 32.3%), and it is still overwhelmingly concentrated in the South (the at-risk-of-poverty rate is 23.6%), where the rate is more than four times higher than in the North (5.4%).

**Progress made Nap 2001-2003:** The Italian Nap 2003 reports that most, but not all, regions have now approved their regional social plans that are also complemented by local plans developed by municipal authorities. Most regions and local authorities are also reported to have improved their capacity to integrate multi-sectoral, decentralised, stakeholder and partnership-based approaches into their own planning of social policies. Statistics prove that there has been a slight improvement since the last NAP, with the effects of fiscal relief aimed at larger households and slow but steady favourable trends in the labour market appearing to be largely to credit for the overall slight decrease in the poverty rate.

**Strategic approach:** The strategic approach follows closely the 2003 Italian White Paper on Welfare, which identified two basic issues: the demographic effects of Italy's very low fertility rate combined with a high rate of ageing population, and the role of the family as a pillar of the Italian social model. The process of decentralisation will be pushed further. The regions have now been invested also with co-ordination tasks, while management and implementation tasks have been fully transferred to local authorities.

### Key policy measures

The following policy priorities, expressed in a series of principles and guidelines without specific targets, define Italy's social agenda for the three-year period 2003-2005: to favour the family and to increase the national birth rate; to provide better services to disabled people; to fight against extreme poverty; to accelerate the development of the South through the launch of ESF-supported "territorially integrated plans"; to promote equal opportunities between men and women; and to prevent drug addiction and dependency. Another distinctive feature of the Italian Nap is the focus on the increased flexibility in the labour markets achieved through the recent adoption of a reforming package.

**Challenges ahead:** Given the existing budgetary constraints at both national and local level, the regions lagging behind may find it difficult to cope with the fast pace of the process of decentralisation. In a context of increased flexibility in the labour markets, even more generous family (but work-related) allowances may fail to address the needs of the most vulnerable unless the risk of engendering dualism in the labour market is reduced through the passing of a comprehensive welfare reform. It remains another absolute priority to implement all the envisaged measures intended to remedy the current rationing of childcare services, also in order to prevent the risk of the incentives to raising the birth-rate having a negative impact on an already low female employment rate.

## 1. Situation and key trends

According to the latest EHCP survey (2001) the at-risk-of-poverty rate in Italy has increased to 19% from 18% in 2000. The at-persistent-risk-of-poverty rate has also increased to 13% (from 11%). National data (based not on income but on expenditure) for 2002 show a more nuanced picture: the overall national rate has declined to 12.4% from the 13.6 recorded in 2001, with the South and the Centre improving their rates while the North's has remained substantially stable. However, the profile of poverty has not changed: it affects mainly the larger households (of five people or more: for them the incidence of poverty in 2002 was 24.6%) and those whose head is unemployed (the incidence is 32.3%), and it is still overwhelmingly concentrated in the South (the at-risk-of-poverty rate is 23.6%), where the rate is more than four times higher than in the North (5.4%). Total social expenditure as a percentage of GDP has increased in 2002 by half a point, reaching the 26.2%, but it is still lower than the EU-15 average. The composition of social expenditure is virtually unchanged: 62.2% is made up of old-age and survivors' pensions. The preponderance of expenditure on pensions takes an obvious toll on all the other forms of social expenditure, and explains why in Italy the at-risk-of-poverty rates before and after social transfers (when pensions are excluded) show the smallest differential within EU-15. In terms of purchasing power parities per inhabitant the latest available figures, for 2000, show Italy still trailing the EU-15 average, even though the gap is narrowing.

Slow but steady favourable trends in the labour market (favouring especially women) appear largely to credit for the overall slight decrease in the poverty rate: the employment rate is now (2002) at 55.4%, up from the 54.6 recorded in 2001 (it was 52.7 in 1999). Regional differences remain vast, with the employment rate of the North (63.3) twenty points higher than that of the South. The overall rate for women is 42%, and the regional divide is here even more marked, with the South trailing the North by some twenty-five points. Unemployment in 2002 has declined to the 9% (in 2001 it was at 9.5); the South (18.3%), and especially women in the South (26.4%), still suffer the most. Also the rate of long-term unemployment causes serious concern since it stands, in 2002, at 59.1%. Again, the South is affected in a disproportionate manner: 15.3% of the population aged 15-59 live in a jobless household.

## 2. Assessment of progress made since the 2001 NAP/inclusion

Performance indicators show that there has been a slight improvement since the last NAP (even though households' average expenditure, on the basis of which "relative poverty" is calculated, has on the whole declined in Italy during the year 2002, with the obvious consequence that the poverty line has also shifted downwards) but it is difficult to establish a clear link between these positive trends and the policies pursued during the reference period - with the exception of the effects of fiscal relief aimed at larger households and of the favourable trends in the labour market (the latter are ascribed to the increased flexibility) - since impact indicators are provided only sparingly, especially at regional level. On the legislative side, the reform of Title V of the Constitutional Charter has inscribed within the Constitution the process of decentralisation that has been taking place in Italy over the last years, beginning with the approval of Law 328/00 that transferred over to the regions most competencies in the area of social policy. The Italian Nap 2003 reports that most, but not all, regions have now approved their social plans that are also complemented by local plans developed by municipal authorities.

### 3. Strategic approach: main objectives and key targets of the 2003 NAP/inclusion

The strategic approach follows closely the 2003 Italian White Paper on Welfare, which identified two basic issues: the demographic effects of Italy's very low fertility rate combined with a high rate of ageing population, and the role of the family as a pillar of the Italian social model. The Italian Nap views the family as a pro-active leading actor in the field of social policy, whose role is especially important for the support it can offer to the most vulnerable: the elderly, disabled people and the minors. Recognising that the family is also called upon to compensate for the lack of social services, the Government intends to increase monetary support in the form of both direct aid and fiscal relief. Newly-married couples will also benefit from additional support directed at promoting home-ownership and (along with all married couples) from measures aimed at raising the country's birth rate.

The process of decentralisation will be pushed further. The regions have now been invested also with co-ordination tasks, while management and implementation tasks have been fully transferred to local authorities. Guidelines and targets will instead be determined at national level through a process that once fully implemented will be not unlike the Open Method of Co-ordination, with the Government retaining the power to set nation-wide priorities: in the Nap 2003 10% of the financial resources made available to the regions are earmarked for initiatives aimed to support the role of the family and increase the country's birth-rate. Another distinctive feature of the Italian Nap is the focus on active labour market policies (of the type "welfare to work") and on the increased flexibility achieved through the adoption of the reforming package termed "legge Biagi". Indeed, intermediate targets towards the Lisbon objectives for employment are the only targets that are quantified in the document. In 2005 the target rate for employment is 58.5%, in the case of women 46% and for older workers 40%.

### 4. Assessment of key policy approaches: strengths and weaknesses

The Nap 2003 takes into consideration a broad array of trends: the persistence of the concentration of poverty in the South, in large households and among those with one or more elderly people or whose head is unemployed; the already mentioned effects of the increase in ageing population combined with a low fertility rate; the recent increases in labour force geographical mobility from the South to the North of Italy and in the immigration flux; the considerable size of the informal economy; the low employment rate of disabled people (in particular women); and the development of the volunteer and third sectors. The analysis is generally thorough, and the policy priorities clearly defined (such as the development of the South and providing more support to large households), while the measures envisaged might fall short of what would be required, given the magnitude of the problems (facing especially the South) and the current budgetary constraints that may force to reduce transfers to the regions. Specific measures include help to the family through "solidarity networks"; the liberalisation of and easier access to services through care-vouchers, financial assistance mechanisms and fiscal relief; the setting up of family-assistance networks and family-based initiatives to help people mentally and physically dependent. The quality of life of children (seen as dependent on the integrity of the family) is addressed through an ad-hoc plan. Other targeted initiatives include more and better services for disabled people, the establishment of a Commission of qualified practitioners and experts in the field of drug dependency, the launch of ESF-supported "territorially integrated plans" for the development of the South and the set-up of monitoring systems. Social insertion of immigrants is directly promoted only through the provision of language courses. The number of legal immigrants has grown considerably in 2003 thanks to the

regularisation of over 700 000 previously unregistered foreign workers. The provision of other social services, such as shelters and intercultural mediation, falls entirely under the remit of the local authorities and may prove a difficult challenge for many of them.

Recognising both the necessity of a universal approach to extreme poverty and the insufficiency of the previous scheme that was piloted in a limited number of municipalities, but which was marred by abuse and too expensive, the Government intends to replace it with a new "income of last resort", whose final characteristics (amount, target population and rate of co-financing on the part of the government) are to be negotiated with the regions. Finally, a detailed list is provided of all the complex institutional arrangements that have been required to make the plan operational.

The main strength of the Italian Nap - but also the most important challenge it faces - is the fast pace at which the process of decentralisation has proceeded and is set to proceed. Most regions and local authorities have reportedly improved their capacity to integrate multi-sectoral, decentralised, stakeholder and partnership-based approaches into their own planning of social policies. But a strong co-ordination of policies and measures, as well as of monitoring and evaluation is still lacking to a degree, since evaluation structures at national level are still in the process of being put in place, and not all regions have set up monitoring structures. It is also fair to say that the "territorially integrated plans" face a daunting task, since they are the main – if not the only - instrument addressing specifically the Southern regions. Moreover, such an ambitious project of a multi-level governance of all social policies must be supported, in order to achieve the best results, by an adequate allocation of financial resources. In this regard the Italian plan provides only scant information. In fact, the reported increase in the level of funding for social policy made available to the regions could easily be offset by other budgetary cuts. Another weakness is the absence of quantified targets for all but the employment-related measures, which will make more difficult to evaluate the results achieved by the Nap 2003.

#### 5. Gender perspective

Overall, the principle of gender mainstreaming appears to have been implemented in the Italian Nap only to a limited extent. That said, the plan provides sufficient analysis, indicators and statistics broken down by sex that show that despite recent favourable trends, women are still at a marked disadvantage in relation to both employment and unemployment. The promotion of equal opportunities between women and men is one of the priorities acknowledged by the Italian plan, and many measures (especially those envisaging better and more accessible care services, such as those already contained in recent Financial Acts and present also in the NAP 2003), if adequately implemented, will not fail to make a positive contribution to reducing the gaps in employment and unemployment rates. However, most of the policies are presented in gender neutral terms while, for instance, there are likely to be significant differences by gender in the distribution of hidden labour, and as far as the old age employment rate is concerned, women in old age are again likely to face different problems with respect to old men who have been active for most of their life.

#### 6. Current issues and future challenges

The narrowing down of the divide between the South and the North of the country remains the greatest challenge. Careful monitoring of the manner in which regional and local authorities fulfil duties and responsibilities devolved to them appears also necessary. In a context of increased flexibility in the labour markets, even more generous family (but work-related) allowances may fail to address the needs of the most vulnerable unless the risk of

engendering dualism in the labour market is reduced through the passing of a comprehensive welfare reform (which is still in a very early drafting stage). Social insertion of immigrants may also prove a bigger challenge that envisaged in the plan. Another absolute priority remains the implementation of all measures intended to remedy the current rationing of childcare services, also in order to prevent the risk of the incentives to raising the birth-rate having a negative impact on an already low female employment rate. The national authorities should also ensure that a stronger two-way relationship is established between the Nap-exercise and the regional and local social plans and that the main stakeholders and the social partners are adequately and systematically involved, as foreseen also by framework law 328/2000.



## LUXEMBOURG

**Situation and key trends:** During the first NAPincl the national economy was hit by the slowdown in the global economy, with a significant downturn in the GDP growth rate and a rise in unemployment. Long-term unemployment rose only a little, albeit more among women than men. Employment continued to rise steadily, albeit more slowly. The poverty risk rate (after transfers) remains stable at 12%, but is higher among the young. The Luxembourg authorities anticipate a swift revival of economic activity, expecting GDP to rise by 3.5% in 2005. However, the rise in unemployment – the result of the preceding period of recession – is predicted to continue.

**Progress made 2001-2003:** Of the 81 measures described in the first NAPincl, spread over the 4 Nice objectives, 21 were terminated at the end of the period. The 60 remaining measures are carried over for 2003-2005. The key achievements are in the areas of care structures, access to housing, incomes for disabled persons and assessing the skills of young persons. Various legislative or regulatory procedures are still in progress. For the rest, the Luxembourg report gives details of the results obtained but does not state with precision what prospects these results open up for the future.

**Strategic approach:** Although the Plan does not provide a full analysis of the situation at the outset and the results previously achieved, or a systematic quantification of the objectives set, the strategy adopted by Luxembourg is based on 5 well-defined fields of action: activation and participation in employment; reconciling family life and working life; access to housing; stepping up measures to promote the social inclusion of under-25s; access of vulnerable persons to resources, rights and services.

**Key policy measures:** The first three Nice objectives are well covered and most of the "challenges ahead" described in the 2001 Joint Inclusion Report have been tackled. To this end, 54 new measures have been added to the 60 measures carried over from the previous Plan. It is perhaps regrettable that the partnership dimension and the gender dimension, both in fact well present in Luxembourg's inclusion policy, are not emphasised more in the presentation of these measures.

**Challenges ahead:** The Grand Duchy of Luxembourg is urged to build on the progress achieved, particularly in the areas of housing, preventing school failure and, more generally, preventing the exclusion of young people. The new legal provisions adopted will need to be evaluated as soon as possible. But the main challenge remains that of developing a genuine evaluation process and creating the necessary tools for this: precise and complete indicators, justification of the strategic choices made, quantified objectives, definition of the financial resources, analysis of outcomes.

## 1. Situation and key trends

For Luxembourg, the period 2001-2003 was marked by a slowdown in the global economy. Annual GDP growth was only 1.2% in 2001 and 1.1% in 2002, compared with 8.9% in 2000. After a period of steady decline, unemployment rose to 2.8% of the working population in 2002, and this upward trend is continuing (3.6% in August 2003 according to the public employment service, ADEM). However, long-term unemployment rose only slightly (+ 0.2 points between 2000 and 2002), although more for women than men.

According to ECHP data, the poverty risk rate (after transfers) is stable, at 11% in 1996 and 12% in 2001, albeit higher among young people (20%). The number of persons drawing the guaranteed minimum income (RMG) has risen since 1999, but mainly due to an easing of the eligibility conditions.

Luxembourg anticipates a swift revival of economic activity, forecasting GDP growth of 2% in 2003, 3.2% in 2004 and 3.5% in 2005; total domestic employment growth of 1.4% in 2003, 1.6% in 2004 and 2.8% in 2005, and, simultaneously, unemployment reaching 3.3% in 2003, 3.5% in 2004 and 3.6% in 2005. There is a risk that the country will witness a shift from residual unemployment, composed of a hard core of persons on whom integration measures have so far been focused, towards unemployment that is also economy-related.

## 2. Assessment of progress made since the 2001 NAPincl

According to the Ministry, 21 of the 81 measures described in the 2001-2003 NAPincl, representing between 10% and 54% of the measures depending on which Nice objective they came under, were terminated at the end of the period. Reflecting the long-term ambitions of the Grand Duchy's inclusion policy and its links with the ESF programmes, the 60 remaining measures will continue over the period 2003-2005.

Apart from certain achievements in the areas of care structures, access to housing and assessing the skills of young persons, various legislative or regulatory procedures have been launched during the period concerned. Some of them have been passed or are about to be passed (Law of 8 November 2002 on housing aid; Law of 15 July 2003 promoting the economic security and independence of disabled persons), but it is too early yet to evaluate their implementation. The NAPincl gives the results of all the measures terminated but does not state in detail on what prospects these results open up for the second NAPincl.

The links between the first NAPincl and the programmes supported by the ESF are clearly specified, both as regards Objective 3 (the "Social inclusion/Equal opportunities" strand of the "Objective 3" programme represents 35% of the actions within this Plan) and as regards the EQUAL CIP, devoted even more broadly to inclusion measures, with 50% of the budget earmarked for facilitating access to the employment market for those who are most removed from it (essentially prisoners and ex-prisoners, drug addicts and the homeless).

### 3. Strategic approach: main objectives and key targets of the 2003 NAPincl

Five fields of action are defined in the NAPincl, implementing the 4 Nice objectives and based around Luxembourg's statutory social security, social assistance and social welfare schemes:

- *Activation and participation in employment.* Luxembourg wants to focus its efforts on the hard core of unemployment, chiefly through the legislation relating to the guaranteed minimum income (RMG) and the "social unemployment" bill tabled on 25 May 2003. This bill seeks to ensure the activation of all unemployed persons after 6 months on the employment service's books and will also bring in closer collaboration between the employment service and the social services. The RMG scheme also has an activation element, which it is planned to extend by doubling the proportion of job-trainees on RMG (4% in July 2005), particularly among the 25-35 year-olds.
- *Facilitating access to housing.* An active housing policy based on substantial financial subsidies will be conducted. The three main planks of the policy will be to promote access to housing through financial assistance from the State; to create a Housing Observatory; and to support the emergence of pilot projects and new strategy concepts (examination of a sectoral housing plan; study of the conditions for the creation of a partnership between the public sector and owners of unoccupied dwellings; recourse to long-term leases for public promoters; launching of a proposed "social accommodation agency" to help house the disadvantaged).
- *Reconciling family life and working life.* The Luxembourg Government intends to promote the creation of daycare structures, to make these more accessible to persons with low incomes and to give them a bigger role in the education and socialisation of children.
- *Stepping up measures to promote the social inclusion of under-25s.* Two types of measures are planned: on the one hand, preventing loss of employment (by adapting the education system for young people experiencing difficulties at school; by consolidating the socio-occupational integration mechanisms for young people outside the school system; and by devoting special attention to the development of social skills), and on the other hand, planning specific measures for young people in situations of distress.
- *Access of vulnerable persons to resources, rights and services.* The second NAPincl focuses in particular on:
  - drug addicts, whose changing profile (higher rates of usage and of fatal overdose, younger age of commencement, etc) has made it necessary to adjust the previous strategy;
  - persons with mental problems, for whom the measures planned in the previous NAPincl remain unchanged;

- elderly persons, for whom measures are planned with regard to their re-integration into employment, access to communication technologies, health and prevention of the risks of social isolation;
- disabled persons, for whom measures are planned with regard to access to services, incomes (in the wake of the new legislation adopted in July 2003) and co-ordination of assistance;
- persons faced with situations of social distress, for whom various measures included in the first NAP/incl will be continued, accompanied by a reform of the law on "*domicile de secours*" (the place where a person is considered resident for the purposes of entitlement to social-security benefits) and the legislation applicable to social assistance;
- foreigners, whose integration will be promoted by a campaign to make them aware of their voting rights in the forthcoming municipal elections and by efforts to improve the reception facilities and take specific charge of applicants for asylum.

Regrettably, this strategic approach is not clearly based on a thorough analysis of the starting situation (precise causes of exclusion; effects of economic changes; responses to the risks of structural unemployment) and of earlier results. Nor does it contain a systematic quantification of the objectives to be achieved in the fields of action chosen.

#### 4. Key policy approaches: strengths and weaknesses

Prevention (through training and access to information), a proactive labour market policy (for persons who are fit for work) and social protection (for persons who are not fit for work) are the three cornerstones of the present Plan. There is balanced coverage of the first three Nice objectives, and most of the "challenges ahead" described in the 2001 Joint Inclusion Report have been tackled (as regards housing, dealing with immigrants and linking up the NAP/incl with the ESF programmes). To this end, 54 new measures have been added to the 60 measures carried over from the previous NAP/incl.

However, although the NGOs played an important role in the drafting of the Plan and will also have an important role to play in its implementation, it should be noted that the partnership dimension (the fourth Nice objective) is not given sufficient emphasis in the five fields of action chosen, even though it is certainly an important element in many of the measures presented.

#### 5. Gender perspective

Luxembourg will be organising "gender training" for the members of the Interministerial Committee responsible for monitoring the programme. For the rest, the gender dimension is essentially seen in the measures for reconciling family life and working life. In addition, the present weaknesses in the indicators relating to this aspect should be remedied through the introduction of breakdowns of the national statistics by sex (measure 54).

#### 6. Current issues and future challenges

The Grand Duchy of Luxembourg is urged to build on the progress already achieved in the fields of housing, preventing the exclusion of young people (including preventing school failure) and welcoming immigrants. A close eye must be kept on the poverty risk among the

under-25s, which remains higher than among the rest of the population. In addition, an evaluation of the new legal provisions will need to be organised as soon as possible.

But the main challenge remains that of developing a genuine evaluation process and creating the necessary tools for this: precise and complete indicators, justification of the strategic choices made, quantified objectives, definition of the financial resources, analysis of outcomes.

## THE NETHERLANDS

**Situation and key trends:** In 2001, 11% of the population run poverty risks, one of the lowest shares within the EU. As elsewhere poverty risks have a gender, age and ethnic dimension. The employment rates are with 74.4% overall and 66.2% for women well above the Lisbon targets but inactivity also remains high. The employment rates for ethnic minorities are 50% overall and 36% for women. Since last year unemployment has increased by 40%.

**Progress made 2001-2003:** Activating policies combined with the favourable economic climate of the past years have resulted in increased labour market participation by ethnic minorities and older workers. Given the Employment recommendation to The Netherlands to make work pay better and despite efforts made, the unemployment traps remain of concern. Especially couples and single parents face considerable income losses if they step from the social scheme into a low paid job. Social activation programmes for people remote from the labour market show good results. Early school leaving, overall below the EU average, remains above 30% for some ethnic minorities. Health care waiting lists continue to be problematic for disabled and older people. The number of municipalities with a consultative body composed of social benefit recipients more than doubled, from 22% in 2001 to over 50%. The dialogue with civil society, somewhat interrupted by the government changes, has recently been picked up again.

**Strategic approach:** While still very strong in coherence and in effectively translating targets into policy measures with a budgetary back up, the focus of the Dutch strategy has narrowed. An innovative risk model, which better identifies risk accumulation and generation-to-generation poverty, should help to better centre policies on the key risk factors. The risk exposure of groups (women, ethnic minorities, elderly) is as such not analysed. **Key policy measures:** A new financial award system gives municipalities a direct interest in achieving a strong from-benefit-to-work performance. Single parents with small children now have to be available for work and extra in-work child credits should help to make jobs pay better for them. But shortages in childcare continue to exist. Following the recent zero growth wage agreement, the objective of which is to promote the creation of more jobs, benefit levels, linked to the general pay trend, won't increase either. Limits set on municipalities to provide income support should help to reduce the unemployment traps. Plans to make the integration courses for former immigrants compulsory seem to lack feasibility considering the waiting lists and the worrying drop out figures. There is a concern that those most dependant on health care (chronically ill, disabled and elderly people) are hardest hit by the health care reforms. The NAP is silent on initiatives to strengthen the dialogue with civil society

**Challenges ahead:** The tougher economic climate will put activation policies to the test. Gender policies should be integrated in the otherwise solid social inclusion strategy. The childcare shortages should urgently be tackled and single parents should be given priority. The waiting lists for integration courses for former immigrants should be solved and the drop out from these courses considerably reduced. Policies to prevent and tackle early school leaving should be better focused on ethnic minorities. Vulnerable people that cannot influence their health care consumption pattern should be compensated for the health care reforms.

## 1. Situation and key trends

The recovery of the Dutch economy lags behind (0.2% against EU 1.1% in 2002). For 2003 GDP growth is expected to further decline by -0.9%. Due to the tight labour market of the past years, wages have increased sharper than elsewhere in the EU. In order to keep the budget deficit below the Maastricht ceiling of 3%, the government has decided upon extra budget cuts of EUR 11 billion in 2004, mainly in social security and in health care. From a historically low level in 2001, unemployment increased by 40% between 2002 and 2003 and this trend is expected to persist in the coming year. Especially young people, women, low skilled and ethnic minorities will be hit. Youth unemployment has exceeded 10%. These trends are not yet visible in the Eurostat figures of 2002. In this year, with 2.7% overall and 3% for women, the Dutch unemployment rates were the lowest in the EU. Also long term unemployment was with 0.7% overall and 0.8% for women very low.

With 74.4% overall and 66.2% for women the employment rates are well above the Lisbon targets. The employment rate for older workers has improved considerably and with 42.2% in 2002 it has now exceeded the EU average. The employment rate of people from ethnic minorities is 50% for men and 36% for women (national figures). Inactivity has remained high. Around 1.7 million people are on social benefits.

With 11% the overall poverty risks are among the lowest in the EU (2001 figures). However, as in other countries, poverty has a gender, ethnic and age dimension. In 2003 the population share of people from non-western origin is at 10% (8.9% in 2000), in the four major cities it is above 30%. National figures show that single women aged 65+ are over represented in the group of long term dependants on the social minimum income. The share of single parents at risk of poverty was 45% in 2001 (EU average: 35%). Only 38% of the single parent households have an income from work above the social minimum. 30% of the households on social minimum incomes are from ethnic minorities.

## 2. Assessment of progress made since the 2001 NAP/incl

The co-operation with non governmental partners, somewhat interrupted by the government changes, has recently been picked up again. The *Alliance for Social Justice*, a platform in which the social partners and a large number of NGOs are represented, normally meets the government twice a year to discuss social inclusion priorities.

A lot of effort is being put in measuring progress with relevant indicators. The target to halve the unemployment difference between native Dutch and ethnic minorities by 2002 was already met in 2001, but due to the deteriorated economic situation the gap has started to widen again (by 1% in 2002). The target to increase the employment of older workers by 0.75 percentage points a year was well met in 2002. According to preliminary 2002 figures, the commitment of the municipalities to set up reintegration plans for 300.000 long term unemployed till 2006 with a success rate of 40% (job placements) proceeds satisfactory. The number of realised trajectories stays in behind, but the number of job placements is at 76% (preliminary figures). The social activation programmes successfully reduce the distance of participants to the labour market and in 2002 these programmes have been made accessible for disabled people.

As in previous years, in 2002 benefit levels were linked to the general pay trend. This cornerstone of Dutch income policy guarantees purchasing power maintenance for the lowest income groups. As confirmed by the Employment recommendation to The

Netherlands to make work pay better, the unemployment traps remain of concern. Especially couples and single parents face considerable income losses if they step from the social scheme into a low paid job. In 2002 extra tax credits have therefore been introduced for households with children. The target to reduce problematic debts with 10% by 2005" appears difficult to measure and therefore has been abolished. Demand for debt assistance increased considerably and the debt monitoring system is now being improved in order to better identify the features and scale of the problem.

Municipalities with a large share of people from ethnic minorities are provided with extra integration budgets, which should primarily be spent on parents and job seekers. In 2002 early school leaving was at 15% overall and at 14.3% for females but among some ethnic minorities it is above 30%. On average, primary schoolchildren from ethnic minorities have a language deficiency of two years compared to native Dutch children (should be reduced to 1.5 years in 2006). Whereas children from ethnic minorities have started to catch up, the educational performance gap for native Dutch children from disadvantaged groups shows a worsening trend.

Waiting lists for health care have generally decreased since 2001, but bottlenecks continue to exist for those most dependant on health care namely disabled and older people. The access to ICT objectives, such as "the connection to the Internet of all schools and municipalities" have been achieved. More than 50% of the municipalities dispose of a consultative body composed of social benefit recipients (22% in 2001).

### 3. Strategic approach: main objectives and key targets

There is a sharper demarcation of poverty and social exclusion issues and a stronger focus on the most vulnerable people. An innovative risk model helps to better identify the people that run the highest poverty risks. It links characteristics of poverty and social exclusion to risk factors such as income situation, position on the labour market, health and living conditions and thereby enables a better identification of risk accumulation and of generation-to-generation poverty. The risk exposure of groups (women, ethnic minorities, elderly) is as such not analysed. The strategy is very strong in coherence and in efficiently translating targets into policy measures with a budgetary back up. Key policy areas have been left out though such as unemployment prevention which is treated in the NAP Employment although not from a social inclusion perspective. Also, the 2001 targets on the mobilisation of all actors have disappeared. Good examples of output targets are "to increase the employment rate for ethnic minorities to 54% in 2005", "a 50% reduction of the waiting lists for mental health care by 2007" and "extending the number of healthy years for people with a low socio-economic status by three years (to 56 years) in 2020".

### 4. Key policy approaches: strengths and weaknesses

The new law "Work and Assistance" makes municipalities financially responsible for both social benefit payments and reintegration measures; those with a strong from-benefit-to-work performance are financially rewarded. While much better enabling tailor made approaches, this incentive system may involve the risk that difficult-to-place people are left behind. There is also a risk that decentralisation weakens possibilities for strategic steering and monitoring at the national level. Everybody aged 65- in the social scheme now has to be available for work, including single parents with small children. Extra in-work child credits should make work pay better for them. These positive steps should prevent single parents from drifting away from the labour market. However the NAP is surprisingly silent on the



continued shortages in childcare. The labour participation of women from ethnic minorities remains underexposed.

Following the recent zero growth wage agreement, the objective of which is to promote the creation of more jobs, benefit levels, which are linked to the general pay trend, won't increase either. The co-ordination between statutory and local income support should be improved by the limits set on municipalities to provide additional income assistance. Long term dependants on the social minimum without job perspectives will receive an annual income supplement (EUR 454 for a couple). This will also help to better align the objective of income transparency with that of poverty reduction.

Integration policies are firmer in tone and focus on full participation in society and on acquaintance of the Dutch culture and customs. But a waiting list problem hinders the implementation of integration courses for former immigrant and the drop out rates are worrying which also raises questions on the feasibility of plans to introduce more compulsory elements for this group. Although early school leaving among some ethnic minorities exceeds 30%, the NAP lacks a specific focus on these youngsters.

The 25% increase of the own risk in health insurance illustrate the trend to put more emphasis on individual responsibility. There is a concern that not all those most dependant on health care such as the elderly, chronically ill and disabled people will be fully compensated for these measures. The NAP is silent on initiatives to maintain the momentum in the traditionally strong dialogue with civil society. The ESF assists at implementing important inclusion objectives such as reintegration and social activation programmes for the (very) long-term unemployed and the tackling of early school leaving.

#### 5. Gender perspective

Despite the somewhat critical evaluation in 2001, the gender dimension of poverty and social exclusion has been treated even less this time. With some exceptions indicators are not split by gender, while Dutch gender statistics are among the best in the EU, and gender specific targets are missing. Gender mainstreaming has a low profile; it will "where necessary" be taken into account in the implementation of the NAP.

#### 6. Current issues and challenges ahead

The tougher economic climate will put the ambitious activation policies to the test. Priority should be given to integrating the gender dimension of poverty and social exclusion in the otherwise solid anti poverty strategy. Indicators should consequently be split by gender. The childcare shortages should urgently be tackled and single parents should be given priority. The waiting lists for integration courses for former immigrants and the drop out from these courses should be solved. Policies to prevent and tackle early school leaving should better focus on ethnic minorities. Those that cannot influence their health care consumption pattern, such as disabled, elderly and chronically ill people, should be compensated for health care reforms such as the introduction of a higher own risk in health insurance..

## AUSTRIA

**Situation and key trends:** Between 1997 and 2001 the overall at-risk-of poverty rate decreased slightly to 12%, while the persistent risk-of-poverty increased to 7%. Overall spending on social protection reached 28.5% of GDP in 2001 a slight increase compared with 1998. Since 2000 the youth unemployment ratio has gradually increased, but still remains on a very low level. The long-term unemployment rate, one of the lowest in the EU, remained so far rather stable. Austria has the highest share of persons (25-64 years of age) at the upper secondary level in 2000. The early school leaving rate amounts to 9.5% in 2002, the lowest in the EU. Female employment continues to increase notably through part-time work.

**Progress made in 2001-2003:** A range of action has been undertaken in the field of old age pensions and unemployment benefits for the lowest group of recipients. Increasingly successful actions have been undertaken in support of persons with disabilities. Measures concerning migrants have been stepped up but the impact of measures concerning asylum seekers seems to remain limited. Reintegration measures on the regional labour market and social services have also been strengthened.

**Strategic approach:** A wide range of objectives has been formulated for the period to come. They concern the reduction of the number of school leavers with low levels of reading ability by 20% in the coming years, a monthly minimum wage of EUR 1000 for full-time work and up to this level no payment of income tax, the further extension of minimum pensions, further integration of immigrants and of care services.

**Key policy measures:** The NAP is characterised by a variety of measures, which are designed to address specific problems not yet satisfactorily covered by more general policies of social protection. In a variety of fields, gender mainstreaming actions have been launched to improve framework conditions and reduce the care burden for women. A number of them, such as especially the system of childcare allowances and those concerning migrants and asylum seekers need to be monitored closely.

**Challenges ahead:** The NAP gives an overview of a wide range of interesting and important measures which are set in concrete terms only in some policy areas. While the presented objectives are by themselves very important, they are in major parts not made more concrete by target setting and rolling out a financial perspective to underpin the process. Care facilities for children up to 3 years old and at school age should be further extended. While further action with regard to an enhanced minimum pension is planned, the effects, especially on women, should be evaluated. In particular the situation of households with long-term unemployed needs to be monitored with regard to the high risk of poverty. Discussion of policy measures in a gender mainstreaming perspective should also be enhanced. The mobilisation of all relevant bodies needs to be strengthened significantly in view of the reactions of the main stakeholders.

## 1. Key trends and challenges

The years covered by the NAP were characterised by weak economic development and a rise of unemployment from 3.7% in 2000, 3.6% in 2001 to 4.3% in 2002. The LTU rate decreased to 0.8%. The overall employment rate increased to 69.3 % in 2002, the female rate has continuously gone up and reached 63.1% in 2002. The employment rate for older workers shows an increase from 28.9% in 2001 to 30.0% in 2002.

Compared with 1997, the ECHP 2001 data show that the at-risk-of-poverty rate has decreased by 1 percentage point to 12%. However, the rate indicating the persistent risk-of-poverty increased to 7% in 2001 against only 4.7% over the cycle 1995-1997.

The overall education and qualification level of the population (25-64 years of age is characterised (in 2000) by the largest share (61.9% = the highest in EU 15) at the upper secondary level. Early school leaving in 2002 stood at 9.5%, the lowest percentage in the EU, against a Community average of about 19%. Austria spent in 2000 28.5% of GDP on social protection, a slight increase of 0.2 percentage points on 1998. The general social protection level in Austria remains relatively high compared with the EU average. The distribution effect of social transfers in Austria is above the EU average. Income distribution is less uneven which leads to a below-average at-risk-of-poverty rate in Austria. The risk of social exclusion and poverty is therefore seen as being concentrated on a number of specific groups characterised by one or more risk features.

## 2. Assessment of progress made since the 2001 NAP inclusion

Efforts have been undertaken to protect the position of the poorest with regard to old-age pensions, notably by the first step of the tax reform and increased supplements for low pensions. Unemployment benefits for persons with previously the lowest net earnings were increased. More persons, especially with flexible employment relationships, are covered by the new severance pay regime. Regional re-integration policies into the labour market have been strengthened.

The childcare allowance introduced in 2002 has contributed to raising income levels for families with young children. A monitoring system was established to observe implications for the labour market attachment of women. In this respect research show so far mixed results.

Generally, the position of women has improved in a number of areas like an increase in the rate of employment and concerning educational achievements. Various actions have been taken to improve the overall framework conditions and to reduce the family and care burden for women. A series of interesting and increasingly successful policies and actions have been described with regard to people with disabilities and concerning the improvement of long-term care facilities. Also better targeting of subsidies for needy persons, as well as support facilities and actions for homeless persons are important measures. Access to debt settlement procedures have been broadened through an amendment of the insolvency act.

A range of policies and measures concerning migrants and asylum seekers are highlighted showing increased efforts and results (extension of labour market participation, improvement in education, German language courses, specific housing programmes and integration offices).

### 3. Strategic approach: main objectives and key targets

The government underlines the necessity to conduct a policy mix of sound economic policy on the basis of the EU stability pact targets, combined with a better co-ordination with fiscal, employment and social policies. Major reforms are designed to increase the long-term sustainability of the social protection system. The government sees a full-employment policy as the cornerstone of reducing poverty risks.

Objectives set in the NAP for the foreseeable future are more in particular:

- the reduction of both the number of school leavers with low levels of reading ability by 20% in the coming years, and of 18-24 years old persons, who have at most completed compulsory school, as well as in a general way, the envisaged closure of the gap in educational and training participation between young people from migrant families and young people as a whole,
- the extension of unemployment insurance to atypical employment forms, such as free service contracts, self-employed and farmers and a call upon the social partners to conclude agreements to the effect that the lowest monthly income for full-time workers should be at least 1000 Euro,
- a reduction of both the proportion of sub-standard accommodation in the housing stock and the number of homeless people.

### 4. Key policy approaches: strengths and weaknesses

The continuing increase of the female employment rate is the most noticeable positive development on the labour market. Most new jobs created are of a part-time nature. After mixed results so far, it should be further monitored in which way the childcare allowance reaches its objectives without delaying efforts to increase more forcefully the offer of childcare facilities, especially for those below three years of age, where regional demand exists. A good policy example is the continuing effort to increase the participation of girls and women in the field of ICT. Also concerning the situation of disabled persons progress has been made in a number of fields (employment, long-term care facilities, etc.). With regard to migrants, a number of actions show positive results but they have to be further developed. As far as asylum seekers are concerned, it seems that the actual impact of a number of positive actions remains vague and does not sufficiently document the focus that these groups should receive in this NAP. The federal and the Länder level are called upon to reach workable methods to overcome mutual limitations.

According to the ECHP 4% of the Austrian population are acutely poor, mainly older persons. A number of measures to improve this situation are mentioned in the NAP which should be intensified. The re-casting of social assistance and unemployment assistance schemes, which is under examination, has to be put in the context of a possible increase in the risk of poverty for a higher number of households with long-term unemployed.

ECHP data shows that the poverty risk for women of 65 years and more (29% in 1999) is quite high. Various measures have been taken to cushion potential negative side effects of the pension reform, for instance the improved calculation of the child caring periods and the creation of a special hardship funds. It remains to be seen, whether these measures will be able to reach all persons with low pensions, especially single women with interruptions in

their working life and/or longer periods of atypical employment. The issue of strengthening individual pension rights for women, raised in the previous JIR, has only been tackled to a certain extent by the recent pension reform. Further steps could be needed.

Against the background that access to the labour market, adequate protection under social and labour legislation as well as improved education opportunities are considered core elements of a policy preventing poverty, special attention is paid to employment and educational measures. While also a number of targeted measures for population groups at high risk have already been taken cross-cutting policies should be further developed in a coherent way to prevent the risks of exclusion.

The government underlines the increased co-operation between federal and regional bodies. However, the participation of welfare organisations and the social partners should be actively enhanced.

#### 5. Gender perspective

While a large number of actions have been initiated to enhance equal opportunities between men and women, the gender impact of recent measures, notably the pension reform, has to be monitored closely. There is still an additional demand for childcare facilities and the impact of the childcare allowance on female employment requires further attention. In the context of the Community Initiatives EQUAL and the Territorial Employment Pacts actions are undertaken to address the reduction of gender-specific segregation.

#### 6. Current issues and future challenges

The key objectives set in the present NAP are by themselves very important and are rightly to be addressed with a large number of policy tools. The NAP shows that a large range of measures targeted at various risk groups exist, are further developed and continue to be designed subject to the availability of budgetary funds. However, targets, indicators, time-frames and, to a large extent, a budgetary perspective as to how to reduce the number of persons threatened by exclusion and poverty risks have been set in concrete terms only in some policy areas such as increasing labour market participation, education, social services, and the more comprehensive coverage of atypical employment contracts within unemployment and pension schemes.

A more comprehensive strategy on equal opportunities as a mainstreaming issue throughout all relevant policy areas has still to be developed.

Gender Mainstreaming is apparent in several initiatives related to employment and education but further and wider scope impact assessment is needed to effectively reduce the gender gaps in low income groups. The issue of improving integration policies for non-EU citizens needs to remain high on the agenda.

## PORTUGAL

**Situation and key trends:** The country's structural frailties persist, against a backdrop of economic slowdown and rising unemployment, and continuing low skills for a significant share of the labour force and low overall productivity. The situation regarding poverty and social exclusion remains worrying: in 2001, 20% of the population was exposed to the risk of poverty, and 15% to the risk of persistent poverty. Portugal's poverty rate continues to be among the highest in the EU, despite a clear improvement since 1995 (23%).

**Progress made 2001-2003:** The absence of information for certain indicators makes reliable evaluation of the outcomes of important policy measures difficult, despite certain monitoring efforts made. The development of the minimum income scheme (with modifications), measures to promote employment and the expansion of the "Social Network" are areas where progress has been achieved.

**Strategic approach:** The 2003-5 NAPincl is a fairly straight continuation of the overall strategy presented in 2001, but with the main objectives slightly lowered as regards reducing the poverty risk and child poverty. Because the approach is based on very broad principles, approaches and strategic aims, because multiple priorities are set out and because there is such a diverse panoply of instruments (the objectives of which are not always specified), it is difficult to establish what the true action priorities are and precisely how the strategic objectives tie in with the implementation of the measures. These difficulties are aggravated by the failure to identify sources of funding and budgets for the main measures.

**Key policy measures:** A key measure of the NAPincl is the "Social Network", which is to be spread wider and reinforced from the point of view of mobilising all stakeholders. There are also measures in the fields of education and training and measures to raise the level of minimum pensions. Special attention is paid to certain vulnerable groups (at-risk children and young persons, the homeless, immigrants), and there are also measures to ensure citizens have easier access to information on their social rights and access to advice in serious situations. In line with the long-term ambitions announced in 2001, the 2003-5 NAPincl announces few innovatory policy measures and concentrates on actions already in progress and new instruments designed to breathe new life into projects which had failed to make progress.

**Challenges ahead:** The major challenge concerns the availability of the necessary funding to achieve the NAPincl goals, in an environment of budgetary restrictions. At the operational level, monitoring outcomes continues to pose a challenge, and there is an obvious need to develop means for evaluating progress achieved, notably an information system built on indicators appropriate to the goals and priorities to be achieved. Bearing in mind the low level of participation by civil society and the social partners, the conditions and mechanisms for an effective partnership-based approach need to be created.

## 1. Situation and key trends

The efforts made to combat social exclusion have brought the poverty risk rate down (from 23% in 1995 to 20% in 2001 according to Eurostat, ECHP data). Nevertheless, Portugal still has one of the highest rates in the EU, and is 5% above the EU average. The elderly (over-65s) and the children (0-15 year-olds) were the most exposed to the poverty risk (respectively 31% and 27%), along with households of one elderly person (46%, with women being the most exposed), lone-parent families (39%) and large families (49% in the case of households of two or more adults with three or more children). The risk rate for persistent poverty is 15%, which, despite having fallen slightly, remains worrying, with 22% of the children in this category in the year 2001. Inequality in income distribution, as measured by the income quintile ratio, was also higher in Portugal (6.5) than anywhere else in the EU in 2001, despite a clear reduction since 1995 (7.4).

The country's situation continues to reflect the major structural problems that beset it: (a) the shortcomings of the social protection system, whose per capita level of public expenditure is the lowest in the EU (despite some impact on the risk of poverty, which would have been 37% without social transfers including pensions); (b) the low level of education (in 2002, only 20.6% of 25-64 year-olds had completed at least upper secondary education, and the early school-leaving rate of 45.5% contrasts strikingly with the EU average of 18.8%); (c) the low skill level of large sectors of the working population, in an economy based on labour-intensive, low-paid work ("the working poor"), together with low participation in continuing training (2.9% in 2002), hamper sectoral restructuring and explain why productivity growth is so low (0.3% in 2002, unchanged since 2001).

Despite the recent rise in unemployment, the labour market is characterised by an employment rate above the EU average (68.2% in 2002) and an unemployment rate below the EU average (5.1%), with long-term unemployment representing 34.4% of total unemployment; however, there are growing signs of a mismatch between supply and demand (e.g. the rise in unemployment among young graduates). Additionally, the present slowdown in economic growth (real GDP growth fell to 0.5 in 2002) and in public and private investment has prompted the new Government, elected in March 2002, to make reducing the public deficit a paramount priority. In the field of social policy, the Government has pursued a vast reform of the social security system (minimum pensions, differentiated family allowances, social integration minimum income), the health system and the education system and has adopted a new Labour Code.

## 2. Assessment of progress made since the 2001 NAPincl

The opportunity created by the first NAPincl - an innovative exercise for Portugal, with its mainstreaming of inclusion and its adoption of a medium/long-term perspective - remains relevant, although evaluation of the Plan's implementation cannot be conclusive. The difficulties in monitoring the indicators make it impossible to conclude whether, and what degree, the goals set for many of the measures were achieved, either because information is not available or because the information available is inadequate. This is particularly noticeable, for example, with regard to the evaluation of the strategy for preventing risks of "info-exclusion" which had marked the first NAPincl.

However, analysis of the progress made in the light of the 4 common objectives reveals that: (a) the measures concerned with promoting access to the labour market have, in tandem with the NAP/empl, achieved considerable success; (b) pursuit of the reform of the social

protection system has not affected attainment of the goals inherent in the Minimum Guaranteed Income scheme (scheme combining financial benefits with a socio-occupational integration plan); (c) the aim of having all persons in a situation of exclusion sign a "social integration contract" within one year was too ambitious and was difficult both to implement and to evaluate, since it requires multisectoral involvement and since the universe of individuals to be covered remains undefined (the same comment applies to the individualised follow-up of children and young persons within three months); (d) the setting up of a national social welfare helpline has made it easier for certain priority groups to obtain information and a rapid response to their problems; (e) the "Urban Social Development Contracts" and the "Rural Areas and Social Development" project, which were aimed at tackling the problems of the regional nature of exclusion, were abandoned for budgetary and policy reasons; (f) as regards mobilising stakeholders in the process, the Interministerial Monitoring Committee, set up expressly to monitor the NAPIncl, operated only intermittently and its composition had to be altered following the change of government, hence its impact as an institutional co-ordination forum has been established only gradually; as regards civil society, the vague reference to the Co-operation and Social Solidarity Pact and the project for the creation of an NGOs Forum illustrates the low degree of involvement of these players.

### 3. Strategic approach: main objectives and key targets of the 2003 NAPIncl

The 2003-5 NAPIncl represents a straight continuation from the first NAPIncl in terms of its overall principles and approaches. The strategic aims remain broadly the same: linking of economic development with social cohesion, mainstreaming of inclusion in the relevant sectoral policies, modernisation of the social protection systems, development of integrated programmes aimed at particular groups and regions, expansion of the network services and equipment, equality between men and women, participation of agents at central/regional/local levels. As regards the multidimensional approach, the new NAPIncl makes reference to other connected plans (in the fields of employment, drugs, domestic violence, the information society, health, equal opportunities, etc.) in a context of co-ordination and complementarity that needs to be described more explicitly.

The main objectives are extremely diverse in nature: leaving aside the goals adopted at the European level, other notable objectives include reducing the poverty risk rate by 2% by 2005 and significantly reducing child poverty by 2010, which represents a lowering of the more ambitious objectives set out in the first NAPIncl. Also worth mentioning are the objectives of improving minimum pension levels by the year 2006, setting up a system for social audits of care institutions for certain vulnerable groups, ensuring each citizen has access to primary health care and/or a GP. The principle of a contract system for socio-occupational integration is maintained, but with no fixed deadline. The regional dimension also seems to be less pronounced (50 Local Plans for at-risk children and young persons in problem regions), although the "PROGRIDE" Programme for Inclusion and Development (which will succeed the Programme to Combat Poverty and is currently being developed) should cover this dimension.

### 4. Key policy approaches: strengths and weaknesses

Of the 200 instruments planned to implement the 60 priorities established in the NAPIncl, fewer than a fifth have no associated goals owing to a lack of available information. All the same, it should be emphasised that an effort has been made to quantify goals. In general, the



measures proposed are not innovative and the instruments to be created revive the main features of projects already completed or others whose potential justifies a relaunch.

In addition to measures to promote an inclusive labour market, with the accent on vocational training and a stronger emphasis on lifelong education and training, measures to promote access to healthcare focus in particular on the most disadvantaged social groups, against the backdrop of the reform of the Portuguese National Health Service begun in 2002. As the phenomenon of homelessness seems to be growing (with more and more women and young persons affected) an "integrated intervention strategy for the homeless" will be finalised in 2005, based on a diagnosis of the situation. The objective of "digital cohesion" promotes access to the information society for women, disabled persons, ethnic minorities, immigrants and residents of deprived areas. The promotion of a "global age strategy" also includes initiatives to reunite families of immigrants. The varied package of measures for children incorporates a dual strategy aimed at children or at families, through consolidation of the institutional support network (Boards for the Protection of Minors) and the establishment of Local Plans aimed at them. As regards mobilising the stakeholders, the "Social Network" is an emblematic programme because it contains a methodology for the partnership-based planning of social intervention by municipalities and communes, and thus has a local dimension.

In Portugal, the Structural Funds play an essential role and the Operational Programmes co-financed by the ESF under the CSF III 2000-2006 and the EQUAL CI are often mentioned as instruments contributing to the implementation of the objectives and even as good practices. However, as with the 2001-3 NAPincl, no quantification of the amounts is given, which weakens the operational character of the NAPincl as a tool for rationalising national and Community operations.

## 5. Gender perspective

Equality between men and women is one of the strategic planks of the 2003-5 NAPincl, and references to this issue permeate it, but difficulty in implementing the gender mainstreaming approach persists, in terms of defining the goals and the impacts. Reconciliation and expansion of the support structures have a key place, and the "Gender Social Contract" advocated in the first Plan has also lost some of its visibility. Finally, the references to link-ups with the "National Equality Plan" and the "Plan to Combat Domestic Violence" call for real integration of the measures envisaged in these plans and the NAPincl.

## 6. Current issues and future challenges

The key challenge for a country aiming gradually to put right a series of accumulated shortcomings is to allocate the resources necessary for the attainment of the NAPincl objectives, in an economic situation where the financing of social policies may be problematical. Against the background of the evolving Structural Funds, it is essential to quantify budgets and sources of financing in order to ensure the continuity of the strategy.

There are several challenges to be met on the programming level: (a) in view of the monitoring problems encountered for the 2001-3 NAPincl, substantial efforts need to be made in order to build and consolidate an efficient information system; (b) from the point of view of the content of the operations, it is essential to target the priority areas more precisely, bearing in mind that exclusion from the labour market is only one of the many dimensions of poverty and social exclusion (moreover, the situation of the "working poor" in Portugal shows that the poverty risk extends beyond access to employment); (c) concerning

the methodology to be adopted, local partnerships working in networks using a method of "social planning" (including exchanges of good practice) seem to be the trump card of the "Social Network"; the operational challenge of the contract-based approach for helping the most vulnerable is linked above all to the rate of coverage of the universe in question and the swiftness of the intervention.

In terms of implementation, and bearing in mind the low level of involvement of non-institutional stakeholders in the preparation of the 2003-5 NAPincl, the challenge is to adopt a partnership-based approach with civil society, the social partners and the excluded themselves through the establishment of specific structures for wide and continuing participation (e.g. an "NGOs Forum"). At the same time, steps to make the Ministries concerned more accountable must be continued within the framework of the Interministerial Monitoring Committee.

## FINLAND

**Situation and key trends:** The Finnish social protection system rests on the basic principles of universal social welfare and health services and a comprehensive income security system. The aim is to provide the entire population with services that are mainly tax funded and whose organisational responsibility is decentralised, being assigned to municipalities. The emphasis is on preventive measures. Finland spent 25.2% of GDP in social protection in 2000 (EU15 27.3%). In 2001, 11% of the Finnish population lived on an income of less than 60% of median income (EU-15: 15%).

Finland expects to reach just over 1% growth in total output in 2003. The forecasted growth rate for 2004 amounts to 2.5%. The weaker growth since 2001 has started to have an impact on the demand for labour. The unemployment rate is expected to rise to 9.3% and the employment rate to decrease to 67.4% in 2003. However, the anticipated economic growth for 2004 is assumed to reverse this trend.

**Progress made in 2001-2003:** Finland has carried out the policies and measures described in 2001 NAP/incl. The new plan includes a follow-up table of the implementation of all the measures of the last plan, but there is no information available yet on their results. A thorough set of indicators with long-time series and divided by gender where possible is nevertheless in place. The indicators reveal that by and large Finland has moved slightly towards the right direction. The development cannot be attributed to NAP/incl, but the process has systematised the policy discussion and strengthened networks at national level.

**Strategic approach:** The NAP/inclusion strategy in the coming decade is crystallised in four general policies: promoting health and ability to lead an active life; increasing attractiveness of working life; prevention and combating social exclusion; and ensuring effective services and a reasonable level of income security. The starting point is to preserve the basic structure of the Finnish social security system and work mainly within that structure, by emphasising the primacy of work. The improvement of basic income security is also called for. The groups threatened by social exclusion will mainly be catered within the coverage of services and benefits intended for the entire population, but the need to complement the universal system with specially targeted measures is underlined as well. The plan presents a set of sufficiently explicit policy objectives for various sectors. The process will be monitored and evaluated by Finnish authorities, but the NAP/inclusion is brief in specifying which targets will be used for that purpose.

**Key policy measures:** The plan responds to common objectives with a number of concrete measures, majority of which aim at improving the universal system, but targeted special actions are being reinforced at the same time. The measures include, for instance, enabling the establishment of social enterprises, a National Health Project to secure the functioning of the health care system, increase of annual supply of reasonably priced rental housing, reducing the number of dropouts with performance-based financing, increasing preventive social assistance, organising morning and afternoon activities for schoolchildren, and supporting the integration of immigrants. Budget implications have been identified, where possible. It is evident from the plan that recognition of and co-operation between various actors has intensified significantly.

**Challenges ahead:** Finland has managed to maintain its level of performance in the field of tackling social exclusion, even though the share of GDP spent on social expenditure in the country is less than EU-average. It remains to be seen whether this formula is sustainable under the circumstances of prolonged economic slowdown.

## 1. Situation and key trends

Finland expects to reach just over 1% growth in total output in 2003. The forecasted growth rate for 2004 amounts to 2.5%. The weaker growth since 2001 has started to have an impact on the demand for labour. The unemployment rate is expected to rise to 9.3% and the employment rate to decrease to 67.4% in 2003. However, the anticipated economic growth for 2004 is assumed to reverse this trend.

In 2001, 11% of the Finnish population lived on an income of less than 60% of median income (EU-15: 15%). Finland spent 25.2% of GDP in social protection in 2000 (EU15 27.3%).

Structural unemployment remains a special challenge; the number of people living alone, with a higher risk of poverty, has risen significantly during the last decade; single parent families among all families have gone up from 10% to 17% in ten years; sparsely populated regions have specific problems in relation to those of the growth centres; differences in mortality between different social groups are notable; the number of children subject to child protection has increased.

Risk groups requiring targeted measures include long-term unemployed and recurrently unemployed and disabled people, children living in unstable conditions, immigrants, the chronically and mentally ill, substance abusers, women subject to violence and prostitution, the over-indebted, the homeless, criminals and the Roma population.

## 2. Assessment of progress made since the 2001 nap-inclusion

The objective of the last plan was to ensure that the level of poverty in Finland continues to be one of the lowest of the EU countries, and good models of action and adequate resources are available for the prevention of exclusion. These objectives have been upheld. Finland's relative poverty rate remains among the lowest in EU and the necessary funding was made available to undertake the measures. Practically all measures were carried out during the implementation period. Given that some measures are still at the implementation stage, and the normal data-lag of 1-1.5 years, there is no information yet available on their results.

Finland presents a comprehensive set of indicators in time-series starting from 1990. Laeken indicators are in essence covered. They are supplemented with national indicators to better reflect those aspects that are a priority for Finland. The plan points out a need to develop additional indicators to show how risks tend to accumulate in the same families or persons.

The indicators reveal e.g. that the number of recipients of income support has decreased, there are less over-indebted, the perception of the population of their own health has improved, long-term unemployment and homelessness have slightly eased, the problem of working poor is a minor one, etc. Relative income poverty has increased from 7.3% to 10.8%, but inflation-adjusted fixed poverty level has dropped down from 7.3% to 5.7% in the period 1995-2001 (national data). Notwithstanding the notable increase in child protection and significant challenges under each of the common objectives, by and large Finland seems to have moved towards the right direction. There is no evidence to attribute this development to NAP, but e.g. EAPN-Finland holds that NAP process has strengthened networks between various actors and systematised the policy discussion at national level.

For the purpose of assessment of the NAP 2001, structured expert opinions were requested from 50 social inclusion experts; and public hearings were organised for NGOs and local

communities in 2002. A summary of the experts' opinions is attached to the new plan, and their views were taken into account in its preparation, where possible. The organised use of external assessments is a sign of openness and demonstrates Finland's willingness to get policy feedback in the field of tackling social exclusion.

### 3. Strategic approach: main objectives and key targets

The plan analyses the challenges in a comprehensive manner from the points of view of fiscal poverty, economy and employment, health, housing, education, structural trends, and with special attention on the position of those groups that are at risk of exclusion. It sets out several policy objectives for income support, development of the service system, employment, housing and education; as well as complementary objectives for specially destined measures. The objectives will be subject to follow up, but the plan is brief in specifying which quantified targets will be used for that purpose. Most of the objectives are nevertheless sufficiently clear to enable monitoring from the indicators whether the trend is positive or negative.

The plan includes a target for housing (increase of the annual supply of reasonably priced rental housing up to about 10 000 new units in years 2004-2007). The Government's employment targets are also referred to (jobs for 100 000 people by the end of the electoral period; employment rate up to 75% by 2010; average effective retirement age up to at least 2-3 years by 2010). It is acknowledged that the latter target will be subject to monitoring, although it is debatable to what extent would the kind of target have a direct effect in eradicating poverty and social exclusion.

Despite the sparse quantification of objectives, the new plan is more convincing than the old in many ways, e.g. in analysing the situation, setting the policy objectives, looking at the special needs of the risk groups, presenting good practices and a more comprehensive set of indicators; as well as in dealing with such specific items as children, regional approach, and immigrants. Interestingly, the strategies of other actors than the State are now explained in the plan too.

### 4. Key policy approaches

**Facilitating participation in employment** The plan aims at reducing long-term unemployment, increasing the work participation rate in various age groups, enhancing the length of time at work by at least 2-3 years by 2010, and adding incentives for work as far as social security is concerned. The key methods include reforming the employment policy system; developing labour market support; enabling the establishment of social enterprises; rehabilitation for work; evaluating the potential for rehabilitation or pensioning of the long-term unemployed; and promoting employment for disabled people.

**Facilitating access to resources, rights, goods and services for all** For the health and welfare service system the objectives include reducing differences in health between population groups, improving availability and quality of services, decreasing public health impact of alcohol consumption, enhancing the potential of the elderly to live and cope at home, and progressing disabled people's potential for social participation. The measures are a health care policy program 'Health for all - Health 2015' targeted to local level; a National Health Project to secure the functioning of the health care system (the project will deal, among other things, with the issue of charges, that may have prevented chronically ill low-income people from seeking medical attention); and a parallel National Project for the Social Welfare Field.

For housing the objectives are to reduce homelessness, balance supply of and demand for reasonably priced housing in growth centres, and preserve the social balance in housing districts while diversifying their resident structure. The actions cover increase of the annual supply of reasonably priced rental housing up to about 10 000 new units 2004-7; development the housing subsidy; and various measures to safeguard the diversity of the population structure.

For education the intention is to make the transition from comprehensive school to vocational education more efficient and quicker, strengthen components in pupil counselling services that help prevent social exclusion, and reduce the number of dropouts from education and training. The methods are improving pupil welfare; developing teacher training; promoting learning at work (ESF); developing student counselling; vocational remedial education development program; reducing the number of dropouts with performance-based financing; and raising the level of education among adults.

**To prevent the risks of exclusion** Income redistribution reduces relative poverty in Finland very effectively preventing crisis situations leading to social exclusion (the inequality ratio at 3.3 in 2000 was EU's second lowest after DK). The plan endeavours to reduce the need for income support, provide sufficient minimum benefits and a reasonable guarantee of a living, ensure comprehensive insurance coverage, reduce poverty among families with children and prevent inheritance of social exclusion, make health care charges reasonable and increase the transparency of the charge system. The following measures are foreseen: raising the national pension level; making social credit statutory; co-ordinating income support and earned income; increasing preventive social assistance; improving the economic status of families with children; developing the sickness insurance system; and establishment of a special support for immigrants.

**To help the most vulnerable** Various kinds of integrated measures aimed at risk groups are displayed: early intervention in children's and young people's problems; organising morning and afternoon activities for schoolchildren; youth participation project; supporting the integration of immigrants; implementing the national alcohol program; addressing the drug problem; programs for reducing homelessness; project to combat violence against women and prostitution and trafficking of human beings under the Government's equality program; voluntary debt adjustment program; crime prevention; crime conciliation; 'Towards a crime-free life together'-project; a number of projects of the Evangelical-Lutheran Church for the prevention of exclusion; and determination of the focus for NGOs' measures.

**To mobilise all relevant bodies** The relevant stakeholders were devotedly involved in the preparation of the plan and will take part in its implementation. It is evident from the plan that recognition of and co-operation between various actors at central and local level has intensified in previous years. ESF-funding has been made available for local partnership projects, which have actively been pursued.

## 5. Gender perspective

The indicators are presented satisfactorily according to gender. Gender aspect could have been analysed more thoroughly as regards single parents and pensioners, who are mostly women. Homelessness, long-term unemployment, school dropouts, and alcoholism are worse among men, and could have been scrutinised from their viewpoint.

## 6. Current issues and future challenges

The current issues include e.g. encountering different kinds of social exclusion in rural and urban areas, and tackling the higher risk of exclusion linked to immigration, though Finland's net migration rate at 1.2 was the second lowest in EU in 2001 (EU15 3.1). In the coming decades ageing of the population is going to create pressures to increase expenditure, for pensions in particular, while the tax base is decreasing at the same time.

## SWEDEN

**Situation and key trends:** The Swedish welfare state system rests on the basic principles of universal social welfare and health services and of a comprehensive income security system. It is highly individualistic. The overarching aim is to include the total population in a general welfare policy system and to avoid targeted systems. Sweden spent 32.2% of its GDP (2000) on social welfare, the highest figure in the EU. The GDP growth was 1.9% in 2002. The rate of poverty is the lowest in the EU, 10% in 2001, and incomes are relatively evenly distributed. These figures together with high employment rate, 73.6 % (EU 64.3%) in 2002 and the low unemployment rate, 4.9% provide a good basis for maintaining and strengthening social inclusion efforts.

**Progress made 2001-2003:** The existing welfare policy is continued and action plans in several policy areas as well as measures to combat discrimination are prepared, proposing new initiatives and additional financial resources for the areas concerned. A progress is made in decreasing the share of population receiving social assistance. It seems that the major goals, the employment rate 80% in 2004 and halving the dependence on social assistance by 2004, will be hard to meet in spite of developments in the expected directions.

**Strategic approach:** High participation in labour market constitutes a cornerstone of the welfare state. Free education at all levels and active labour market policy are important efforts to empower individuals to the labour market. The Government is committed to substantially reduce the number of people at risk of economic vulnerability by 2010 and to halve the number of sick leave days by 2008. Earlier goals, achieving 80 % employment rate and halving the dependence on social assistance by 2004 are still valid. All are related to key targets. Gender mainstreaming is embodied in the welfare system structure.

**Key policy measures:** The 'primacy of work' principle includes a broad range of measures to give people adequate resources to find employment and to support themselves. The activation has increased and rules for unemployment insurance have been changed to reinforce incentives to accept jobs and mobility. The pension reform strengthens further the link of labour market activity to social security outcome. General social insurance facilitates income maintenance in case of illness, unemployment, parenthood and temporary care of children. Social assistance is the final income security system in case all others fail. Social security is guided by an individualistic approach facilitating progress towards gender equality.

**Challenges ahead:** A basic challenge for the future is to ensure the sustainability of social policy and to reinforce social inclusion measures to foster balanced social and economic development. Despite the improved labour market situation of the immigrants, it still remains a need to reduce the differences between native-born Swedes and immigrants in all indicators of poverty and social exclusion. It is necessary to secure social services of a high standard to all, but first and foremost to the most vulnerable groups and to increase co-operation between different levels (local, regional, national), to halt and reverse the development of sick leaves and to reintegrate the long-term sick into the labour market as well as to intensify contacts with all stakeholders.



## 1. Situation and key trends

Sweden spent **32.2% of its GPD (2000) on social protection** (ESSPROS), the highest in the EU (EU 27.3%). Per capita expenditure on social protection in PPS in 2000 was indexed to 120 (EU 100). **Economical growth** has considerably decreased in recent years to 1.1% of the GDP in 2001, but is slowly catching up, 1.9% in 2002. The forecasts for 2003 and 2004 are 1.4% and 2.7% respectively. **The unemployment rate** fell down from 6.7% in 1999 to 4.9% (men 5.3% and women 4.5%) in 2002. The **employment rate** was 73.6 % in 2002, well above the EU 64.3%, and in particular for women 72.2% as to the EU 55.6%. A Swedish characteristic is the high **employment rate of older workers**, 68.0 % in 2002 (EU 40.6%). The **long-term unemployment** is fairly limited and slowly declining, 1.0 % (EU 3.0%) in 2002. **Youth unemployment ratio** (age 15-24) was 6.4%, EU 7.2% in 2002.

Poverty is low in Sweden, in 2001 the risk at poverty rate (< 60% of median income) was 10% (according to Eurostat data). The inequality of income distribution, as measured by the income quintile ratio, is at 3.1 among the lowest in the EU. The Gini-coefficient was 0.24 in 2001 (Eurostat data). According to national data, persistent poverty is relatively uncommon, 0.1 % over 5 years. However, a long-term trend of increasing income inequality is discernible.

One of key trends is a recent increase (46 % since 1997) of **sick leaves**. Long-term absences for a year or more (3 % of workforce) have increased mostly. The development does not only counterbalance the increased employment rate, it also constitutes a major problem on the macro-economic and the individual level.

As one fifth of the population either have immigrated themselves or at least have one migrated parent, the integration of **immigrants**, new immigrants in particular, is an important issue. Even though their labour market situation has improved, they continue to experience a disadvantage in labour market, in poverty and in housing segregation.

## 2. Assessment of progress made since 2001 NAP-inclusion

Sweden separates the NAP/inclusion process from political process of national welfare policy, since national policy is created in a political process differing from the action plan process. Therefore, according to the Swedes the NAP/inclusion cannot claim to have determined the direction and scope of welfare policy. This means that the NAP/inclusion is rather reporting national policy measures than being itself a policy-guiding document.

Despite the Government's efforts to improve dialogue between different governmental bodies and NGOs, the first NAP/inclusion mainly focused on the government's policy from central perspective. As to the present NAP/inclusion contacts have been further intensified.

Both NAP/inclusion 2001 and 2003 continue the existing welfare state policy, and the basic strategic approach is a long-term obligation to fight poverty and social exclusion. Development shows clearly a close link between economic development and social policy development. Sweden has prepared action plans relating to social inclusion in several policy areas, e.g. older persons, health care, disability, alcohol and drugs as well as measures to combat discrimination. These action plans have proposed new initiatives and additional financial resources for the areas concerned. NAP/inclusion 2003 is more ambitious than the previous one in pointing out the intentions guiding the social inclusion policy, in giving key targets and goals.

A favourable economic development and the increase of the employment have contributed to the fact that the costs of financial assistance have continued to fall. The share of population receiving social assistance has sharply decreased (8.1% in 1997 to 4.9% in 2002). Yet, there was no reduction in the share of households depending for long periods of time (at least 10-12 months).

It seems that the NAP/inclusion 2001 goals 1) the **employment rate 80% in 2004** and 2) **halving the dependence on social assistance between 1999 and 2004**, will be hard to meet despite developments in the expected directions. The two goals are still valid, even though the deadline for 80% employment rate has been dropped. A substantial progress has been made in halving the dependence on social assistance with 25% decrease by 2002.

### 3. Strategic approach: main objectives and key targets

The Swedish welfare state system rests on the basic principles of universal social welfare and health services and of a comprehensive income security system. It is highly individualistic. The overarching aim is to include the total population in a general welfare policy system and to avoid targeted systems. To Sweden this policy is highly efficient in alleviating poverty and social exclusion. A particular attention to anti-discrimination measures is laid to ensure better access by the most vulnerable.

A new main goal, **substantially reducing the number of people at risk of economic vulnerability by 2010**, will be achieved by the following key targets broken down by gender and ethnicity where possible: 1) reducing the share of individuals being under 60% of the median income, 2) reducing the share of individuals and of families with children having an income below social assistance norm, 3) decreasing the share of pupils leaving compulsory school with incomplete certificates, 4) increasing the share of individuals that are eligible to tertiary education, 5) decreasing the share of the young experimenting narcotics, alcohol and tobacco, 6) increasing the treatment of drug addicts (alcohol and narcotics) and 7) decreasing homelessness.

**Halving the number of sick leave days by 2008** is also new. As closely linked to the labour market, it involves action from employers, health section and adjustment of sickness insurance.

**Achieving employment rate of 80% and halving the dependence on social assistance between 1999 and 2004** are still valid main goals.

### 4. Key policy measures: strengths and weaknesses

This basic strategic approach to reduce poverty and social exclusion is clear in the NAP/inclusion 2003. The strength of NAP/inclusion is that the major goals are tied to key targets making it possible to evaluate to what degree specific goals are obtained or not. The weakness of the NAP/inclusion is that it does not always indicate mechanisms that connect a specific measure to a specific goal, neither does it provide a guideline on how to prioritise between the measures. Therefore, it is not often clear how certain policy measures will promote the specific objectives or if at all.

#### Facilitating participation in employment

Sweden has opted for the principle of activation and skill enhancement. **The 'Primacy of Work' principle** includes a broad range of measures to give people adequate resources to

find employment and support themselves. Unemployment insurance scheme rules have been changed to increase incentives to accept jobs and mobility. **Family policy** constitutes a central element for participation for both men and women and strengthens the family in order to combine family and working life.

Facilitating access to resources, rights, goods and services for all

Sweden has a developed **general income security system**. General social insurance is facilitating income maintenance in case of illness, unemployment, parenthood and temporary care of children in case of illness. The implemented **pension reform** is based on lifelong earnings with an additional basic guaranteed pension for low or no income earners. Social assistance constitutes the final income security system in case all others fail. **Education** is free at all the levels. **Housing policy** has been reformed, and local authorities are required to ensure decent housing for everybody. To combat **homelessness** additional funds are allocated. The whole population is covered by the **national health insurance**, free for children and with a top limit for adults.

To prevent the risks of exclusion among the most vulnerable

Numerous plans and measures cover the most vulnerable such as children at risk, misuse of alcohol and drugs, homeless and with overcrowding, crime and prostitution as well as the long-term unemployed, disabled people, the elderly and immigrants. The national action plan against racism, xenophobia, homophobia and discrimination is to enhance possibilities for general legislation against discrimination.

#### 5. Gender perspective

Gender mainstreaming is embodied in the structure of the welfare system. The universal schemes giving individual rights enhance equality between men and women. Key targets are broken down by gender wherever possible, as are indicators. Family policy is an important instrument to achieve gender equality. Special concerns are women's health and their high level of sick leaves.

#### 6. Current issues and further challenges

As development shows close links between economic and social policy developments, a basic future challenge is to ensure the continuation of good interaction between economic, employment and social policies and to reinforce social inclusion measures to foster balanced social and economic development.

Current issues which pose further challenges: to decrease the differences between native-born Swedes and immigrants in all indicators of poverty and social exclusion; to secure social services of a high standard to all, in particular to the most vulnerable and to increase co-operation between different levels (local, regional and national); to halt and to reverse the development of sick leaves and to reintegrate the long-term sick into the labour market; to further intensify contacts with other stakeholders, in particular political process and NGOs at the regional and local level.

## UNITED KINGDOM

**Situation and key trends:** Since the last National Action Plan continued strong macroeconomic performance has led to sustained high levels of employment and low levels of unemployment. Increasingly, the focus of anti-poverty and social inclusion strategies in the UK is on particular disadvantaged groups who are likely to be at greatest risk, such as: lone parents; the long-term unemployed; older people; those with few or no qualifications; ethnic minority communities; sick or disabled people; and residents of deprived neighbourhoods. In 2001, 17% of the population were at risk of poverty, the EU average being 15%; without all transfers, this rate would have been 40%.

**Progress made 2001-2003:** The UK has continued to build upon a broad and comprehensive strategy to combat poverty and social exclusion. Indeed, the 2001-03 period has seen the introduction of many new measures or the enhancement of existing ones to combat poverty. These changes have directed substantial additional resources to vulnerable groups – in particular, families with children.

However, the effect of many initiatives introduced is yet to be seen and comparatively high levels of low income and high disparities still exist, although this should be set within the context of increasing overall prosperity. Nationally established 'tertiary' indicators covering children, working-age adults, older people and communities, and including direct indicators of poverty, indicators of risk of social exclusion and indicators of help for the most vulnerable show progress in most areas.

The preparation of the 2003 NAP has involved a broader range of actors than was the case with the previous Plan and the involvement of the devolved administrations and of people with direct experience of poverty has further contributed to its quality.

**Strategic approach:** The 2003 NAP highlights that the 'fight against poverty is central to the UK government's entire social and economic programme'. A 'work for those who can, support for those who cannot' approach to welfare reform is pursued, the strategy on participation in employment is described as 'making work possible ... making work pay ... making work skilled'. The key labour market objective is to achieve 'high and stable levels of employment, so everyone can share in growing living standards and greater job opportunities'.

**Key policy measures:** High quality public services are a cornerstone of the approach to tackling poverty and social exclusion. Spending plans for the period 2003/4 to 2005/6 envisage significant increases in public expenditure on services, concentrated on education, health and transport.

The abolition of child poverty is also key to the UK's strategy to tackle poverty and social exclusion, spearheaded by a pledge to eradicate child poverty by 2020.

The introduction and enhancement of a range of tax credit schemes should also be highlighted; amongst these the new 'Pension Credit' should make further progress in tackling pensioner poverty.

**Challenges ahead:** Despite near record employment levels and low unemployment, income disparities remain high and the number of workless households continues to be an issue, especially in the most deprived neighbourhoods and the proportion of people on long-term incapacity, or other benefits, is particularly high.

Progress is being made on reducing child poverty although the real effect in the context of the quantified target for 2004/05 still needs to be assessed.

## 1. Situation and Key Trends

The UK economy has continued to perform well with a 1.9% growth rate in 2002, above the 1% average EU growth and it is expected that growth will continue further in both 2004 and 2005. This strong macroeconomic performance has led to sustained high levels of employment with an employment rate of 71.7% (2002) and low levels of unemployment; whilst the unofficial “inclusion” count (of people not working, who want to, or those on government employment schemes or working part-time because they cannot get full-time jobs) stands at 4 million (May 2003). Notwithstanding this, relatively high levels of workless households continue to give cause for concern and the number of people out of work and in receipt of incapacity benefits, for example, is particularly high, at 7.6% of the working-age population.

Expenditure on social protection in 2000 stood at 26.8% of GDP, slightly below the EU average of 27.3%. However, in real terms, expenditure on social protection per capita in 2000 was 4.7% higher than the EU average, a significant rise on previous years. Nonetheless, inequalities in income distribution remained higher than in the EU in 2001 (4.9 against 4.4 in terms of the income quintile ratio). In 2001 the risk of poverty rate (after social transfers) had decreased to 17% (down from 20% in 1995 and 19% in 2000), but was still higher than the EU average of 15% (without social transfers the UK rate would have been 40% set against an EU average of 39%); and the persistent risk-of-poverty rate for the same year stood at 10% in contrast to the 9% EU average. Nationally selected indicators also show some improvement in poverty risks and relative low income; whilst the GINI co-efficient shows a slight increase. Relationships between income gaps and at risk of poverty in this context should be further assessed.

## 2. Assessment of Progress made since the 2001 NAP/inclusion

The NAP/inclusion 2003 shows evidence that some of the criticisms made of the previous Plan have been taken on board with a broader reference to the roots of social exclusion and the examination of a wide range of policy areas. There is also a more open approach to the involvement of a broader range of actors in the preparation and monitoring of the NAP/inclusion ‘the recognition that people with a direct experience of poverty have much to offer a successful anti-poverty strategy is beginning to transform the UK’s approach’.

In addition to the commonly agreed indicators, the UK assesses progress against a number of tertiary indicators. Whilst progress as measured by the Laeken indicators has been disappointing (although more difficult to judge as post 2000-datasets are not yet available), progress against the nationally-established tertiary indicators, which are more up-to-date, has been quite positive with the majority moving in the right direction. It might be argued that this trend is as a result of the overall performance of the UK economy, however, success may also be attributed, in some part, to the impacts of tax and benefit policies introduced to combat poverty; although in the case of some recent measures it may be too early to see improvements reflected by statistical data.

Whilst progress can be said to have been made in reducing absolute poverty, the reduction of relative poverty has been slower. Even if the labour market remains as buoyant as forecast, further redistributive policies may be required to reduce inequalities.

Tackling the numbers of children living in poverty was identified as a key challenge by the 2001 NAP. The abolition of child poverty is key to the UK Government’s strategy, spearheaded by a pledge to eradicate child poverty by 2020. Practical progress towards the

quantified targets set for 2004/05 is still to be assessed and further work is underway to refine the way child poverty is measured over the longer-term, including consultation with stakeholders.

The role of ESF in supporting social inclusion aims is covered well by the NAP in an informative and illustrative annex to the main Report. The implementation of ESF-supported activity will provide an important contribution to tackling poverty and social exclusion in the UK. UK Structural Fund Programmes also concentrate resources on the most deprived neighbourhoods through 'Community Economic Development' areas; although experience to-date has shown that in some cases there has been slow take-up of these resources.

### 3. Strategic approach: main objectives and key targets of the 2003 NAP/inclusion

"The fight against poverty is central to the UK Government's entire social and economic programme". The UK government has a 'work for those who can and support for those who cannot' approach to welfare reform, describing its strategy on participation in employment as 'making work possible ... making work pay ... making work skilled'. The key labour market objective is to achieve high and stable levels of employment, so everyone can share in growing living standards and greater job opportunities'

The strategy to tackle problems of poverty and social exclusion combines: national action in collaboration with devolved administrations and regional bodies, and local and neighbourhood action with local government and voluntary and community sectors; economic management to improve employment opportunities; efforts to make it easier for people to get jobs, retain jobs and progress in jobs; shorter-term policies to make work pay and improve living standards of those unable to obtain employment; and longer-term investment in public services, particularly education and health, to improve opportunities.

The key objective and associated target of the 2003 NAP is the eradication of child poverty by 2020, and the intermediate target to halve this by 2010, as well as the quantified target to cut it by a quarter by 2004/05. In addition, a total of 100 targets are set out, grouped around the four Nice objectives. Although it should be noted that these targets are those already announced, relevant to social exclusion, which form the UK Government and local Public Service Agreements, or targets set by the devolved administrations.

### 4. Key policy approaches: strengths and weaknesses

The UK has comparatively high rates of low income. The in-work incomes of families with children have been improved by the introduction of the minimum wage, increases in the employee National Insurance contributions threshold and increases in child benefit and tax credits. Pensioners' incomes have benefited from improvements in the real level of the basic state pension and social assistance. The out-of-work-incomes for families with children have also improved through real increases in Income Support/Child Tax Credit. The out-of-work incomes of single people and childless couples have not increased through real improvements in their benefits and their incomes have continued to decline relative to earnings. Despite the real improvements that have been made in the Minimum Income Guarantee (MIG), the basic state pension is significantly below MIG and pensioners on social assistance have not caught up with the ratio to earnings that they had in 1979.

The UK highlights the financial sustainability of its strategic approach in providing a foundation of support through the state whilst targeting additional support at the poorest pensioners through income-related measures. A minimum income is guaranteed, and the

promotion of saving, including through occupational and private pension schemes, is encouraged. As a result of this approach, the UK spends only 5.1% of GDP on pensions, less than half the EU average.

Non take-up of available benefits remains an issue. An example of how this is being addressed can be seen in the recently introduced 'Pension Credit' which will provide an extra £2bn a year to pensioner households and, in this context, includes measures to ensure that take-up is high, setting a target that 3 million pensioner households should be in receipt of pensioner credit by 2006.

Progress is being made towards the key objective of reducing and eradicating child poverty although the real effect in the context of the quantified target for 2004/05 still needs to be assessed. Further substantial work may be needed to realise this, including tackling low pay for women (the UK gender pay gap remains amongst the highest in the EU) and measures to improve the availability and affordability of childcare. Childcare in the UK is still relatively expensive and there are some issues to be addressed regarding availability. The main extra resources that have gone into the childcare strategy to date have been in the form of funding for nursery classes in primary schools. It is arguable that this, mainly part-time, term-time provision is not the most effective way of enabling (poor) lone parents to obtain access to employment. The childcare element of the Working Tax Credit covers a maximum of 70% of the costs of childcare up to a ceiling. In England, the government has set ambitious targets for increasing childcare provision and standards, including raising the status and improving conditions of service of workers in the sector. The lack of accessible, affordable and good quality childcare is cited amongst the reasons for a relative low proportion of lone parents in employment and a relatively high proportion of children living in workless households. A further childcare review is now under way to establish what more there is to do. The strategy for Scotland includes spending a further £20 million from 2004 on employment and childcare for the most disadvantaged areas. Often the burden of dependent care, including care for elderly/infirm relatives, falls to women, which has implications for participation rates. One important development is the creation of a new Minister for Children, Young People and Families.

The UK has significant regional and local disparities in poverty and social exclusion. Attempts have been made to simplify the many area-based initiatives in favour of a shift towards achieving a minimum standard of service provision for those living in disadvantaged areas through 'bending' mainstream services to the needs of these residents, and the adoption of 'floor level targets'.

About one third of government spending is on services. High quality public services are a cornerstone of the UK Government's approach to tackling poverty and social exclusion. Spending plans for the period 2003/4 to 2005/6 envisage an overall increase of 3.3% per year in real terms. Public expenditure, as a proportion of GDP, will rise from 39.9% in 2002/03 to 41.9% in 2005/6. Whilst progress has been made in developing a multi-dimensional overarching strategy, the implementation of this should be further strengthened.

## 5. Gender Perspective

The NAP generally addresses gender well, in particular, the recognition of women's increased risk of poverty and highlighting policy measures committed to closing the gender income gap, still an issue of particular concern; enhancing work and family life; and improved childcare provision. However, as in the 2001 NAP, there is a lack of both gender mainstreaming and

gender-specific measures, rather gender measures emerge where these fit the objectives of reducing child poverty and workless households.

## 6. Current Issues and Future Challenges

Employment targets set in Lisbon for 2010 have already been met, and significantly lower unemployment rates than the EU average prevail; however, certain groups still find it difficult to get jobs. The targeting of resources and initiatives will be key to improving the life chances of these groups. In addition, the UK still has comparatively high rates of low income. Indebtedness and financial exclusion are recognised as problems and the NAP begins the process of identifying solutions.

Increases in employment have benefited all groups and changes to benefits and tax credits have improved the situation of children, particularly low earning families.

Whilst overall there has been a reduction in worklessness, and increases in the labour participation rates of the most vulnerable groups, there is still a concentration of worklessness in some neighbourhoods. Those without work requirements as a condition of benefit receipt are now seen as most at risk. There remains some concern about the number of workless households and some elements of quality of work. Some grass roots organisations suggest that people are being forced into unsustainable work, with a benefit system which is not flexible enough, and a weak employment framework which cannot guarantee dignity and fairness.

The UK Government has recently announced the conclusion of a consultation to determine how best to measure child poverty over the longer term and has decided to adopt a tiered approach. This will include the relative income measure adopted in EU comparisons and a recognition that improving the relative income of families on low incomes can contribute to success in eradicating child poverty in the UK.

Throughout the NAP there are references to what the devolved administrations and other actors are doing. In Scotland, for example, the Social Justice strategy includes annual reporting and a whole raft of new anti-poverty commitments. However, it is not clear to what extent NAP aspirations are 'mainstreamed', or represented sufficiently in the spending priorities of the separate Ministries and at regional and local levels. An examination is proposed on how Government policies act together against poverty and social exclusion, and what the potential future drivers might be for further progress. The learning from experiments with participatory ways of working with people with direct experience of poverty in preparing the NAP could also usefully be transferred to broader areas of government policy-making.