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**- Part I: the European Union, including Executive Summary**

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Delegations will find attached the draft text of the Joint Report on Social Inclusion, Part I : the European Union, as it appears following its examination by the Social Protection Committee.

This part includes the Executive Summary.

"Part II: the Member States" is to be found in 15223/01 SOC 538 ECOFIN 400 EDUC 161 SAN 167 ADD 1.

"Part III: Annexes to the Joint Report" is to be found in 15223/01 SOC 538 ECOFIN 400 EDUC 161 SAN 167 ADD 2.

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## **Joint Report on Social Inclusion**

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## EXECUTIVE SUMMARY

It is the first time that the European Union endorses a policy document on poverty and social exclusion. By documenting and analysing the situation across all Member States and by identifying the key challenges for the future this Joint Report on Social Inclusion contributes to strengthening the European social model. It is thus a significant advance towards the achievement of the EU's strategic goal of greater social cohesion in the Union between 2001- 2010.

This report gives a concrete reality to the open method of coordination on Social Inclusion agreed at the Lisbon Summit in March 2000. This new process is an important recognition of the key role that social policy has to play alongside economic and employment policies in reducing inequalities and promoting social cohesion, as well as of the need to ensure effective links between these policies in the future. It is thus an important element in progressing the European Social Agenda agreed in Nice and complements the objectives of the European Employment Strategy.

This report marks a significant advance in the process of developing commonly agreed indicators to measure poverty and social exclusion across and within all Member States. It shows that Member States and the Commission are actively engaged in this process. This will lead to a much more rigorous and effective monitoring of progress in tackling poverty and social exclusion in the future. It will also contribute to better evaluations of policies and a clearer assessment of their effectiveness and value for money. This should lead to better policy making in Member States in the future.

This report does not evaluate the effectiveness of the systems already in place in different Member States. Rather it concentrates on analysing the different approaches that have been adopted by Member States in their National Action Plans against poverty and social exclusion (NAPs/incl) in response to the common objectives on poverty and social exclusion agreed by the EU at Nice in December 2000. It examines Member States' NAPs/incl focussing on the quality of analysis, the clarity of objectives, goals and targets and the extent to which there is a strategic and integrated approach. In doing this it demonstrates the commitment of all Member States to use the new social inclusion process to enhance their efforts to tackle poverty and social inclusion.

This report documents a wide range of policies and initiatives in place or proposed in Member States. These will provide a good basis for co-operation and exchange of learning between Member States in the future. However, it has not been possible to identify examples of good practice as at present there is a general lack of rigorous evaluation of policies and programmes in Member States. The report thus identifies that an important challenge for the next phase of the social inclusion process will be to ensure more thorough analysis by the Member States of the cost effectiveness and efficiency of their policies to tackle poverty and social exclusion.

*The new commitment* - At the European Councils of Lisbon (March 2000), Nice (December 2000) and Stockholm (June 2001), Member States made a commitment to promote sustainable economic growth and quality employment which will reduce the risk of poverty and social exclusion as well as strengthen social cohesion in the Union between 2001 - 2010. To underpin this commitment, the Council developed common objectives in the fight against poverty and social exclusion. It also agreed that these objectives be taken forward by Member States from 2001 onwards in the context of two-year National Action Plans against poverty and social exclusion (NAPs/incl). Furthermore, the Council established a new open method of coordination which encourages Member States to work together to improve the impact on social inclusion of policies in fields such as social protection, employment, health, housing and education. The NAPs/incl and the development of comparable indicators provide the framework for promoting exchange of good practice and mutual learning at Community level. This will be supported from 2002 by a five year Community action programme on social inclusion.

*The overall context* - The new open method of co-ordination should contribute to a better integration of social objectives in the already existing processes towards achieving the ambitious strategic goal for the Union set out in Lisbon. In particular, it should contribute to ensuring a positive and dynamic interaction of economic, employment and social policies and to mobilise all players to attain such a strategic objective. The present report is fully consistent with the aims of the European Social Agenda agreed at Nice, to the extent that it recognises the dual role of social policy, both as a productive factor and as a key instrument to reduce inequalities and promote social cohesion. In this respect it puts due emphasis on the key role of participation in employment, especially by groups that are under-represented or disadvantaged in it, in line with the objectives of the European Employment Strategy. Furthermore, the report takes into account the achievements of the European Social model, characterised by systems that offer a high level of social protection, by the importance of social dialogue and by services of general interest covering activities vital for social cohesion, while reflecting the diversity of Member States' options and conditions.

*Fulfilling the commitment* - All Member States have demonstrated their commitment to implementing the Open Method of Coordination by completing National Plans by June 2001. These set out their priorities in the fight against poverty and social exclusion for a period of 2 years and include a more or less detailed description of the policy measures in place or planned in order to meet the EU common objectives. Most also include examples of good practice. The NAPs/incl provide a wealthy source of information from which the Commission and Member States can further develop a process of exchange of good practice conducive to more effective policies within Member States. This process should be enhanced in future by more extensive evaluations by the Member States of their national policies, including their implications for public finance, and through the development of a comprehensive set of indicators and methodologies, at both national and EU levels.

*The overall picture* - Evidence from the NAPs/incl confirms that tackling poverty and social exclusion continues to be an important challenge facing the European Union. The impact of favourable economic and employment trends between 1995 and 2000 has helped to stabilise the situation which had deteriorated in many Member States with economic recession in the mid 1990s. However, it is clear from the analysis provided by Member States and comparable EU indicators that the number of people experiencing high exclusion and poverty risk in society remains too high. The most recent available data on income across Member States, while not capturing the full complexity and multi-dimensionality of poverty and social exclusion, shows that in 1997 18% of the EU population, or more than 60 million people, were living in households where income was below 60% of the national equivalised median income and that about half had been living below this threshold for three successive years.

*The risk factors* - A number of factors which significantly increase people's risk of poverty and social exclusion have been identified in the NAPs/incl. Unemployment, especially when long-term, is by far the most frequently mentioned factor. Other important factors are: low income, low quality employment, homelessness, weak health, immigration, low qualifications and early school leaving, gender inequality, discrimination and racism, disability, old age, family break-ups, drug abuse and alcoholism and living in an area of multiple disadvantage. Some Member States stressed the extent to which these risk factors interact and accumulate over time hence the need to cut through the recurring cycle of poverty and to prevent intergenerational poverty.

*The structural changes* - Several NAPs/incl identify a number of structural changes occurring across the EU which can lead to new risks of poverty and social exclusion for particularly vulnerable groups unless the appropriate policy responses are developed. These are: major structural changes in the labour market resulting from a period of very rapid economic change and globalisation; the very rapid growth of the knowledge-based society and Information and Communication Technologies; the increasing number of people living longer coupled with falling birth rates resulting in growing dependency ratios; a growing trend towards ethnic, cultural and religious diversity fuelled by international migration and increased mobility within the Union; increase in women's access to the labour market and changes in household structures.

*The challenges* - The overarching challenge for public policy that emerges from the NAPs/incl is to ensure that the main mechanisms which distribute opportunities and resources – the labour market, the tax system, the systems providing social protection, education, housing, health and other services – become sufficiently universal to address the needs of those who are at risk of poverty and social exclusion and to enable them to access their fundamental rights. It is thus encouraging that the NAPs/incl highlight the need and confirm the commitment of Member States both to enhance their employment policies and to further modernise their social protection systems as well as other systems, such as education, health and housing, and make them more responsive to individual needs and better able to cope with traditional as well as new risks of poverty and social exclusion. While the scale and intensity of the problems vary widely across Member States eight core challenges can be identified which are being addressed to a greater or lesser extent by most Member States. These are: developing an inclusive labour market and promoting employment as a right and opportunity for all; guaranteeing an adequate income and resources to live in human dignity; tackling educational disadvantage; preserving family solidarity and protecting the rights of children; ensuring good accommodation for all; guaranteeing equal access to and investing in high quality services (health, transport, social, care, cultural, recreational and legal); improving the delivery of services; and regenerating areas of multiple deprivation.

*Different points of departure* - The NAPs/incl highlight the very different social policy systems across Member States. Member States with the most developed welfare systems and with high per capita social expenditure levels tend to be most successful in ensuring access to basic necessities and keeping the numbers at risk of poverty well below the EU average. Not surprisingly these very different social policy systems combined with the widely varying levels of poverty resulted in Member States adopting quite different approaches to tackling poverty and social exclusion in the NAPs/incl. Some used the opportunity to rethink their strategic approach to tackling poverty and social exclusion, including the co-ordination between different levels of policy-making and delivery. Others, particularly those with the most developed welfare systems where poverty and social exclusion tend to be narrowed down to a number of very particular risk factors, took the key contribution their universal systems make as read and concentrated on highlighting new and more specific measures in their NAPs/incl. Another factor that influenced Member States' approach to their NAPs/incl was the political structure of the country and how the responsibilities in the fight against social exclusion are distributed between the central, regional and local authorities. However, whatever the variation in this regard, most Member States recognised the need to complement national plans with integrated approaches at regional and local levels.

*Strategic and integrated approach* - While all Member States have fulfilled the commitment agreed in Nice, there are differences as regards the extent to which the NAPs/incl provide a comprehensive analysis of key structural risks and challenges, frame their policies in a longer term strategic perspective, and evolve from a purely sectoral and target-group approach towards an integrated approach. Only a few have moved beyond general aspirations and set specific and quantified targets which provide a basis for monitoring progress. Gender issues lack visibility in most NAPs/incl and their mention is sporadic, though a commitment by some to enhance gender mainstreaming over the next two years is very welcome. To a large extent, the different emphasis in these aspects across NAPs/incl reflect the different points of departure mentioned above.



*Scope for innovation* - In terms of specific actions and policies most Member States have focused their efforts on improving co-ordination, refining and combining existing policies and measures and promoting partnership, rather than launching important new or innovative policy approaches. The relatively short time available to develop the first NAPs/incl has led most Member States to limit the policy measures to the existing budgetary and legal frameworks and most did not include any cost estimates. Thus, while most 2001 NAPs/incl are an important starting point in the process, in order to make a decisive impact on poverty and social exclusion further policy efforts will be needed in the coming years.

*Interaction with the Employment Strategy* - Participation in employment is emphasised by most Member States as the best safeguard against poverty and social exclusion. This reflects adequately the emphasis laid on employment by the European Council at Nice. Two-way links are established between the NAPs/incl and the NAPs/employment. On the one hand, the Member States recognise the crucial role played by the Employment Guidelines in the fight against exclusion by improving employability and creating new job opportunities, which are an essential condition for making the labour markets more inclusive. At the same time, the Employment Strategy is concerned mainly with raising employment rates towards the targets set in Lisbon and Stockholm in the most effective way. On the other hand, by focusing on actions that will facilitate participation in employment for those individuals, groups and communities who are most distant from the labour market, the NAPs/incl can play a positive role towards increasing the employment rate. The trend towards more active and preventive policies in most NAPs/incl reflects experience gained under the Luxembourg process.

*Policy design* - Across the different policy strands addressing the EU common objectives, three general and complementary approaches emerge from the NAPs/incl. The first approach involves enhancing the adequacy, access and affordability of mainline policies and provisions so that there is improved coverage, uptake and effectiveness (i.e. promoting universality). The second approach is to address specific disadvantages that can be overcome through the use of appropriate policies (i.e. promoting a level playing field). The third approach is to compensate for disadvantages that can only be partially (or not at all) overcome (i.e. ensuring solidarity).

*Policy delivery* - A key concern across all NAPs/incl is not only to design better policies but also to improve their delivery so as to make services more inclusive and better integrated with a greater focus on the needs and situations of the users. Some elements of best practice can begin to be identified on the basis of NAPs/incl. This involves: designing and delivering policies as close to people as possible; ensuring that services are delivered in an integrated and holistic way; ensuring transparent and accountable decision making; making services more user friendly, responsive and efficient; promoting partnership between different actors; emphasising equality, rights and non discrimination; fostering the participation of those affected by poverty and social exclusion; emphasising the autonomy and empowerment of the users of services; and emphasising a process of continuous improvement and the sustainability of services.

*Mobilisation of key stakeholders* - Most Member States recognise the need to mobilise and involve key stakeholders, including those experiencing poverty and social exclusion, in the design and implementation of their NAPs/incl. Most consulted with NGOs and social partners when preparing their NAPs/incl. However, in part due to the short time available, the extent and impact of this consultation seems to have been limited in many cases. A key challenge for the future will be to develop effective mechanisms for their ongoing involvement in implementing and monitoring National Plans. Some Member States highlight consultation and stakeholder mechanisms that will help to ensure this.

*Commonly agreed indicators* - The evidence from the first round of NAPs/incl is that we are still a long way from achieving a common approach to social indicators which will allow policy outcomes to be compared and which will contribute to the identification of good practice. Efforts are needed to improve this situation, both at the national level and the level of the EU. The majority of NAPs/incl still make use of national definitions in the measurement of poverty and of levels of inadequacy in access to housing, health care or education and only a few make appropriate use of policy indicators in their NAPs/incl. This adds urgency to the current efforts to develop a set of commonly agreed indicators on poverty and social inclusion which can be agreed by the European Council by the end of 2001. It also highlights the need to enhance the collection of comparable data across Member States.

## INTRODUCTION

The present report aims at identifying good practice and innovative approaches of common interest to the Member States on the basis of the National Action Plans against poverty and social exclusion (NAPs/incl), in conformity with the mandate received from the European Council of Nice. It is presented as the Joint Report on Social Inclusion that the Council and the Commission have prepared for the European Council of Laeken.

The adoption of this report is in itself a significant achievement. For the first time ever, a single policy document assesses common challenges to prevent and eliminate poverty and social exclusion and promote social inclusion from an EU perspective. It brings together the strategies and major policy measures in place or envisaged by all EU Member States to fight poverty and social exclusion<sup>1</sup>. It is a key step towards strengthening policy co-operation in this area, with a view to promoting mutual learning and EU-wide mobilisation towards greater social inclusion, while safeguarding the Member States' key responsibilities in policy making and delivery.

Following the inclusion under Article 136 and 137 EC by the Amsterdam Treaty, of the fight against exclusion among the social policy provisions, the European Council of Lisbon agreed on the need to take steps to make a decisive impact on the eradication of poverty by 2010. It has also agreed that Member States' policies for combating social exclusion should be based on an open method of co-ordination combining common objectives, National Action Plans and a programme presented by the Commission to encourage co-operation in this field.

The new open method of co-ordination should contribute to a better integration of social objectives in the already existing processes towards achieving the ambitious strategic goal for the Union set out in Lisbon *"to become the most competitive and dynamic knowledge-based economy in the world capable of sustained economic growth with more and better jobs and greater social cohesion"*. In particular, it should contribute to ensuring a positive and dynamic interaction of economic, employment and social policies and to mobilise all players to attain such a strategic objective. The present report is fully consistent with the aims of the European Social Agenda agreed at Nice, to the extent that it recognises the dual role of social policy, both as a productive factor and as a key instrument to reduce inequalities and promote social cohesion. In this respect it puts due emphasis on the key role of participation in employment, especially by groups that are under-represented or disadvantaged in it, in line with the objectives of the European Employment Strategy. Furthermore, the report takes in full account the achievements of the European Social model, characterised by systems that offer a high level of social protection, by the importance of social dialogue and by services of general interest covering activities vital for social cohesion, while reflecting the diversity of Member States' options and conditions.

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<sup>1</sup> Throughout this report the terms poverty and social exclusion refer to when people are prevented from participating fully in economic, social and civil life and/or when their access to income and other resources (personal, family, social and cultural) is so inadequate as to exclude them from enjoying a standard of living and quality of life that is regarded as acceptable by the society in which they live. In such situations people often are unable to fully access their fundamental rights.

Given the multiple interaction with other existing processes of policy co-ordination, there is a need to ensure consistency with the Employment Guidelines, on one hand, and the Broad Economic Policy Guidelines, on the other, to avoid overlapping and conflicting objectives. In the Synthesis Report submitted to the European Council of Stockholm, the Commission started to translate the new strategic vision of the Union into an integrated assessment of policy strategies and outcomes in four key domains: economic reform, information society, internal market and social cohesion. The present report aims at highlighting the role of social policy and of other equally important policy areas for social cohesion (education, housing, health) in the forthcoming Synthesis Report that the Commission will prepare for the European Council in spring 2002.

All Member States have committed themselves in Nice to developing their policy priorities in fighting poverty and social exclusion in the framework of four commonly agreed objectives:

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

The Member States also underlined the importance of mainstreaming equality between men and women in all actions aimed at achieving those objectives.

The NAPs/incl setting out the policy objectives and measures to tackle these objectives were prepared between January and May 2001. The Commission played an active role in supporting Member States' preparatory efforts, by proposing a common outline and a working schedule for the NAPs/incl which were adopted by the Social Protection Committee. Furthermore, the Commission proposed and took part actively in a series of bilateral seminars with all Member States, to present the new EU strategy and to discuss the country's policy priorities in preparation of the NAPs/incl. In addition to the authorities responsible for the co-ordination of the plans, several other government departments, as well as representatives from regional and local authorities, non-governmental organisations and the social partners, participated in the seminars in varying degrees.

The overall picture that emerges from the fifteen NAPs/incl confirms that tackling poverty and social exclusion continues to be an important challenge facing the European Union. If Member States are to achieve the goal of building inclusive societies then significant improvements need to be made in the distribution of resources and opportunities in society so as to ensure the social integration and participation of all people and their ability to access their fundamental rights. However, the magnitude of the challenge varies significantly both between and within Member States.

The very different social policy systems across Member States led to quite different approaches to the NAPs/incl process. Some Member States saw the NAPs/incl as an opportunity to rethink or make fundamental improvements to their approach to tackling poverty and social exclusion. Other Member States, particularly those with the most developed welfare systems, took the contribution their universal systems make to preventing poverty and social exclusion as read and concentrated on highlighting new and more specific measures in their NAPs/incl.

The NAPs/incl highlight the need and confirm the commitment of Member States both to enhance their employment policies and to further modernise their social protection systems as well as other systems, such as education and housing, and make them more responsive to individual needs and able to cope with traditional as well as new risks of poverty and social exclusion. A key challenge here is to ensure that equal value is given to policies in these areas alongside employment and economic policies. The struggle against poverty and social exclusion needs to be appropriately mainstreamed across this large range of policy areas and there need to be real synergies between them. There is also recognition in many Member States that the picture is not static and that the rapid structural changes that are affecting all countries need to be taken into account if new forms of social exclusion are not to occur or existing forms to intensify.

All Member States are committed to the new EU process of policy co-ordination against poverty and social exclusion. Without exception, the NAPs/incl set out Member States' priorities in the fight against poverty and social exclusion for a period of 2 years, taking into account the four common objectives agreed by the European Council of Nice. All NAPs/incl include a more or less detailed description of the policy measures in place or planned in order to meet such objectives and the majority have included examples of good practice to facilitate their identification. However, a number of Member States noted that the time allowed for the preparation of their plans was too short to enable them to consider new important initiatives and innovative approaches. Others pointed to the difficulty of aligning at such short notice, their new NAPs with the existing national decision-making processes. As a result, most NAPs/incl tend to concentrate on existing policy measures and programmes instead of setting out new policy approaches. As a general rule, the NAPs/incl focus comparatively less on the public finance implications of proposed initiatives. Existing initiatives will of course have been properly costed and budgeted for. But in terms of designing the future strategy for promoting inclusion, it is essential to be aware of financial constraints. Commitments to increase investment in education, to improve the adequacy of social protection or to extend employability initiatives may entail significant costs and therefore should also be consistent with overall national budgetary commitments as well as the Broad Economic Guidelines and the Stability and Growth Pact. Similarly, regulatory constraints should also be taken into account. For example, measures that might affect labour costs or incentives to participate in the labour market should be consistent with the BEPGs and the Employment Guidelines.

The next steps in the open method of co-ordination will be as follows:

- **Step 1 (Oct – Dec 2001):** the analysis of the NAP/incl by the Commission is supplemented by the Member States in the Social Protection Committee and subsequently in the Social Affairs Council. The European Parliament is expected to contribute to the debate. A Joint Report will then be submitted to the EU Council in Laeken-Brussels which is expected to define the priorities and approaches that will guide efforts and cooperation at Community level during the implementation of the first NAPs/incl.
- **Step 2 (Jan – May 2002):** attention will concentrate on organising a process of mutual learning, supported by the new Community action programme which is planned to start in January 2002 and the set of commonly agreed indicators on social inclusion which the Council is expected to agree on by the end of 2001
- **Step 3 (remainder of 2002):** A dialogue between Member States and Commission will take place in the Social Protection Committee, building on the experience of the first year of implementation. The aim is to draw conclusions towards the end of 2002 which make it possible in the run up to the second wave of NAPs/incl to consolidate the objectives and to strengthen cooperation.

The Göteborg European Council invited the candidate countries to translate the Union's economic, social and environmental objectives into their national policies. Promoting social inclusion is one of these objectives to be translated in national policies and the Council and Commission encourage candidate countries to make use to this end of the Member States' experience presented in this report

## **1. MAJOR TRENDS AND CHALLENGES**

### **Key trends**

Over the most recent years, the EU has lived through a period of sustained economic growth, accompanied by significant job creation and a marked reduction in unemployment. Between 1995 and 2000, the 15 Member States enjoyed an average GDP growth rate of 2.6 %, which together with a more employment-friendly policy approach, was responsible for the creation of more than 10 million net jobs and an average employment growth rate of 1.3% per annum. Over the same period, the employment rate increased from 60 % to 63.3 % overall, and for women, the increase was even faster – from 49.7 % to 54 %. Unemployment is still high as it affects currently 14.5 million individuals in the Union, but the rate has declined steadily since 1995-97, when it had been close to 11%, to reach more than 8% in 2000. Reflecting a more active approach overall to labour market policy, long-term unemployment has declined even faster, resulting in a reduction of the share in unemployment from 49 % to 44 % (Table 10).

In contrast with the generalised acceptance that the economic and employment situation has improved, the perception of trends in poverty and social exclusion is quite uneven across Member States. While some admit that the situation has worsened, or at least has not changed significantly, in the latter part of the nineties, others suggest that it has improved, essentially due to the fall in unemployment. In many Member States renewed economic growth and increased levels of employment have helped to largely stabilise, but still at too high a level, the situation in relation to poverty and social exclusion which had deteriorated with economic recession in the mid nineties. However, the lack of a commonly accepted analytical framework makes it difficult to come to definite conclusions.

Moreover, current deficiencies in the available statistical coverage, including the measurement of changes over time, compound the difficulties in getting an accurate picture of recent developments. The latest year for which income data are known across Member States is 1997 (and not for all Member States).

This report provides a synthetic comparative analysis of the situation of poverty and social exclusion in the Union<sup>2</sup> on the basis of available data. Central to this analysis is the choice of a relative concept of poverty, instead of an absolute one. Poverty is a relative notion to the extent that it is defined in relation to the general level of prosperity in a given country and point in time. An absolute notion, while theoretically attractive, does not respond to the particular goals of this report for two basic reasons. First, the key challenge for Europe is how to make the whole population share the benefits of high average prosperity, and not to reach very basic standards of living, as in other parts of the world. Secondly, what is regarded as a minimal acceptable way of life depends largely on the prevailing lifestyle and the level of social and economic development, which tends to vary considerably across Member States.

Traditionally, in measuring relative poverty there has been an emphasis on low income, thus losing sight of the multi-dimensional nature of this phenomenon. Such emphasis is justified given that, in a market economy, insufficient monetary resources impair access to a whole range of basic goods and services. However, low income is just one of the dimensions of poverty and social exclusion, and in order to measure and analyse this phenomenon more completely, it would be 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.

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<sup>2</sup> In the choice of indicators underpinning this analysis, account was largely taken of the on-going work of the expert group established by the Social Protection Committee, as well as the conclusions of the report "Indicators for Social inclusion in the European Union" done by T. Atkinson, B. Cantillon, E. Marlier and B. Nolan, under the auspices of the Belgian Presidency.

Non-monetary indicators show that, across the Union, substantial numbers of people appeared to live in an unfavourable situation with respect to financial problems, basic needs, consumer durables, housing conditions, health, social contacts and overall satisfaction<sup>3</sup>. One in every six persons in the EU (17%) faced multiple disadvantages extending to two or even all three of the following areas – financial situation, basic needs and housing. The situation of poverty among such people is particularly worrying.

While persons in a low-income household appear to be much more frequently disadvantaged in non-monetary terms than the rest of the population, the relationship between income and non-monetary dimensions of poverty is by no means simple. A substantial number of people living above a relative income poverty line may not be able to satisfy at least one of the needs identified as basic, due to the detrimental influence of such factors as health condition, security of work income, need of extra care for elderly or disabled members of the household, etc. On the other hand, the actual living standards for those living below a relative income poverty line are strongly conditioned by such factors as house ownership, or in kind social benefits.

While recognising that a purely monetary indicator cannot capture the full complexity and multi-dimensionality of poverty and social exclusion, a fairly good approximation to the measurement of relative poverty can be given by defining an income threshold below which people are at risk of falling into poverty. In this report, the threshold is defined as 60% of the national equivalised median income, and the proportion of individuals living in households where income is below this level is taken as an indicator of the risk of poverty. In 1997, 18%<sup>4</sup> of the EU population was living in households with income below this threshold, just about the same as in 1995. This corresponds to more than 60 million individuals in the EU of which about half were consistently living below the threshold for three successive years (1995-97). To get a full picture of the trends in relation to low income, it is also helpful to look at other points of the income distribution, for example at 70%, 50% and 40% of national equivalised median. The percentage of individuals falling below these thresholds is 25%, 12% and 7% respectively in 1997 for the Union as a whole.

Account should also be taken of the fact that these thresholds are national and that they vary widely across Member States. The monetary value of the threshold for the risk of falling into poverty varies between 11 400 PPS (or 12 060 euros) in Luxembourg<sup>5</sup> and 3 800 PPS<sup>6</sup> (or 2 870 euros) in Portugal.

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<sup>3</sup> For a detailed analysis of non-monetary poverty indicators based on the 1996 European Community Household Panel, see "European social statistics – Income, poverty and social exclusion", Eurostat 2000.

<sup>4</sup> This figure is based on harmonised data from Eurostat's European Community Household Panel (ECHP).

<sup>5</sup> All data for Luxembourg refers to 1996.

<sup>6</sup> PPS= Purchasing Power Standards a notional currency which excludes the influence of differences in price levels between countries; Source: Eurostat



This indicator of the risk of poverty is also useful for assessing the overall impact of the social protection system on the distribution of income. 26% of the EU population would have fallen below this threshold if social transfers other than old-age pensions had not been counted as part of income, and 41% if old-age pensions had also not been considered (Table 6).

While the overall gender gap in the rate of risk of poverty is small<sup>7</sup>, it is very significant for some groups: people living alone especially older women (15%, for older men, 22% for older women ) and 40% for single parents who are mostly women (Table 3a and 3c).

The risk of poverty was also substantially higher for the unemployed, particular age groups, such as children and young people, and some types of households such as lone parent families and couples with numerous children.

Around the EU average risk of poverty of 18%, there are wide variations across Member States. The lowest risk of poverty rates in the EU in 1997 were found in Denmark (8%), Finland (9%), Luxembourg<sup>8</sup> and Sweden (12%), Austria and Netherlands (13%), whereas the highest were found in Portugal (23%), the UK<sup>9</sup> and Greece (22%)<sup>10</sup> – see Graph 1 in Annex I.

Such variations call for a wide range of explanatory factors. Traditionally, attention has been drawn in the relevant literature to the correlation between expenditure in social protection and the risk of poverty (see graph 4 in Annex I). Comparisons between Member States regarding levels of expenditure on social protection raise complex issues. They must take account of different levels of prosperity, the age structure of the population, the business cycle, differences in patterns of provision of social protection and tax structures.

Nevertheless, Member States with high per capita social expenditure levels (i.e. well above the EU average of 5532 PPS in 1998), such as Luxembourg, Denmark, Netherlands, Sweden and Germany, show percentages at risk of poverty well below the EU average.

In some Member States there are lower levels of expenditure on social protection and the risk of poverty and social exclusion is a more widespread and fundamental problem. It should be borne in mind that countries such as Portugal and Greece are experiencing rapid transition from a rural to a modern society and see evolving forms of social exclusion coexisting alongside more traditional forms.

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<sup>7</sup> The measured gender gap in low-income does not match the current perception of gender differences in the exposure to poverty and social exclusion. This can be partly explained by the fact that income data are collected at the level of the household and the assumption that there is an equal sharing of the household income among all adult members.

<sup>8</sup> All data for Luxembourg refers to 1996

<sup>9</sup> This data is not strictly comparable with the 1996 data (18%). It is presently under revision in order to improve comparability with data from other Member States.

<sup>10</sup> It should be noted that these figures do not fully take into account the equalising effect that widespread owner-occupation of housing and/or income received in kind may have in some of these Member States.

The relatively wide quantitative variations across the EU as regards the risk of poverty illustrate the different starting points from which Member States had to develop their policy priorities in the NAPs/incl.

### **Key structural changes**

There is an acknowledgement in the NAPs/incl of four major structural changes that are occurring across the EU and which are likely to have a significant impact over the next ten years. In practice these are reflected more or less strongly in the different proposed strategies depending largely on the extent to which Member States looked either at the past and present or looked from the present to the future when drawing up their plans. These structural changes are both creating opportunities for enhancing and strengthening social cohesion and putting new pressures on and posing new challenges for the main systems of inclusion. In some cases they are leading to new risks of poverty and social exclusion for particularly vulnerable groups. They are:

*Labour market changes:* There are major structural changes in the labour market resulting from a period of very rapid economic change and globalisation. They are creating both new opportunities and new risks:

- There is increasing demand for new skills and higher levels of education. This can create new job opportunities but also create new barriers for those who are lacking the skills necessary to access such opportunities, thus creating more insecurity for those who are unable to adapt to the new demands.
- There are also new job opportunities in services for people with low skills leading to increased income into households, though this can also lead to the danger of persistent low paid and precarious employment, especially for women and youths.
- There are also more opportunities for part-time and new forms of work which can lead to new flexibility in balancing home and work responsibilities and to a pathway into more stable employment, but also can result in more precarious employment.
- These trends are often accompanied by a decline in some traditional industries and a drift of economic wealth from some areas to others thus marginalising some communities and creating problems of congestion in others. This problem receives particular attention in the NAPs/incl of Greece, Portugal, Ireland, the UK and Finland and is also evident in the regional differences within Spain, Italy and Germany.

Overall, these structural changes in labour markets, which often impact on the weakest in society, have been recognised by all Member States.

*eInclusion:* The very rapid growth of the knowledge-based society and Information and Communication Technologies (ICTs) is leading to major structural changes in society both in economic and employment terms and in terms of how people and communities relate to one another. These changes hold out both important opportunities and significant risks. On the positive side ICTs are creating new job opportunities and more flexible ways of working that can both facilitate the reconciliation of work and family life and allow more flexibility about where people work. They can contribute to the regeneration of isolated and marginal communities. They can be used to improve the quality of key public services, to enhance access to information and rights for everyone and to make participation easier for people with particular disadvantages such as people with disabilities or people who are isolated and alone. On the other hand, for those who are already at high risk of exclusion, ICTs can create another layer of exclusion and widen the gap between rich and poor if some vulnerable and low income groups do not have equal access to them. The challenge facing Member States is to develop coherent and proactive policies to ensure that ICTs do not create a new under-skilled and isolated group in society. Thus they must invest in ensuring equal access, training and participation for all.

In the NAPs/incl, the eInclusion issue is substantially recognised by the different Member States on the basis of a quite developed analysis of the risks and current national gaps. However, the scale of the challenge is not well quantified and indicators are in general not developed in the Plans.

*Demographic changes and increased ethnic diversity:* There are significant demographic changes taking place across Europe which see more people living longer and hence a greater number of older people and particularly very old people, the majority of whom are women. This is particularly highlighted by some Member States (Italy, Netherlands, Portugal, Greece, Austria) but is generally a growing issue. The old-age dependency ratio, defined as the proportion of people aged over 65 to working-age population (20-64) has increased from 25 % to 27 % between 1995 and 2000, and is foreseen to increase further to 53 % by 2050 (Source: Eurostat).

A reduction in birth rates in many countries is also contributing to an increase in dependency ratios. This has important implications for poverty and social exclusion in several respects:

- Tax/welfare systems are being challenged to fund adequate pensions for all older people, particularly for those, mainly women, whose working career has not been sufficiently long and/or continuous to accumulate satisfactory pension entitlements;
- Whereas public services are being challenged to meet the needs of a growing elderly population, to provide care and support, to ensure ongoing opportunities to participate fully in society and to cope with increasing demands on health services.

Several Member States recognise in their NAPs/incl a trend towards growing ethnic, cultural and religious diversity in society, fuelled by international migration flows and increased mobility within the Union. In a recent communication ( COM 2001 (387) ) the Commission has also emphasised that, due to demographic and other pressures, there will be a need for increased migration of both skilled and unskilled workers in the EU. This has important implications for all policies which aim at promoting social inclusion and strengthening social cohesion. In its communication, the Commission has stressed that "failure to develop an inclusive and tolerant society which enables different ethnic minorities to live in harmony with the local population of which they form part leads to discrimination, social exclusion and the rise of racism and xenophobia."

*Changing Household structures and the role of men and women:* In addition to the ageing population requiring more care, households are changing more frequently as an effect of growing rates of family break ups and the trend towards de-institutionalisation of family life<sup>11</sup>. At the same time women's access to the labour market is sharply increasing. Moreover, women were traditionally, and still often are, in charge of unpaid care for dependents. The interaction between all these trends raises the crucial issues of reconciling work and family life and providing adequate and affordable care for dependent family members.

This is acknowledged to various degrees by all Member States. The increased participation of women in the labour market is seen as positive in terms of promoting greater equality between men and women, generating higher household incomes to lift families out of poverty and increasing opportunities for active participation in society. The main challenge is then for services and systems to respond in new ways to support parents combining work and home responsibilities and in ensuring that those who are vulnerable are provided with adequate care and support. This is particularly stressed by those Member States such as Greece, Spain, Italy and Portugal for whom the family and community was the key support against poverty and exclusion.

An aspect of the changing household structure is the growing number of one-parent households. These households tend to experience higher risk of poverty, as evidenced by the fact that 40% of the people living in such households were below the 60% relative income line in 1997 (the same percentage as in 1995) (Table 3c). Such risks are particularly acute for women who constitute the large majority of single parents. This is emphasised in a number of NAPs/incl (Austria, Belgium, France, Germany, Spain, UK). However, it is noticeable how a number of countries (in particular Finland, Denmark and Sweden) have much lower levels of poverty risk among one-parent families.

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<sup>11</sup> COM (2001) "The social situation in the European Union 2001.

## Key risk factors

The NAPs/incl clearly identify a number of recurring risks or barriers that play a critical role in limiting people's access to the main systems that facilitate inclusion in society. These risks and barriers mean that some individuals, groups and communities are particularly at risk of or vulnerable to poverty and social exclusion and are also likely to experience difficulties in adjusting to the structural changes taking place. They also serve to highlight the multidimensional nature of the problem, as it is usually due to a combination or accumulation of these risks that people (both adults and children) are trapped in situations of poverty and social exclusion. While the intensity of the risks varies significantly across Member States, there is a fairly homogeneous perception of the importance of the following risks:

*Long-term dependence on low/inadequate income:* A number of Member States highlight how the longer the length of time someone has to survive on a very low income the greater the degree of deprivation and exclusion from social, cultural and economic activity and the greater the risk of extreme social isolation. 1997 ECHP data on people living in monetary poverty, that is people who have lived for three or more years in households below 60% of the national median equivalised income, suggests that this is a particular problem for 15% of the population in Portugal, 11% in Ireland, France and Greece, and 10% in the UK (Table 7). The issue of indebtedness associated with low income also features in a number of NAPs/incl.

*Long-term unemployment:* There is a clear correlation between long term unemployment and low income. 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. For countries with high levels of long-term unemployment such as Spain, Greece, Italy, Germany, Belgium or France, with rates exceeding the EU average of 3.6 % in 2000 (Table 9), this risk is considered as a major factor behind poverty and social exclusion. However, all Member States highlight the risks of poverty and social exclusion associated with unemployment and especially long-term unemployment.

*Low quality employment or absence of employment record:* Being in employment is by far the most effective way to secure oneself against the risk of poverty and social exclusion. This is clearly borne out by evidence drawn from the ECHP according to which only 6% of the employed population in the EU lived below the risk of poverty line in 1997, as against 38% of the unemployed and 25% of the inactive (Table 3b). However, remaining in and out of insecure, low paid, low quality and often part-time employment, can lead to persistent poverty and weaker social and cultural relationships as well as leading to inadequate pensions in the future. While the proportion of the “working poor” has been stable in 1995-97, the phenomenon has been more noticeable in a few Member States (Greece and Portugal, with an in-work risk of poverty rate of 11%).

In addition, the absence of employment record is recognised as a key risk factor in particular for women when combined with a family break up and for single elderly women in countries where pension mainly depends on work record.

*Low level of education and illiteracy:* The lack of basic skills and qualifications is a major barrier to inclusion in society and this is even more the case in an increasingly knowledge-based society. There is thus a growing danger of new cleavages in society being created between the haves and have-nots of skills and qualifications. This is well acknowledged by most Member States.

While the total inability to read and write has now been largely eradicated in Europe, except among a small number of the elderly, ethnic minorities and immigrants, the phenomenon of functional illiteracy is widespread. This is recognised by several Member States, notably Greece, Ireland, Portugal and the Netherlands, who highlight the particularly severe difficulties that people with literacy problems face in participating in society and integrating into the labour market.

Many Member States recognise that some groups have particularly high risk of educational disadvantage. For example, Austria, Belgium, France, Italy, Luxembourg, Portugal, Spain and Germany identify poorly educated young people, particularly during the transition from school to work, as a significant group at risk of poverty. Encouragingly several Member States specifically recognise the challenge of integrating children with disabilities into mainstream education provision if their very high risk of educational disadvantage and social exclusion is to be countered. Some Member States such as the Netherlands also highlight the problems of older people with low educational qualifications and the difficulties they face both in accessing the labour market and more generally participating in society. The high levels of educational disadvantage experienced by immigrants and ethnic minorities are stressed by many Member States as are the language barriers that many of them face.

*Growing up in a vulnerable family:* Children growing up in households affected by divorce, lone parent households, poor households with numerous children, jobless households, or households in which there is domestic violence are perceived as being at great risk of poverty and social exclusion. This is borne out by evidence from the ECHP showing that households with 2 adults and 3 or more children and households with a single parent with at least 1 dependent child have the highest risk of poverty rates of all household types, respectively 35% in 1996, and 40% in 1997 (Table 3c). Indeed in most Member States, children (0-15) are at a greater risk of poverty than adults, their average EU rate standing at 25% in 1997, as against 13% for adults (25-49) (Table 3a). Young people (16-24) also show a great risk of poverty, as 23% of them live below the 60% median income line. There is much evidence that children growing up in poverty tend to do less well educationally, have poorer health, enjoy fewer opportunities to participate and develop socially, recreationally and culturally and are at greater risk of being involved in or affected by anti-social behaviour and substance abuse. Some NAPincl have particularly emphasised this risk, as is the case with Finland, Portugal and the UK.

*Disability:* The majority of Member States clearly identify people with disabilities as a group potentially at risk of social exclusion. This is in line with the public perceptions on the importance of disability: 97% of EU citizens think more should be done to integrate people with disabilities more fully into society<sup>12</sup>. It also ties in with consistent evidence from the ECHP of the high risk of poverty for people who are ill or disabled. However, the lack of detailed data and common indicators for people with disabilities is striking. Only Italy, Spain, Portugal, UK and France list clear indicators for people with disabilities, thereby attempting to gain a real picture of the situation. It will be of fundamental importance to improve the provision of indicators on social inclusion for people with disabilities

*Poor Health:* There is a widespread understanding that poor health is both a cause and a consequence of wider socio-economic difficulties. The overall health status of the population tends to be weaker in lower income groups. The percentage of people claiming their health to be (very) bad was significantly higher for those below the risk of poverty line than for those above it in the Union as a whole (13% and 9% respectively<sup>13</sup>), as well as in all Member States. Finland, Sweden, Spain, Greece, the Netherlands, the UK and Ireland, highlight in their NAPs/incl the strong correlation between poor health and poverty and exclusion. Particularly vulnerable groups such as the Roma and Travellers have poor life expectancy and higher rates of infant mortality. This correlation depends on various factors but in particular on the extent to which adverse social and environmental factors, which are experienced disproportionately by people on low incomes, can make it difficult for individuals to make healthier choices.

*Living in an area of multiple disadvantage:* Growing up or living in an area of multiple deprivation is likely to intensify the exclusion and marginalisation of those in poverty and make their inclusion back into the mainstream more difficult. Such areas often tend also to develop a culture of welfare dependency, experience high levels of crime, drug trafficking and anti-social behaviour and have a concentration of marginalised groups like lone parents, immigrants, ex-offenders and substance abusers. Regenerating such mainly suburban and urban areas is seen as a significant challenge across the majority of Member States.

*Precarious housing conditions and homelessness:* Lack of access to adequate housing or accommodation is a significant factor in increasing isolation and exclusion and is perceived as a major problem in some Member States. Pressure on housing supply is particularly noted in areas of rapid growth in Sweden, Finland, and Ireland leading to significant problems of congestion. Particular groups such as immigrants and ethnic minorities (notably the Roma and Travellers) can also face greater difficulties in securing adequate accommodation and thus experience greater exclusion. Many Member States, notably Austria, Ireland, Italy, Netherlands, the UK and Finland, highlight serious problems of homelessness, and some attempt to estimate the numbers involved.

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<sup>12</sup> Results of a Eurobarometer survey conducted in 2000.

<sup>13</sup> ECHP, 1996 as reported in the Social Situation in the European Union 2001.

*Immigration, Ethnicity, Racism and Discrimination:* The majority of Member States, clearly identify ethnic minorities and immigrants as being at high risk of social exclusion<sup>14</sup>. Several, such as Denmark and Ireland, note the growing numbers of immigrants and the challenge of developing appropriate services and supports to help them to integrate into society and of building a more multi-cultural and inclusive society<sup>15</sup>. This is likely to be a growing challenge for many Member States over the next few years as the number of foreign workers and their dependants will increase<sup>16</sup>. A few countries point to other factors of discrimination, such as sexual orientation (Germany). In spite of the widespread recognition of such risks there is a generalised lack of data and common indicators for people from these vulnerable groups. Only Spain, Portugal, Italy, Netherlands and France list clear indicators thereby attempting to gain a real picture of the situation and needs in their countries.

*Breaking the Cycle of Poverty and Social Exclusion* - A number of these risk factors as well as being causes could equally well be seen as consequences or products of poverty and social exclusion. For instance, the concentration of poverty and multiple deprivation in certain communities, high levels of physical ill health, psychological and environmental stress, increases in crime or drug and alcohol abuse and the alienation of young people are all exacerbated by poverty and social exclusion. The point is that the causes and consequences of poverty are often inextricably linked. Thus several Member States highlight the challenge of breaking the cycle of poverty or intergenerational poverty if some individuals and groups of people are not to become further marginalised and alienated from the rest of society.

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<sup>14</sup> The term ethnic minorities generally refers to national citizens of a different ethnic origin than that of the majority of the population (e.g. the Innuits of Denmark). These may include citizens from former colonies (e.g. the black African Portuguese). 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 (e.g. Turkish immigrants in Germany).

<sup>15</sup> See also Council decision of 28 September 2000 establishing a European Refugee Fund where one of the objectives is integration of certain categories of immigrants.

<sup>16</sup> This underlines the importance of ensuring that Community immigration policies are responsive to market needs – see communication COM 2001 (387) from the Commission to the Council and the European Parliament on an open co-ordination for the Community Immigration Policy.



## Eight core challenges

The overarching challenge for public policy is to ensure that the main mechanisms which distribute opportunities and resources - the labour market, the tax system, the systems providing social protection, education, housing, health, and other services - become sufficiently universal in the context of structural changes to address the needs of those individuals, both men and women, who are most at risk of poverty and social exclusion and to enable them to access their fundamental rights. Eight core challenges stand out from the NAPs/incl:

- (1) *Developing an inclusive labour market and promoting employment as a right and opportunity for all:* There is general agreement across Member States of the importance of promoting access to employment not only as a key way out of poverty and social exclusion but also as a means to prevent poverty and social exclusion. The challenge is thus to develop a range of policies that promote employability and are tailored to individual needs. Such policies should be accompanied by the creation of appropriate employment opportunities for those who are least able to access the mainstream labour market as well as adequate and affordable measures to reconcile work and family responsibilities.
- (2) *Guaranteeing an adequate income and resources to live in human dignity:* The challenge is to ensure that all men, women and children have a sufficient income to lead life with dignity and to participate in society as full members. For several Member States, it means reviewing the systems and policies operating a redistribution of resources across society so that those unable to earn their living or who are retired have incomes that keep pace with general trends in living standards in the wider society. It may also include the development of adequate policy approaches to prevent and tackle problems of overindebtedness.
- (3) *Tackling educational disadvantage:* The challenge here is perceived by some Member States as to increase investment in education as a key long-term policy to prevent poverty and social exclusion. In accordance with Member States' priorities, this challenge may involve working to prevent educational disadvantage by developing effective interventions at an early age (including adequate and comprehensive child care provision), adapting the education system so that schools successfully respond to the needs and characteristics of children from disadvantaged backgrounds, preventing young people from dropping out of school (and bringing those that did back to learning), developing and extending lifelong learning so that there are customised education and training opportunities accessible to vulnerable groups, enhancing access to basic skills provision or tackling (functional) illiteracy. It also may involve strengthening the role of education and training establishments in promoting norms and values such as social cohesion, equal opportunities and active citizenship.

- (4) *Preserving family solidarity and protecting the rights of children:* For several Member States, the challenge is to find new ways of supporting the family in all its forms as a prevention against poverty and social exclusion while promoting equality between men and women and taking into account their changing roles in society. In addition, giving particular support and guidance to vulnerable families and protecting the rights of children is another key challenge in a number of countries. Some Member States also stress that promoting individual rights and the fight against discrimination are important tools in combating poverty and social exclusion.
- (5) *Ensuring good accommodation for all:* 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.
- (6) *Guaranteeing equal access to quality services (health, transport, social, care, cultural, recreational, legal):* A major policy challenge, particularly for those Member States who have had a low investment in such services, is to develop policies that will ensure equal access across this wide range of policy domains. In this context it is striking that the legal, cultural, sporting and recreational dimensions remain undeveloped in many NAPs/incl.
- (7) *Improving delivery of services:* Delivery of social services is not limited to the ministries of social affairs but involves other actors, public and private, national and local. Four kinds of challenges can be identified from a large number of NAPs/incl. First, to overcome the fragmentation and compartmentalisation of policy making and delivery. This means recognising the importance of greater integration between different policy domains and of co-ordinating national plans with approaches at regional and local level. Secondly, to address the issue of the links between the national, regional and local levels, particularly in those Member States with strong regional structures. Thirdly, to overcome the problem of policies and programmes that seem remote, inflexible, unresponsive and unaccountable and to address the gap between democratic structures and those who are poor and excluded. Fourthly, to mobilise all actors in the struggle against poverty and social exclusion and to build greater public support for the policies and programmes necessary to shape an inclusive society.
- (8) *Regenerating areas of multiple deprivation:* The challenge of developing effective responses to the problems posed by areas of multiple deprivation (both urban and rural) so that they are reintegrated into the mainstream economy and society is recognised by Member States.

## **2. STRATEGIC APPROACHES AND POLICY MEASURES**

### **Promoting a strategic and integrated approach**

The Nice objectives were set in a political framework that made the promotion of social cohesion an essential element in the EU global strategy for the next ten years. The 2001 NAPs/incl are therefore a first step in a multi-annual process which should contribute to making a decisive impact on the eradication of poverty and social exclusion in the EU within that horizon. Furthermore, poverty and social exclusion take complex and multi-dimensional forms that require the mobilisation of a wide range of policies as part of an integrated approach. Member States were therefore encouraged to develop in their NAPs/incl a strategic and integrated approach to fighting poverty and social exclusion. The aim of the present chapter is to draw out lessons from the approaches adopted by Member States in trying to develop a strategic and integrated approach in their NAPs/incl.

In considering the different ways national strategies were developed account must be taken of the underlying differences across Member States in terms of:

- the nature and extent of the existing social protection system, including the level of public expenditure in social protection, and its universality and effectiveness;
- the perceived dimension of poverty and social exclusion, which in some cases is assimilated to the specific problems of most vulnerable groups in society, while in others it is considered as pervasive to the society as a whole;
- the extent to which an integrated anti-poverty strategy, encompassing a broadly agreed analytical framework, a set of priorities and a monitoring process, already exists in the country;

In addition, the first round of NAPs/incl demonstrates clearly that developing an effective strategic approach to tackling poverty and social exclusion is different in Member States such as Belgium, Germany, Italy, Austria, the UK and Spain in which responsibility for key policies (e.g. health, education and social assistance, etc.) is largely devolved to and/or shared between regional and local authorities. It is clear that this has the advantage of ensuring that strategies can better reflect local differences and be more responsive to local needs. It can also facilitate the mobilisation and participation of all actors. However, it also leads to particular challenges in terms of integrating local, regional and national policies and in combining, where necessary, overall national and regional targets. The process of developing an overall plan under these conditions has also proved a more complex one which requires a more lengthy period of preparation. However, in spite of the constraints the challenge of a regional approach led in these Member States to important steps forward during the course of developing the NAPs/incl.

Whatever the starting point or particular circumstances of Member States, three elements can be identified that provide the basis for developing national plans which are strategic, coherent and add value to existing efforts to combat poverty and social exclusion. These elements are: a high quality analysis of the **key risks and challenges** and an assessment of the effectiveness of existing responses; the establishment of **clear priorities**, on the basis of the common objectives adopted in Nice, including the setting of specific goals and targets; and an **integrated and multi-dimensional approach** to policy development. All plans contain some or all of these three dimensions to a greater or lesser extent and are themselves important steps in the formation and implementation of policies combating social exclusion. The process is at a very early stage and the present report does not intend to assess Member states policies and their effectiveness. In this context the following analysis is based on the presentation of the NAP's and is intended to help the identification and exchange of good practice.

**Analysis:** All Member States provide some assessment of the situation in their country. Some Member States, for example Belgium, Denmark, France, Italy, Netherlands, Portugal and the UK have provided comprehensive analyses of important structural trends and their underlying causes with indicators which underpin their assessment of the key challenges and risks both currently and into the future. The Greek NAP/incl identifies the key challenges and problems and focuses on particular target groups in the wider context of economic, employment and social reforms. The German NAP/incl takes into account the analysis included in its recent national poverty report.

**Priorities and Targets:** Several Member States use their analysis as the basis for developing a particularly coherent set of strategic objectives which build on the common objectives agreed in Nice. These are comprehensive and are translated into a set of specific goals and targets against which future progress can be assessed. They thus have a clear focus on bringing about structural change with a measurable impact on the eradication of poverty and social exclusion. Within this category there are quite a variety of responses as some conclude from their analysis that they need to set new or more ambitious objectives than heretofore whereas others conclude that their existing systems work well and thus place the fight against poverty and social exclusion very much in the context of their developed universal social protection systems. In this latter case their objectives tend to focus on improving their systems further through a range of very specific measures.

In the NAPs/incl of Denmark, France and Netherlands the objectives are forward looking and flow from their in-depth analysis. The NAPs/incl of Denmark, Netherlands, Portugal, Finland, Sweden and the UK, have set targets that extend beyond 2003. Germany, Austria and Luxembourg concentrate on improving their comprehensive social protection systems by adding or extending a number of specific measures.

**Integrated Approach:** The NAPS/incl of Denmark, France and Netherlands use a strongly holistic approach to policy, reflecting their developed universal systems, as do Finland and Sweden. Such an approach leads them to link and integrate policies in a consistent way and helps in moving beyond a purely sectoral or target group approach and in taking a proactive approach to preventing poverty. Ireland highlights the multi-dimensional and integrated approach adopted under its existing National Anti-Poverty Strategy, in which context it has set medium-term targets which it will shortly be reviewing. The UK locates its plan within the broader framework of its existing national anti-poverty strategy.

While the NAPS/incl may differ in terms of the strategic approach which they have developed, all share a range of fundamental principles and objectives underpinning the European social model, such as "solidarity", "social cohesion", "respect for human dignity and fundamental rights", "integration and full participation in society" and "high level of social protection". At least two aspects are worth highlighting among those strategic elements that are common to most NAPS/incl.

Most NAPS/incl recognise the need for policies that **invest in new starts**. Building inclusive and active societies goes beyond protecting people against major risks and drawbacks in life. Initiatives taken in the NAPS/incl with regard, for instance to exclusion from the labour market, long-term unemployment, delinquency or addiction, skills redundancy, homelessness, family breakdown, poor or inadequate school behaviour and intergenerational poverty, respond to the often complex needs and difficult conditions faced by those for whom they are intended. They reflect a framework of rights and duties underpinning the goods, services and other provisions made available to support new starts.

Most NAPS/incl tend to tackle risk and disadvantage no longer defensively, i.e. as a threat, but to develop strategic responses that **turn risk and disadvantage into opportunity**. Policies and actions in relation to disability, migration, and deprived areas, for example, seek increasingly to bring out and develop the untapped potential of immigrants, people with disabilities, lone parents and older people as well as lagging regions and neighbourhoods. However, while most Member States aspire to achieving as universal and inclusive systems as possible which will support the integration and development of such individuals and areas and underpin people's fundamental rights as citizens, in practice several Member States still tend to concentrate on less universal and more selective policies which are based on a sectoral and target-group approach.

## **Promoting exchange of good practice and innovation**

An important goal of the new European process is to promote the exchange of good practice and innovative approaches, in order to facilitate mutual learning. It was therefore expected that all NAPs/incl would set out in a structured manner a range of policy measures to tackle the priorities defined in the framework of the Nice objectives. Two issues are important in assessing how the different NAPs/incl have met such a requirement.

1. To what extent can the NAPs/incl be used as a primary source for identifying good practice of common interest to Member States?
2. To what extent has the NAPs/incl exercise led to the formulation of new and/or innovative policy measures and approaches?

Member States have included in their NAPs/incl a more or less detailed description of the policy measures in place or planned in order to meet their priorities. Some member States, particularly those with universal systems, opted to highlight new and more specific measures while taking for granted knowledge of their existing systems. The large majority have included examples of good practice to facilitate their identification. Therefore, in addition to their political relevance, the NAPs/incl also constitute a wealthy source of information which enables the Commission and the Member States to obtain an updated and comprehensive overview of the major policies in place. However, the examples of policies given under the different chapters of this report are based on the information delivered in the NAPs/incl and do not represent exhaustive lists of existing policies in this domain.

The lack of in-depth post evaluation analysis of the impact of current policies has limited the possibility of identifying which measures, approaches or initiatives deserve good practice status in the present report. Evaluation of policies (both ex ante and ex post) seems to be a key area for future development, with social benefits being made more explicit. Given overall constraints on resources, it is essential also to focus on the costs of policies and to look at whether other policies could achieve the same aims more efficiently. Also, in examining the possibilities of dissemination of good practice, full account should be taken of the underlying conditions in each Member State, and the extent to which they have conditioned success.

The identification of good practice and innovative approaches of common interest has therefore to be seen as an ongoing process of which the present report is just the first step. The examples from the member States highlighted in boxes in this report should be understood in this light. The exchange of good practice between Member States will be enhanced in the future by more extensive evaluations of the impact of national policies and through the development of a comprehensive set of indicators and methodologies, at both national and EU level. It is important to note that some of the new measures highlighted may already be in place in other Member States.

The relatively short time available to develop the first NAPs/incl has impaired the formulation of new and/or innovative policy measures and approaches. The measures presented in all NAPs/incl have basically been developed in the context of existing budgetary and legal frameworks. Most Member States therefore have focused their efforts on improving co-ordination, refining and combining existing policies and measures and promoting partnership, rather than launching important new initiatives or policy approaches. These goals are facilitated for Member States like Denmark, Netherlands, Sweden and Finland, which already possess highly developed universal policies, or France, where the policy efforts against exclusion are being strengthened after last year's evaluation of the 1998 national law against social exclusion. For these reasons, the NAPs/incl of these countries tend to be relatively more forward-looking<sup>17</sup>. Other Member States, like Greece, Spain and Portugal, saw in the preparation of the NAPs/incl an opportunity to introduce more ambition in their policies against poverty and social exclusion, by setting targets or rationalising the policy framework.

### **3. IDENTIFICATION OF GOOD PRACTICE AND INNOVATIVE APPROACHES**

Policy responses in the NAPs/incl generally consist of a mix of market-oriented responses, public policy provision and civil society action. Throughout the different policy strands it is possible to identify three general goals which they seek to promote:

- Universality: This means ensuring increased levels of Adequacy, Access and Affordability of mainline policies and provisions with the view to improving their coverage, uptake and effectiveness.
- A level playing field: This means addressing specific disadvantages that can be overcome by the use of appropriate policy (e.g. lack of skills);
- Solidarity for human dignity: This means compensating for disadvantages that can only be partially (or not at all) overcome (e.g. disabilities).

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<sup>17</sup> The Finnish NAP/incl, while not including any new measure, refers to a range of policy issues being considered for further policy developments.

### 3.1 **Objective 1: To facilitate participation in employment and access by all to resources, rights, goods and services**

#### 3.1.1 *Facilitating participation in 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 lifelong learning.

All Member States agree that promoting participation in employment is a key way of both preventing and alleviating poverty and social exclusion. The right to work is a fundamental right and a key element of citizenship. Participation in the social community of a workplace is, for most people, a key means of both ensuring an adequate income (both in the present and when retired) and extending and developing social networks. This facilitates participation in society and reduces the risk of marginalisation.

In their NAPs/incl most Member States make links with the NAPs/empl. This was indeed expected, as the Employment Guidelines put due emphasis on the creation of job opportunities and the improvement of employability, which are essential conditions for making the labour market more open and inclusive. Some Member States recognise the important role that the European Employment Strategy has played in developing a more effective policy approach to fighting unemployment based on individualisation, activation and prevention.



Most of the policy areas and initiatives mentioned in this section were already considered under the Luxembourg Process. However, while the Joint Employment Report covers the whole range of policy actions which aim at improving the efficiency of the labour market and increasing the employment levels towards the targets set in Lisbon, and must be evaluated as such, the present report tends to focus on actions that will facilitate participation in employment for those individuals, groups and communities who are most distant from the labour market. A number of Member States have rightly noted the positive role that such actions can play towards more general employment goals, such as increasing the employment rate. While all NAPs/incl prioritise employment there are differences in emphasis. These tend to reflect differences in the employment situation across Member States. Countries with high employment and low unemployment emphasise the need to increase labour participation of specific groups, such as older people, immigrants or people with disabilities (Luxembourg, Netherlands, Denmark, Austria, Sweden and Ireland), also with a view to tackling current labour shortages. On the other hand, countries where unemployment and especially long-term unemployment is a widespread problem concentrate on more comprehensive policies to encourage job creation and increase the employability of the long term unemployed and young people (Spain, France, Belgium).

Many Member States, while emphasising the centrality of work, also stress that access to work should not be promoted regardless of other fundamental rights but rather should complement them. Thus access to work should not be at the expense of the right to an adequate minimum income, the right to participate fully in family, community and social life or the right to good health.

Full access to stable and quality employment for all women and men who are capable of working is to be seen as a result of a complex process of transformation of labour markets. In the Danish NAP/incl, the outcome of such transformation is defined as the inclusive labour market, where more persons with poor qualifications or reduced capacity for work get a chance to use their skills and participate in working life. The inclusive labour market is a broad concept mainly expressing the expectations that workplaces should be open to persons who are not capable, under all circumstance and at all times, of complying with prevailing performance or norms.

Policies that increase the employability of the most hard-to-place individuals, through the use of active policies, and in particular training, as well as policies aiming at reconciliation of family and work life or the promotion of the social economy, may be an efficient way to promote social inclusion. But an essential step is to make the existing labour market more open and responsive to employing individuals and groups who are currently marginalised and excluded.

## **Promoting a more open and responsive labour market**

Measures to increase the openness and responsiveness of the existing labour market to people who are currently excluded include:

- Introducing social clauses/chapters in collective agreements for employing and retaining persons with reduced capacity for work in the labour market (Denmark) or establishing quotas for the employment of particular groups such as people with disabilities (Germany, Austria);
- reducing employers' costs in employing people with less skills or certain categories of unemployed (Denmark, Luxembourg, Greece, Sweden);
- promoting education and training of employers to counter prejudices or discrimination against people from particular communities or particular backgrounds and regular review and monitoring of recruitment procedures and outcomes;
- ensuring that government agencies prepare action plans for the promotion of ethnic diversity among employees (Sweden);
- inserting social clauses into publicly awarded contracts requiring the employment of people who are long-term unemployed or from special groups or from local disadvantaged communities or the introduction of a policy of ethnic equality (Denmark);
- expanding "sheltered", "near market" and rehabilitative job opportunities for particularly vulnerable people (Denmark, Finland);
- promoting entrepreneurship amongst disadvantaged groups and communities and provide intensive support to local economic development initiatives in areas of multiple disadvantage;
- focusing economic investment and employment development policies on unemployment blackspots, particularly areas of multiple disadvantage (UK; see also section 3.3.3);

## **Putting in place pathways towards employment**

Developing and implementing pathways towards employment is widely recognised as a key dimension of developing a more inclusive labour market. Pathways normally combine several insertion measures like counselling, training, subsidised or sheltered employment, with the activation of social assistance recipients. This is a crucial and sensitive aspect as often social assistance recipients are people that are very far away from the labour market who require extensive and personalised aid. The majority of Member States reflect clearly in their NAPs/incl a change in philosophy from passive income support to active support to assist people to become autonomous. In some cases, explicit reference is made to the experience gained under the implementation of the NAPs/empl with a view to extend the same approach in order to cover also those more distant from the labour market.

The link between the labour market situation and other elements of exclusion is recognised, with many Member States quoting as an objective the better collaboration between employment and social services in order to better target individual needs (Austria, Germany, UK, Finland, Luxembourg, Spain and Sweden). This focus on employability has led to the development of more tailor made supports for people and in several cases this has led to the development of specific social insertion contracts such as in Portugal and France and Luxembourg.

Developing effective insertion and activation measures is complex and more comparative studies between Member States as to what works best for those who are most distant from the labour market would be useful. Emerging best practice seems to suggest that measures should be developed in ways that are seen as supportive and developmental and not punitive. Individualised programmes should be developed in consultation and mutually agreed after careful assessment of people's needs and potential. For those who are most distant from the labour market insertion can take time and can involve preparatory action and confidence building.

It is clear that developing more effective activation programmes requires improvement in delivery mechanisms. A number of key improvements can be identified from the NAPs/incl. These include: greater decentralisation and more integrated localised delivery of employment and social services and supports such as the establishment of fifty Employment Promotion Centres in Greece or the Social Activation Incentive Scheme in the Netherlands or efforts to reduce and streamline bureaucratic procedures (Germany and France).

While a focus on prevention and thus early intervention is important so that people do not become too distant from the labour market it is also important that schemes do not cream off those who are most easily reintegrated and give less attention to those who are less productive. If not careful this could be one of the risks in setting ambitious targets or using reintegration companies without setting sub targets for the most vulnerable groups.

As well as developing focused activation programmes many NAPs/incl also give a high priority to their training and education policies with an increased emphasis on lifelong learning and on ensuring that vulnerable groups have enhanced access to this provision (Austria, Germany, Ireland, Italy, Luxembourg, Portugal, Sweden) and better access to apprenticeships such as Luxembourg's proposed apprenticeships for adults.

In developing a more active approach to increasing employability for long-term unemployed and those who have been long-term dependent on welfare Member States also recognise the particular challenges facing a number of especially vulnerable groups. Weakest groups in the labour market are identified as not only the long-term unemployed, but also young people, older workers, the disabled<sup>18</sup> and immigrants.

In line with the NAPs/empl, all Member States undertake to facilitate women's participation in employment<sup>19</sup> with a particular attention to those in more difficult situation such as the lone parents cited by most Member States, the disabled (Germany) and those with low skills (Spain, France) or returning to the labour market (Ireland).

*Young people:* Many Member States prioritise problems that have arisen around the transition from school to work, in particular for those individuals who do not complete their cycle of education/vocational training. Some countries have elaborated specific programmes to ease young people into employment such as Belgium's First Job Agreement, Finland's Rehabilitative Job Activities, France's Trace programme, Sweden's Municipal Youth Programme and the UK's New Deal for Young People of work related support and training which is compulsory for young people after six months. Other countries concentrate on the development of the vocational training system as an alternative route to basic qualifications (for example Italy is reforming the vocational training system following the example of the dual system and through the development of apprenticeship and internships and Greece is developing a system of Second Opportunity Schools aiming at reintegrating individuals over 18 in the educational process by means of individualised teaching). In countries where the vocational training system is already well established (Germany, Austria, Luxembourg) the emphasis is on facilitating job search and retention as well as on training, back-up assistance and counselling to limit the number of drop-outs. In this context it is interesting to note also the attention given to financial incentives to the trainee (subsidies to training).

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<sup>18</sup> Provisions to support the integration of disabled people in the labour market will be reviewed in section 3.3.1.

<sup>19</sup> Provisions regarding the access of women in the labour market are dealt with under Chapter 4.

#### **TRACE: PERSONALISED PROGRAMME FOR YOUNG PEOPLE IN DIFFICULTY (FRANCE)**

This programme is addressed to young people in difficulty. It offers each young person a tailor-made programme and follow up for 18 months by professionals and aims at placing at least 50% of them in durable employment. It is based on:

- the specific engagement of one young person with one social assistant with the signature of a contract. Each social assistant follows 30 individuals, can get to know them personally, their previous training and working experiences etc.;
- A piloting committee which coordinates and mobilises the existing activation measures which may exist at national, regional or local level. It also aims at eliminating administrative blockages and at favouring the links with other policy areas (health, housing, training etc.)

*Older workers:* The problem of older workers who lack the education or skills to access jobs in the modern labour market is identified by many Member States. For this reason many NAPs/incl emphasise the need for intensive skilling offensives and retraining of older workers (Germany, Finland, Netherlands and the UK). Some Member States also highlight the importance of flexible arrangements for work towards the end of a person's career (Finland, Denmark and Sweden).

#### **SPRING PROGRAMME: EXCHANGE HELP FOR A JOB (BELGIUM)**

This programme is aimed at long term unemployed and minimum income recipients. It combines activation measures with the use of specific contracts of the temping agencies. Temping agencies receive subsidies for 24 months both to decrease the wage bill and to train the beneficiaries. The objective is to reduce the minimum income recipients by one third in five years and to raise the number of beneficiaries of activation measures from 5% to 20%.

*Ethnic minorities and immigrants:* The majority of Member States clearly identify ethnic minorities and immigrants as often having particular problems in accessing the labour market and many recognise the need to increase their employment levels. A few Member States set out specific targets in their NAPs/employment with that aim (Denmark, Netherlands). A number of interesting measures in this field is mentioned in some NAPS/incl. For example in Finland integration of immigrants is supported by an integration plan jointly drawn up by the immigrant, the municipality and the employment authority. Denmark has initiated a facilitator pilot scheme providing financial support by local authorities and employment services to buy working time of an employee in private companies. Spain provides interesting case studies developed by NGOs (La Huertecica and Asociacion Candelita).

### **PATHWAYS TO EMPLOYMENT FOR MINORITIES (NETHERLANDS)**

In June 2000 the Dutch government negotiated agreements with a number of large companies on additional efforts to be made by these companies in the areas of intercultural management, inflow, transfer and retention of members of ethnic minorities. Intercultural management is an instrument for fleshing out the social dimension of Socially Responsible Enterprise. It involves the optimum utilisation of the possibilities for cultural diversity in the workforce (with an inward focus) and an acknowledgement of the cultural diversity of the clients (the environment in which the company operates). The government facilitates the preparation and implementation of this framework agreement via the project organisation 'Ruim Baan voor Minderheden' ('Pathways to Employment for Minorities'). The tasks of the project group are to provide a platform for the exchange of best practices, product development, to implement innovative trial projects and to eliminate bureaucratic bottlenecks.

### **FACILITATOR SCHEME FOR NON-DANISH ETHNIC MINORITIES (DENMARK)**

The Government pilot scheme enables local authorities and Public Employment Services to provide financial support to buy working time of an employee in a *private* company to function as a facilitator or, in the case of small companies, to pay the fees of an external adviser facilitator. Facilitators and advisers are to help introduce new employees with a non-Danish ethnic background to the company. They inform the new employee of the norms and values in the company and facilitate dialogue and social interaction between the new employee and other employees in the company.

The target group for the scheme is unemployed people with a non-Danish ethnic background who claim cash benefits or unemployment benefits. The support scheme may be used when an unemployed person is offered ordinary employment, or it may be used in connection with offers of (individual) job training, on-the-job rehabilitation, flexible working arrangements and sheltered employment with wage subsidy.

Local authorities or the Public Employment Services can also use some of the funds to disseminate information about the facilitator scheme to companies or to arrange courses, establish networks etc.

### **Promoting the reconciliation of work and family life**

Many Member States recognise that, in order to ensure that people stay or move into employment, it is important to help them to overcome barriers which may hinder their participation. The main factor mentioned in NAPs/incl is child (and other dependent) care, but other aspects are mentioned, such as a decent housing, good health, adequate transport.

As regards childcare, most Member States address it by increasing childcare facilities to help women access the labour market and fewer Member States, such as Sweden, Germany and Denmark, widen their approach to the various possible means to better reconcile work and family responsibilities for men and women.

Some Member States are introducing changes to legislation in order to increase the availability of parental leave for both parents, while others, such as Finland, Sweden, Italy and Portugal and others are taking measures to increase the take up of parental leave by men. In Sweden, the maximum period of parental benefit following childbirth has recently been increased by 30 days up to 480 days, provided that both parents make use of at least 60 days each.

Member States also develop incentives for employers to promote reconciliation between work and family responsibilities. Denmark does it within the framework of corporate social responsibility. Portugal intends to develop with the employers a social gender contract encouraging men to take a larger part in domestic duties. In Austria a prize is given to family friendly employers. Part time is also becoming an entitlement in more Member States.

The proposed improvements in childcare facilities mainly concern increases of available places, both for very young children and after school for older children. Some NAPs/incl (Italy) also mention the issue of care for other dependants, and the need to develop outpatient care to relieve household members of caring responsibilities. Few Member States address the affordability of childcare for low income groups. In Denmark, local authorities are encouraged to guarantee day-care to all pre-school children regardless of their parents employment status. Some Member States mention specific allowances and/or tax reduction (Austria, Germany, Belgium, Denmark, Italy) or are improving children's allowances (Finland, Ireland, Luxembourg, Sweden).

### **Making use of the potential of the social economy**

The social economy and the third sector provide manifold opportunities for integration and employment. Third sector organisations can be defined as private, autonomous organisations that, inter alia, pursue social and economic objectives of collective interest, place limits on private, individual acquisition of profits and work for local communities or for groups of people from civil society sharing common interests. They also tend to involve stakeholders, including workers, volunteers and users, in their management.

If adequately supported, the social economy can make an effective contribution to expanding the labour market and providing new opportunities for people with poor qualifications or reduced capacity for work so that they can use their skills and participate in working life. The NAPs/incl provide several illustrations of how the potential of the social economy is being exploited in that direction. Italy, France, Belgium and Sweden develop the third sector and the social economy as a source of jobs for people with limited skills or productive potential through measures such as the simplification of the legal framework, easier access to public procurement, and better networking with the public administrations.

### 3.1.2 *Facilitating access to resources, rights, goods and services for all*

- (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.

#### 3.1.2.1 Social protection systems

Thirteen Member States have developed a universal social assistance policy aimed at guaranteeing all legal residents a minimum income, although with limitations in certain cases. In Austria the provision is restricted to EU citizens except in some Bundesländer where it is accessible to all legal residents. In Spain there is no national scheme, but almost all regions have set up minimum income schemes with varying benefits. Italy is still testing the introduction of a universal last-resort safety net until 2002 (the experimental scheme is limited to about 230 communes and 90 000 beneficiaries). Greece continues to provide a range of cash benefits for particular vulnerable groups as well as an income guarantee for pensioners.

#### **Improving adequacy**

The majority of NAPs/incl include initiatives to improve the adequacy of minimum income schemes. The trend in reforms is both to make minimum incomes sufficiently adequate to ensure human dignity and to facilitate full participation in society and re-integration into the labour market. To achieve this, several approaches stand out in the NAPs/incl:

- **Increasing absolute levels:** In a number of Member States minimum income levels have not kept pace with increases in levels of earnings and cost of living. This has led to a reduced purchasing power of minimum income levels in comparison to average purchasing power levels in society at large. Belgium announces the intention to raise the guaranteed minimum income level as well as the level of income support for pensioners (together with Greece).



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– **Protecting minimum income levels against seizure and skimming off:** Several Member States (Luxembourg, Finland, Germany, France, Belgium) introduce measures which prohibit or limit the seizure of minimum income resources, for example in situation of debts, bankruptcy or separation. Others make provisions for a more friendly tax regime.

– **Making minimum income schemes more tuned to the needs of dependants:** The large majority of NAPs/incl include initiatives aimed at increasing and/or combining minimum incomes with other resources to improve the living conditions of dependants, particularly in the case of children of single mothers. Several Member States (Netherlands, France, Belgium, Austria, Sweden) guarantee timely maintenance payments and provide backup arrangements when needed (e.g. advances), particularly to vulnerable lone parents with children.

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#### **GUARANTEED MINIMUM INCOME (PORTUGAL)**

The Guaranteed Minimum Income (GMI) in Portugal is accessible to all legally resident individuals and families suffering from serious economic distress as well as to all young people with family responsibilities and mothers or pregnant women below 18 years. The system is based on the principle of national solidarity and its key objectives are: to guarantee access to a minimum income and integration conditions to all citizens and residents irrespective of their past contributions; to promote integration by means of a tailor-made Insertion Programme developed in consultation with the recipient; to guarantee accompanying support measures aimed at promoting inclusion and participation in society of the recipient; empower the recipient in terms of both rights and responsibilities, underpinned by active solidarity-based policies. The GMI is implemented in close partnership between the national and local government, civil society actors and the recipients on the basis of a contract including clear commitments by all the parties.

Since the GMI system was generalised in July 1997, more than 700.000 people have benefited from the system, of which 41% were children and young people (-18 years) and 7% older persons (+ 65 years). The majority of recipients have been women, single women as well as single parent women. More than one third of recipients have been able to leave the GMI system. The system has also prompted approximately 15.000 recipients to take up education and 16.000 children and young people to return to school in an attempt to curb early school leaving and child labour.

## Improving accessibility

Many NAPincl feature initiatives aimed at improving accessibility to minimum income and resource systems. The vision underlying these initiatives is a rights-based one. Because it is the last-resort safety net, the provision of minimum resources must not simply be offered but guaranteed to all people who need it. Two approaches stand out when it comes to making last-resort safety nets more inclusive.

- **Improving uptake:** The most common approaches (Netherlands, Spain, Denmark, Finland, France, Portugal, Austria and Sweden) in this field are: the development and/or strengthening of 'out-reach' information, awareness and delivery systems; devolving implementation on the basis of partnership arrangements with regional and local levels; and promoting a rights-based approach.

**Promoting universal coverage:** In all Member States access to minimum incomes is no longer reserved exclusively to own nationals. The general policy trend is to ensure that all *legal* residents in their territory have equal access to adequate minimum resources when needed. Some Member States go a step further and extends access to a minimum level of resources to refugees, asylum seekers and illegal immigrants. While the adequacy of these provisions often remains weak, the principle of guaranteeing to all persons in a country the right to human dignity, irrespective of their origin, nationality or legal status, is gaining ground.

### INFORMATION AT HOME TO IMPROVE TAKE-UP OF SOCIAL ASSISTANCE AMONG OLDER PERSONS (HEERENVEEN-NETHERLANDS)

Older people may fail to take full advantage of financial and other social service schemes due to isolation, ignorance, fear of stigmatisation etc . In Heerenveen, welfare and social service organisations work in partnership with older people to put in place a permanent and structured system to inform over-70s *at home* about provisions and schemes in relation to housing, care and welfare to which they have a right but which they are currently not taking up. Secondary objectives are to identify the need for help, care and services, to identify bottlenecks in policy, administration and implementation, and to enable older people to play an active part in the community. Special attention is devoted to older people from ethnic minorities.

## **Making work pay and promoting employability**

There is a general recognition among Member States that creating jobs that are accessible to people who are currently excluded from the labour market needs to be complemented by measures that ensure that taking up those jobs guarantees a decent income. There should not be disincentives which discourage people from moving from welfare to work. While no Member State advocates cutting levels of welfare benefits as an across-the-board measure to put people into work, there is a widespread concern to reduce long-term dependency whenever this is avoidable and to promote activation of the recipients in order to make social benefits a springboard for employment and not an obstacle.

To minimise misuse and the risk of long-term dependency, policy practice with regard to minimum income guarantees has often focussed on the 'last resort' dimension and, as a result, has been fairly restrictive in terms of linking minimum incomes with other resources. There seems to be now a reversion of this trend in most Member States. They envisage the possibility of combining minimum income with work-related earnings or other benefits, while avoiding multiple layers of benefits, which can give rise to unfair treatment of claimants. In addition, many Member States link the delivery of minimum income provisions increasingly with the provision of services which support minimum income recipients to improve their employability, such as counselling, training, voluntary work or other forms of activity and self-development. Measures proposed for making work pay include:

- retaining some benefits for a period when taking up employment (Belgium, Germany, Ireland);
- reducing tax levels on low paid jobs or introducing an "employment bonus" in the form of a tax credit to benefit those engaged in paid activity (France, Netherlands and UK) sometimes specifically targeted at families with dependent children (Belgium);
- combining social benefits and wages (France, Luxembourg and Sweden);

Moreover, in order to support the improvement of the capacity of the schemes to promote upward mobility and sustainable exits, several Member States (Denmark, Netherlands, Sweden) are developing indicators which makes it possible to track the mobility of recipients as long as they remain within the scheme as well as for some time after they have left the scheme.

Some NAPs/incl emphasise that a job does not necessarily lead out of poverty: in some cases this is due to poor productivity 'old economy' type of jobs, in particular in agriculture (Portugal, Greece), in others it appears as a new form of precariousness (Belgium, Italy, France). On the other hand, even a low paid job which is a second income in a household can help lift the household out of poverty. A number of measures aim at making jobs more attractive and at offering better protection to people with a precarious link to the labour market:

- introducing minimum wage legislation (Ireland and UK) and ensuring that social partners pay special attention to minimum wages when they negotiate collective agreements (Austria);
- topping up social insurance contributions of part-time workers or ensuring that pension rights will be earned for parents facing loss of income from regular work (Austria, Germany, Sweden);
- establishing social security protection for a-typical workers (Germany, Austria).

#### **INTEGRATION OF ATYPICAL WORKERS IN THE SOCIAL SYSTEM (AUSTRIA)**

Until recently economically active persons in the grey area between employment and self-employment and persons in certain forms of self-employment and persons on low-income (part-time workers) were not obliged to take out social security insurance.

Today all economically active persons must have social security or be given the opportunity to join a scheme on favourable terms. Some are covered as "independent employees" in the social security scheme for employees. Others are covered as "new self-employed" in the social security scheme for the self-employed. Moreover, employers must now pay contributions for part-time workers (monthly income of up to 296 €) into the sickness and pension insurance scheme and such workers may opt into the self-insurance system (flat rate contribution) in these social security branches.

#### **3.1.2.2 Housing**

All Member States recognise the importance of access to decent quality housing in their NAPs/incl as a key condition for social integration and participation in society. The housing situations in Member States differ greatly but generally function quite well. Most people in the European Union live in a decent to good quality house, which they either rent or own and have access to a reliable supply of water, electricity and heating.

When it comes to low-income sections of the population however the market is performing less satisfactorily in most Member States, and increasingly so. The declining supply of reasonably priced houses at the lower end of the housing market tends to push a rising number of households without adequate purchasing power into the residual segment of the market. Housing quality in this residual segment is low and declining, often lacking basic provisions and the trend in price and rents is generally upward as a result of rising demand pressure.

New precarious forms of accommodation include renting of furnished rooms or mattresses in overcrowded rooms, squatting in buildings, stations and other public spaces and living in informal dwellings such as caravans, shacks, boats and garages.

Given the importance of housing expenditure in the total household budget (on average 25% in the EU) higher rents have particularly strong knock-on effects on residual incomes of lower income households, often pulling them far below the poverty line. The use of indicators which track the share of the net rent in disposable income as well as net disposable income after total expenditure on housing, as proposed by Netherlands, is a welcome development.

The thrust of initiatives by Member States in their NAPs/incl is geared essentially at overcoming the deficiencies in their national housing markets in order to assure lower-income sections of the population access to decent and affordable housing. Most efforts can be grouped under three key policy approaches:

- Increasing the supply of affordable housing and accommodation: measures to complement and stimulate supply of low cost housing and to renovate existing dilapidated housing stock. This includes measures targeted at disadvantaged areas and neighbourhoods.
- Guaranteeing quality and value for money at the lower end of the housing market: measures to better control and regulate the housing market, particularly where it tends to act exploitatively or exclude.
- Improving access and protecting vulnerable consumers: measures to strengthen the position of low-income and other particularly vulnerable consumers on the housing market.

## **Increasing the supply of affordable housing and accommodation**

All NAPs/incl report weaknesses and deficiencies in the commercial supply of decent quality housing which is affordable to low income households. In Ireland, Sweden, Finland, Portugal and to some extent Belgium access is particularly constrained due to structural factors.

Member States make use of a range a measures to stimulate and increase the supply of decent low cost housing. These include: provision of social housing subsidies in the majority of Member States, both for building as well as directly to individuals; investments to renovate and enhance housing stock in disadvantaged urban areas (Denmark, Finland, Portugal, Spain, Sweden and UK) as well as in rural areas (Portugal and Spain); incentives for developing special housing, for example, small and affordable flats for young people (Luxembourg and Spain), accommodation for Travellers (Ireland), disability-friendly housing (Austria, Denmark, Germany and UK) and housing for older people (Denmark and UK); earmarking land for low-cost housing (France and Portugal); tax and other incentives for renovation of old housing stock (Belgium, Germany, Finland, France, Portugal and UK); taxing and seizure of vacant housing (Belgium and France).

## **Guaranteeing quality and value for money at the lower end of the housing market**

Most Member States recognise the need for measures that protect and empower weaker consumers in the housing market against possible misuses and exploitation in the commercial housing market. The following four measures emerge from the NAPincl as being most prominent:

- Demolition of indecent housing and housing estates (barracks, bidonvilles etc) in combination with rehousing of inhabitants in better quality accommodation (Belgium, Spain and Portugal);
- Better protection of the rights of low-income renters and owners by improving regulation and information (Belgium, Denmark, Finland, Ireland, Luxemburg and Sweden);
- Regulating, monitoring and controlling housing standards (Belgium and France);
- Monitoring and controlling the link between rents and (minimum) housing standards (Belgium, France and the Netherlands).

### **ACCESS TO SOCIAL HOUSING FOR PEOPLE LIVING IN SHACKS (PORTUGAL)**

Improving access to housing features as a high priority in the Portuguese NAPincl. Most vulnerable in this field are nearly 80.000 people living in more than 40.000 shacks in urban and sub-urban areas. Since 1993 the Government has pursued an ambitious programme of pulling down the shacks and rehousing the inhabitants in social housing. Whereas the programme rehoused about 900 families per annum until 1998, the number of families has increased to about 7500 per annum since 1999 following protocols which were concluded with 170 town councils. This rhythm will be maintained in order to guarantee to all inhabitants living in shacks access to social housing before 2005.

### **Improving access and protecting vulnerable consumers**

Member States develop a wide variety of measures to address the growing precariousness at the bottom end of their housing markets. These include:

- Efforts aimed at better mapping and understanding 'le mal du logement' (Finland, France and Netherlands);
- Public/Non-Profit/Cooperative 'facilitation agencies' which render information and broker services to weak consumers in the housing market (Belgium, Denmark, Finland, France, Germany, Luxembourg, Spain and Sweden);
- Rental subsidies and/or tax advantages for low-income groups (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Luxembourg, Netherlands, Portugal and Sweden);
- Housing assistance to young people (Denmark, France, Luxembourg, Portugal and Spain);
- Improving access to bank loans and bank guarantees (Luxembourg)

Several Member States provide shelters for particularly vulnerable groups in the form of refuge homes for women and children who are victims of domestic violence (France, Germany and Spain), special housing schemes for homeless people (Denmark, Luxembourg, Greece, Spain and Sweden), preventing cutting utility supplies (France), rehabilitation of accommodation of migrant workers (France), developing supported housing, i.e. housing plus care and services (Denmark, Germany, Netherlands and UK), and housing assistance to single mothers (Greece).

### **TO PROMOTE ACCESS TO HOUSING FOR YOUNG PERSONS – LOCA-PASS (FRANCE)**

The aim of LOCA-PASS is to facilitate access to private or public rented accommodation to all young people below 30 years who are employed or looking for employment in the private sector. LOCA-PASS is managed and funded by the public organisations which collect 1% solidarity contributions to housing by employers. They work in partnership with the 'Union économique et sociale du logement' as well as with representatives of civil society. LOCA-PASS provides a guarantee and an advance to future (young) tenants which enable them to meet the conditions of the housing rental contract. The guarantee covers up to 18 months of rent including charges. The advance is granted at no cost and can either be paid to the tenant or the owner. The granting of the LOCA-PASS guarantee and/or advance is automatic when the applicant meets the conditions. The applicant submits a request to the public housing collection office which is nearest to her/his place of residence. If there is no reply within 8 days, the assistance is considered granted.

#### **3.1.2.3 Healthcare**

Three broad strategies arise from the NAPs/incl to provide better access to healthcare for all:

- developing disease prevention and promoting health education;
- improving adequacy, access and affordability of mainstream provisions;
- launching initiatives to address specific disadvantages.

These three strategies are combined differently in the NAPs/incl according to national situations and priorities.



## **Developing disease prevention and promoting health education**

Preventive and education measures are not necessarily designed for the most vulnerable. Yet they can be most effective at ensuring equal access to healthcare by reaching directly certain groups at risk. They also play a key redistributive role to the extent that they help to overcome financial and cultural obstacles. Developing prevention and education is thus considered as a priority to tackle socio-economic health determinants. Among these policies three categories are often mentioned in the NAPs/incl:

- mother and child care providing for regular health screenings, including vaccination;
- preventive care at school, including regular free consultations and health training as part of the regular curriculum;
- preventive care at work in accordance to health and safety at work legislation or, for those unemployed, free regular health screenings offered by social or health services.

Innovative approaches are to be found in Finland (health training at school) and Austria (annual health screening).

## **Improving affordability, access and adequacy of mainline provisions**

For those already suffering from poor health or most at risk, the need to reinforce coverage, uptake and effectiveness of mainline provisions, thus ensuring universality, is crucial.

Promoting **affordability** will normally require that full eligibility for all necessary services is given free of charge to the lowest income group and that necessary services are provided for those outside this group at a cost they can afford. This can be achieved through different policy instruments resulting in means-tested (income-related) exemptions of contributions. When basic co-payment is seen as necessary, some Member States implement policies which limit individual or household health expenditure to a certain ceiling (annual maximum health bill). Although the objective of affordability is shared by all Member States, the degree of coverage and the quality of care provided under the different systems may differ widely across countries. Considering their respective national contexts, innovative approaches were introduced in France (universal health coverage scheme) and Belgium (maximum health cost bill).

### IMPLEMENTING UNIVERSAL HEALTH COVERAGE (FRANCE)

The universal health coverage scheme was put in place on January 1 2000. It replaces previous social assistance schemes in order to make it possible for everyone to join the social security system and, for the poorest, to have all their costs paid for. In particular, it aims to give to a large number of people, who could otherwise not afford it, access to a number of services previously only covered by complementary health insurance. More than 5 million people are now covered by this scheme. Although widely considered as a step forward, the issues of the level of the means test and of the package of services to which beneficiaries are entitled are still under discussion and further adaptations may occur as a result of a soon-to-be produced evaluation.

In addition to financial obstacles, **access** to healthcare services can be hindered by administrative, institutional, geographical and/or cultural obstacles. Hence the need to facilitate access of users, particularly those with more difficulties, to adequate services. Among these policies, three are most prominent in the NAPs/incl:

- general policy aimed at achieving a more balanced geographical distribution of health services;
- local or regional initiatives aimed at better coordination between social and health services;
- nation-wide recognition of a Charter of user's rights, including the need to reduce waiting lists.

Innovative approaches can be found in Sweden (policy and funding aimed at reducing waiting lists) and Denmark (funding of innovative projects promoting greater coordination between health and social services).

Beyond affordability and accessibility, mainstream provisions should also be made more **adequate** to meet the needs of the most vulnerable. In particular, services should be made more responsive to cases of emergency. These emergency services encompass emergency services of the hospitals, the provision of accommodation/day-shelters for certain groups in need and the existence of outreach services, possibly linked to a free phone line, coordinating the relevant types of professionals.

An innovative approach to this problem can be found in Portugal (setting up of a free national emergency phone line in coordination with local social services).

### Launching initiatives to address groups with specific disadvantages

The adequacy of mainstream provisions is even more crucial for certain groups suffering from specific disadvantages. A certain number of these groups are mentioned in the NAPs/incl: the elderly;immigrants and ethnic minorities; people suffering from physical or mental disability; homeless; alcoholics; drug addicts; HIV positive; ex-offenders; prostitutes. Each of these groups require that certain policies and services be tailored to its specific needs.

In some countries, especially those where comprehensive social protection systems have been put in place more recently, **the elderly** may be vulnerable to social exclusion due to inadequate pension benefits. But in most countries, the most worrying concern is how to face a growing number of situations of dependency, given the limitations of, especially, public care services and the declining support role of families. To address this issue, different policy instruments have been envisaged across the EU, ranging from the development of long-term care facilities to the implementation of long-term care insurance schemes.

Equally important for people in poverty and social exclusion, the issue of **mental health** is raised by a majority of NAPs/incl. Member States agree on the need to tackle mental health problems through various sets of policy measures, relying in particular on greater local and regional cooperation, better provision of outreach and emergency accommodation services and specific training for health and social services' employees.

Considering their respective national contexts, innovative approaches concerning target groups can be found in Greece and in Germany (special provisions to facilitate access to healthcare of people from a migrant origin).

#### **MEDICAL CARE FOR IMMIGRANTS (LOWER SAXONY,GERMANY)**

The aim of the Ethno-Medical Centre (*Ethno-Medizinisches Zentrum – EMZ*) is to provide health services and counselling geared to the needs of immigrants by removing linguistic and cultural barriers to communication, thereby facilitating the task of making accurate diagnoses, particularly with regard to mental or psychosomatic disorders or illnesses. Basic elements of this work are: interpreting service for the social and healthcare services; further training for specialist staff, training provision, seminars/conferences; cooperative counselling network for specialists and experts; mother-tongue awareness-raising events in the field of preventive healthcare; mother-tongue booklets, media, documentation; health-promotion projects (AIDS, drugs, oral prophylaxis, female health etc.); working groups, self-help groups recruitment of volunteer helpers; production of specialist handbooks and publications.

### 3.1.2.4 Education, Justice and Culture

#### Education

Most Member States identify access to education as a fundamental right. They see it as both a key means of preventing the risks of poverty and social exclusion and an important way of supporting the inclusion of the most vulnerable groups. There is an increasing recognition of the importance of access to education for all citizens at all stages of the life cycle if people are to have the skills and qualifications necessary to participate fully in an increasingly knowledge-based society. Thus in most NAPs/incl there is a commitment to improving access to learning and the development of open learning environments in which learning is made attractive, with low (if any) thresholds to entry.

As well as access most NAPs/incl are also concerned with equity in the outcome of education and training. They thus develop measures to level the playing field by addressing specific disadvantages or barriers to educational participation and to compensating those who have missed out on education in the past through developing customised education and training pathways.

In the NAPs/incl there is a broad recognition that some of those individuals who have a particularly high risk of poverty and social exclusion are in that position because lack of skills and qualifications is more widespread in the communities or areas where they live. Those identified include immigrants, ethnic minorities including especially Roma/Gypsy/Traveller children, children living in and attending schools in areas of multiple disadvantage and young lone parents. The educational as well as the training needs of the disabled as well as of older unemployed workers, many of whom left school early with no or minimal qualifications, are also identified in the context of adult education and life long learning. Improving the skills and qualifications of these groups holds out the best prospect of neutralising and overcoming social and ethno-cultural stratification.

There is an emerging consensus that effective interventions to address the different aspects of educational disadvantage involve more than just educational responses. They require integrated and co-ordinated action by a range of actors as educational disadvantage can be adversely affected by weak home/family/community supports, poor health, lack of income, poor housing and environment, poor health, inadequate diet, lack of transport. The UK's Sure Start programme (see box) is a good example of such an approach.

Four strategic policy approaches can be identified which seem to hold out particularly hopeful ways forward: early intervention to prevent educational disadvantage<sup>20</sup>, removing barriers to participation for vulnerable groups, developing integrated responses to early school leavers and promoting lifelong learning and adult literacy.

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<sup>20</sup> This policy approach is treated in detail under section 3.3.2. (eliminating social exclusion among children).

*Removing Barriers to Participation in Mainline Provision for Vulnerable Groups* - There is a recognition in several NAPs/incl, particularly Belgium, Greece, Ireland, the Netherlands and France that some children and their families face particular barriers to participating in mainline educational provision. A number of interesting policy approaches are enumerated to improve access. These include:

- removing financial barriers to participation (Belgium, Netherlands, France and the UK)
- providing free canteens and improving transport or providing accommodation for children from remote areas (Greece), addressing language and cultural barriers of ethnic minorities and immigrants (Denmark, Luxembourg, Sweden, Germany), and providing mentoring and supplementary schooling for children from such communities (the UK)
- integrating children with disabilities into the mainstream education system (Austria, Germany, the Netherlands, Luxembourg, Spain, Italy and Greece)

#### **SECURING EQUAL ACCESS TO EDUCATION (GREECE)**

In Greece a series of measures promote the removal of obstacles to equal access to education and are provided on the basis of socio-economic criteria to students or pupils. These include: **Free student canteens** (11 Centres, 5,312 pupils of limited means); **Accommodation** (4,240 beneficiaries – 331 pupils, mostly from mountainous and remote regions hosted in boarding houses in order to be able to attend the nearest school); **Transport** All pupils living far from their schools are transported free of charge from their homes to school on the Municipality's expense. Operation of schools within hospitals and house tutoring. The "Transitional School for Adolescents" of the "Strophe" service network educates adolescents undergoing a detoxification phase. Special arrangements for admission of candidates of special categories to tertiary education. – Greeks from abroad, foreigners, the Muslim minority of Thrace, persons suffering from serious illnesses. Transfers of special category students. Arrangements for special categories in Vocational Educational Centres. E.g. Repatriated Greek nationals, free attendance for ex-drug users etc. Scholarships – from the State Scholarship Institute, the General Secretariat for Youth) etc. Finally, for working pupils there are evening lyceums and evening vocational schools.

## INTEGRATION OF IMMIGRANT CHILDREN INTO THE REGULAR EDUCATION SYSTEM (LUXEMBOURG)

Approximately 36 % of the people resident in Luxembourg are immigrants of which 13% are Portuguese and 9 % Italian and French. The compulsory education system is to a large extent German. This makes it more difficult for children of immigrants to integrate into the schooling system which, in turn, also impedes their social and cultural integration in society. Non-native speaking children account for 13% of students in secondary education.

To help level the playing field in the education system for non-native children, Luxembourg has decided to organise 'welcoming classes' in French in nursery and pre-nursery schools. This early welcome is to help foster integration into Luxembourg society and, progressively, better equip non-native children to confront and overcome the educational difficulties which they are likely to face as a result of their weaker knowledge of German and Luxembourg national language.

*Developing Integrated Responses to School Drop Out* - Most Member States are very concerned with the problem of children who drop out of school. In practice this can be divided into three overlapping groups. First there are those under school leaving age still attending school but facing difficulties such as truancy, declining marks and behavioural problems. Secondly there are those of school age who have actually dropped out. A third group are those early school leavers who have formally left school but with no or minimal qualifications who face problems of transition from school to work (see section 3.1.1). A wide range of policy responses are described for the first two groups which aim both to prevent drop out and to tackle drop out when it occurs and promote reintegration into the school system. Initiatives include both school focused initiatives and developments in the non formal education sector. These include:

- more emphasis in the curriculum on life and social skills,
- teacher training on issues related to poverty and social exclusion and on intercultural education and the development of more innovative teaching methods ,
- extra resources for schools in disadvantaged areas or with large numbers of disadvantaged pupils,
- better student welfare and educational psychological services,

- more special needs and literacy provision,
- safer school environments, after school clubs, holiday programmes,
- more focus on smoothing the transition from primary to lower secondary and from lower secondary to higher secondary, cutting down on school exclusions, addressing high levels of truancy and better monitoring and tracking of drop outs or those at risk of dropping out,
- better home-school-community liaison.

A key learning point that emerges from these different initiatives is that there is a need to mobilise a range of actors at local level both within the formal and informal education sectors, such as parents, social services, police and probation services, employers, unions and community groups if the problems of those young people who are most alienated from the school system are to be addressed. Schools will need to work closely with these other actors and to place more emphasis on offering new chances which are tailor made and take into account the root causes of why the person dropped out of school in the first place. There need to be better pathways between formal and non formal and informal learning and new ways of recognising and evaluating all competencies. Interesting pilot projects adopting such an approach are provided by Italy and Germany.

### **YOUNG PEOPLE DROPPING OUT OF SCHOOL (NORTH RHINE-WESTPHALIA, GERMANY)**

There are many different approaches to helping this group, such as support measures for those who are tired of education or have left school early, as well as reintegration measures for those "refusing" an education. One of the most successful examples of a reduction in truancy is the "Rath model" in Düsseldorf. Firstly launched in the Rath district, the model has in the meantime become a synonym for reintegration measures for school drop-outs.

The model is a cooperative venture involving municipal authorities, vocational training centres, charitable organisations and local boards of education, upper elementary schools, schools providing "educative assistance" and schools for children with learning difficulties. 27 young people tired of or refusing an education are currently benefiting from the project.

The objective is to bring together school-specific youth welfare work, educational assistance in schools and general support measures in the field of education. The project is worthwhile in that it offers guidance and assistance to young people who have dropped out of education and also children in various difficult circumstances. The collaboration between various schools and youth welfare organisations is considered to be particularly useful.

### **REINTEGRATION OF YOUNG EARLY SCHOOL LEAVERS IN SITUATIONS OF EXCLUSION (ITALY)**

Various initiatives have been taken in Italy to retrieve and assist young early school leavers.

- The municipality of Naples has launched the project 'Chance' in a very run down neighbourhood. The project, which has been replicated with success in a number of Italian cities, aims at recuperating and assisting young people between 13 and 15 years who have withdrawn completely from regular compulsory education. The project is innovative in that it does not bring drop outs straight back to school but organises 'teachers in the street' who approach the young people and offer them tailor-made activities and assistance. Ultimately most of the young people are re-integrated into school.
- The central authority in the north of the country has launched an initiative called 'Creativity of Young People' which has benefited approximately 900 socially excluded youngsters (ex-offenders, drug addicts, unemployed, people with a disability, school drop-outs etc). Social interaction centres have been set up for these youngsters in 27 towns, supported by a public-private partnership. The centres are managed by the youngsters, using their own skills and creative abilities. The youngsters have been trained and coached to set up cooperatives. The pilot experience has resulted in the setting up of 12 cooperatives which are self-supporting and which have also started to network between each other. Approximately 60 % of the youngsters have found a job as a result.



*Promoting Lifelong Learning and Adult Literacy* The increasing importance of lifelong learning in raising basic skills for all and in ensuring people's continued participation in society is highlighted in several NAPs/incl, particularly in the context of rapid developments in ICT (see section 3.2.1 Promoting eInclusion). There are a variety of general approaches aimed at increasing the overall level of participation in adult education in the future. Particularly striking is the growing emphasis on territorial approaches which aim to coordinate provision better at local level and to bring learning closer to home in order to better reach target groups and tailor learning opportunities. The Dutch "Kenniswijk" and the Portuguese "Territorios Educativos de Intervenção Prioritaria" are interesting examples in this regard.

A number of Member States, for instance in Belgium, the Netherlands, Finland, Sweden and Ireland, have developed more targeted approaches aimed at particularly vulnerable groups. These include initiatives like allowing the unemployed to participate in mainline educational establishments in Denmark. Several NAPs/incl also address the issue of (ex) prisoners and are increasingly putting in place projects of either education or training during the prison term and/or afterwards to facilitate transition to society. The Irish NAP/incl gives an example of good practice in this regard, the Moyross Probation Project Céim ar Céim.

For the weakest groups, improving basic skills means, first of all, increasing literacy and numeracy. Many NAPs/incl, for instance Netherlands, Denmark, Belgium, Finland, France, Germany, Ireland, Italy and Portugal, recognise that ethnic minorities, asylum seekers and immigrants would never be appropriately integrated into society unless the deficits are overcome through language teaching. Ireland has specifically targeted the issue of illiteracy and has committed a major increase to its adult literacy budget.

Some NAPs/incl emphasise that as part of life long learning there is a need for ongoing training and education for those involved in anti-poverty work. For instance Denmark proposes specific training and education for "care workers". Ireland notes that local authority personnel need to understand the nature and responses to poverty if they are to better develop local anti-poverty initiatives and is developing a Local Government Anti-Poverty Learning Network to address this need.

#### **THE ADULT EDUCATION INITIATIVE (SWEDEN)**

Since 1997, an initiative has been underway in Sweden within the framework of adult education, the Adult Education Initiative. The overall objective of this initiative is to reduce unemployment, develop adult education, reduce educational gaps, and increase the prospects for economic growth. During 2000, an estimated 223 000 persons have been given the opportunity to reinforce their skills and their position in the labour market through the Adult Education Initiative. The proportion of men who took part in upper secondary adult education increased between autumn 1999 and spring 2000 by 1.4 percentage points to over 33 per cent. The result of the initiative shows that a third of the students had increased their educational level corresponding to one year's study at upper secondary school during the 1997/98 school year. Evaluations have established that three-quarters of the participants in the Adult Education Initiative had received employment or gone on to further studies. Statistics Sweden presented in 2000 a study that showed that municipal adult education could have positive effects both with regard to income and employment.

## Justice

Perhaps surprisingly given the emphasis in the Nice objectives on access to rights, the issue of access to the law and justice only features in a few NAPs/incl (Germany, Italy, France and Netherlands). However, it is also implicitly included in a number of other NAPs/incl, such as Belgium, Finland, Greece and Ireland, in the context of equal status and non-discrimination measures. In addition to an absence of clear objectives and targets, there is a general lack of information and data in relation to the access that people living in poverty and social exclusion have to the law.

Access to law and justice is a fundamental right. Where necessary citizens must be able to obtain the expert legal assistance they require in order to obtain their rights. The law is thus a critical means of enforcing people's fundamental rights. For some vulnerable groups access to the law can be particularly important but also problematic. Groups identified in the NAPs/incl include ethnic minorities, immigrants, asylum seekers, victims of domestic violence, ex-offenders, prostitutes and low income people living in rented housing.

Two key approaches to strengthening access to justice stand out from the NAPs/incl.

*i. Improving access to legal services and justice:* This includes measures such as subsidised legal assistance, local legal advice centres for people on low incomes, specialist advice centres for asylum seekers, the establishment of a comprehensive network of regional departmental committees on access to the law, developing alternative, speedier and more accessible means of resolving disputes and accessing justice for example through separation and conflict resolution projects and small claims courts.

*ii. Developing laws and mechanisms to promote equality and counter discrimination:* A few Member States (Netherlands, Finland, Sweden, Belgium, Ireland and Greece) clearly establish a link between equal status and non-discrimination measures and acknowledge that equality of opportunity and legal measures to combat discrimination are now an essential part of EU social policy and a key means to increase social inclusion. The establishment of new mechanisms and procedures to enable people to access these rights is a key part of this development.

## PROMOTING EQUALITY AND FIGHTING DISCRIMINATION THROUGH THE LAW (IRELAND)

Ireland is committed to promoting equal treatment policies through a series of measures encompassing "The Employment Equality Act, 1998" and "The Equal Status Act 2000" on grounds of gender, marital status, family status, sexual orientation, age, disability, religion, race and membership of the Traveller community. To monitor this legislation, two offices have been established: "The Equality Authority" and the "Office of the Director of Equality Investigations".

The Equality Authority is currently working to three objectives: to promote and defend the rights established in equality legislation, to support the development of a capacity to realise equality outcomes in the workplace and in the provision of goods, facilities, services, education and accommodation and to contribute to a focus on equality considerations within the private and public sectors and across society.

The Office of the Director of Equality Investigations is an integral part of the equality infrastructure which is designed to promote equality and eliminate discrimination. It contributes to the achievement of equality by investigating or mediating complaints of discrimination contrary to the Employment Equality Act, 1998 and the Equal Status Act, 2000.

The feasibility of "equality proofing", which is a process whereby policies are evaluated for any possible adverse impact on groups protected by the equality legislation, is being tested by FÁS and the Department of Education and Science.

## Culture

Access to and participation in cultural activity is a core part of human existence. Such participation is important for fostering a positive sense of identity and encouraging and stimulating creativity, self-expression and self-confidence. Involvement in the arts and creative activity is thus a very important tool in the activation and reintegration of those individuals and groups who are most distant from the labour market and who have the lowest levels of participation in society. Community arts projects can also play an important role in the regeneration of local communities and in the work of neighbourhood groups.

In general the NAPs/incl do not present coherent plans for fostering the participation of those who are excluded in the creation of culture and in cultural activities. However, a few Member States list interesting actions. Denmark's three year integration programme for new immigrants and refugees emphasises opportunities to participate in cultural as well as economic, social and political aspects of society. France highlights the access of the most disadvantaged to Espaces Culture et Multimédias. Portugal emphasises increasing access to culture for disadvantaged groups and the importance of increased decentralisation of provision if this is to be achieved. Ireland highlights a programme and report which examined how the arts can be used for the social integration of the long-term unemployed, Community Arts for Everyone. However, it doesn't draw on the important report on Poverty, Access and Participation in the Arts to develop a coherent overall strategy. The Belgium NAP presents clear statistical information on the cultural deficits of disadvantaged groups and signals the intention to present more details on cultural measures in its 2003 NAP.

## 3.2 Objective 2: To prevent 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.

### 3.2.1 Promoting eInclusion

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. However, the starting point varies greatly across Member States, as some of them (notably 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. The activities promoting eInclusion are therefore more evident in the countries showing greater lags in ICT diffusion.

eInclusion is taken up at a **strategic level** in the NAPs/incl of Netherlands, Portugal and Spain where it is included among the key principles of the strategy against poverty and social exclusion. The most comprehensive policy approach to eInclusion is provided in the NAPs/incl of Netherlands, Portugal and Ireland. The goal is twofold: first, tapping the potential of ICTs for inclusion, through new job opportunities or by improving or generating new services for disadvantaged groups and areas and, secondly, ensuring that no one is excluded from taking economic and social advantage of the new technologies, by removing the barriers to the new society.

As regards the first goal, the initiatives reported focus on **training in ICT**, showing a general consistency with the content of the NAPs/empl. The initiatives address in particular the unemployed and are often characterised by a broad scope, as is the case for France, where 1,2 million unemployed will receive ICT training by the end of 2002, Denmark with IT by now compulsory in all vocational training courses and Italy, with computer training for unemployed in the Southern regions. In some cases training is combined with the provision of ICT equipment, as in Belgium.

The development of **online services** represents another opportunity for increased integration offered by the new technologies, an opportunity addressed by a series of initiatives, especially concerning the electronic provision of all public services, and the creation of one single entry portals, *inter alia* in Austria and Ireland, but also in the Netherlands, the setting up of thematic non-stop "virtual desks". In some cases ICTs provide new channels for interaction, such as in Finland with an e-democracy project aiming at stimulating the social participation of youth.

New technologies and online services are also used to foster **local communities**, as the Portuguese initiative "Com as Minorias" ("With minorities") for immigrants from Africa living in the Lisbon area and the Spanish "Omnia" project in Catalonia show. The key role of local communities and associations is recognised and supported also in Ireland with the CAIT initiative, funding community and voluntary sector projects using the new technologies for social development and Spain, where a plan aims at guaranteeing access to ICTs to the NGOs running social inclusion programmes.

**Raising awareness** on the potentiality of new technologies and services constitutes the first barrier to be tackled for an inclusive knowledge-based society, especially in countries with low rates of internet penetration. The NAPs/incl report some initiatives in this respect, such as the German "*Internet fuer alle*" ("Internet for all") campaign.

Those actions are often strictly linked with initiatives for **ICT basic literacy**, to support the wider population, and the disadvantaged groups in particular, in their first step in the use of Internet and online services. In this respect, it is evident that there is a need for different scale initiatives in the different Members States. On the one hand, the objective to ensure access for all to the knowledge-based society is transposed in some countries with low rates of internet penetration in wide ranging programmes (Spain - "*Internet para todos*", involving 1 million people - and Portugal, with a target of 2 million people with an ICT diploma by 2006). On the other hand, in countries with more than 50% of people online, programmes can focus just on disadvantaged groups (e.g. homeless and elderly people) and neighbourhoods, as in Finland and in the Netherlands.

**ICTs, THE ELDERLY AND SOCIAL INTEGRATION: INTERNET IN HOUSING CENTRES  
(NETHERLANDS)**

In The Netherlands, Internet cafés were set up in 48 combined housing and care centres for the elderly to enable older people to become acquainted with computers and the Internet. In addition, all 1,355 centres received a guide to help them to set up an Internet café with relatively limited resources. The cafés are also PC learning centres and are open to local residents, thus becoming a community meeting place and providing new communication options for older people.

The issue of **availability of ICTs** is mainly addressed from the perspective of public access, whereas ongoing initiatives providing financial support for the purchase of equipment are almost not mentioned. The development of public access, through the so-called public internet access points (PIAPs), is particularly highlighted in France, with a target of 7000 PIAPs by end of 2003 (2500 of which offer ICT literacy support), including cultural multimedia spaces in the structures of the Youth Information Network ("*réseau Information Jeunesse*"), and Luxembourg with the "communal information points" ("*point information communal*"). Greece pays a particular attention to internet information centres in remote areas and islands whereas in the United Kingdom the "UK online" centres (6000 by spring 2002, particularly in disadvantaged communities) match access to the internet with other learning opportunities. PIAPs are or are being installed in the libraries of all countries.

The recent Eurobarometer shows sharp differences in most Member States to the disadvantage of **women** in ICT training and access to Internet. However, only three Member States indicate positive measures to reduce the gaps. Austria presents several initiatives to facilitate women's access to technical professions and computer courses. Germany fixes a target of 40% of women in IT and media job training courses by 2005. Portugal plans to promote equal gender participation in life long learning with at least 50% of ICT content.

In line with the emphasis in the Nice objective on "taking particular account of the needs of people with disabilities" the majority of Member States have included measures to favour access of **people with disabilities** to ICT (Austria, Finland, Denmark, Germany, Greece, Portugal, Netherlands, Ireland and Sweden). Some Member States (Belgium, France, Luxembourg, Spain and the UK) have not adequately addressed this objective in their NAPs/incl. Innovative approaches are evident in Sweden and Denmark where universal design standards will be used to increase access to ICT products. Sweden will review relevant legislation and guidelines to bring them into conformity with the principle of accessibility. Other measures include the improvement of ICT skills for people with disabilities (Sweden, Portugal). For example, ICT will be used as an obligatory teaching tool in all special training courses for people with disabilities in Portugal.

### ICT FOR THE DISABLED (SWEDEN)

During the period 1998-2001 the Swedish Handicap Institute has been conducting a programme of development and practical tests of ICT systems for disabled persons with a view to using ICT to increase their participation and equality. So far grants have been made to more than 60 projects and preliminary studies run by organizations for the disabled and county council and local authority departments and involving disabled people's organizations and individual users. A plan for evaluation and dissemination of information is drawn up for each project. In 2000 an evaluation was also made for the first time by an external consultant. There are four integrated components to the programme: an application programme, an information campaign, a programme designed to improve disabled users' ICT skills, and a study of the social and economic consequences of ICT measures. The objective of the programme is, in the three years, to have acquired documented experience of the use of ICT in new areas and for disadvantaged groups, produced new ICT-based products and services that are adapted to or developed for use by disabled people and developed methods for the testing, training and use of ICT aids and services. About MSEK 30 will be allocated out of the Swedish Inheritance Fund over the three years.

People with disabilities face a wide range of barriers in terms of access to the Internet. As government services and important public information are becoming increasingly available on-line, ensuring access to public websites for all citizens is as important as ensuring access to public buildings. Thus, several Member States have included measures to promote the accessibility of the Internet for people with disabilities (Denmark, Germany, Netherlands, Ireland, Greece and Sweden). Greece, Ireland and Denmark have also adopted Web Accessibility Guidelines for Public Websites.

#### 3.2.2 *Preventing over-indebtedness and homelessness*<sup>21</sup>

##### **Over-indebtedness**

The issue of over-indebtedness is identified by a majority of NAPs/incl as a cause of persistent poverty and social exclusion (Germany, Belgium, Finland, Austria, France, Ireland, Luxembourg, the Netherlands, Portugal). Situations of over-indebtedness occur as a result of various factors, such as unemployment, low income, problems of household budgeting and misuse of credit. Hence the need to have recourse to both preventive and curative measures involving all the services concerned.

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<sup>21</sup> The issue of preventing exclusion from school is treated at length both under objective 1.2 (ensuring access to education) and 3 (eliminating social exclusion among children).

Among preventive measures, training and counselling on money management and budgeting for families at risk is seen as a key policy measure which should be reinforced by the development of relevant services (Germany, Ireland, Luxembourg, Portugal). Moreover, as is planned in Germany, bank and financial institutions may also contribute to supporting these training and counselling schemes.

Among curative measures, most Member States have designed policies facilitating the reimbursement of debts by tailoring the conditions and length of the reimbursement to the financial capacities of the debtors, envisaging in particular the possibility of a moratorium or debt cancellations (Germany, Austria, France). Beyond financial arrangements, there is a wide recognition that overall social guidance remains necessary and that access to basic goods and resources should be preserved. In that respect it is considered as crucial to promote greater cooperation between social and legal services, as well as with private financial institutions.

#### **POLICIES TO COMBAT OVER-INDEBTEDNESS (GERMANY)**

The number of over-indebted households in Germany is estimated at around 2.77 million (1999). Regarding preventive measures, counselling for debtors is currently provided by around 1 160 independently run debt counselling agencies throughout Germany. These are financed by the *Länder*, municipal authorities or the service provider and offer help to debtors free of charge. Further initiatives are planned for 2001–2003 as the German Government has launched a poverty prevention programme aimed at encouraging sections of society to focus more on training and counselling in money matters for children, teenagers and adults and especially on households in a precarious financial position. Additionally, efforts are being made at regional level to get banks, financial institutions and the insurance sector involved in funding debt counselling. For this purpose, the organisations providing debt counselling services will be taking the initiative in setting up "regional negotiating tables".

As regards curative measures, individuals in a hopeless financial position have, since 1 January 1999, had the opportunity to make a new start after completion of a procedure to deal with insolvency and pay of residual debts. This offers the chance to have any outstanding debts written off after a period of six years. In the event of over-indebtedness, limits are placed on the amounts which may be seized in order to ensure that families can afford the necessities of life. The German Government intends to pass legislation in 2001 which will increase the income level beyond which sums may be seized to pay off debts. Changes to insolvency law are also planned: for example, it is intended that provision will be made for administrative costs to be deferred so that totally insolvent debtors will have access to insolvency procedures and thus be eligible to benefit from a possible discharge from their remaining debts.

#### **Homelessness**

Homelessness is perhaps the most extreme form of social exclusion. The information on homelessness in the NAPs/incl however is generally poor. Moreover, whenever indicators are available, they often reflect administrative concerns and outputs (people dealt with by homelessness services) instead of focusing on outcomes. Most Member States admit that they know (too) little about both the magnitude and the nature of the problem, which also prevents them from developing more strategic and preventive measures against homelessness.



A few Member States provide an estimate of the number of homeless: Denmark (4500), Austria (20000 of which 3000 are sleeping rough and the remainder is in supported housing), Finland (10000 single persons and 800 families) and the Netherlands (20000-30000), Italy (17000). Some Member States (Luxembourg, Ireland, Spain, France, Denmark, Belgium) recognise that homelessness may be increasing, but this perception is not shared by all. The UK asserts that the numbers of people sleeping rough have fallen significantly over the last few years. There are indications that homeless populations comprise rising proportions of women, young people, people of foreign origin, persons with mental health and/or addiction problems.

Five Member States (Belgium, France, Netherlands, the UK and Finland) indicate in their NAPs/incl a commitment to strengthen indicators and their information systems on homelessness. The suggestion by Belgium to improve methodologies as well as to promote more harmonised data collection through European cooperation is particularly welcome.

The most interesting features among national policy approaches to homelessness in the NAPs/incl can be summarised as follows:

- Austria provides special shelter and housing arrangements at local level; comprehensive approach (housing + counselling + other services).
- Denmark: National plan (July 2000); local and regional authorities in charge; prevent rent arrears; obligation to provide temporary housing to families in need; comprehensive package: housing + social, health and educational services; special budget DK 200 million 2000 – 2003; project on the homeless and ICT. DK 60 million 1999-2003 for a pilot arrangement to adapt housebuilding to the needs of the homeless.
- Finland: Special programme for reducing homelessness by 2004 including: 1000-1200 new dwellings for homeless (through priority allocation); supporting services; partnership approach 'cooperative bodies'.
- France: Improved use of emergency telephone number 115; strong partnership with associations; aims at increasing shelter capacity and improve quality of existing capacity; policy to prevent/deal with rent arrears.
- Germany: Focus is placed on preventing rent arrears (main cause of eviction); Länder in charge.
- Greece: Comprehensive special assistance has been provided to earthquake victims.
- Ireland: Homeless strategy (May 2000) sets out a comprehensive and preventative approach; substantial budget allocations and increases over next 5 years; strong partnership with NGO's and local authorities; shelter capacity being increased; special care provisions (alcohol and drug users); special homeless agency for Dublin; 3 year local action plans in preparation.

- Luxembourg: Strengthening of existing care, counselling and shelter provisions; development of supported housing; consolidating measures on emergency shelter provisions and developing proposals to improve access of homeless persons to the guaranteed minimum income.
- Netherlands: Comprehensive strategy and approach with the aim of preventing expulsion and rent arrears; integrated approach at local level; comprehensive registration and data base for all homeless in centres by 2006.
- Portugal: New national emergency telephone line will be put in place; commitment by local social action centres to reach out to all homeless within one year.
- Sweden: Parliament involved in preparing special package of measures since 1999; special budget for combating homelessness (10 million SKR/year from 2002 – 2004).
- UK: Strategic approach and commitment to reduce rough sleeping by 2002 by at least 2/3 (England), to zero by 2003 (Scotland); also in Wales. Special task forces/units prepare and oversee measures. Considerable efforts aimed at improving understanding and monitoring homelessness situation. 'Scotland's Rough Sleepers Initiative'; 'England's Safer Communities Supported Housing Fund'.

#### **RESPONDING TO HOMELESSNESS (FINLAND)**

The objective of Finland's programme for the reduction of homelessness for the period 2001-03 is to stem the increase in homelessness and to bring about a downturn in the number of homeless people by 2004. It is aimed to produce 1000-1200 new dwellings for the homeless. It is proposed to develop the selection of tenants in such a way that the homeless and other people in especially urgent need of housing are given priority in tenant selection by all types of owners. The programme will also ascertain the extra need for serviced accommodation, and it will develop supporting services for homeless people and other special groups. In order to enhance the effectiveness of services, it is proposed that co-operative bodies consisting of representatives of municipalities, service providers, the Third Sector and owners of rental apartment buildings should be established in centres of growth.

### 3.2.3 Preserving family solidarity

There are many measures in the different NAPs/incl that contribute to preserving family solidarity. These include both mainline policy areas such as employment, income support, housing, health, education and gender equality and more targeted policies to support particularly vulnerable groups such as children, the elderly and people with disabilities. However, it is striking that only some Member States specifically prioritise the preservation of family solidarity as a key policy domain in promoting social inclusion. Essentially these are those Member States that have traditionally seen the family as being at the heart of national strategies to promote cohesion, notably Portugal, Spain, Greece, Germany, Ireland, Italy and Austria. They particularly emphasise the continuing role that the family has to play in the social inclusion of children, the elderly and people with disabilities.

All recognise the rapid structural changes that are affecting the nature of the family (see chapter 1) and recognise that if the family in all its diverse forms is to continue to play a key role in preventing the risks of exclusion then policies need to respond to these changing situations.

Policy responses cover both general measures to support all families and specific measures to prevent families facing particular difficulties or crises (such as family break down or domestic violence) falling into poverty and social isolation. They can also be divided into policies which essentially aim to avoid families falling into poverty or rescue those that have and policies which strengthen the capacity of families to promote the inclusion of the old, the young and the disabled.

In general a mix of policy approaches seem to hold out the best hope of preserving family solidarity. These cover the following main areas:

- *ensuring economic stability and better living conditions* through favourable treatment for families in tax and welfare systems (Austria, Germany, Italy and Luxembourg), recognition of different family types including same sex couples (Germany), assistance to jobless and vulnerable families to find employment (France) and maintaining family allowances to the parents of children in care in order to allow their return into the family (Belgium);
- *ensuring support at a time of family breakdown and divorce* so that this does not lead to new poverty, precariousness and isolation and more children being taken into care (France). Measures include mediation and counselling services to assist with separation, special support and assistance to victims of domestic violence, strengthening general financial supports to lone parent families, improving provisions in regard to maintenance payments (Austria) and measures to ensure that both parents are involved in the upbringing and care of children (Sweden and France);
- *enhancing information, training, support and counselling services* which will help families to cope with and reduce conflict, will improve parenting skills and lead to better support for children and a recognition of their rights in vulnerable families (Finland, France, Germany, Ireland, Luxembourg, Portugal) and will help to maintain the family unit in difficult situations and keep children in stable family situations rather than taking them into care within institutions (Italy and Portugal);

- *promoting locally based initiatives for vulnerable families* in disadvantaged communities such as support in Spain to Non Governmental Organisations to develop local integrated support systems and the development of community based family services centres in Ireland;
- *promoting measures to reconcile work and family life* such as enhanced day care provision and flexible working arrangements (see chapters 3.1.1. and 4 for more details);
- *assisting and encouraging families to care for sick, disabled and elderly at home* through enhancing support systems in the community, providing help at home and training on providing care (Austria, Greece, Spain, Sweden, Italy and Ireland) and assistance with financial costs arising from forgoing work to provide care such as a carers allowance (Ireland) and insurance reliefs (Austria).

#### IMPLEMENTING THE FAMILY SERVICES PILOT PROJECT (IRELAND)

Community involvement is the key to successfully delivering the support that families need from time to time. The aim of these pilot projects is to provide enhanced access to information services for families in their own locations through development of the one stop shop concept. Thus they emphasise an inter-agency approach and close working between government organisations and voluntary agencies. An enhanced programme of support is available to a small group of families with complex needs, e.g. very young lone mothers, other lone parents, and dependent spouses in households depending on social welfare. The projects involve working with people on an individual basis to enhance their capacity to improve their personal and family circumstances and to access opportunities for education and employment. They are underway in three local offices:- Waterford, Cork and Finglas in Dublin. The projects have been subject to an ongoing evaluation and a recent report recommends, inter-alia, mainstreaming of the pilots. The government have provided €15.24million (IR£12million) in the National Development Plan for the development of the successful aspects of the pilot project over the years 2000 – 2006. Total funding for the Family Service Project for 2001 is €1.27million (IR£1million).

### 3.3 Objective 3: To help 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.
- (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.

### 3.3.1 *Promoting the integration of people facing persistent poverty*

It is increasingly recognised by most Member States that people with a disability or people experiencing particular integration problems such as the homeless, mentally ill people, drug and alcohol misusers, ex-prisoners and prostitutes are at especially high risk of persistent poverty. While many of their needs can best be met by improving access to mainline services even in the most developed and comprehensive systems, mainline provision is often not sufficient. This is confirmed by figures showing low take up of some mainline services by such groups.

For those people facing particular integration problems there is thus a need to develop special social services which will help them to help themselves to the greatest extent possible and assist them to participate actively in society. Measures for these groups include personal help schemes, special housing and day shelters and particular attention is given to the development of tailored and integrated packages of support to assist their integration.

In the case of people with disabilities the majority of Member States clearly identify them as a group potentially at risk of social exclusion and set out a more or less coherent strategy for their inclusion. France and Luxembourg have presented their policies in respect of the disabled in separate policy documents, which are simply referred to in their NAPs/incl.

A positive development is that a few Member States have set **national targets** to increase the social inclusion of people with disabilities (Sweden, Netherlands and Portugal). Other Member States have repeated the targets to raise the employment levels of people with disabilities included in their NAPs/empl 2001 (Sweden, Ireland, Portugal, Austria, United Kingdom and Germany). However, no new significant policy initiatives on employment are presented in the NAPs/incl.

There is a recognition by some Member States that people with disabilities have lower **educational attainment** which in turn affects their future employability. Data from the ECHP in 1996 shows that people with disabilities have less chance to reach the highest level of education and more chance to stop studying prematurely (9% of severely disabled people reached third level of education, compared to 18% of non-disabled people). It is a particularly welcome development that an increasing number of Member States are recognising the importance of integrating children with disabilities into the mainstream education system:

- Austria plans to extend the integration of school children with special needs to the ninth school year from 2001-2.
- In United Kingdom, the 1995 Disability Discrimination Act has now been extended to education.
- In the Netherlands, following the introduction in August 2000 of the Individual Pupil Funding Scheme, parents now have a choice of placing children with disabilities in a special school or mainstream schools, with a sum of money available for the school to make special adaptations for the child.

- In Germany and Italy, disabled pupils are integrated in ordinary school with education for all to enable them to reach their full potential. Depending on the kind and degree of disability, special pedagogic support is provided.
- Spain provides additional support services in education. Plans to extend support programmes for deaf people and people with a hearing impairment at all levels of education have been developed.

Despite growing evidence that people with disabilities who are integrated into the mainstream education system are more likely to develop the social and vocational skills that are required by the labour market, segregated education for people with disabilities persists in some Member States. For instance, in Belgium, the number of children in special education has increased. Belgium has however launched a project to integrate 60 pupils with disabilities into mainstream schools until 2003.

Disproportionate numbers of people with disabilities are considered ineligible for **training** because their educational levels are too low. Less restrictive eligibility criteria need to be considered to make training and skills updating more accessible. A few innovative measures were identified in:

- Sweden, where disabled persons who lack basic upper secondary education are eligible for training within the framework of mainstream labour market programmes;
- Finland, where the reform of the rehabilitation Allowances Act in 1999 made it possible for youths over 16 to be paid rehabilitation allowances rather than disability pensions, in order to allow them access to vocational training. This allowance has been extended from 2001 for youths up to age 20;
- Austria, where special support is available during the transition from school to work. Teams will be set up to help to promote the vocational integration of school leavers with disabilities.

Many disabled people are economically inactive and dependent on receiving disability benefits for often long periods of time. In some countries (e.g. Netherlands) their numbers have tended to increase, which has led national authorities to develop alternatives for the inactive disabled population and set out new measures to improve their **employability**. Some Member States have provided in their NAPs/incl examples of such measures:

- Sweden has recently proposed changes to the current system of disability pensions. These will be replaced by sickness benefits and will be integrated into the health insurance system instead of the old-age pension system. A new "Activity Allowance" is proposed for people under 30 to encourage them to undertake activities according to their capacity without risk to their financial security.

- Finland reformed the National Pensions Act in 1999 to enable disability pensions to remain dormant during periods of employment to help people with disabilities enter the labour market.
- Austria presented vocational integration subsidies with a temporary payment of wages as an incentive to recruit young people with disabilities; invalidity pensions will be paired with activating measures to prevent the drift into social exclusion.
- Denmark has in place schemes of flexible working arrangements and sheltered employment with wage subsidy for disabled persons:
- Luxembourg has recently proposed changes to its current system of employment and payment of persons with disabilities in order to better support their autonomy.

Some Member States have a more inclusive approach for people with disabilities, taking account of their needs when designing policies, under the "**Design for All**" concept. In Greece, a Design For All programme is being developed, including the removal of architectural obstacles aiming at designing cities that are friendly to people with disabilities (pavements, squares, pedestrian crossings). The most proactive approach is evident in Austria which goes one step further than Design For All and promotes disabled-friendly environment. Disabled-friendly accommodation is an essential prerequisite for integrating people with disabilities in the primary labour market. Therefore, Austria will put into place additional measures on disabled-friendly furnishings, job-design and technical installations in workplaces. Denmark is implementing legislation to ensure equal opportunities for persons with disabilities and access to buildings used by Government institutions are being improved during 2001.

Accessible **transport** is crucial to the social inclusion of people with disabilities. Initiatives in relation to the accessibility of public transport have been taken by some Member States (Netherlands, Spain, Ireland and Greece). The most ambitious measures are evident in the Dutch NAP: in order to make rail and regional bus transport 100% accessible in 2010 and 2030 respectively, the Government is pursuing accessibility measures relating to rolling stock, stations, platforms, bus stops, timetables, ticket offices and automatic ticket machines. In addition, the Passenger Transport Act 2000, stipulates that when awarding public transport contracts, the Government must include accessibility as part of the Programme requirements.

Several Member States have acknowledged that people with disabilities have **the right to live independently**. In Netherlands, the temporary 'Home and Care Incentive Scheme' came into effect in October 2000. It promotes innovative combinations of housing and care service provision to enable people with disabilities to live independently for as long as possible. Greece is gradually integrating people with disabilities living in closed institutions into special independent and semi-independent living arrangements, while at the same time having the possibility to participate in training or daily occupational programmes. In Denmark special funds have been allocated to build housing for people with physical disabilities under 60. Nursing homes and special hospitals for the intellectually disabled have almost been phased out in Sweden and more than 6 000 people have moved to group residential housing or to homes of their own. In the UK, "care and repair" programmes help with funding of improvements to people's homes to help them stay longer in their local community rather than move into hospital or residential care. In Scotland, this is supported by a target of increasing the proportion of people with learning disabilities able to live at home or in a "homely" environment.

### *3.3.2 Eliminating social exclusion among children*

There is a considerable body of international research which demonstrates that subsequent performance in education is strongly influenced by early developmental experiences and that well-targeted investment at an early stage is one of the most effective ways of countering educational disadvantage and literacy problems. Children from poor backgrounds and vulnerable groups are often particularly at risk of missing out in this regard.

In the context of their own system, there is an emphasis in several Member States (Finland, Germany, Ireland, Greece, Portugal, Sweden, Spain and the UK) on developing more universal high quality early childhood education and support systems with particular emphasis on issues of access, adequacy and affordability for children from disadvantaged backgrounds and vulnerable groups. Portugal envisages the eradication of child poverty by 2010 as one of its key targets in the NAP/incl. and will ensure that all socially excluded children and youths will be individually approached by the local social services within three months with a view to their re-integration in school. The UK also reconfirms its target of eradicating child poverty within twenty years.

There is also an emphasis in several Member States, for example Greece, Netherlands and the UK, on the early identification of children with particular learning, speech and development difficulties and the development of tailor made supports. The Netherlands' emphasis on better identification of disadvantage and the offer of intensive language and general development programmes at play-school and during the first two years of primary school for these children is part of a comprehensive approach to educational disadvantage. Greece's plans to develop a mechanism for the early detection of learning and speech difficulties is an interesting initiative.



### THE 'SURE START' PROGRAMME (UK)

Sure Start is a cornerstone of the UK Government's drive to tackle child poverty and social exclusion. It aims to make a major difference to life for under-4s living in poverty. Its four objectives cover improving social and emotional development, improving health, improving children's ability to learn and strengthening families and communities.

Sure Start works towards its objectives by: setting up local programmes in neighbourhoods where a high proportion of children are living in poverty in order to improve services for families with children under four; spreading good practice learned from local programmes to everyone involved in providing services for young children; and by ensuring that each local programme works towards a set of national objectives and targets.

While local programmes vary according to local needs all include provision of outreach and home visiting, support for families and parents, good quality play, learning and childcare experiences; primary and community health care. Distinctive features of the programme include partnership working, working closely with parents and local communities and a preventative approach.

By March 2004, there will be at least 500 Sure Start local programmes in England reaching a third of children aged under 4 living in poverty and backed by Government funding rising to £499 million in 2003/4. There are similar commitments by the devolved administrations in Scotland and Northern Ireland.

#### 3.3.3 *Promoting action in favour of areas marked by exclusion*

The majority of Member States tackle the territorial dimension of social exclusion in their NAPs/incl. Three main challenges emerge clearly:

- Italy and Germany, and to some extent also Spain and Finland, stress the importance of overcoming *regional inequalities* as a key issue. The Belgian NAP/incl refers to a significant increase in the variation of employment rates across regions and France raises the issue of its overseas territories.
- Portugal, Denmark, Sweden, Finland, the Netherlands, the UK and France take action to assist *deprived areas and neighbourhoods* and to stop economic and social segregation, especially in urban areas.
- Netherlands, Austria, Greece, Ireland, Portugal and Spain raise the issue of the growing comparative disadvantage of traditional *rural areas*.

Member States follow basically two policy approaches in their NAPs/incl when addressing these problems. A significant number of actions can be classified as fairness and compensatory policies. They aim at offering some form of compensation for the relative disadvantage experienced by the area. A second more pro-active set of measures aims at capitalising the strengths and opportunities in disadvantaged areas.

Examples of fairness and compensatory policies were identified in the NAPs/incl, such as:

- Special income support for low-income households in deprived and mountainous areas, in Greece and Portugal;
- Alignment of minimum income (RMI) and lone parent (API) levels in the DOM to those applicable in metropolitan France
- Debt rescheduling for farmers who have become involuntarily impoverished, in Austria.

Numerous interesting examples of pro-active policies can be provided:

- Integrated housing strategy aimed at stimulating demand for existing housing stock in regions with shrinking populations ('Pidot' Report) in Finland.
- The Urban Committee in Denmark formulates urban, housing and cultural strategies for exposed urban and housing areas with a concentration of social, traffic-related, cultural and employment problems;
- The 'Asterias Programme' in Greece promotes networking between local authorities in order to strengthen services to citizens; and the 'Hippocrates Programme' improves access to health care services on small islands;
- Special assistance is provided in Sweden (4 billion SEK from 1999 - 2003) to 24 housing districts hard hit by economic crisis and housing large proportion of immigrants, based on local development agreements with metropolitan authorities;
- A Special Fund was created in France for the economic revitalisation of 751 dilapidated urban neighbourhoods in combination with special youth employment measures;
- The Integrated 'Large Cities Policy 2000' (Groteestedenbleid) was conceived in Netherlands for deprived urban neighbourhoods (in 30 medium cities) on the basis of measurable objectives;

- The Programme 'Die soziale Stadt' in Germany aims at promoting an integrated policy approach in deprived urban neighbourhoods – supplementary resources and measures are targeted at disadvantaged people;
- The Local Development/Social Inclusion Programme in Ireland (with a budget of 280 million € for 2000 – 2003) is based on a partnership approach and is targeted at areas with high concentration of unemployed, young people at risk, lone parents, Travellers and asylum seekers;
- 50 "Urban social development contracts" will be developed in Portugal over the next two years with the aim of creating inclusive towns and managed in partnership with local and national, private and public actors;
- In the UK, a National Strategy Action Plan for Neighbourhood Renewal (with a budget of approx. £ 1 billion) will focus mainline programmes more specifically on most deprived areas; the ultimate goal is to eradicate spatial inequalities and disadvantages within 10 – 20 years.

#### **NATIONAL STRATEGY FOR NEIGHBOURHOOD RENEWAL (UK)**

The UK government has launched a comprehensive, carefully researched strategy to narrow the gap between deprived areas and the rest of England, so that within 10-20 years no one should be seriously disadvantaged by where they live. The Strategy will attack the core problems of deprived areas stuck in a spiral of decline, such as high levels of worklessness and crime and improve health, education, housing and the physical environment. The Strategy is a comprehensive approach to tackling area-based deprivation, bringing together actors at local, regional and national level. The approach emphasises the establishment of local strategic partnerships involving the public, private, voluntary and community sectors and neighbourhood management. The programme will bend mainstream budgets to focus on the most deprived areas and there will be minimum floor targets to meet. The Neighbourhood Renewal Unit which is spearheading the strategy will make sure that the Government delivers on 105 commitments it has made. It will monitor its success and an independent evaluation of the Strategy will be commissioned. This will be supported by the development of the Neighbourhood Statistics Service. The Strategy is backed by significant resources - £900m Neighbourhood Renewal Fund targeted at the 88 most deprived areas, a £36m Community Empowerment Fund and £45m at Neighbourhood Management pilots.

### 3.4 Objective 4: To mobilise 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 **coordination** 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**.

The mobilisation of all relevant stakeholders according to their respective areas of competence is a key component of an integrated and participative strategy to combat social exclusion and poverty: Member States' administrations, local and regional authorities, the agencies in charge of combating social exclusion, the social partners, organisations providing social services, non-governmental organisations all have a responsibility for fighting exclusion. Although often overlooked, other relevant actors also have an important role to play: universities and research institutes, national statistical offices, the media and, above all, actual victims of exclusion.

Such mobilisation is essential on grounds of both legitimacy and efficiency. First, the multidimensional nature of social exclusion requires the development of policy approaches which cut across several institutional and policy domains. Secondly, it is a matter of administrative efficiency that policy measures should be designed and implemented by the relevant authority at the right level. This mobilisation is necessary at every stage of the policy cycle: from planning through implementation and delivery, to monitoring and evaluation.

#### *3.4.1 Promoting the participation and self-expression of people suffering exclusion*

The need for an integrated strategy to promote the participation of those experiencing poverty and social exclusion is widely recognised. Yet this objective is not clearly and systematically reflected in concrete policy measures in the NAPs/incl, despite evidence indicating that failure to involve excluded communities is a major weakness in policy delivery. At national level, the participation and self-expression of people suffering exclusion are ensured indirectly through networks of NGOs. At local level only some Member States and/or local authorities have put in place institutional mechanisms and appropriate arrangements which give room for self-expression of the most vulnerable.

Two sets of innovative approaches to participation deserve particular attention. At national level, in the Netherlands, an 'Alliance for Social Justice', composed of benefit claimants, churches and trade unions, has been established and holds twice-yearly talks on combating poverty and social exclusion with the government and administrators of municipalities and provinces. At local level, interesting initiatives such as the development of Local Strategic Partnerships in the UK or Local Development and Community Development Programmes together with the EU Peace and Reconciliation Programme in Ireland and Northern Ireland, as well as the Piani di Zona in Italy, have been taken to involve beneficiaries directly in the setting up, overseeing or evaluation of local initiatives.

It is clear from evaluations of such programmes that supporting the active involvement of people affected by poverty and social exclusion can make an important contribution to the promotion of social inclusion. Such involvement in voluntary activity has three particular benefits. First, it can contribute to the personal development and empowerment of the person involved through building self-confidence and self-esteem, facilitating the acquisition of new skills, overcoming social isolation and building new contacts and networks. Secondly, supporting and encouraging local projects such as community development projects, women's groups and community arts projects, which aim to involve and mobilise people experiencing poverty and disadvantage, helps to foster and build social capital which is an essential element in developing and sustaining healthy and vibrant communities. Thirdly, the active involvement of those who experience poverty and social exclusion brings their expertise, knowledge and resources into the development process and this leads to better targeted and more relevant policies and programmes to promote social inclusion.

#### *3.4.2 Mainstreaming the fight against exclusion*

Institutional settings differ to a large extent among Member States in relation to their political and social protection systems. While the local authorities are in charge of the delivery of policy measures, design and overall political responsibility often lie with regional and/or national authorities according to the policy area. Hence the need to mobilise public authorities and to develop appropriate coordination procedures at every level so as to ensure proper delivery of services and policy measures.

## **Mobilising authorities and developing appropriate coordination procedures at national level**

In all Member States, the NAPs/incl were drawn up by the central government under the co-ordination of the Ministry for Social Affairs. The mobilisation of the different public authorities has taken place in the framework of existing consultation or coordination structures.

Belgium, France, the UK, Italy, Ireland and Luxembourg had already developed systems of interdepartmental coordination in the field of social exclusion through the setting up of a specific inter-ministerial committee bringing together the Ministers in charge of different policy areas. In these Member States, as well as in Finland and Netherlands, a specific coordination structure at working level had been set up, gathering representatives from administrative bodies, and in some cases also of NGOs, social partners and social service providers, in order to monitor the policy process in this field. Other Member States, such as Portugal, Austria, Greece and Spain, seized the opportunity of the first NAPs/incl to announce similar coordination and/or consultation structures. In Luxembourg the Parliament was consulted on a draft of the NAP/incl.

Beyond the setting up of adequate institutions, additional efforts are needed to mainstream the issue of poverty and social exclusion in other policy domains than merely social protection or social assistance. One innovative way of keeping this issue high on the political agenda has been developed in Ireland for a few years. It aims at setting up poverty proofing processes by which, particularly at the design stage, all areas of central government have to consider the impact of their policies on those in poverty. A similar mechanism has been used in the UK in Northern Ireland known as New Targeting Social Need. There are proposals to extend this to local level in Ireland and to develop a similar process in Portugal.

## **Mobilisation and coordination at local and regional level**

Member States where social policy is traditionally decentralised and developed on a strong partnership basis (Denmark, Sweden, Netherlands, Finland), as well as States with federal (Germany, Austria, Belgium) or regionalised structures (Spain, Italy and the UK) made an effort to integrate the contributions of their regional or local entities. However, the plans do not contain sufficient evidence to assess the magnitude or the outcome of such efforts in terms of effective mobilisation. This is an important issue which will merit more detailed development in future NAPS.

At the local level, the diversity of actors requires efficient coordination. In particular, the need to better coordinate employment and social services is widely recognised in order to develop more active social policy linking income transfers and social guidance. Innovative approaches have been implemented in Germany, Italy and Finland with that purpose. More structured coordination can take the form of local coordination committees or local plans for inclusion and employment, as in Denmark and France. In Denmark, these committees gather representatives of the social partners, the organisations of disabled people and the local authorities to advise the latter on the social effort aimed at the labour market and to contribute to the support of the most vulnerable groups through employment, including efforts aimed at the corporate sector. Social and healthcare services at local level, such as the primary or community social action centres existing in Belgium and France, can also contribute to coordination at local level.

Coordination between the different levels of competence is essential to ensure that national strategy is properly delivered on the ground. Depending on their political systems, and in particular on the competences of the regional entities, Member States may rely on existing decentralised structures (as in Finland, Germany, Austria), on more ad hoc cooperation agreements (as in Belgium, Greece) or on the interaction of national, regional and local plans to combat social exclusion (as in Italy, the UK, Ireland, Denmark and France). An interesting development is expected in Spain where all the Autonomous Communities, as well as the biggest municipalities, will develop action plans to combat social exclusion by 2003 in line with the overall strategy developed in the national action plan. An example can be found in the Autonomous Community of Navarra.

#### **REGIONAL ACTION PLANS TO COMBAT SOCIAL EXCLUSION–**

##### **(NAVARRA, SPAIN, 1998-2005)**

The Autonomous Community of Navarra adopted a regional plan to combat social exclusion in 1998. This plan stems from a thorough analysis of the regional situation concerning social exclusion and coordinates the efforts of the different regional stakeholders: regional administration of the autonomous community of Navarra, the social department of the University of Navarra, social service providers, Navarra's network against poverty and social exclusion and the regional delegation of central government. The aim is to tackle the following issues by 2005: minimum resources system, training and employment, access to housing, education and health and improved delivery of social services.

## **Adapting administrative and social services**

All Member States have recognised in their NAPs/incl the need to improve the delivery of policies. In particular, most plans recognise that developing more inclusive policies requires giving a central place to the needs and situation of the users, particularly the most vulnerable ones. A significant number of measures in the NAPs/incl aim therefore at improving outputs and impact of policies on people for whom they are intended. This applies to universal policies such as health, education and employment which are designed to work for all people, as well as more targeted policies which aim to tackle particular risks.

Most initiatives are in relation to social services where there is a need to link and deliver services in an integrated manner. There is a significant trend as well to devolve authority to regional and local levels so that services can be tuned and delivered closer to the citizen.

In assessing how Member States are moving forward in improving the delivery of services and policies, it is useful to consider a set of ten broad principles for good practice. Such principles are to be seen as a benchmark that is to be reached gradually, taking into account the different starting situations in the Member States. The indications obtained from the NAPs/incl are encouraging in so far as they suggest that initiatives taken by most Member States to improve delivery systems tend to follow similar directions and reflect many of these principles.



## **DELIVERING POLICY AS GOOD AS IT NEEDS TO BE:**

### **10 KEY PRINCIPLES FOR INCLUSIVE SERVICES AND POLICIES**

*Subsidiarity:* policies and services become more inclusive when designed and delivered as close to people as possible; while this principle is applied to improve mainline policies, it is even more vital when it comes to promoting a level playing field and reaching particularly vulnerable people;

*Holistic Approach:* policies should be developed and services delivered in an integrated way which responds to the totality of people's needs rather than according to organisational demarcation;

*Transparency and Accountability:* beneficiaries of policies, including users of services, should be guaranteed clarity and openness about how decisions are made as well as clear procedures to challenge or appeal decisions (e.g. ombudsperson, Charter of rights);

*User-Friendly:* services become more inclusive by making them open, accessible, flexible and responsive to users (e.g. one-stop shops);

*Efficiency:* inclusive services respond quickly and speedily to people's needs with the minimum of bureaucracy, with an emphasis on early intervention and a sense for cost-effective solutions;

*Solidarity and Partnership:* inclusive policies and services tend to be developed and promoted in ways which enhance solidarity and cohesion within society and promote partnership and co-responsibility between all actors;

*Human Dignity and Rights:* inclusive policies and services recognise and promote the human dignity and fundamental rights of all through promoting equality and opposing discrimination;

*Participation:* inclusive policies and services tend to be designed, delivered and monitored with the participation of those affected by poverty and social exclusion;

*Empowerment and personal development:* inclusive policies and services aim to reduce dependence and support the empowerment, autonomy and self reliance of people; they foster opportunities for progression and personal growth and development;

*Continuous improvement and sustainability:* policies and services can always be made more inclusive and the effect on inclusion can always be made more sustainable, hence a growing trend in MS towards regular monitoring of 'outcomes' of policies and services as well as consultation with and feedback from users.

### 3.4.3 *Promoting dialogue and partnership*

#### **Involving stakeholders**

Formal consultation of the social partners and representatives of NGOs active in combating poverty and social exclusion has taken place in most countries. However, it is difficult to assess just on the basis of the information provided to what extent their contributions have been adequately reflected in the NAPs/incl.

Social partners have been consulted about or associated with the preparation of the NAPs/incl in the majority of the Member States. However, in the majority of cases, their intervention seems to have been limited. This consultation was undertaken through already existing nation-wide consultation settings (Luxembourg, Finland, Spain, Denmark) or through more specific committees set up under existing strategies to combat social exclusion (Ireland). In some countries (Spain, Portugal) the preparation of the NAPs/incl has been seized as an opportunity to establish or to consolidate institutional consultation in this area integrating the social partners.

Member States generally recognise the valuable experience and knowledge of non-governmental organisations, encompassing voluntary and other associations, both as advocates for socially excluded people and as major social service providers in several countries. Most NAPs/incl identify the need to involve the non-governmental sector in the NAPs/incl process, by developing and/or strengthening effective and comprehensive consultation and stakeholder mechanisms. Some Member States (Belgium, France, Finland, the Netherlands, Ireland, Italy, Luxembourg) have made more progress in this respect. While information and formal consultation of the non-governmental sector was ensured by all Member States, inter alia through the bilateral seminars held with the European Commission, few NAPs/incl describe to what extent contributions made by the non-governmental sector have been taken on board. Most Member States mention the relatively short time to prepare the first NAPs/incl, which has constrained the process of involving the sector.

New commitments have been taken, most notably in Spain, Finland, the Netherlands and Sweden, to gather and report on good practices or innovative local projects led by NGOs, with a view to further dissemination nation-wide. Belgium, Finland, France, the Netherlands, Luxembourg, Portugal and Spain also mention the need to further develop collaboration with national observatories, universities and research institutes active on the issue of poverty and social exclusion.

## **Encouraging social responsibility of all citizens**

The NAPs/incl focus on two types of actions in order to encourage social responsibility and active engagement of all citizens. First, some Member States commit themselves to launching nation-wide awareness-raising campaigns in the media (e.g. Spain, France). Secondly, there is a clear recognition that voluntary or other socially useful activity should be promoted (Netherlands, Ireland, Denmark, Germany, Spain). Voluntary activities are not only essential to the work of NGOs but they can also be considered as effective pathways to sheltered or regular-types of employment, as in Denmark and the Netherlands.

## **Fostering the social responsibility of business**

Although there is no unique definition of corporate social responsibility, Member States, in particular Denmark, the Netherlands, Ireland and Portugal, acknowledge the need to support schemes whereby companies integrate social concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In that respect, corporate social responsibility should be considered as a way of managing change and of reconciling social development with improved competitiveness. This could be achieved for instance through the setting-up of a national network of businesses and the increasing use of a social clause in public procurements. The most comprehensive achievement is to be found in Denmark.

### **CORPORATE SOCIAL RESPONSIBILITY (DENMARK)**

In order to boost social commitment in the corporate sector, a national network of 15 business executives from companies representing more than 85.000 employees as well as five regional networks of Business Executives have been established with support from the Danish Ministry of Social Affairs. Further, the Copenhagen Centre was established by government to accelerate international exchange of experience concerning social responsibility of the corporate sector. In addition, a *Social Index* was introduced by the Ministry of Social Affairs in 2000 to allow companies to benchmark themselves against other companies. The social index is calculated using a grid scoring the company on a number of parameters such as health policy, family policy and policies for recruiting minority groups. The Index follows the development of Socio-Ethical accounts that may be used by companies that want to display key figures regarding their social responsibility.

## 4. PROMOTING EQUALITY BETWEEN WOMEN AND MEN

The Nice European Council underlines **the importance of mainstreaming equality between men and women in all actions aimed at achieving the commonly agreed objectives**. The NAPs/incl give most Member States a unique opportunity to combine, in an integrated approach, the fight against poverty and social exclusion and the promotion of equality between men and women. Unfortunately, whilst all Member States mention some gender issues, very few mainstream equality between men and women consistently across their Plans - from the identification of the challenges, through the overall strategy, to the designing and monitoring of detailed measures. Nonetheless several Member States indicate that they will enhance gender mainstreaming during the next 2 years.

### 4.1 Gender sensitivity in the major challenges

Gender analysis across all the fields involved in combating poverty and exclusion is a fundamental first step. It not only covers the identification of significant gender gaps in data and statistics and of gender specific patterns in the risks of social exclusion but also includes a gender impact analysis of the possible effects of existing and planned policies. Although the NAPs/incl include some very relevant examples, a comprehensive analysis is absent in all cases. Several Member States cite the lack of data as a reason for this and plan to improve their data during the next 2 years.

Gender analysis is strongest under objective 1.1 (cf. chapter 1.1). This reflects the work done within the Employment NAPs: women's long term unemployment rates, low pay and atypical employment leading to weaker social protection rights (lower pensions or even no pension due to not satisfying minimum requirements). Many Member States go further than the labour market in answer to the common objectives but are still far from covering the full range.

There is a consensus amongst Member States on the factors connected with increased vulnerability to poverty amongst women. The most commonly mentioned are:

- in first place, single parents: where women form the major part, a high proportion of whom are dependent of social benefits
- second, pensioner status on a slim or non-existent employment record: women represent two thirds of the pensioners over 75 years of age and are particularly at risk of poverty.
- third, domestic violence cited by ten Member States.

Other factors of vulnerability among women mentioned by fewer Member States are disabilities, long term sickness, depression, illiteracy, prostitution and trafficking.

For men, vulnerabilities are a lot less explicitly expressed:

- most Member States mention homelessness but few report that men comprise the majority
- the same applies to (ex-)offenders;
- early school leaver figures are rarely categorised by gender either;
- men are also often disadvantaged in the few existing data on health (life expectancy, coronary diseases, suicide, smoking, alcohol/drug abuse).

#### **4.2 Gender mainstreaming in the overall strategy**

Gender mainstreaming in the overall strategy can be supported by legal measures, political commitments and appropriate structures involved in the designing of the strategy. Few Member States (Denmark, Finland, Sweden, Ireland and Northern Ireland in the UK) explicitly refer to statutory commitments for their public authorities to promote equality between men and women across the fields. Denmark, Finland and Sweden underlined that their social policy systems are based on individualised rights which enhance gender equality. Greece, France, Luxembourg, Portugal, and Spain commit themselves to mainstream gender in their strategy during the next two years. In the other NAPs/incl the gender conscious strategy is patchy and/or weak. The involvement of Equality structures/committees in the designing of the NAPs/incl merely exists, with explicit mention only in a few NAPs/incl.

The general trend of developing anti-poverty measures tailored to individual needs should contribute to improve gender awareness. However, some gender imbalances require a more in-depth review of the gender assumptions underlying social systems. A striking example is the dilemma of insufficient pension for single elderly women with low or no employment record. Eurostat figures show that the gap in low income rates between elderly men and elderly women are significantly smaller in Member States where social policy systems are based on individual rights. The NAPs/incl could have been an opportunity to initiate an in-depth review in this area.

#### **4.3 How gender issues are dealt with in the different objectives**

Only when the problems have been properly identified, is it possible to make sure that the measures do not create gender discrimination and to decide if positive action is required, e.g., specific targets. Considering the lack of comprehensive gender analysis, the treatment of gender issues in the various objectives often appears patchy.

Objective 1.1 presents by far the most thought-through gender mainstreaming, reflecting the ongoing processes of the Employment NAPs. Women's disadvantages are treated in accessing the labour market but often without clearly focusing on low income groups. There are imbalances in reconciling work and family responsibilities where measures are aimed at mothers with few at fathers. Furthermore the emphasis is more on increasing the number of childcare places but few Member States address the affordability of childcare for parents of low income groups (cf. Chapter 3.1).

Some Member States address labour market gender gaps with multidimensional programmes, such as the Spanish Action Plan for Equality between men and women, the British New Deals for lone parents and for partners and the Irish Family Services Project for families with complex needs.

Lone parents' specific needs are to a certain extent mainstreamed by most Member States in the objectives 1.1 and 1.2 when presenting their measures on access to employment, training, education, social benefits, housing and services. The approaches could be seen as precursors of lone parent impact assessments of policies. Only four Member States have also mentioned them among the most vulnerable under objective 3 (Belgium, Denmark, the United Kingdom, Ireland).

Objective 1.2: the main field investigated is social protection, with special attention to old age pensions and social assistance schemes (cf. chapter 3.1.2-a). Although most Member States indicate a high risk of poverty among elderly women with low, atypical or no employment records, only a few of them refer to a review of their pension systems. Gender is partially addressed in the ongoing reform of the Irish pension and social insurance systems. Germany gives the possibility to accumulate pension rights to people with a broken employment record because of caring responsibilities and Luxembourg, Austria and Sweden will give pension rights for the years spent with children. The UK's pension reform and in particular the Second State pension should improve the situation for women who have suffered in the past from broken work records. In measures on access to housing, the approach is almost not engendered. Apart from homelessness (see below), France and Spain report new solutions in social and emergency housing for victims of domestic violence and Greece for single mothers (cf. Chapter 3.1.2-b).

The scarcity of the gender analysis has meant that gender is hardly considered in access to healthcare. Concerning men: France intends to improve mental care for homeless people. Concerning women: Belgium, plans to create an ambulant mental health care system to help reducing the high rate of depressions; the UK intends to reduce teenage pregnancy and Spain is developing an information health programme for prostitutes.

Concerning education, gender issues are barely visible. Early school leavers and truancy which affect more boys than girls are treated by several Member States without mentioning their gender aspects (cf. chapter 3.1.2-d). Concerning adult education, Austria announces an action plan 2003 to promote access to school and adult education among women facing high risk of poverty and Spain present the "ALBA" plan to combat illiteracy among women.

As services are often part of multi-dimensional measures under objective 2 or 3, there is not much on gender in access to services under 1.2.

Objective 2: the recent Eurobarometer survey shows sharp gender gaps to the disadvantage of women in most Member States in ICT training and access to Internet but only three Member States indicate positive measures to reduce the gaps (Austria, Germany and Portugal; cf. chapter 3.2.1). Other initiatives under objective 2 relate to the prevention of family breakdown in Ireland, Belgium and Austria. The UK National strategy for carers is also reported under objective 2.

Objective 3: Surprisingly two wide ranging initiatives for women are presented as support for the most vulnerable, the Irish NDP<sup>22</sup> Equality for Women Measure and the fourth Spanish Action Plan for Equality between men and women.

Homelessness, where men form the major part, is dealt with under various objectives: objective 1.2 for emergency housing measures or health (France, the United Kingdom); objective 2 for prevention in Denmark, Greece and an integrated strategy in Ireland (cf. chapter 3.2.2); and objective 3 as most vulnerable group for Denmark, Germany and the UK.

Austria, Germany, Finland, France, Ireland, Italy and Spain report initiatives to reduce domestic violence and support the victims in objective 3 but also in objectives 1.2 or 2. Italy has adopted a law against domestic violence. It also develops initiatives to support victims of trafficking. Austria has installed legal protection against domestic violence and Germany is also discussing legal protection provisions, on top of the existing network of women's shelters. In Ireland, a national steering committee co-ordinates several initiatives of support and prevention. The Spanish National Action Plan against Domestic Violence (2001-2004) addresses in a balanced way support to victims, measures for perpetrators and training of law enforcement staff.

#### **"OLTRE LA STRADA" (EMILIA ROMAGNA, ITALY)**

To combat and prevent trafficking in women and children requires a comprehensive and multidisciplinary approach involving all the relevant actors both in the countries of origin and destination. Recently Italy has adapted its law on immigration to grant temporary residence permits to victims of trafficking as a first step in their social rehabilitation. The regional project "Oltre la strada" in Emilia Romagna involves local authorities, NGOs and social workers in local networks and develops co-operation with the victims' countries of origin. Activities include a help line, legal advice and protection, shelters, rehabilitation programmes, vocational training and work in a female-run enterprise. It also assists in preventing trafficking by disseminating information on the subject and training social workers and other relevant actors in both Italy and countries of origin.

Objective 4: gender balanced representation is completely ignored in all Member States. Denmark indicates measures by the National Association of Local Authorities to mainstream gender.

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<sup>22</sup> National Development Plan.

#### 4.4 Gender in the monitoring process, impact assessments and indicators

Just as changes to policy and new measures are preceded by gender diagnosis, they should be followed by gender impact assessment, backed up by appropriate indicators broken down by sex. Gender impact assessment is explicitly planned for in Ireland on a pilot basis for employment, training and education programmes. Monitoring committees at national level are mentioned by Denmark and Ireland. In the other Member States, explicit monitoring is limited to specific measures.

The indicators broken down by sex are mainly those of the Employment NAPs. Other data are patchy, with a little in social protection, education, health and participation in voluntary organisations. Several Member States indicate their intention to improve gender breakdown during the NAP period.

#### 5. Use of Indicators in the NAPs/incl

In order to monitor the policies set out in the NAPs/incl, Member States were invited to develop, at national level, indicators and other monitoring mechanisms capable of measuring progress in regard to each of the objectives defined therein.

In the present context, it is useful to distinguish between performance and policy indicators. Performance indicators measure the characteristics of the phenomena, reflecting the outcome of policies and the progress achieved in tackling key social problems effectively (for example, poverty rate, number of school dropouts); policy indicators refer to the policy effort (for example, expenditure on social assistance; number of homeless assisted). To these one must add context indicators, which are used to place policies in the more general economic and social context (for example, the share of social protection expenditure in GDP). While it is more relevant to consider changes through time rather than levels, as the primary goal is to monitor progress over time, initial levels should also be taken into account, in view of the significant differences in the starting positions of Member States.

Most Member States used **performance indicators** for explaining the initial situation and identifying the main challenges. However, not all Member States have placed the necessary emphasis on such a task: Some Member States have included a relevant analytical section (Belgium, France, Italy, Greece, Spain) while others have simply referred back to existing material, for example from national observatories (Germany). Some member States have in addition calculated the different indicators which they intend to use (Belgium, Italy, Finland and the UK).



Some Member States have set specific **targets** on the basis of the analysis. Two categories of targets can be distinguished:

- Some Member States focused on a single overall target: reducing poverty levels (Ireland), halving the number of welfare recipients (Sweden), increasing the number of people in employment (Denmark). The Danish target of increasing employment by 100.000 people by 2010 has to be seen in the context of a country which has the highest employment rate in the EU, already above the European target of 70%. In this context, getting these extra people into work implies tackling the problems of the people furthest away from the labour market.
- Other Member States set themselves a series of specific targets, whether "administrative" (Netherlands) or on specific outcomes (UK) or a mixture of the two (Portugal). In the latter case, the NAP/incl pledges that, within a year, all socially excluded people should have been personally assisted by social services and proposed a social insertion contract. In terms of target-setting, the approach of Portugal seems to be the most ambitious with both general and specific targets.

Most other member States, while not setting specific targets, have identified implicitly throughout the analysis the indicators that will be used for monitoring. Only Austria and Germany (apart from the reference to the recent Government report on poverty and wealth) do not specifically mention indicators.

In the absence of commonly defined and agreed indicators at EU level, Member States tend to use **different definitions** for measuring and characterising current levels of poverty and social exclusion. While most Member States refer to the key indicator of the risk of poverty rate, some countries refer also to national indicators of absolute poverty (Italy, Portugal, UK) – although the meaning of 'absolute poverty' varies<sup>23</sup>. The risk of poverty line is calculated at different thresholds (50% or 60% of median income), and in the cases of Ireland and Austria, it is adjusted on the basis of supplementary information. Greece and Italy define relative poverty on the basis of income and consumption, and justify the use of consumption by the high proportion of self employed, as well as the importance of house ownership, also among poor households.

The risk of poverty rate is not recognised as a key indicator by some Member States (Sweden, Denmark, Netherlands), which stress the importance of other factors for social inclusion, such as health, education and social participation, or prefer to take indicators based on administrative sources. The Netherlands develop a financial poverty index which takes into account the share of households receiving minimum income with the trend in the real disposable income of the recipients.

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<sup>23</sup> It refers to the affordability of a basket of goods in Italy, and to the relative poverty line fixed at a moment in time for the UK. No clear definition is given of absolute or child poverty by Portugal in its NAPincl.

While there is no ambition to arrive at commonly agreed definitions of **policy indicators** for the Union as a whole, there is clearly a need to include in the NAPs/incl appropriate indicators and monitoring mechanisms in order to monitor progress over time, as required by the Nice objectives. Some Member States make a wide use of policy indicators in their NAPs/incl (Spain, France, Portugal, Denmark). Ideally, present levels of policy indicators should be given in the NAPs/incl in order to make them effective policy monitoring tools, but only Denmark has consistently adopted this more ambitious approach. Some Member States (Italy, UK), have explicitly decided not to consider policy indicators and to focus exclusively on performance indicators.

A number of **specific approaches** are interesting to note. The UK NAP/incl separates indicators that focus on current aspects of poverty and social exclusion (such as the low income rate) from indicators that capture factors that increase the risk of experiencing poverty and social exclusion (such as truancy at school or teenage pregnancies). The Italian NAP/incl identifies specific indicators for vulnerable groups (for example, disabled living in dwellings with architectural barriers, older people living alone and with no living relative). It is also interesting to note that some countries specifically use subjective indicators, advocating that the perceptions of the individuals involved can be just as important as their objective situation (Italy, Belgium).

The importance that some Member States give to the **territorial dimension** should not be underestimated. For some countries, (Spain, Italy, Belgium, Germany) the regional differences are striking and it is important that all information is available with a regional breakdown. Other countries stress the territorial dimension, but more in the sense of deprived city areas, and propose indicators to monitor specifically these areas (UK, Netherlands, France).

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

It is clear from the above that we are still a long way from a common approach to social indicators allowing policy outcomes to be monitored and facilitating the identification of good practice. Efforts are needed to improve this situation, both at the national level and at the level of the EU.

At national level, it is clear that there are big gaps in data availability in many countries. This is true in particular for the identification of vulnerable groups, where a number of NAPs/incl lack basic quantitative information or policy monitoring data concerning groups which cannot be identified through surveys, such as alcohol abusers, drug addicts, homeless people, ethnic minorities, etc.. There is a need to develop the national statistical base to be able to monitor the social inclusion strategy effectively. A greater effort seems justified in order to tap administrative sources more effectively. On many issues of interest for social inclusion, such as housing, health, justice, most disadvantaged groups, etc., administrative sources can provide useful information in addition to household surveys. Some Member States intend to use the NAPs/incl to launch an effort to improve their national statistical capability (Greece, Belgium).

At European level, the priority lies not only in improving the current European databases, but also in ensuring their acceptance by all Member States, which is not yet the case at present. Most of the statistical information underpinning social indicators at European level is provided by two household surveys coordinated by Eurostat – the Labour Force Survey (LFS) and the European Community Household Panel (ECHP). A new instrument is presently being developed to replace the ECHP after 2004 - the Statistics on Income and Living Conditions (EU-SILC). This is expected to become the reference source for analysis in the field of income and social exclusion, as well as for monitoring progress reached through the implementation of the inclusion strategies. It is therefore necessary that the instrument is accepted by all national statistical services and is treated as a national source, delivering timely data of good quality.

It must however also be recognised that European level indicators should not be limited to income and employment, but should also cover other key areas for social inclusion, such as health, housing, education, social participation and the situation of specific vulnerable groups. In the field of health, a comprehensive health information system will be established as part of the Community's action programme in the field of public health (cf. COM (2000) 285 final of 16.5.2000) which will cover the collection analysis and dissemination of data on health status, health systems and health determinants. As for health, the development of good quality national sources based on administrative data could be a first step towards a more comprehensive coverage, but in most areas it is insufficient as comparability will tend to be poor.

An expert group on indicators was created by the Social Protection Committee in January 2001 with the task of improving indicators in the field of poverty and social exclusion, including indicators to be used to assess trends and to monitor policy developments in the framework of the NAPs/incl, and developing indicators capable of illustrating the role of social protection and supporting the process of modernising systems. A report from the group, defining a list of commonly agreed indicators in the field of poverty and social exclusion, was in the meantime adopted by the Social Protection Committee, in view of its submission to the European Council of Laeken. In future joint reports, this work should be taken into account as a basis for analysis.

While at the present stage it looks appropriate to use the existing national data in those fields (e.g. housing) where a commonly agreed battery of indicators is still lacking, the experience drawn from the current NAPs/incl, where only a minority of Member States provided detailed and relevant indicators, suggests that this approach is not sufficient if the aim is to make real progress in comparability.

For this reason, the development of commonly agreed indicators should remain the priority. Some of the indicators used by the Member States in their NAPs/incl should be taken into consideration in further work by the expert group on indicators. In the Statistical Annex, a selection of the indicators used in the NAPs/incl which could be developed at European level indicators is presented.

