



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.3.2006
SEC(2006) 410

COMMISSION STAFF WORKING DOCUMENT

**IMPLEMENTATION AND UPDATE REPORTS ON 2003-2005 NAPS/INCLUSION
AND UPDATE REPORTS ON 2004-2006 NAPS/INCLUSION**

{COM(2006) 62 final}

COMMISSION STAFF WORKING DOCUMENT

IMPLEMENTATION AND UPDATE REPORTS ON 2003-2005 NAPS/INCLUSION AND UPDATE REPORTS ON 2004-2006 NAPS/INCLUSION

TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
INTRODUCTION	10
<u>PART I: SITUATION ACROSS THE EU 15</u>	13
1. MAJOR TRENDS AND CHALLENGES SINCE 2003	13
2. STRATEGIC APPROACHES	17
3. POLICY IMPLEMENTATION	23
4. GOOD PRACTICE	26
5. MOBILISING ALL RELEVANT BODIES	27
6. THE ROLE OF STRUCTURAL FUNDS	29
<u>PART II: ANNEXES</u>	33
<i>ANNEX 1: THE MEMBER STATES</i>	33
BELGIUM	35
DENMARK	39
GERMANY	44
GREECE	48
SPAIN	53
FRANCE	57
IRELAND	62
ITALY	66
LUXEMBOURG	71
THE NETHERLANDS	75
AUSTRIA	79
PORTUGAL	83
FINLAND	88

SWEDEN.....	93
UNITED KINGDOM	98
CYPRUS.....	103
HUNGARY.....	104
LITHUANIA.....	105
MALTA	106
<i>ANNEX 2 – POLICY IMPLEMENTATION</i>	107
1. Promoting Participation in Employment	107
2. Social Protection Systems.....	109
3. Housing.....	112
4. Access to Health Care.....	114
5. Access to Education.....	117
6. Access to Other Services	122
6.1. Culture	122
6.2. Sport and Leisure	122
6.3. Transport.....	123
6.4. Legal Services.....	123
7. Preventing the Risks of Exclusion.....	124
7.1. Promoting eInclusion.....	124
7.2. Overindebtedness and Financial Exclusion	126
7.3. Homelessness.....	129
7.4. Family Solidarity	132
8. Helping the Most Vulnerable.....	133
8.1. Immigrants and ethnic minorities (including the Roma).....	133
8.2. Disabled people	138
8.3. Other Vulnerable Groups.....	141
8.4. Social Exclusion among Children	141
8.5. Areas Marked by Exclusion.....	143
9. Mobilising All Relevant Bodies	144
9.1. Promoting the participation of people suffering exclusion.....	144
9.2. Mainstreaming the fight against exclusion	145

9.3. Promoting dialogue and partnership	149
<i>ANNEX 3: EXAMPLES OF GOOD PRACTICE</i>	153
<i>ANNEX 4: KEY POLICY PRIORITIES</i>	163
<i>ANNEX 5: COMMON OBJECTIVES IN THE FIGHT AGAINST POVERTY AND SOCIAL EXCLUSION, 2002-2005</i>	164

EXECUTIVE SUMMARY

IMPORTANCE OF SOCIAL INCLUSION PROCESS CONFIRMED

The recent reports on social inclusion from the EU-15 Member States and four of the new Member States¹ confirm that poverty and social exclusion continue to be serious challenges across the European Union. While the reports note progress in several fields, there is little evidence given of any significant improvement in the situation in recent years. They thus demonstrate the need for a continuing strong and visible political commitment to the effective implementation of the Union's social inclusion objectives in combating poverty and social exclusion

Social Inclusion and New Lisbon

The reports were prepared by Member States during an interim period. Discussions were still taking place on the future integration of the social inclusion process with the parallel processes on pensions and health and long-term care. The arrangements for implementing the revised Lisbon goals of economic growth and jobs were still being put in place and the relationship of the social inclusion process to this revised strategy was still being worked out. This uncertainty may have affected the ability of some Member States to report effectively on progress so far.

While the reports do not yet directly explore how the NAPs/inclusion can feed into the revised Lisbon agenda they provide ample evidence that promoting greater social inclusion is both a necessary goal in itself and has an important contribution to make to the revised Lisbon goals. They are thus a valuable resource in helping to define clearly how social inclusion policies can contribute to the wider Lisbon policies². The wealth of information and actions that they describe can already make a contribution to feeding in to the wider process. They also provide valuable information to assist the development of the new streamlined Open Method of Co-ordination on social protection and social inclusion from 2006 and help to ensure that it is fully synchronised with the wider Lisbon policies.

An Implementation Gap

The implementation reports confirm the view of the March 2005 European Council that while the overall economic, employment and social goals set at the European Council of Lisbon in 2000 remain valid there has been an implementation gap. In other words the actual implementation of measures on the ground has often not been sufficient to achieve the objectives set. It is clear from the analysis of the reports that the response of Member States has been uneven. In many there is a gap between the social inclusion objectives set and the policy effort to achieve them. If the social inclusion goal set in Lisbon of making a decisive impact on the eradication of poverty by 2010 is to be achieved there is a need for a more focussed approach with greater emphasis on results.

¹ The EU-15 Member States prepared reports on the implementation of their 2003-2005 National Action Plans on poverty and social exclusion (NAPs/inclusion) during summer 2005. Four of the new Member States (Cyprus, Hungary, Lithuania and Malta) also took the opportunity to update their 2004-2006 NAPs/inclusion.

² See "Time to Move Up A Gear" The European Commission's 2006 Annual Progress Report on Growth and Jobs for a more detailed description of the wider Lisbon process.

KEY POLICY PRIORITIES CONFIRMED

The analysis contained in the reports confirms that the seven key policy priorities identified in earlier reports³ remain valid. These cover: increasing labour market participation, modernising social protection systems, tackling disadvantages in education and training, eliminating child poverty, ensuring decent accommodation, improving access to quality services and overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants. In reinforcing the importance of these challenges the reports give particular prominence to three important developments in European societies. These are the growing social challenges arising from increasing immigration; rising health and insurance costs as a result of increasing dependency ratios and advances in medical care; and the increasing need for more affordable care provision for children, disabled people and the frail elderly in the light of both demographic changes and increasing female participation in the labour force. The reports also highlight that when developing policies in the seven priority areas it is important to take into account the concentration of multiple disadvantages in some urban and rural communities and poor access to mainstream policies by some particularly disadvantaged groups. Thus in implementing their policies Member States need to develop integrated and co-ordinated responses to multiple disadvantages so as to ensure synergies between the different policy domains identified in the common objectives which underpin the social inclusion process. They also need to ensure that the needs of groups at particular risk such as people with disabilities, migrants and ethnic minorities (including the Roma), homeless, ex-prisoners, people with addiction problems and isolated older people are fully taken into account across the different policy areas both through improving access to mainstream provision and, when necessary, through targeted measures.

VARIED APPROACH

The approach taken to the implementation reports varies widely. A few make considerable efforts to review and assess the impact of their NAP/inclusion in achieving the overall objectives. However, in several there is a tendency to list measures implemented without making many links to the overall objectives or any assessment of the overall impact of the approach adopted. Often this reflects the fact that the original plan was not sufficiently strategic and tended to lack clear objectives, priorities or quantified targets.

To some extent the limitations of the reports also reflect the limited nature of the integration of the NAPs/inclusion process in national policy planning processes in some countries. In such cases the impact of the NAP remains quite limited and tends to be viewed more as an occasional reporting process rather than a means of bringing greater urgency and coherence to national policies to promote social inclusion, as was originally intended by the European Council.

³ See 2005 Joint Report on Social Protection and Social Inclusion for a more detailed description of each priority.

WEAK EVALUATION AND IMPACT ASSESSMENT

Many Member States lack adequate mechanisms to monitor and implement the priorities and objectives that they have defined in their NAPs/inclusion. In some case this reflects a lack of expertise in undertaking impact assessments of policies. This is compounded by limitations in the availability of data. This issue needs to be addressed at all levels of governance, local and regional as well as national, in order to enhance the delivery and effectiveness of measures to promote social inclusion.

LACK OF GENDER MAINSTREAMING

The application of gender mainstreaming and the development of gender impact analysis remain quite limited in the social inclusion process and are little taken into account in the reports. While the principle of gender mainstreaming is often acknowledged and while there has been some improvement in the breakdown of statistics by gender, this is only infrequently reflected in the analysis of trends and challenges, the setting of objectives or the implementation of measures. The area in which gender mainstreaming appears to have progressed the most is in relation to policies reconciling work and family life. The limited attention to gender issues is perhaps in part explained by the limited involvement in the process of the key agencies active in this field and the limited use that is made of existing studies. In the light of this, Member States need to strengthen gender mainstreaming and gender impact assessment by developing gender specific targets for monitoring the policy process, by enhancing the institutional procedures used for gender mainstreaming, by widening consultation with social partners focusing on promoting equality between men and women and by involving the relevant specialist agencies in the development and monitoring of the NAPs/inclusion.

EMERGING POLICY MEASURES

The reports contain detailed descriptions of relevant policies across a broad range of domains reflecting well the comprehensive and multi-dimensional nature of the common objectives underpinning the process. They provide a rich basis for enhancing the exchange of learning and best practice. As in previous reports activation policies aiming at increasing the employment participation of those most distant from the labour market receive the most attention. There is also considerable attention given to policies to improve access to key services (particularly housing, health and long-term care and education), to including groups at high risk such as the homeless and disabled, to eliminating child poverty and to tackling indebtedness. However, two policy dimensions in particular emerge more strongly than heretofore: increasing the conditionality of social protection payments and measures to increase the integration of immigrants.

The growing emphasis on conditionality in social protection systems is driven by a concern to strengthen incentives to take up work. To date, there is little evidence that Member States are monitoring the impact of increased conditionality on the most marginalised groups.

Numerous developments are reported since 2003 in Member States' legal frameworks targeting legal immigrants⁴. There is a growing emphasis on measures such as language

⁴ For an analysis of trends in national integration policies, see the Second Annual Report on Migration and Integration (forthcoming)

training to promote integration of immigrants but these are not often balanced by measures to monitor and address discrimination in the labour market and in access to services. There is also much less attention given to addressing the high risk of poverty faced by some ethnic minorities and the situation of the Roma is overlooked in most reports.

MOBILISING ALL ACTORS AND IMPROVING GOVERNANCE

One of the areas in which the NAPs/inclusion process appears to have made progress is in the mobilisation of actors. Several Member States have created new institutional arrangements for consulting and involving relevant actors in the development and implementation of the NAPs. However, progress in mainstreaming the NAPs into the main policy making processes, including economic and budgetary decision making remains weak in many countries. Also, institutional arrangements for ongoing monitoring are often underdeveloped.

The continuation of the trend towards decentralisation is evident in most Member States and the role played by regional and local authorities is increasingly important in both the planning and delivery of social inclusion policies. However, the links between the NAPs/inclusion and co-ordination between national and sub-national policies often remain unclear and issues of adequate funding of actions can arise. This affects the successful implementation of plans and in part explains the implementation gap described above.

KEY ROLE OF STRUCTURAL FUNDS

Although the Structural Funds, in particular the European Social Fund, have contributed substantially to social inclusion policies, the implementation and update reports mainly report on specific project examples and less on their impact on the achievement of Member States' inclusion goals. Moreover, only few Member States give financial indications on the use of Structural Funds. There are many examples given however of projects which have contributed to enhancing employment prospects and supporting the long-term unemployed, addressing key issues such as early school leaving or improving school levels and adult education, developing quality health care, expanding child care provision, supporting the integration of people with disabilities, promoting the integration of immigrants and ethnic minorities, increasing access of women to the labour market, promoting the development of local social capital. The role of EQUAL programme in supporting innovative actions to promote a more inclusive working life and fight discrimination is often highlighted.

3 LESSONS FOR THE FUTURE

Three main lessons can be drawn from the analysis of the reports for strengthening the implementation of the NAPs/inclusion in the future. These are concerned with better mainstreaming in national policy making, improving delivery through better governance and enhancing linkage with the Structural Funds.

Mainstreaming: The NAPs/inclusion need to be better integrated with the general policy approach in Member States and with the new Lisbon process on economic growth and employment. This is essential if they are to become a real tool for policy development and for mainstreaming social inclusion issues across all relevant areas of national policy making, including budgetary policy. This is more likely to be achieved if in future the NAPs are more focussed in terms of defining a small number of key objectives based on a rigorous

analysis of the poverty/social exclusion situation, setting clear and quantified outcome targets and defining a precise set of actions to achieve those objectives.

Better governance and strengthened evaluation: The implementation of the NAPs/inclusion will be enhanced if several aspects of governance and evaluation are strengthened. First, the links between the different levels of governance (national, regional and local) in both developing and implementing plans need to be clarified and reinforced. Secondly, arrangements for monitoring and evaluating the implementation of the NAPs/inclusion need to be strengthened and the capacity to undertake impact assessment based on indicators improved. To this end resources allocated at both EU and national levels to timely collection and analysis of data need to be increased. Thirdly, the mobilisation of all actors, including people experiencing poverty, in the preparation, implementation and monitoring of social inclusion policies needs to be strengthened. Finally, a more precise, systematic and transparent framework for preparing and reporting on the implementation and impact of the NAPs/inclusion needs to be agreed between the Commission and Member States.

Structural Funds: The EU Structural Funds, and in particular the ESF, have provided an important contribution to social inclusion measures in the Member States. However, Structural Funds support has in many cases not been consistently linked with the EU wide objectives and more importantly the National Action Plans. The streamlined Open Method of Coordination starting in 2006 provides the opportunity to better link inclusion policy planning with Structural Funds programming. This would strengthen the impact of Structural Funds and raise the visibility of their contribution to social inclusion policy in the Member States. A more strategic approach would also help in showing value added of the Funds, whereas social needs to recognise and make evident the opportunities provided for by these financial instruments. In this context it will be important that in future there is better evaluation and assessment of the impact of the EU Structural Funds on poverty and social exclusion.

INTRODUCTION

This report assesses progress made in the implementation of the Union's Open Method of Coordination on poverty and social inclusion. It identifies key priorities for policy action, highlights ways in which the implementation of national action plans could be further improved and identifies innovative approaches and good practice of common interest to the Member States. It aims to bring a strengthened focus on implementation and delivery of actions to eradicate poverty and social exclusion and an increased urgency to the whole process. It is based on an analysis of the Implementation reports on their 2003-2005 National Action Plans on poverty and social exclusion (NAPs/inclusion) that were submitted by the EU15 Member States (MS) during summer 2005. It also takes into account reports from four of the EU10 Member States (Cyprus, Hungary, Lithuania and Malta) updating the priorities and/or key policy measures outlined in their 2004-2006 NAPs/inclusion.

Context

The report comes at an important moment in the development of the Union's social inclusion process, which was launched at the Lisbon European Council in 2000 with the objective of making a decisive impact on the eradication of poverty by 2010.⁵ The conclusions of the European Council in Brussels in March 2005 relaunched the overall Lisbon Strategy of 2000 with a refocus of priorities on growth and jobs⁶. It also reaffirmed that strengthening social cohesion would remain a core objective of the Union and that modernising social protection and fostering social inclusion are key priorities. Very specifically the Council conclusions stated that *"Social inclusion policy should be pursued by the Union and by Member States, with its multifaceted approach, focusing on target groups such as children in poverty."* It is thus clear that the Union's social inclusion process will continue as an important part of the overall Lisbon agenda. It will be part of an overall OMC on social protection and social inclusion, encompassing pensions and health care as well as social inclusion. This OMC will run in parallel to the revised Lisbon agenda on economic growth and employment. In doing so it will feed into the economic and employment dimensions of the revised Lisbon agenda.

Prior to the revision of the overall Lisbon agenda it had already been agreed between the Commission and Member States that from 2006 the social inclusion process should be brought together with the parallel process on pensions and health care into a new "streamlined" OMC on social protection and social inclusion. At the same time it was stressed that this should not diminish the distinctive identity and achievement of the respective processes. It was thus agreed that, in the lead up to 2006, the processes should be

⁵ It was agreed at Lisbon that Member States should co-ordinate their policies for combating poverty and social exclusion on the basis of an open method. This would involve agreeing common objectives which would then be translated into national policies through the development of National Action Plans. The process would be supported by the development of commonly agreed indicators and a Community action programme to foster data collection and analysis and the exchange of learning and good practice. It was also agreed that there would be regular monitoring and reporting on progress. The common objectives were subsequently agreed at the Nice European Council in December 2000 and reviewed in 2002. The first round of NAPs/inclusion were prepared by the EU15 in 2001 and the second in 2003. The ten new Member States prepared their first NAPs/inclusion in 2004. Further information on all aspects of the social inclusion process is available on the Commission's web site at http://esnet.cec/comm/employment_social/social_inclusion/index_en.htm.

⁶ See "Time to Move Up A Gear" The European Commission's 2006 Annual Progress Report on Growth and Jobs.

reviewed prior to the Commission producing a Communication in late 2006 proposing revised common objectives and working arrangements for the new streamlined OMC. The 2005 Implementation reports prepared by Member States, containing as they do a wealth of material on the implementation of the social inclusion process to date, provide a valuable resource of information and learning to inform the revision of the common objectives and strengthen working arrangements.

Interim Period

It should be noted that Member States prepared their implementation reports during an interim and transitional period. At the time of their preparation the details of the revised Lisbon agenda were still being finalised and there was still uncertainty as to how the social inclusion process would relate to the wider Lisbon process. Furthermore, the preparation of the reports occurred at the same time as the evaluation of the social inclusion process and other social processes was going ahead. It also occurred before the arrangements for the future streamlining of the social inclusion process with the parallel processes on pensions and health and long-term care had been worked out. This uncertainty may have affected the clarity and focus of the reports from some Member States.

Objectives

The report has six main objectives. These are: first, to assess the situation in relation to poverty and social exclusion at EU and Member State level; secondly, to examine implementation of the NAPs/inclusion and assess their impact on poverty and social exclusion; thirdly, to identify key policy messages and lessons and examples of good practice which can provide a basis for continued transnational exchange and learning; fourthly, to contribute to the mid-term review of the social inclusion process and inform the launch of a "streamlined" OMC on social protection and social inclusion in 2006⁷; fifthly, to contribute key points to be taken into account in the preparation of the second Joint Report on Social Protection and Social Inclusion; and, sixthly, to feed in to the annual EU-level Lisbon assessment.

Structure

The report is in two parts. Part I is a horizontal analysis of the Implementation reports. It begins with an identification of the main trends and challenges in poverty and social exclusion as identified by Member States. It then assesses the overall implementation of the strategic approaches identified in 2003, identifies any changes in direction and draws out lessons for the future. There is an overview assessment of the implementation of policies across the different policy domains. A specific chapter draws on both the Implementation reports and experience gained from the Community action programme on social inclusion to identify lessons on the contribution that the exchange of learning and good practice can make to the development of the social inclusion process. Another chapter assesses the impact that the NAPs/inclusion has had on mobilising all relevant actors at national, regional

⁷ The social inclusion process was launched at the Lisbon European Council in 2000 and thus it was agreed that it would be appropriate to review progress at the mid point in 2005. At the same time the Commission also sought to take account of the views of stakeholders before putting forward its proposals for streamlining the social protection and social inclusion processes launched at Lisbon. It thus asked Member States, social partners, NGOs and social protection institutions to complete a questionnaire on the OMC and its working methods.

and local levels in support of social inclusion policies and draws out lessons for further strengthening this aspect in future. The contribution made by EU Structural Funds to implementing social inclusion objectives is also described. The question of how the gender dimension has been taken into account in the process is also assessed in the different sections. Part II consists of three annexes. The first is a series of country fiches synthesising and analysing each implementation report and identifying future challenges. The second is a detailed horizontal assessment of developments in the key policy areas covered in the reports. The third is a table of the examples of good practice proposed by Member States.

PART I: SITUATION ACROSS THE EU 15

1. MAJOR TRENDS AND CHALLENGES SINCE 2003

Main Trends

Most Member States provide a reasonably comprehensive synthesis of the main trends and challenges in relation to poverty and social exclusion since 2003. However, a lack of data or unavoidable time lag in its' availability severely limits analysis in several areas, particularly in relation to income poverty. Overall there is little evidence of significant changes since 2003. On the other hand several Member States note positive trends in some areas, while others note a slight worsening in some aspects. Some stress that the period was marked by a difficult economic and employment climate (Germany, Netherlands) whereas others put more emphasis on the resilience of their economies (Austria, Belgium, Greece, Ireland, Luxembourg, Sweden, and UK). However, Greece, Germany and Sweden note that economic growth has not sufficiently translated into job creation and a lowering of unemployment while in Ireland and Spain at-risk-of-poverty levels remain high notwithstanding strong economic growth.

A notable increase in expenditure on social protection as a percentage of GDP can be seen in several countries including Austria, Belgium, Germany, Greece, Ireland, Luxembourg, and Portugal while Denmark, France and Sweden maintained high levels of expenditure. The Netherlands has seen a decline over time but remains close to the EU average. In Ireland and Portugal, as well as Greece and Spain, the overall expenditure as a percentage of GDP remains below the EU average and these countries also have high at-risk-of-poverty rates. However, Spain has recently increased the level of expenditure devoted to social protection.

While there are no significant new trends evident in the reports a number of the key trends evident in 2003 are reinforced and the persistence of a number of the key dimensions of poverty and social inclusion is emphasised.

The persistent high level of **unemployment** continues to be the key trend highlighted by many Member States (Belgium, France, Germany and Greece). Several point to a rise or to a continued high level of long-term unemployment (Belgium, Germany, Greece and Portugal). In this regard especial attention is drawn to the high levels of unemployment amongst foreigners, immigrants and/or ethnic minorities (Germany, Netherlands, Sweden, UK), single parents (Germany, UK), people with low educational and vocational qualifications (Germany, Greece, Portugal, UK) high or growing youth unemployment (Finland, Greece and Luxembourg), older workers (Austria, UK) and people who are disabled (Spain, UK). Attention is drawn by several countries (Belgium, Ireland, UK) to the situation of jobless households and Belgium and Italy highlight regional differences and areas with problems of high unemployment while Portugal points to the large number of working poor. However, several countries also point to increases in the numbers in employment (Germany, Greece, Ireland and the UK) and reductions in unemployment (Malta, Italy, Spain). Finland highlights a reduction in the ratio of long-term unemployment and Germany notes progress on youth unemployment. Ireland and the UK emphasise that unemployment is maintained at very low levels.

Overall there is little evidence of significant shifts in **at-risk-of-poverty** rates though the unavoidable time lag in data availability makes assessment uncertain in this regard. Also changes in methodology from existing sources (ECHP or national) to EU-SILC means that for some countries 2002 and 2003 data are not absolutely comparable. Clearly a lack of progress in reducing poverty rates is more significant for those Member States who already have the highest levels at risk (Greece, Ireland, Italy and Portugal). However, some Member States (Cyprus, Portugal and UK) suggest some improvement in at-risk-of-poverty and deprivation indicators. France and Sweden note a reduction in the numbers in need of financial assistance. On the other hand, some Member States (Finland, Germany, and Greece) indicate a slight rise in the at-risk-of poverty rate. Some Member States (Austria, Ireland, and UK) also draw attention to persistent poverty and some to longer periods dependent on social assistance. Indebtedness is also highlighted more clearly than previously as a problem by most countries.

Child poverty, especially among children in lone parent and larger families and immigrant children, is identified as a continuing concern (Finland, Germany, Italy, Ireland, Luxembourg, Netherlands, Portugal, Spain, Sweden, and UK). Greece notes a worsening situation for children and young people. However, some countries (UK) where this has been a major priority, do note some progress.

It is striking that several countries (Austria, Denmark, France, Germany, Greece, Spain, Netherlands, and Ireland) highlight the high poverty and/or exclusion risk faced by many **immigrants**. A few countries draw attention to the higher risk of poverty experienced by ethnic minorities (Denmark, Netherlands, and UK) but in general the ethnic minority dimension is underreported.⁸ However, the position of the Roma/Travellers/Gypsies is particularly highlighted in several NAPs/inclusion (Greece, Portugal, Spain, Ireland and the UK).

There is little evidence that the high risk of poverty faced by **disabled people** has changed and a number of Member States (Austria, Germany, Ireland) highlight this dimension, though the UK notes some improvements⁹.

Analysis of **health** indicators receive only limited attention. Health gaps between the poor and other members of society and poor access to health services are highlighted in some reports (Greece, UK) though Sweden notes an improvement in sickness rates and some note increasing life expectancy rates (Germany, Portugal and Sweden). The analysis of **educational disadvantage** is also quite weak, though Spain points to persistently high levels of school drop outs while Malta and the Netherlands indicate some improvement. Portugal highlights a serious problem of educational disadvantage though some progress is indicated.

Attention is drawn by several Member States (Finland, Portugal, Sweden) to some evidence of an increasing risk of poverty and exclusion faced by some very **vulnerable groups**¹⁰. These include the homeless, prisoners, women and children who are victims of violence, severe substance abusers. However, Finland notes a reduction in the number of homeless

⁸ Eurostat does not currently produce a breakdown of risk of poverty by ethnic origin/citizenship status.

⁹ Eurostat does not currently produce a breakdown of poverty risk by disability status.

¹⁰ Eurostat cannot currently produce a breakdown of poverty risk for vulnerable groups such as the homeless, prisoners, women and children who are victims of violence and people with addiction problems.

and Sweden a reduction in young drug abusers, while Spain has taken decisive steps to combat domestic violence.

Significant **regional variations** in poverty and social exclusion are highlighted by some countries (Belgium, Germany, Italy, Portugal and UK) though Portugal and Italy note some lessening in differentials.

One aspect that is becoming more evident than heretofore in the NAPs process is the risk of poverty amongst the **elderly**, especially among older women living alone (Austria, Finland, Greece, Ireland, Italy, Portugal). On the other hand some Member States note the lower risk of poverty faced by older people (Germany, Netherlands) and some note some improvements in some aspects (Cyprus, Greece, UK). In any case, as will be evident elsewhere in this report, the high risk faced by some older people is rarely matched in terms of actions by Member States.

Structural Changes

Previous reports on the Union's social inclusion process have identified a number of major structural changes that are impacting on poverty and social exclusion, sometimes positively and sometimes negatively. These are: changes in the labour market as the result of rapid economic change and globalisation; the rapid growth of the knowledge based society and Information and Communication Technologies; ageing populations and higher dependency ratios; increased migration and growing ethnic diversity, continuing changes in household structures, greater equality between men and women and increased labour market participation by women. The reports from Member States confirm these as still important issues. In particular two aspects stand out from Member States' reports. These are:

- the new social challenges arising from inward immigration (Austria, Denmark, France, Ireland, Netherlands, Spain);
- the impact of increasing dependency ratios (Belgium, Germany, Ireland and Spain) leading to rising health and insurance costs and combining with increased female participation in the labour force to create increasing need for more care provision for the children, disabled and the frail elderly;

Gender Analysis

The gender dimension of poverty and social inclusion is only covered to a limited and uneven extent in Member States' analysis of the key trends and challenges. The evidence of gender gaps and inequalities is clear from the statistical annex in most implementation reports and data on this has generally improved since 2003, even if there is still a need for a more systematic and comprehensive gender breakdown of some indicators, for example in relation to disadvantaged groups. However, the indicators are not often used to develop a gender mainstreaming perspective in the text. On the other hand, many reports do highlight that women predominate in some target groups, for example in relation to lone parenthood or older persons and differences in employment and unemployment rates of men and women are frequently cited. However, this evidence is rarely discussed in explicit gender terms (i.e. the % of the group who are female, or a gender breakdown of the situation of lone mothers vis-à-vis lone fathers).

The lack of a stronger gender mainstreaming approach means that the common causes and linkages between many risks of poverty and social exclusion, which help to explain why women predominate in many of the target areas, are not analysed as much as they might be (i.e. women do most of the care work in the family, face inferior labour market conditions and sex discrimination, are more likely to have their lives disrupted by domestic violence, etc.). This lack of a thorough gender mainstreaming in the analysis of trends and challenges means that a holistic understanding of the problem remains largely hidden from view and is not fully reflected in the identification of key policy challenges. Gender mainstreaming is even less developed in the analysis when it comes to men even though there are significant target groups where men predominate. For instance, men have lower life expectancy, men predominate in the prisoner and ex-prisoner population and also amongst rough sleepers and there is a significantly higher rate of early school leavers among men. Also the gender profile of some target groups is often relatively poorly documented (e.g. drug abuse, homelessness) and important variations across countries are often not made evident, for instance in relation to early school leaving or the disabled population.

Key Policy Priorities

The 2004 Joint Report on Social Inclusion, based on an analysis of the 2003-2005 NAPs/inclusion, identified a number of key policy priorities for the EU15. These were further developed and refined in the 2005 Joint Report on Social Protection and Social Inclusion. They are concerned with increasing labour market participation, modernising social protection systems, tackling disadvantages in education and training, eliminating child poverty, ensuring decent accommodation, ensuring access to quality services, and overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants (see annex 4 for more details):

The analysis provided by Member States in their implementation reports suggests that these remain critical challenges. However, several dimensions are further reinforced. For instance:

- in relation to the activation of the unemployed several Member States stress the importance of targeting particularly vulnerable groups such as jobless households, ex prisoners, people with addiction problems. Attention is also drawn to the challenge of addressing the complex interactions of multiple disadvantages;
- in relation to social protection systems four key challenges are highlighted: first, how to ensure the long-term sustainability of systems; secondly, how to balance rights and obligations; thirdly how to reduce long-term dependency by developing more activating social security; and, fourthly, the challenge of reducing levels of indebtedness;
- within the policy challenge of eliminating child poverty and its intergenerational transmission particular emphasis is put on the challenges of developing family policy, ensuring access to child care and targeting children at high risk such as children in lone parent families, children in care, immigrant children and disabled children;
- a number of countries (Austria, Denmark, France, Germany, Ireland, Finland, Netherlands, Luxembourg, Spain, Sweden and the UK) highlight the challenge of ensuring the integration of immigrants into all aspects of society. However, apart from a few countries (Denmark, Netherlands Portugal, Spain, UK) there is little acknowledgement of the policy challenge of reducing the high risk of poverty and social exclusion faced by some ethnic minorities, including the Roma.

Two issues emerge from the reports which cut across the priority policy areas. These are:

- the importance of co-ordinating the delivery of key policies at local level so that they respond in an integrated, flexible and reinforcing way to the multiple dimensions of poverty and social exclusion, particular in the most disadvantaged urban and rural communities;
- the necessity to give special attention to ensuring that the needs of groups at particular risk such as disabled people, ethnic minorities (including the Roma), homeless, ex-prisoners, people with addiction problems and isolated older people are addressed across the different policy areas both through improving access to mainstream provision and, when necessary, through targeted measures.

2. STRATEGIC APPROACHES

In the outline for preparing an implementation report Member States were invited to make an overall assessment of the extent to which the strategy outlined in 2003-2005 NAPs/inclusion has been successfully implemented. In particular they were encouraged to undertake a rigorous assessment of the extent to which the overall strategic approach adopted has proved appropriate and effective; the extent to which key objectives and immediate priorities and targets have been achieved; and the progress made towards reaching the set overall targets and whether the set targets have proved adequate and sufficient. All this was in the context of assessing whether their NAPs/inclusion has been making a significant contribution to the Lisbon goal of making a decisive impact on the eradication of poverty by 2010.

Varied Approach

In practice the approach to preparing implementation reports has varied widely. A few make considerable efforts to review and assess the impact of their NAP. However, in many the tendency is to describe policies and actions while the assessment of their actual impact could be strengthened. This may sometimes reflect weaknesses in the monitoring and evaluation systems put in place by Member States and on other occasions limitations in the actual implementation of the NAPs/inclusion. Also, in some cases, the lack of assessment of the impact of the overall strategy may reflect the fact that the original plan was not itself a strategic document with clear objectives, concrete priorities and quantified targets. Indeed, because in several cases NAPs/inclusion were developed more as a report on existing and planned measures and not as a strategic planning tool aimed at achieving clear political outcomes, it was, for some, probably an impossible goal to produce an implementation report that would really evaluate the effectiveness of the approach adopted. The varied approaches adopted by Member States also reflect the different national backgrounds, structures and contexts.

Ireland makes the most systematic and rigorous effort to assess the implementation of its NAP and also makes the most consistent effort to assess progress towards achieving its objectives and targets. It reports substantial progress across all objectives since 2003. However, in some key areas a recurring problem is the inability to make a reasoned assessment of progress owing to weaknesses either in data availability or in the framing of the targets themselves. The United Kingdom also provides a comprehensive and multi-dimensional overview of strategies being implemented in the fight against poverty and

social exclusion. However, it is not always clear to what extent the strategies described are successful in addressing the key issues identified in the 2003 NAP. On the other hand, the fact that progress is assessed against the wide range of established targets makes the report more concrete and the impact of the efforts more visible. The Greek report also provides a balanced assessment of its strategic approach which helps to identify weaknesses and areas for improvement. Overall the assessment reveals a mixed picture. As well as noting progress on some objectives it also highlights elements which have either not yet been adequately implemented or have not had the expected impact on poverty and exclusion. France assesses progress towards quantified objectives identified in 2003 and reports on the implementation of the measures outlined. However, more use of output targets in addition to input and performance targets would have strengthened the assessment of the actual impact of measures. However, the plan does highlight clearly why the French approach has been further strengthened since 2003.

Portugal attempts to assess overall progress on the objectives outlined in 2003 and notes both successes and failures. However, it is clear that changes of government in the interim period have increased difficulties in pursuing a coherent strategy and meant that the consistency between policy strands and measures as well as the expected impact of some measures has not met expectations. Likewise, the Netherlands assesses the overall progress made on the key objectives and targets set in 2003. This reveals a mixed picture, with progress in some aspects but not in others. However, like some other countries, the report could have taken more into account the shift in policy emphasis arising from change of government, instead of tending to focus on the objectives, targets and indicators defined in 2001 and 2003. Sweden makes use of its ambitious national targets as a benchmark for reporting on progress towards key objectives. However, in other respects the report tends to describe recent and planned measures. More information on the impact of policy would strengthen the report as would a discussion about the reasons why some targets are not being met. The report also only mentions central government responsibilities leaving aside other crucial levels of government.

In many Member States there is little evidence of any very rigorous or systematic evaluation of the effectiveness and appropriateness of the strategic approach outlined in 2003. Such reports often seem to confuse the monitoring of whether actions envisaged were actually carried out with a rigorous evaluation of their impact and effectiveness. Such reports thus tend to focus on listing measures. Luxembourg gives a comprehensive review of the 115 measures mentioned in its NAP. Similarly Denmark, Germany, and Spain make a reasonably systematic attempt to assess whether the measures they indicated in their 2003 NAPs were implemented. These list a considerable number of measures and activities. But again the reports could be strengthened through an assessment of their impact or relative importance. Effective monitoring often seems to be impeded because the NAPs contain few targets or indicators and because of the lack of relevant and timely data. Thus the overall impression is of an assemblage of measures undertaken by different departments rather than of a truly coordinated strategy.

Belgium has taken the opportunity to review extensively its approach with a broad range of actors and has made some progress, though an assessment of overall impact has been impeded by a lack of clarity about the original objectives and targets. The report thus is also more a listing of the measures being implemented though these are more systematically linked to the overall objectives than previously. Finland also takes into account the outcomes of a seminar of key stakeholders. These conclude that the objectives of the NAP have been achieved reasonably well but also contain suggestions for further improvements.

However, the overall assessment of the impact of the NAPs is limited as it has been decided that the results of the actions to combat poverty and social exclusion will be assessed separately at a national event to be arranged in autumn 2005 when updated statistical data will be available. Thus the majority of the plan consists of a listing of measures implemented and would be strengthened with more assessment of their impact on the key objectives. Austria reiterates its objectives and notes that the objectives could only be realised to a variable extent and that while all are indispensable they are in some cases in conflict with each other. The report is thus mainly a listing of measures implemented. A clearer assessment of the appropriateness or impact of its overall strategic approach would strengthen the rapport though the lack of an integrated approach with quantitative targets, timeframes and budgets makes this difficult to achieve.

The Use of Targets and Indicators

The 2004 Joint Report on Social Inclusion noted that the Member States which most consistently and systematically set quantified targets derived from the priorities and objectives they set in their plans were Ireland, France, Netherlands, Portugal, Sweden and the UK. The implementation reports show that over the last two years there has been little progress made in setting targets by countries that were weak in this respect in 2003. However, it is striking that those countries who did establish key outcome targets related to clear objectives are, by and large, those who have been most successful in making an assessment of the impact of their NAP/inclusion.

The Joint Inclusion Report 2004 concluded that, in the context of analysing their social situation in their NAPs 2003-2005, Member States had made extensive use of indicators. However, when elaborating their future strategies, the use of indicators became much lighter and in some cases was entirely absent. This comment remains valid for the implementation NAPs. Indicators are used to describe the national situation but to a much lesser extent to refer either to future strategies or as a means to review progress in relation to the strategies set out in the 2003 NAPs. In their review of progress to date, many countries only use measure-specific information (budgetary input indicators and/or numbers of persons/organisations reached by it). If such information is not explicitly linked with plans as set out in the 2003 NAPs, then it becomes difficult to use it when assessing progress in the implementation of these plans. This is the case for Austria, Denmark, Finland, France, Germany and Hungary. In Hungary's case the lack of result indicators may be mostly attributed to the short period of time since the start of implementation. Other countries do refer in their implementation chapter to specific plans they made in their NAPs. Cyprus, Luxembourg and Malta do this, even though they do not refer to specific targets set earlier. However, Belgium, Greece, Ireland, the Netherlands, Sweden and the UK report on concrete policy measures in respect of plans made and targets set in their previous NAPs. Of this last group of countries with the most elaborate implementation analysis, three countries go even further by referring to primary OMC-indicators: for example, Netherlands makes extensive use of long-term and youth unemployment indicators plus poverty risk among specific groups; Sweden uses poverty risk among women and employment participation rates; and UK uses indicators including poverty risk of children and jobless households.

As their reports pass from the implementation analysis to the outline of new commitments, many Member States stop making use of indicators (Belgium, Germany, Denmark, France, Italy and Luxembourg), or refer to them only briefly and in very general terms (Austria and Finland). However other countries (Spain, Greece, Ireland, the Netherlands and Sweden) do use indicators as benchmarks for future improvement in their social inclusion situation. Most

of the indicators referred to stem from the set of Laeken indicators. The United Kingdom, as before, makes a much more elaborate use of indicators, under which various Laeken indicators are complemented with tertiary indicators.

The data on which Member States built their analysis is very diverse. For economic and labour market related trends all countries make use of data that is harmonised on EU-level. However, data for the social situation stems from varied sources. Most Member States, for which EU-SILC data for 2003 is available, do use this data source (Austria, Belgium, Greece, Ireland and Luxembourg). However, Spain, Germany and the United Kingdom refer to the latest ECHP wave. Several countries use national data (Finland, France, Sweden, the Netherlands and Portugal). This diversity of approach is due to two reasons. Firstly, the European wide Statistics on Income and Living Conditions (EU-SILC) still needs to be elaborated in some Member States. Secondly, poverty data based on surveys encounter significant time lag. Therefore, Member States often refer to national, administrative data, although this data is very definition sensitive and lacks comparability.

Of course using targets and data effectively to support the monitoring and impact assessment of the NAPs depends on there being proper arrangements in place to utilise them. Only a few countries (in particular Ireland and the UK, but also to some extent Belgium) demonstrate clear arrangements for monitoring and assessing the implementation and impact of the NAP on an ongoing basis and it is likely that in several Member States the lack of such arrangements undermined the possibility of producing a rigorous and informed implementation report. While a number of countries held once-off consultations while preparing their reports this is no substitute for having an ongoing and formal monitoring and evaluation system in place. The confusion between monitoring and evaluation in many reports also suggests that several Member States may need to not only put appropriate institutional arrangements in place but also to invest in building analytical capacity.

Consistent Approach

In most Member States the strategic approach and key objectives and priorities set in 2003 have remained largely constant (Austria, Belgium, Cyprus, Denmark, Finland, Greece, Lithuania, Luxembourg, Sweden, United Kingdom) and will continue to be pursued during 2005-2006. However some countries have further elaborated and reinforced their approach. For instance, in 2004 France launched a Social Cohesion Plan (plan de cohésion sociale) 2005-2009. Germany produced a substantial up-date to its 2003 plan in 2004 in the context of Agenda 2010. This aims at encouraging participation, opening up opportunities, especially in education and training, and securing basic needs. However, it lacks clearly quantified targets and objectives in relation to social inclusion. Ireland signals strongly a shift in emphasis towards addressing the issue of jobless households and inactivity. In the Netherlands, while the primary focus remains on budget consolidation, the emphasis has shifted from the role of government to one of fostering greater personal responsibility. However, the NAP has not been updated and reformulated to reflect the change in policy direction. This contrasts with Spain where a change of government has led to an updating of the 2003-2005 NAP and the introduction to a number of significant changes, notably a commitment to increasing the minimum wage and the lowest pensions and the inclusion of education, housing and the fight against child poverty among the key objectives. In Italy the overall approach has been maintained but the implementation of the NAP 2003 has occurred during a period of intense change in the institutional landscape with de-centralisation to sub-national Governments of full responsibilities and spending powers for the design and

implementation of social policies. While much remains to be clarified over time this will impact on the approach in Italy.

Better Governance

A key element of the NAPs process is meant to be mainstreaming of social inclusion policies at all levels of national policy making. However, there is little evidence in the reports that progress has been made by many MS in linking the implementation of their NAPs to national budgetary process and decision making, though there is quite extensive reporting on the use of Social Funds in support of social inclusion policies. However, Finland clearly links its plan to the government's program. It is evident from most countries that there is a need to improve links between national social, economic and employment policies. This will become even more crucial for the NAPs/inclusion process in the context of feeding in to the new Lisbon process on economic growth and jobs.

The issue of better governance is not just a matter of better coordination and integration of policies at national level. In many countries a lack of coherence between the different levels of government limits a truly integrated and strategic approach and makes it more difficult to achieve consensus on social inclusion priorities. Furthermore, there is often insufficient information about implementation at the local level thus making it more difficult for national authorities to assess the actual impact of the overall plan. These questions appear especially challenging for those Member States with devolved regional administrations such as Belgium, Germany, Italy and Spain. However, with the clear emphasis in many other reports (Denmark, France, Greece, Netherlands, Sweden, UK) on further de-centralisation of responsibility to the local level, this becomes a vital concern for the actual implementation of many NAPs. It is clear from the implementation reports that it raises important issues about the clarification of roles, setting minimum standards and ensuring the financing of policies. For instance a key element in the strategic approach in Greece was meant to be improving governance in the social policy related areas but in fact this has not been translated into concrete actions and the mechanisms required for the coordination, monitoring and implementation of measures, especially at local level, are still not in place. In Italy, while the ongoing attempt in Italy to map out social protection expenditure at national and sub-national level should prove very useful also in light of the complex and fragmented nature of Italy's social protection system, important funding issues remain to be resolved. It also raises issues about monitoring the implementation of the NAPs/inclusion when responsibilities are decentralised. For instance, in the Netherlands decentralisation has led to a change in the role of national government. This has meant that monitoring by the national government concentrates on the results reached and cannot report on the details of how these are achieved as this is the responsibility of local governments.

Gender Mainstreaming

There was little attention given to the gender dimension when Member States established their overall approach and set key objectives and targets in 2003. Strategic challenges, targets and measures were predominantly constructed and presented in gender neutral terms. This remains the case with the overall assessment of the implementation of the plans and thus there is little assessment of the overall gender impact of the plans. However, there is some evidence that gender mainstreaming has begun to be built into monitoring and evaluation in some Member States (Belgium, Greece, Ireland and Luxembourg). However, the development of gender specific targets for monitoring policies is still underdeveloped

and except for the Lisbon employment rate targets for men and women, most targets continue to be expressed in gender neutral terms and lack gender-specific components.

Lessons for the Future

It is clear from the implementation reports that the effective implementation of the NAPs/inclusion is most likely to occur when issues of poverty and social exclusion receive a high political priority and when significant importance is attached to achieving the Lisbon goal of making a decisive impact on the eradication of poverty. Effective implementation also seems most evident in those countries where the NAPs/inclusion process has succeeded in mobilising a broad range of actors at local, regional and national levels and where the process is transparent and has achieved a good level of visibility.

Three main lessons can be drawn from the analysis of the reports so as to improve future implementation and delivery of social inclusion policies. These are concerned with better mainstreaming in national policy making, improving delivery through better governance and enhancing linkage with the Structural Funds.

Mainstreaming: The NAPs/inclusion need to be better integrated with the general policy approach in Member States and with the new Lisbon process on economic growth and employment. This is essential if they are to become a real tool for policy development and for mainstreaming social inclusion issues across all relevant areas of national policy making, including budgetary policy. This is more likely to be achieved if in future the NAPs are more focussed in terms of defining a small number of key objectives based on a rigorous analysis of the poverty/social exclusion situation, setting clear and quantified outcome targets and defining a precise set of actions to achieve those objectives.

Better governance: The implementation of the NAPs/inclusion will be enhanced if several aspects of governance are strengthened. First, the links between the different levels of governance (national, regional and local) in both developing and implementing plans needs to be clarified and reinforced so that the actors responsible for coordinating and delivering social inclusion policies at local level are fully involved in the process. Secondly, institutional arrangements for monitoring and evaluating the implementation of the NAPs/inclusion need to be strengthened and the capacity to undertake impact assessment improved. All relevant stakeholders should be involved in the assessment process and there should be a more transparent and visible public and political debate on the impact of the plans. Thirdly, it will also be necessary to devote more resources at both EU and national levels to the further development of indicators and the collection of timely data so as to fill gaps in current statistics. Fourthly, the mobilisation of all actors, including people experiencing poverty, in the preparation, implementation and monitoring of social inclusion policies needs to be strengthened in many Member States and more attention needs to be given to resourcing and supporting the involvement of NGOs in the process. Finally, a more precise, systematic and transparent framework for preparing and reporting on the implementation and impact of the NAPs/inclusion needs to be agreed between the Commission and Member States.

Structural Funds: The EU Structural Funds, and in particular the ESF, have provided an important contribution to social inclusion measures in the Member States. However, Structural Funds support has in many cases not been consistently linked with the EU wide objectives and more importantly the National Action Plans. The streamlined Open Method of Coordination starting in 2006 provides the opportunity to better link inclusion policy

planning with Structural Funds programming. This would strengthen the impact of Structural Funds and raise the visibility of their contribution to social inclusion policy in the Member States. A more strategic approach would also help in showing value added of the Funds, whereas social needs to recognise and make evident the opportunities provided for by these financial instruments.

3. POLICY IMPLEMENTATION¹¹

A wealth of activity

A very broad range of policy measures are described in the reports and these demonstrate a widespread concern across the EU to develop and improve policies to promote greater social inclusion. The range of measures described also serves to underline the complex and multi-dimensional nature of poverty and social exclusion and the need for policy measures which cut across a broad range of policy domains. They well reflect the multi-dimensional nature of the Common Objectives which underpin the social inclusion process. However, although there is a wealth of interesting information it is not generally possible to determine what policies would have been put in place in any case if there had not been an OMC/inclusion. Furthermore the wider policy context within which measures are implemented (e.g. the degree of redistribution, the level at which policy is implemented, the selectivity or universal character of the measure) is only very rarely mentioned.

One area receiving more attention than previously is that of the prevention and struggle against indebtedness and financial exclusion. One area in which it is surprising that there is relatively little reporting of targeted actions is in relation to the elderly, even though all reports recognise the importance of focussing on the elderly, in particular in view of demographic change.

Lack of assessment

There is a general lack of assessment of the impact of measures described. Where indicators are used they tend to be input indicators on expenditure or the number of people covered by a measure rather than indicators that assess the impact of the measure in terms of long term inclusion. Measures are also often not linked back to the overall objectives. This serves to highlight the need to develop capacity and the data sources necessary for improved policy impact assessment.

Focus on 7 Key Policy Priorities

It is interesting to note that the areas given the most attention relate closely to the seven key policy priorities identified in the 2005 Joint Report on Social Protection and Social Inclusion (see Annex 4).

Increasing labour market participation: Measures to reduce unemployment continue to be the main element in most country reports. Member States are clearly committed to the policy priority outlined in the 2005 Joint Report on Social Protection and Social Inclusion of

¹¹ Annex 2 provides a detailed analysis of the implementation of the policy measures across many different policy domains covered by the Common Objectives that underpin the social inclusion process. This chapter draws out some key learning points from these analyses

increasing labour market participation through expanding active labour market policies. However, it is less clear that the other aspect of this priority, i.e. ensuring a better linkage between social protection, life long learning and labour market reforms so that they are mutually reinforcing, has been progressed. The reports provide some evidence that the increase in activation measures is leading to progress on integrating people into the labour market. However, overall it is surprising that the reports make few links to the NAPs on employment.

Modernising Social protection: The continuing critically important role played by social protection systems in preventing and alleviating poverty is evident. It is also notable that in several Member States the share of GDP accounted for by social protection systems has recently risen after a period of decline. Some Member States have taken steps to enhance the adequacy and coverage of benefits (Belgium, Greece, Hungary, Ireland, Lithuania and Spain). At the same time there is a shared concern across Member States to ensure the long-term viability of their social protection systems in the face of ageing populations. Alongside this is the aim to strengthen incentives and supports to take up work and this continues to be the main driver of change in social protection right throughout the Union. It is leading to an increased emphasis in many countries on conditionality.. However, although there is an extensive reporting of measures there is little evidence given that these policies are actually impacting successfully on the labour market integration of the most hard-to-place groups. There is also little evidence that Member States have assessed to what extent increased conditionality and benefit loss may result in some households losing benefits and thus increasing their risk of poverty or whether there is an increased risk for some of in-work poverty.

Tackling disadvantages in education and training: Most reports identify education and training as making a crucial contribution towards promoting social inclusion in Europe. However, the place given to education and training varies considerably from country to country. They are too often seen as a remedial solution to unemployment rather than as fundamental inclusive experiences. The reports provide encouraging evidence that many countries are adopting coherent and comprehensive lifelong learning policies and strategies although implementation remains the challenge for most countries. In analysing the measures described in the reports it is possible to identify a number of key areas for action in tackling and preventing disadvantage. These include: improving the quality of education and training for all pupils; improving access to education and training for "at the margin" groups such as Roma, children of travellers, migrants and ethnic minorities; increasing equal opportunities of access to higher education; ensuring access to ICT for everyone; discouraging early school leaving and increasing the number of people in education; fostering adult participation in lifelong learning; developing a comprehensive guidance system in support of social inclusion; and developing tools for the validation of prior learning.

Eliminating child poverty: The conclusions of the March 2005 European Council particularly noted that in pursuing social inclusion policy the Union and Member States should focus on children in poverty. It is thus encouraging that the reports from Member States give much attention to this issue. Particular attention is given to three things: early intervention, supporting children in the context of the family and the community and a multi-faceted approach. However, the limited focus on children's and young people's rights and their very limited involvement in the social inclusion process is evident and is partly reflected in the lack of use of indicators which define children and young people's experiences of poverty and social exclusion from their own perspective.

Ensuring decent accommodation and tackling homelessness: Three aspects of overall housing policies receive particular attention. These are measures to improve access to decent and affordable housing, efforts to prevent the decay of housing occupied by people with few resources and measures to increase the supply of housing which is adapted to the specific needs of people and families who are most disadvantaged such as people with a disability, larger families, older people at risk of exclusion and ethnic minorities and immigrants. However, due to data limitations the lessons that can be drawn on the impact of these measures are limited.

In relation to homelessness the reports present some significant progress. First, several initiatives have been taken to improve the collection of data on homelessness thus allowing a better understanding and monitoring of the situation. Secondly, a significant number of countries have taken initiatives to prevent homelessness. Thirdly, the majority of Member States have made sustained efforts to put in place more comprehensive systems and more integrated strategies for tackling homelessness.

Improving access and tackling inequalities in health care: Improving effective access for everyone to health care and tackling inequalities emerges as a high priority for all Member States and in this respect the picture painted in the implementation reports complements and reinforces the picture given in the recent national statements on health and long-term care. Key measures described are concerned with improving the affordability of health care services for disadvantaged groups, reducing waiting times for treatment, reducing geographical disparities of care supply, improving patients' information and rights, adapting services to the needs of disadvantaged groups (e.g. mentally ill people, alcohol and drug or substance abusers, elderly people, disabled people, Roma and Travellers and Migrants), promoting effective health promotion and disease prevention. However, an increased focus on consequences rather than just descriptions would be useful. Also in future there is a need for a better correlation between information given in the NAPs/inclusion and the national statements on health and long-term care would be beneficial.

Increasing focus on immigrants: The integration of immigrants has gained growing importance on the European agenda in recent years as is reflected in the Commission's recent Communication on the integration of third-country nationals in the Union¹². Immigrants have become an increasingly important issue across all reports. Numerous developments are reported since 2003 in the Member States' legal framework targeting legal immigrants. It is thus clear that addressing the lack of integration of immigrants is an area of increasing policy effort. However, although some progress has been made since 2003, the analysis of the challenge needs to be more developed and distinctions need to be made both between and within groups. For instance, the growing emphasis on measures such as language training to promote the integration of migrants needs to be balanced with measures to monitor and address discrimination in the labour market and in access to services experienced by some ethnic minorities as well as by recent immigrants. Efforts to assess the concrete implementation of anti-discrimination legislation are also needed.

¹² "A Common Agenda for Integration: Framework for the Integration of Third-Country Nationals in the European Union", COM(2005) 389, adopted in September 2005.

In addition, particular focus needs to be given to the Roma population who were largely overlooked in the vast majority of reports.

Disabled People: All Member States have recognised the need to overcome discrimination and increase the integration of disabled people and most of them have included a variety of policies targeting disabled people. However, there is a lack of data to demonstrate the actual impact of policies. The main areas covered include increasing access to employment, eliminating barriers to education and training at all levels and involving organisations representing the disabled in the creation and implementation of policy. However, many have not yet transposed a mainstreaming approach whereby disability issues are mainstreamed into all relevant policies but some reports initiatives to move in this direction.

Lack of gender dimension

The gender impact of measures is rarely addressed in relation to the implementation of measures across the different common objectives. The wealth of studies which assess the actual or probable gender impact of many social inclusion policies in some countries are not made of use. However, it does seem that women stand to benefit from many of the measures described – for example expansion of child care, measures for specific groups such as immigrant women or older women, anti-discrimination legislation, increases in minimum wages, measures to tackle domestic violence. However, to what extent the policies have actually contributed to reducing gender inequalities is difficult to assess without a gender impact assessment. Also, where budget details are provided the sums for "female-dominated" measures are often modest and inadequate for the problem being addressed.

4. GOOD PRACTICE

Mutual learning and exchange of good practice is a "raison d'être" of the OMC. It promotes emulation, stimulates innovation and facilitates policy reform by drawing key lessons from the experiences of other countries. The exchange of learning and good practice in relation to both policies and institutional mechanisms has been promoted through means such as peer reviews, transnational exchange projects, comparative policy studies and networking of stakeholders. There is growing evidence that these activities, which have been supported as part of the OMC through the Community action programme on social exclusion, are helping to build knowledge and policy capacity in Member States to promote the transferability of efficient solutions. They are also contributing significantly to the mobilisation of relevant actors such as national, regional and local authorities, social services agencies, social partners, non governmental organisations and academics and researchers in support of the social inclusion process.

For instance, the presentation of best practices in the 2001-2003 and the 2003-2005 NAPs of EU 15 Member States and the 2004-2006 NAPs of new EU 10 Member States led to support being given to 15 Peer Reviews¹³ through which a wealth of valuable information has been presented. Further Peer Reviews are planned. Similarly, drawing on priority issues first identified in the 2001-2003 NAPs/inclusion over the past three years, 31 transnational exchange projects have provided important learning opportunities involving a wide range of policy makers and practitioners. Many are now producing important reports distilling the

¹³ See <http://www.peer-review-social-inclusion.net/peer/en>

lessons learned which should be a valuable resource to Member States in the further development of their NAPs/inclusion and social inclusion policies. A new wave of 24 exchange projects is just getting underway which prioritise issues identified in the 2003 and 2004 NAPs/inclusion. These will run for the next two years. Likewise, a growing body of findings from comparative policy studies investigating issues identified in the NAPs have produced important insights into policy areas as diverse as child poverty, the situation of Roma in an enlarged Union, housing for immigrants, microcredit, regional indicators, access to information technology, policies for disadvantaged youth and the role of cultural policies in promoting social inclusion¹⁴.

The process of exchange of learning and good practice has been taken a step forward in Member States' 2005 implementation reports. In these Member States have reported on a further 46 examples of good practice (see Annex 3). Most best practices presented in the implementation reports deal with promoting dialogue and partnership (13/40), going from horizontal forums for policy makers, over bridging the gap between the policy level and service providers, to networks that support stakeholders in the field. Good examples aimed to stimulate employment, mostly for groups with a high risk of social exclusion come second with nine out of 46 reported measures. Seven good practices aim to help the most vulnerable, particularly immigrants¹⁵, persons experiencing mental illness, disabled people and exploited women.

Education, with four reported best practices, gains more attention than in the previous NAPs. Noteworthy is the fact that these measures are not specific, but rather aimed at a broad public. While in health care, both best practices stimulate the role of the community to tackle health inequalities and to foster care at home. On housing one best practice is reported which aim is to promote the socio-economic integration of people living on week-end and camping sites. In relation to the Roma there is one good practice aimed at eradicating shanty areas by providing non segregated housing along with support measures for the insertion of the Roma and the encouragement of intercultural coexistence.

Key issues such as legislation on regulation of debt, special housing for homeless people, antidiscrimination national agency, child care allowance, public validation of professional experience of non qualified people are also put to the fore through a set of best practices.

5. MOBILISING ALL RELEVANT BODIES¹⁶

There is widespread recognition across all update and implementation reports of the importance of mobilising and consulting with all actors in support of social inclusion policies. This has been put into practice through arrangements for preparing action plans and reports but also through longer term schemes.

¹⁴ More information on these different exchange and learning opportunities can be found at http://europa.eu.int/comm/employment_social/social_inclusion/index_en.htm

¹⁵ A valuable source of good practice in the area of integration of immigrants is also the "Handbook on Integration for policy makers and practitioners" elaborated in cooperation with the network of National Contact Points on Integration and published in November 2004. See http://europa.eu.int/comm/justice_home/doc_centre/immigration/integration/doc/handbook_en.pdf. Currently, the second edition is being prepared.

¹⁶ Annex 2 section 9 provides a detailed analysis of the implementation of objective 4 on Mobilising all relevant bodies. This chapter draws out some of the key learning points from these analyses

The NAP process seems to have made a useful contribution to an improved climate of cooperation between central authorities and other actors and bodies involved, promoting mobilisation, and enhancing participation, as well as developing increased co-ordination across government ministries and, in some cases, between the national, regional and local levels of governance. However, several Member States recognised themselves that current arrangements are not completely satisfactory and that co-operation and consultation with the different partners need to be improved to achieve a more effective and coherent approach to preventing and tackling poverty and social exclusion.

Most Member States have used committees involving relevant ministries and agencies to co-ordinate the preparation of the NAPs and reports. Almost all have also consulted with a range of different actors (social partners, regional and local government, NGOs). However, there is a great variety in the extent of co-ordination and the depth of consultation. Some directly involve ministries and representatives of other actors on working groups drafting NAPs where others limit the involvement of non governmental actors to meetings, seminars and written submissions and comments. It is also to be noticed that a number of good practices reported by Member States relate to promoting dialogue and partnership.

Most countries extended the participation of people with experience of poverty to the NAPs process and several countries strengthened their efforts to consult with groups representing the excluded. While the mobilisation and involvement of actors show some progress, many reports tend to be quite descriptive and little evidence is provided of a direct link between mobilisation of actors and the actual impact on policies and practices.

Reports also show some progress in efforts to strengthen institutional arrangements to mainstream a concern with poverty and social inclusion at all levels of policy making and governance. However, there is little evidence that improvements have been made in linking the implementation of the NAPs to national decision making and budgetary process. There is also a strong need for a more systematic attention to mainstream social inclusion policies alongside national economic and employment policies, a need which is more crucial in the context of “feeding in” into the new Lisbon process.

The key role regional and local Governments have to play in developing social inclusion strategies is generally recognised and the coordination between different levels of governance in terms of preparing and implementing plans seems to be gradually increasing in several Member States as the process develops. However, information about implementation at local level remains insufficient and analysis of the impact of particular policies at regional/local levels is still often missing.

The need for regular monitoring and evaluation is broadly acknowledged, but only a few reports provide some evidence that a more comprehensive and systematic approach to monitoring implementation and to reviewing and assessing their NAPs is now in place. Effective monitoring is also hampered by the lack of relevant and timely data as well as by a limited target setting. This highlights the need to develop capacity and data sources necessary for improved policy impact assessment.

The role played by NGOs and (to a lesser extent) by NGO networks in the fight against poverty and social exclusion and in advancing the debate on policies is widely recognised. However, cooperation needs to be further strengthened in many Member States to promote and ensure a real consultation and this raises in particular the issues of resources and capacity building.

Several countries report that social partners have been involved in the development of the NAPs either directly in the drafting process or at least by being consulted. This has normally been by using existing consultative arrangements. However, in many cases their mobilisation seems to remain limited and little attention is given to their potential role as actors in designing social inclusion policies.

There is a broad agreement that increasing awareness of the OMC process is a key strategic challenge for the future, but there are few arrangements in place yet. Even in those countries where the process has had a significant impact, it remains very little known by the general public. Knowledge at both national and, especially, local levels seems limited to a narrow group of officials, NGOs, social partners and experts.

The role of national parliaments in contributing to an effective implementation of the social inclusion strategy and in ensuring that the NAPs remain at the centre of policy debate is still not adequately taken into consideration. Their level of involvement remains generally very limited.

6. THE ROLE OF STRUCTURAL FUNDS

The European Social Fund and the Community initiative EQUAL

Cohesion policy, of which the European Social Fund (ESF) with the European Regional Development Fund (ERDF) are the main financial instruments, is the main EU policy that explicitly addresses economic and social inequalities within the Member States and does so mainly through a dynamic action that directly promotes growth, rather than simply through passive re-distribution.

The ESF contributes to the economic and social cohesion objectives spelled out in articles 2 and 158 of the EC Treaty, by supporting policies and priorities to achieve full employment, improve quality and productivity at work, and promote social inclusion and cohesion, in line with the European Employment Strategy and the agreed EU objectives in relation to social inclusion. In the current programming period, there was a clear shift towards more preventive action; however, in areas of relatively high long-term unemployment, significant resources continue to go towards reducing the stock of unemployed.

The Structural Funds have been providing substantial support to social inclusion policies, although the implementation and update reports generally pay limited attention to their contribution. Most Member States mainly report on specific projects funded under the ESF programmes or the Community Initiative EQUAL. The contribution of the Regional Development Fund to social inclusion remained underreported.

Employment

Regarding the implementation reports – and the "updates" – submitted by the EU 15 member states and by Cyprus, Hungary, Lithuania and Malta, practically all member states have used the ESF to enhance the employment prospects of unemployed and inactive persons, and the labour market adaptability of workers but also of enterprises. The results can be impressive, as in Spain, where 1.100.000 people were supported on their employment path way. In Luxembourg, the ESF has been used in an innovative way to support long-term unemployed into accessing employment. Ireland has traditionally given priority to

investment in human resources and the ESF had provided a major contribution, which has resulted in significant returns in terms of a more skilled and productive workforce. The focus has now shifted towards removing obstacles for those not previously regarded as being available for employment, such as family members with children and lone parents. A strong push to bring the inactive closer to the labour market is the main characteristic of the ESF programmes in the UK, which support the NAP by funding additional activities to help people who are unemployed to find jobs, but also the inactive and/or disadvantaged to enter and make progress in the labour market. In many countries, for instance Italy, Lithuania, Spain and Portugal, the ESF has financed the upgrading of the Public Employment Services. In Belgium, the ESF has been used to improve the functioning of the labour markets through better matching, including through promoting flexible working arrangements, such as tele-working, that are particularly suited to certain categories of disadvantaged workers.

For all the Member States, the ESF is the EU main financial instrument also for helping the long-term-unemployed to get back to the labour market. Almost all MS report on use of the fund for social inclusion activities for the long-term unemployed. Germany, for example, developed a special federal programme "Work for long-term unemployed", helping the long-term unemployed to find fixed-term employment. In another area affected by long-term unemployment, such as objective 1 Italy, the ESF supports the functioning of the social shock absorbers by mostly assisting people who are at risk of poverty and exclusion because of the unfavourable socio-economic circumstances that affect the areas in which they live and not because of lack of educational qualifications or work skills (which is instead mostly the case in Objective 3).

Social Inclusion

In general, in Objective 3 programmes the managing authorities have taken advantage of the Fund's potential for innovation (for instance Finland, France and Sweden), while in Objective 1 the ESF has been called to play a more strategic role. In Greece, as the implementation report acknowledges, 'the structural funds and the ESF in particular had a significant impact in the development and modernisation of social structures in the country, thereby contributing to the implementation of national social policies'. In Portugal the implementation report acknowledges the role that the Structural Funds, and again in particular the ESF, play in providing funding for the implementation of the National Action Plan. The 'Employment, Training and Social Development' programme provides the most important financial support for social inclusion, followed by the 'Education' programme, which supports measures to address early school leaving, improving school levels and adult education. The 'Info-Society' programme facilitates the acquisition of e-skills and combats e-exclusion. The 'Health' programme supports quality health care as one of its priorities. In Malta, the ESF programme contributes to the objectives of the National Action Plan through a wide array of interventions that include training for child-carers and measures against domestic violence, work experiences for the disabled, provision of literacy courses, individual training for the very disadvantaged, and re-training of those negatively affected by industrial re-structuring.

Ethnic minorities and immigrants

ESF support to ethnic minorities is mentioned by Spain, where pathways to employment for the Roma are being developed. Also Lithuania and Hungary implement specific measures for the Roma. Hungary for instance supports, through its 'Human Resources' programme, the

NGOs working on Roma issues, while the Community Initiative EQUAL funds eleven employment projects with the Roma as main target group.

An important role is played by the ESF in supporting the labour market integration of immigrants. So, for example, in Germany EQUAL supports a network for counselling agencies that promote labour market integration of immigrants. Similar measures are supported by Spain and Italy. In Austria, the ESF funded language and computer training for 2200 migrants.

Gender Equality

Almost all Member States mention the role the ESF plays in support of gender equality and in facilitating the access of women to the labour market. This is not surprising as the latter is a specific ESF area of intervention. In the Netherlands, the ESF is being used to increase women's chances to access the labour market, particularly through measures for reconciliation of work and family life. Increasing the provision and quality of childcare is also the focus of much support given by the ESF and ERDF (European Regional Development Fund) in Ireland. In Italy, a system of 'reconciliation vouchers' has been set up, as an accompanying measure to ease labour market insertion. In Austria, the ESF supports measures to facilitate the access of girls into technical schools as well as measures for women returning to the labour market following a family leave. Specific measures for the labour market integration of women are also specifically mentioned by Malta. Spain has developed a comprehensive plan to combat domestic violence.

Local Social Capital

Development of local social capital is also supported by ESF in the framework of social inclusion activities. In Greece, the ESF had a significant impact in the development and modernisation of social structures in the country. Germany developed ESF co-financed programme "Local capital for social purposes".

ESF-ERDF synergies

Initiatives to find synergies between ESF and ERDF have been implemented especially in Ireland and Italy. In Ireland, for example, the funding from both structural funds has focused support on increasing provision and quality of childcare. In Italy, the ESF and the ERDF cooperate in the programme 'Education'.

EQUAL

The innovative content of the EQUAL Community Initiative is acknowledged in most, if not all, reports. EQUAL is a laboratory for new ideas for the EES and the social inclusion process. Its mission is to promote a more inclusive work life through fighting discrimination and exclusion based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Among the many initiatives that have contributed to the implementation of the National Action Plans for social inclusion it is especially worth mentioning those focused on easing the insertion of asylum-seekers, for instance in Austria and Malta.

Rural Development

Rural development policy is also partially included under Structural Funds and Leader + , a community initiative financed by EAGGF-Guidance, has financed a bottom up approach to

implementing rural development. This has also had an important contribution to promoting social inclusion in rural areas through the maintenance and creation of employment. However, there is little coverage of this in the Implementation reports from Member States.

PART II: ANNEXES

ANNEX 1: THE MEMBER STATES¹⁷

Methodological note on the use of income-related indicators of social exclusion and poverty used in this report.

The Report on Indicators in the field of poverty and social exclusion that was endorsed by the Laeken European Council in December 2001 set out an initial portfolio of 18 common indicators to underpin the Open Method of Coordination in the area of social inclusion. Since then, the Indicators Sub-Group has continued working with a view to refining and consolidating the original list of indicators. It highlighted the need to give children a special focus and, to this purpose, to have a standard breakdown by age of all the Laeken indicators, whenever relevant and meaningful (and conditional upon statistical reliability) and it redefined the indicator of population living in jobless households. A new indicator of in-work poverty was developed, together with a new breakdown of at-risk-of poverty by the work intensity of the household. Finally, a new indicator of low reading literacy performance of 15-year old pupils was added.

In order to maximise cross-country comparability of the EU commonly agreed indicators, the Laeken European Council also agreed upon common definitions as well as common data sources for their calculation.

While labour market indicators were and still are to be calculated on the basis of the EU-LFS, income-based indicators were specified to be calculated on the basis of the European Community Household Panel survey (ECHP). This pioneering survey was developed in collaboration with Member States and was implemented on a gentleman's agreement basis with effect from 1994. It expired in 2001. The reference source of statistics on income and social exclusion is now data collection under the EU-SILC framework regulation (no.1177/2003). Technical aspects of this instrument are developed through Commission implementing regulations, which are published in the Official Journal. Improving timeliness is one of the core objectives of the new tool. The opportunity is taken to follow as closely as possible the recommendations of the UN 'Canberra Manual' on income measurement (2001).

The EU-SILC project was launched in 2003 in six member states (Belgium, Denmark, Greece, Ireland, Luxembourg and Austria). With effect from the 2005 exercise there will be complete coverage of the EU25 and many neighbouring countries. Validated cross-sectional microdata covering all 25 countries is thus expected to be available in late 2006. During the transition to EU-SILC, Eurostat is coordinating data collection on the basis of national sources, harmonised as far as possible with the EU-SILC methodology. Whilst every effort is made to maximise consistency of definitions and concepts, the indicators cannot be considered to be fully comparable, due to differences in underlying data sources. For additional information, see the Eurostat working paper KS-CC-05-006-EN-N "Continuity of indicators during the transition between ECHP and EU-SILC".

¹⁷ These country chapters have also been used to inform the preparation of country chapters in the 2006 Joint Report on Social Protection and Social Inclusion and the Commission's 2006 Annual Progress Report on Growth and Jobs

Unless otherwise specified, the income-related indicators used in this report are the ones which have been collected by Eurostat following the common methodological framework as explained above and released on the Eurostat free dissemination database. The reference year for the data is the income year, which in most cases differs from the survey year in which the data have been collected. Namely, 2003 data refer to the income situation of the population in 2003, even if the information has been collected in 2004. EU aggregates are computed as population-weighted averages of available national values.

BELGIUM

Situation and key trends: Belgian GDP has gone from a near stagnation growth rate in 2002 (0.9 %) to 2.9 % in 2004, though this is forecast to slow in 2005-2006. The overall employment rate remains significantly below the EU average (60,3% compared to 63,1%) and important regional disparities persist in both employment (63%) in Flanders, 55% in Wallonia, 53% in Brussels) and unemployment (6% in Flanders, 11% in Wallonia, 16% in Brussels). Long-term unemployment, at almost half of the overall unemployment rate, remains proportionally high in Belgium and also shows very stark regional variation. Employment of older, low-skilled, non-EU and handicapped workers remains a challenge. Transfers (excl. pensions) reduce the overall at risk of poverty rate from 28% to 15% (EU-SILC2003). Social protection expenditures as a percentage of GDP have risen between 2000 and 2002, but this has gone together with consistent efforts at activation of those claiming benefits. Categories with a high poverty risk are: women, older persons, persons with a replacement income, single persons, and persons living in a single parent household;

Strategic approach: There is a good understanding of the multi-dimensional nature of exclusion. The "*active welfare state approach*" to social inclusion dominates very strongly in the Belgian NAP. While benefits are increasingly linked to activation, steps have been taken to link the lowest benefits to wages and to reduce the tax wedge. But improvements in minimum benefits are often absorbed by rising housing costs. There is heavy pressure on the health budget but its scope is to be maintained.

Key policy measures: The monitoring of the challenges stressed in 2003 is being well addressed. The 290 policy measures are numbered and listed in a publicly accessible data-base which has been made much more up-to-date than in the past and a shorter, changed structure gives this implementation report a stronger narrative than previous ones. Almost half the measures in the NAP were related to increasing labour market participation and some of these have shown encouraging results. The social economy and, in particular, the service vouchers launched in May 2003 have been used to reach some vulnerable groups and to tackle undeclared work with a good deal of success. While the greater part of financial resources goes into employment creation, there are efforts to tackle early school leaving, the lack of formal qualifications and lifelong learning, which will be necessary to create a true knowledge economy. There are some measures to make life easier for working parents and carers. The legislative and institutional framework to prevent and tackle over-indebtedness is in an ongoing process. In spite of budgetary pressures, free medical care has come in for very young children, attention has been paid to health needs of refugees and the Maximum Health Bill reduces patients' own contribution. However, few measures have been designed to address the difficulties faced by immigrants.

Challenges ahead and plans for 2005-6: Any new measures tend to be consolidation of action already taken – this would seem a solid approach. The challenges are clear and need continuing integration efforts of different levels of government. These challenges consist of a) balancing budgetary restrictions with good social protection, including for health; b) stepping up the pace of increasing labour participation, in particular for unqualified workers in long-term unemployment areas, for older workers, for women and the long-term unemployed; c) bringing decent and affordable housing within reach of more people; d) looking at moving beyond activation (through life long learning) to a true knowledge society; and e) better address the various aspects of the integration of immigrants.

1. Situation and key trends

There has been an economic upturn in Belgium as of mid 2003, though it has proved somewhat patchy, reflecting an uncertain recovery across the EU. Belgian GDP has gone from a near stagnation growth rate in 2002 (0.9 %) to 2.9 % in 2004, though this is forecast to slow to around 2.2% (or below) this year and next. The overall employment rate remains significantly below the EU average (60.3% compared to 63.1%) and important regional disparities persist in both employment (63% in Flanders, 55% in Wallonia, 53% in Brussels) and unemployment (6% in Flanders, 11% in Wallonia, 16% in Brussels). Long-term unemployment, at almost half of the overall unemployment rate, remains proportionally high in Belgium and also shows very stark regional variation. The number of people of working age living in jobless households (13.7 %) while down from the previous two years, remains above the EU 25 average of 10.4%. Belgium is remarkable for the very low employment rates of its older workers (30%) a rate which continues to fall well below the EU25 average (41 %). The average exit from the labour market at 58.7 years still takes place early relative to the EU 25 average of 61 years. Other categories with low employment rates are the low-skilled, non-EU and handicapped workers.

Measuring poverty rates since 2001 is problematic since there is a break in series between the old survey (ECHIP for 2001) and the new (SILC for 2003), with 2002 being unaccounted for. The Belgian authorities have chosen to use only 2001 ECHIP data in the text and indeed a year-to-year trend under SILC is not available at the time of writing. Based on EU-SILC 2003 the overall 'at risk of poverty rate' amounts to 15%. Categories with a high poverty risk include: older persons (21%), single persons (21%), tenants (27%), persons living in a single parent household (36%) and unemployed (28%). The poorest jobless families with young children show a poverty rate of 70%. Where someone in the household is working even part-time, this rate falls to 28%. Overall in-work poverty rates in Belgium at 4% are well below EU average.

Since 2001, and in common with several other Member States, social transfers have risen slightly as a percentage of GDP, 27.8% (2002) in contrast to previous years when their share was falling. Transfers (excl. pensions) reduce the overall at risk of poverty rate from 28% to 15%. Balancing the maintenance of good social provision with the demands to reduce the tax wedge, to attract vulnerable workers to the labour market and to control health spending will be tested in the context of an ageing population and budgetary pressures.

2. Strategic approach

Following the Commissions' guidelines, this year's report is half the length of previous ones and is a more readable text. It is structured around the EU objectives with sub-headings based on important developments taking place in Belgium. It relaxes somewhat the strict listing of measures by Region and thus the narrative and political approach come through more clearly. The numbered measures are linked to a publicly accessible data-base www.mi-is.be which gives information relating to the design, finance and implementation of the measures. Whereas in the past the data-base was far from complete, this year there is a significant improvement. While the text has had to be curtailed, there is still a large appendix with rich statistical data.

The Belgian authorities have been acknowledging the challenge posed by the impending demographic changes. Debate on increasing participation and on active aging has been

taking place but progress is slow and social consensus on the latter is difficult. The authorities have set their face against reducing the scope of the excellent health service. However, they seem cognisant of the extra financial burden of taking care of an older population, while placing their hopes on administrative savings. The Maximum Health Bill helps those with extra-large health costs if early

Increasing labour market participation has been a policy priority, though there has been a debate on the balance between carrot and stick. There have been many initiatives to better link benefits to job-seeking, to support vulnerable workers and to use the social economy in creative ways. It must be said that there remain recalcitrant pockets not only of unemployment but of high long-term unemployment. Keeping vulnerable young people in the school system and then bringing them into the labour market seems particularly difficult in certain unemployment areas.

On income poverty, the government has taken steps to raise some of the lowest benefits and to link them to wages but the polarisation between working and workless households is illustrated by the high at-risk-of-poverty rate of jobless families with young children referred to above. As no rent subsidies exist, it is possible that for some people, rises in minimum benefits are simply absorbed by increasing housing and energy costs.

3. Key policy measures

Almost half of the NAP measures were aimed at increasing participation in the labour market and these have taken various forms, both monetary and in terms of new institutional arrangements. That being said, it is not always possible to estimate the proportionality of all the measures as the number of people affected varies considerably.

Activation is a strong theme: there are interviews with all job-seekers taking place on a phased basis by age (not including over-50s) to establish individual contracts linking the right to benefits with the duty to look for and accept suitable work. This goes together with the harmonisation and simplification of programmes, job-coaching, day release training and local platforms. Some European Social Fund projects are mentioned as examples in this context. There is the very successful system of service vouchers subsidised by the State which partly falls into the area of social economy but fulfils a real need until now filled mostly by undeclared work, e.g. cleaning, small household repairs, looking after invalids. This has been expanded and put on a more solid footing. On lifelong learning, new certificates of competence exist to combat the disadvantage of having no formal qualifications. There are efforts to prevent dropping out of school, particularly for the French Community where the problem is at its most acute. There is help to improve literacy and centres of competence to teach new skills to workers. There are many effective policies but their scale remains restricted when put beside straightforward employment subsidies. Other moves have improved parental leave, extended tax deductions for carers and increased child-care places. Child-care for under-3's remains a problem in some specific areas though overall good in EU terms. The anti-discrimination directives were swiftly put into Belgian law but there have been very few legal cases brought – this runs counter to expectations and perhaps is worth closer examination.

Access for all to goods and services is once more improved, though on a limited scale. Housing has been a difficult area in Belgium where the share of social housing is traditionally limited, where no rent subsidies exist and where prices have been rising. While incentives to renovate have been increased slightly, an Inter-Ministerial Conference is

considering ways of intervening in the private housing market to ease the situation of those in need. The situation remains dire for the worst-off with rising rents and sub-standard facilities.

An increase in legal aid is being considered. Numerous grants are provided for access to culture, e.g. 'cheques culture' and sport and this is now expanded to cover IT and internet access. There is a basket of creative measures on over-indebtedness. Belgian self-perceived health status ranks very highly compared to EU25 average. The Belgian health system is suffering great financial pressure but attention has been paid to the health needs of very young children, to the needs of refugees and minorities as well as care in the home projects. The Maximum Health Bill measure reduces the patient's own contribution in health care costs.

There has been a fairly intense and broad public debate about anti-poverty policy to coincide with the 10th anniversary of the General Report on Poverty. An evaluation of progress made due to the NAPs process took place at a national colloquium held in February 2005 although all agree that it is too soon to fully see the effects. While frustration is still expressed about the technocratic nature of the NAP exercise, there is an improved climate of cooperation between government and other actors. However, a sustained effort is needed to involve all relevant actors in the process.

Gender perspective: Whereas gender mainstreaming became one of the government's priorities in 1999, and gender focal points were established in all ministries in 2002, a lot must be still done in this field. Gender mainstreaming is explicitly mentioned as a tool to help to mobilise all actors, but this is not reflected in the chapters on strategy and key policy measures.

Mobilising All Actors: In order to mainstream the process of social inclusion, a *Commission for the Preparation of the Joint Inclusion Memorandum and the National Action Plan for Social Inclusion* was established in May 2003. Mainstreaming the fight against social exclusion as a general political concept started recently. Social inclusion is reflected in individual integrated policies which target the disadvantaged groups of the population: the disabled, the Roma, the elderly, and immigrants.

However, the preparation of the NAP should also have received more political attention within the national political agenda, in order to better develop public awareness of this problem. .

4. Challenges ahead and plans for 2005-2006

There are few brand new measures and indeed building on the direction taken so far would seem to be constructive. Balancing budget controls and social protection will continue to be the overall challenge. A balanced budget and a further reduction in the debt means there is great pressure to cut spending on health in order to prepare for the cost of an ageing population. Increasing the numbers of people at work and delaying their exit from the labour market is being addressed but further policy decisions are necessary and progress is proving slow. Moving from activation into lifelong learning and a true knowledge society is also a next step for policy makers. In the meantime, rising housing and energy costs hit low income households the hardest.

DENMARK

Key trends and challenges: The Danish economy is showing clear signs of recovery with GDP growth reaching 2.4% in 2004. Denmark continues to record employment rates well above the EU targets (75.7%), particularly for women (71.6%) and older workers (60.3%). Unemployment is decreasing (5.4%) and long-term unemployment (1.2%) as well as unemployment among young people is among the lowest in EU. At the same time Denmark records one of the lowest risks of monetary poverty in the EU and one of the lowest degrees of income inequality. The social system is based on the principle of universality with all citizen guaranteed fundamental rights in case of social problems such as unemployment, sickness or dependency. The Danish model is based on a strong involvement of social partners, local authorities and other stakeholders. Measured in per capita Purchasing Power Standards (PPS), Danish expenditures on social protection ranks as one of the highest in EU (30.9% of GDP in 2003). Data on life expectancy situates Denmark at the EU bottom and the increase between 1960 and 2000 has been the lowest in EU25. Immigrants and long-term unemployed are overrepresented in the lower income brackets. Ethnic minorities have significantly lower participation rates.

Strategic approach: The overall strategic approach to tackle poverty and social exclusion in Denmark is to develop an inclusive labour market by launching activities which will increase the labour market participation of vulnerable groups. The short term focus of the NAP 2003-2005 is on vulnerable, disadvantaged and already socially excluded groups, notably immigrants. The strategy for integrating immigrants has so far not been particularly successful and is being re-oriented. The long term focus of the NAP 2003-2005 is on combating negative intergenerational transmission, translated into requiring early and targeted intervention, improved early learning among children and increased focus on formal qualifications. The strength of the NAP is its focus on very specific groups, rather than on large segments of the population. The weakness of the NAP 2003-2005 is its lack of more strategic aspects, targets and indicators to help monitor the activities. The latter implies a risk of limited evaluability, fragmented management and blurred accountability.

Key policy measures: The 2005 implementation report contains only few references to the re-orientation of the immigration policy following an evaluation in 2005 which showed that reduced social allowances for refugees and immigrants have had little, if any impact on their labour market participation. New initiatives imply further requirements to learn Danish, involvement of local authorities and anti-Ghetto measures. Measures to combat negative intergenerational transmission have been continued as the major tool for preventing the risks of social exclusion in the long term. Basic education is seen as important in this regard, coupled with a more individualised focus on the pupil. The Government has reinforced the measures to address vulnerable groups by concentrating on giving these groups a meaningful life, to reflect and respect their needs and to strengthen their possibilities of joining and contributing to the community. Special attention has been paid to trafficking in women and on informing ethnic minority women about their rights.

Challenges ahead and plans for 2005-06: The so-called Welfare Commission is expected to publish a report by end 2005 which will serve as a basis for the debate on possible future reforms to suppress or reduce certain public services. One of the overall challenges in the years ahead will therefore be to strike a balance between safeguarding the current high level of social protection and ensuring the health and welfare services in light of an ageing population. Denmark needs to develop tools to improve the integration of ethnic minorities on the labour market. Efforts should be made to continue the successful measures to integrate disadvantaged people better in the labour market.

1. Key trends and challenges

Since 2004, the Danish economy has shown clear signs of recovery, following a 2001-2003 period of slow economic activity. GDP growth fell from 0.5% in 2002 to only 0,7% in 2003 but reached 2,4% in 2004. Productivity remains amongst the highest in EU. Participation and activation rates in Denmark are significantly above the EU average. Denmark has already achieved all quantitative employment targets of the Lisbon strategy despite a recent decline in employment rates (76.2% in 2001 to 75.7% in 2003). Female employment was affected during the economic slowdown, dropping from 72.0% in 2001 to 70.5% in 2003 but recovered to 71.6% in 2004. In contrast, the employment rate of older workers increased from 58.0% in 2001 to 60.3% in 2004 (20-points above the EU average). Unemployment dropped to 5.4% in 2004, down from 5.6% in 2003. Unemployment among young people is significantly below the EU average. General long-term unemployment also ranks low compared to other Member States. Denmark has the lowest income gap in the OECD, despite a slight widening in the late 1990s.

The Danish social system is based on the principle of universality, with all citizen guaranteed fundamental rights in case of social problems, such as unemployment, sickness or dependency. The Danish model is to a large extent based on a culture of ‘partnership’, characterised by a strong involvement of social partners, the local authorities and other stakeholders. According to ESSPROS data, Denmark spends 29.1% of its GDP on social protection, compared to the EU15 average of 27.3% (2000 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the Danish expenditure on social protection, at 7 754 PPS, is the highest of all Member States.

According to 2003 EU-SILC data, 11%¹⁸ of the Danish population lived on an income of less than 60% of the median income. Denmark has one of the lowest risks of persistent poverty in the EU, largely because Denmark has one of the EU’s most even income distributions : persistent risk is around 6% on the basis of national data (Law Model) for 2001¹⁹. Immigrants and long-term unemployed are over-represented in the lower income brackets. The employment rate of people with another ethnic background than Danish is significantly below the average of the population.

2. Strategic approach

The overall strategic approach to tackle poverty and social exclusion in Denmark is to develop an inclusive labour market by launching activities which will increase the labour market participation of vulnerable and already socially excluded groups. The short term focus of the NAP 2003-2005 is on vulnerable, disadvantaged and already socially excluded groups with the aim of bringing them closer to the labour market and to improve their housing conditions. Refugees and immigrants are highlighted as one of the most important vulnerable groups for the moment in Denmark, first of all due to their size and to their generally low labour market participation. The Government has launched several major

¹⁸ This figure does not include as income negative capital income and imputed rent from privately-owned housing, which gives an incomplete picture of the income situation of the population. When taking into account this more comprehensive definition of income, the risk of poverty rate in Denmark for 2004 is 10%.

¹⁹ The persistent risk-of-poverty indicator can only be computed from EU-SILC once data for a time series of at least four years is available, ie. from 2007 for countries which launched in 2004.

reforms since 2001 to address this issue. This strategy has so far not been particularly successful. Following an evaluation in 2004, which showed that the original reform from 2002, of reduced social allowances for refugees and immigrants during a period of 7 years has had little, if any impact on their labour market participation, the Government has re-launched the reform at the beginning of 2005.

The long term focus of the 2003-2005 NAP is on combating negative intergenerational transmission, which is translated into requiring early and targeted intervention, improved early learning among children, and increased focus on formal qualifications. It is the Government's intention that public institutions should develop clear expectations and targets, based on measurable goals of attainment for all children, starting at kindergarten level with assessment of knowledge of Danish. Emphasis is also put on early and targeted intervention, improved early learning among children, reducing barriers in changing from pre-school to school activities, and the development of social competencies and increased focus on formal qualifications to break the vicious circle that negative intergenerational transmission represents.

The strength of the NAP is its focus on very specific groups, and not on large segments of the population. This is first of all important in terms of ensuring that interventions to a larger extent can be pinpointed and concretised. The weakness of the NAP is its lack of strategic aspects. To a large extent the document appears as a compilation of a large number of measures and activities, with little coordination and no clear structure. Another weakness of the NAP is that it contains few targets or indicators to help monitor the activities. This implies a limited evaluability, fragmented management and blurred accountability.

3. Key policy measures

Within the objective of promoting participation in employment one of the main focuses has been on the large group of refugees and immigrants which have significantly lower labour market participation. A number of measures have been taken within the reforms launched since 2002. One of the most significant measures introduced in July 2002 was the so-called "waiting period", which implies that only individuals who have been living in Denmark for 7 out of the preceding 8 years are entitled to the full level of social assistance. A large part of the group of the newly arrived refugees and immigrants has thus been given a reduced level of social assistance equal to the allowances offered to students. This initiative was combined with a number of initiatives to support education and use of skills of the immigrants. The municipalities are responsible for the development of individual action plans for each person to direct them efficiently into jobs or into training and education. There is a sanction of stopped social assistance if a person does not follow the elements in the plan. Observers have raised the question of how families, who receive only reduced social allowances, will have sufficient financial means to integrate socially. A number of public and private evaluations since 2002 have shown that the reduced allowances have had little, if any impact on the labour market participation of refugees and immigrants. The public evaluations in addition showed that the reduced allowances might have had a certain impact on the level of self support of refugees and immigrants. The same evaluations have also shown that a large part of this group is lacking more fundamental skills to enter the labour market. In the light of these evaluations the Government in the beginning of 2005 reinforced the integration policy through further requirements to language acquisition, involvement of local authorities and anti-Ghetto measures. The 2005 implementation report contains only very superficial references to these key developments.

Combating negative intergenerational transmission is highlighted as one of the key issues in preventing the risks of social exclusion in the long term. Basic education is seen as important in this regard with the focus on more targets and more systematic competence development. This, coupled with a more individualised focus on the pupil, is supported by tests and intentions in order to increase the focus on those who have particular problems and may need special support measures. As for the integration of refugees and immigrants, there is a strong normative element in the approach, emphasising the need to have a close relationship and dialogue with the individual family, and to ensure that the basic values of an open society are accepted and practised by the pupil and the family. Although most of the actions foreseen in the NAP apparently have been realised, the lack of current targets and indicators makes it difficult to assess the success of the measures taken so far.

The Government has reinforced the measures to address vulnerable groups. These efforts have concentrated on giving vulnerable groups of people a meaningful life, to reflect and respect the weakest groups' own needs and wishes, and to strengthen their possibilities of joining and contributing to the community. There are an estimated 14.000 drug abusers, some 22.000 mentally ill people, an estimated 8.500 homeless people, and an assessed 5-7.000 prostitutes in Denmark. The measures undertaken have focused directly on these people. The plan aims at greater adaptation to individual needs, increasing user involvement, and enhancing legal protection. For the period 2002-2005, significant resources have been set aside to develop new activities. Among these are new treatment offers to drug abusers, a wider range of treatment offers for alcohol abusers, and an expansion and improvement in the quality of supports for the mentally ill. Special attention has been given to trafficking in women and to address the growing need for informing ethnic minority women about their rights in Denmark. The establishment of the Council for Socially Disadvantaged People as an independent body in April 2002 is seen as a very important development, which will underpin the aims in the plan "The Common Responsibility" by assisting in monitoring developments in the country and advising on the effects of government policy. Also, the gradual increase in the role of the local co-ordination committees is seen as important in implementing a socially inclusive labour market. Most of the activities foreseen have been realised, but once again limited information is available about the actual success of the measures taken so far.

Finally, Denmark has a very long tradition of cooperation between voluntary associations and the public sector in social matters. Further initiatives have been taken to strengthen voluntary social work, amongst others, through the agreement on the charter on co-operation between the voluntary sector and the public authorities. This should be seen as one of the strongest points in the Danish policy on social inclusion. It is generally seen as one of the main explanations for the successful and inclusive Danish society with its high social standards. There is a continued strong emphasis on mainstreaming (gender, immigrants and young people).

4. Challenges ahead and plans for 2005-06

The so-called Welfare Commission is expected to publish its final report by end-2005. This report will represent a significant contribution to the on-going debate on how to ensure public services in the light of an ageing population. Given the serious financial consequences of the ageing population within the next decades, it can be expected that the work of the Welfare Commission will result in major reforms to reduce, or suppress certain public services in the future. One of the overall challenges in the years ahead is therefore to

strike a balance between safeguarding the current generally high level of social protection and ensuring the health and welfare services for future generations

At the same time, there is broad consensus as to the importance of attaining the target to significantly increase employment rates, notably by immigrants by 2010, as another way of tackling the challenges of the ageing population. Denmark therefore needs to develop efficient tools to significantly improve the integration of ethnic minorities in the labour market in order to diminish their under-representation in the labour force and to guarantee a better social integration. A number of successful projects have been implemented lately by certain municipalities on integration of disadvantaged people in the labour market. Efforts should be made to streamline and continue these measures.

GERMANY

Situation and key trends: GDP grew by 1,6% in 2003. This did not result in improved employment figures. Unemployment rose to 9,5% in 2004, with persistent high disparities between East and West. The overall risk-of-poverty-rate was 16% in 2003.²⁰ According to national data, the poverty risk rate in East Germany, at 19.3%, is higher than in West Germany (12,2%); the risk-of-poverty rate for immigrants stands at 24%, thereby being significantly higher as that for German citizens. Social expenditure as percentage of GDP was stable at 30,2%, well above EU average.

Strategic approach: The 2005 Implementation Report gives a new presentation of the strategic approach based on three strands: encouraging participation, opening up opportunities and securing the welfare state. However there is continuity in the major areas covered, which centre around the implementation of "Agenda 2010", i.e. overcoming economic weakness, mass unemployment (Hartz I-IV laws) and structural deficiencies in social security systems. The Implementation Report provides a detailed overview of the steps taken since 2003, though there is little information yet on the impact of the policies. An evaluation of the impact is especially difficult as the strategy lacks clear quantified targets in relation to social inclusion and as major Agenda 2010 reforms have only been implemented recently.

Key policy measures: The Implementation Report covers all agreed objectives of the European Inclusion Strategy. The reduction of the persistent high youth unemployment has been a priority in the reporting period. Special programmes at Federal and Länder level contributed to the reduction of the rate of unemployed youth. In view of the lack of apprenticeship places, industry and government agreed on a "National Pact for Training and the Next Generation of Skilled Craftsmen" in June 2004. The health reform has modernised the supply structures, reduced costs and strengthened the rights of patients. The Immigration Act of January 2005 aims at a structured and easier integration of immigrants into the labour market and in all aspects of life. It is complemented by numerous initiatives at Länder and municipal level. The existing comprehensive measures integrating people with disabilities were given improved legal frameworks at Federal and Länder level. Childcare facilities are to be expanded by 230.000 places mainly in West Germany by 2010.

Challenges Ahead and plans for 2005-2006: The continued implementation of "Agenda 2010", which identifies priorities, is the route proposed in the Implementation Report with a strong emphasis on integration through work. The sustainability of jobs created via the Hartz reform laws will need to be evaluated. In view of the persistent high unemployment rates especially in East Germany, complementary strategies for preventing social exclusion remain important. The 2005 Immigration Act should facilitate the integration of immigrants in a structured way into German society. Child poverty, especially in East Germany, is a clear challenge for the immediate future. A strong correlation between parental social status and educational success exists. Creating better opportunities for groups at risk by facilitating access to education is of high importance. The ongoing reform of social protection systems will necessarily have implications in terms of social cohesion. The reduction of regional disparities, which is barely reflected in the Implementation Report, remains a challenge.

²⁰

The data are derived from the GSOEP survey following, as far as possible, the EU-SILC methodology. National data derived from the Household Budget Survey carried out in 2003 show an at-risk-of-poverty rate of 13.6%. During the transition to data production under the EU-SILC regulations, it has been agreed to use indicators derived from national sources harmonised ex-post according to a commonly agreed methodology. While such indicators cannot be considered to be fully comparable with those produced for other countries or with EU-level aggregates combining data for different countries, every effort has been made to ensure the maximum comparability. See the methodological note in the statistical annex on data sources for at-risk-of-poverty rates. See the note at the start of this annex on data sources for at-risk-of-poverty rates.

1. Situation and key trends

Germany faced a rather slow, or even negative economic growth over the last years. In 2004, GDP for the first time grew at nearly 1,6 %, bringing a long stagnation to an end (EU 25 = 2,5%). Public finances failed to improve substantially with the deficit in 2004 barely below 4 % of GDP.

The unemployment rate rose to 9,5% in 2004 (EU-25 = 9,1%) with a persisting high disparity between East and West. The employment rate fell from 65,4% in 2002 to 65% in 2003 and 2004, whereas the female employment rate stayed at 59% during this period (EU-25 = 55,1%). At 20,5% (2004), the unemployment rate for foreigners – in terms of dependent employed civilian working people – was still almost twice as high as that for the population as a whole.

The risk-of-poverty-rate in Germany, according to Eurostat stood at 16% in 2003. The overall risk of poverty before social transfers stands at 36%, thus the risk of poverty is reduced by more than half through transfer payments. For certain population groups the poverty risk is clearly higher than the overall rate: 46% for the unemployed, 38% for single parents, 26% for single women, 24% for families with three or more children, 22% for tenants. The risk of poverty for children aged 0-15 stands at 20% and is therefore higher than for the overall population. Older people (65+) have a similar situation to the rest of the population: their risk of poverty rate stands at 15%. National data show a lower poverty risk rate for the overall population, of 13,5% in 2003 (Second National Report on Poverty and Wealth 2005).¹¹ These data show that in East Germany the overall risk-of-poverty-rate is 19,3% and in West Germany it is 12,2%; the risk-of-poverty rate for immigrants stands at 24%, thereby significantly higher than for German citizens.

Social expenditure as percentage of GDP stood at 30,5% in 2002 compared with 28,% in EU-15 in 2002.

2. Strategic approach

The Implementation Report 2005 gives a new presentation of the strategic approach, hereby following three strategic strands: general political conditions encouraging participation, opening up opportunities, especially in education and training, and securing basic needs. The major areas of the NAP 2003-2005 and of the substantial update 2004 are covered by this approach.

The primacy of work principle is the basis of the Government strategy. The NAP 2003-2005 presented a change of paradigm from welfare to workfare. This change has to be seen in the framework of the Government reform program "Agenda 2010" that was announced in March 2003. "Agenda 2010" is a broad initiative to overcome weak economic growth, mass unemployment (Hartz I-IV laws) and structural problems in the social security systems.

Concerning education, Germany tries to make up for the deficits evidenced by the PISA study making a more efficient use of the resources allocated to education and training. Family policy has a high priority, especially from the viewpoint of a better reconciliation of family and working life. Germany reacts to the demographic trends by complementing the pay-as-you-go pension system with an occupational and/or private pension scheme and a step-by-step reform of the health and long-term care system.

The 2005 Implementation Report provides a detailed overview of the key steps taken to implement the "Agenda 2010" strategy since 2003, though there is little information yet on the impact of these new policies. An evaluation of the impact is especially difficult as the strategy lacks clear quantified targets in relation to social inclusion and as some major Agenda 2010 reforms have only been implemented recently. In 2004 Germany commissioned evaluation studies on all major topics of the Agenda 2010.

The Implementation Report lacks a specific description of how the gender dimension is mainstreamed into the social inclusion field, although the principle of gender mainstreaming underlies a large number of measures in the inclusion field.

3. Key policy measures

The 2005 Implementation Report covers all the agreed objectives of the European inclusion strategy.

With reference to the employment objective, the German Government implemented an immediate assistance programme (JUMP) to bring more youth into the labour market. This may have contributed to the fact that the youth unemployment rate sank from 11,8% to 9,8%, thereby falling below the overall unemployment rate. Under the Hartz IV programme, within the first six months of unemployment, all persons below the age of 25 now receive a job/training, or a low pay employment offer. As youth unemployment in Eastern Germany is significantly higher, the East German Länder implemented special programmes for this target group. 60% of all German youth pass through an apprenticeship at the beginning of their work careers. The lack of apprenticeship places presented a serious challenge in recent years. The Federal Government and the leading associations of business concluded the "National Pact for Training and the Next Generation of Skilled Craftsmen" in June 2004. Industry, commerce and handicraft will advertise some 30.000 training places every year, and above that some 25.000 places for basic qualification on the job will be offered. During such a basic qualification the youth will be trained on the job to enable them to follow an apprenticeship later.

Under the objective encouraging access for all to resources, goods and services the 2005 Implementation Report contains a number of initiatives at all government levels for people with disabilities in order to improve their integration into the labour market as well as into social life. Furthermore the Health System Modernisation Act now gives access to health services for all recipients of social assistance on equal footing, independent of the contribution paid.

Concerning the objective of preventing the risks of exclusion, the report mentions the Government initiative, which aims at drastically expanding the number of day care facilities in particular in the West, while stabilising the offer in the new Länder, where the proportion of children under the age of 3 in day care was 37% in 2002 (2,7% in the West). By 2010 the local authorities are encouraged to create 230.000 care places for children in the age group 0-3, and a third of which should be all-day care facilities. It remains to be seen how fast this measure will be implemented. As part of the Hartz IV reform a child bonus for parents with low income has been introduced and its increase is under consideration.

Referring to the third objective—acting for people and groups at particular risk- Germany tries to improve the integration of immigrants. To this end the Federal Immigration Act came into force as of 1st January 2005. This act concerns various aspects of integration into

society. Nationwide courses should facilitate the integration process of this group typically at a high risk for social exclusion. First interim reports will be submitted in early 2006. The Länder launched numerous initiatives to improve the social integration of immigrants thereby focussing on immigrant groups with a high risk for social exclusion, such as youth, elderly and women. In the framework of the Immigration Act the rather split responsibilities for the integration of immigrants are now more harmonized.

In view of the fourth objective—mobilising all actors—the Government launched a broad dialogue with all relevant actors in the field of social inclusion. The FORTEIL campaign, launched in March 2005, intends to cover relevant topics of the social inclusion process in close co-operation with Länder and NGOs.

4. Challenges ahead and plans for 2005 and 2006

Plans for 2005 and 2006 aim to support the implementation of the "Agenda 2010" policies. Seven priorities are identified for 2005-2006: additional impetus for employment and jobs, reorganising social security, expanding child care and strengthening families, promoting education and training, improving the training and employment for people with disabilities, an Anti-Discrimination Act and continuing the dialogue to strengthen social participation.

Among these priorities a strong emphasis is put on employment. To this end, the Government released a 20 point catalogue for more growth and employment in March 2005. In addition to tax and economic policy measures, the focus is on improving labour market chances for young and older workers. Clearly, in the years to come, a key challenge will be the reduction of unemployment. The Hartz reforms created new forms of employment or of labour market participation, e.g. Ich-AG, low-pay training places. The sustainability of these forms of labour market participation will need to be evaluated.

The risk-of-poverty-rate in Germany has risen generally and remains significantly high for certain groups such as migrants and lone parents. Child poverty remains high, especially in the East. It has received increasing public attention due to the statistical effect of merging into one group the long-term unemployed benefit recipients and the social assistance recipients capable of working as part of the Hartz IV reform.

In comparison with other countries there is a strong correlation between parental social status and educational success. Creating better opportunities for groups at risk by facilitating access to education, extending education in all-day-schools and improving basic and advanced training opportunities represent a central concern within Agenda 2010 and remain a major challenge.

It also remains to be seen in how far the Immigration Act facilitates the integration of immigrants in a structured way into German society. Especially the integration of the second and third generation of immigrants remains a challenge.

In view of the demographic trends, and the budgetary pressures at all Government levels, reconciling sustainability of public finance and minimizing the individual's risk to be socially excluded, continues to be a major challenge.

GREECE

Situation and key trends. Over the last decade, the real GDP kept growing at an accelerated pace, outstripping by far the EU-25 average: 4.7% against 1% in 2003 and 4.2% against 2.3% in 2004. Projections for 2005-2006 indicate that it will remain at high levels, though at a slower pace. Moreover, a substantial increase of the social protection expenditures as a percentage of GDP has also been observed, which, in 2001, reached the same level (27.2%) as the EU-15 average (27.5%). The impact of these positive developments on employment was not as high as expected. However, the total employment rate has shown a gradual and stable increase over the last few years, although it continues to lag behind the EU-25 average (59.4% against 63.3% in 2004). Unemployment has been declining since 2000, but remains higher than the EU-25 average and continues to affect mainly the young and women. The problems of poverty remain the same. In 2001, Greece exhibited a poverty rate of 20% (ECHP 2001) being well above the respective EU-15 average (15%), while latest data (EU-SILC 2003) reveal that it still remains high (20% in 2003). It must be noted that this percentage would probably be lower if imputed rent on the considerable numbers of owner-occupied housing among those at risk of poverty were taken into account.

Strategic Approach. Efforts have been increasingly under way, over recent years in Greece, for social policy adjustments in order to improve the ability to meet existing and emerging needs of all those citizens at risk of social exclusion and poverty. The strategy followed according to the NAPincl 2003-2005 was based on a combination of general policies and specific policies to address the key social problems of the country. Within this framework, four linked strategic areas of focused policy interventions were singled out: the countryside, the elderly, promoting access to employment, and finally, improving quality of governance. Yet, improving governance did not receive the appropriate attention and, hence, the links established between the abovementioned strategic areas of intervention were not adequate. This drawback, in turn, has rendered the likely effectiveness and efficiency of social policy interventions carried out to date rather limited.

Key policy measures. The employment policy mix pursued over recent years in Greece reflects a shift of emphasis on improving the employability of the social vulnerable groups instead of relying on income support measures and other traditional passive measures. For certain vulnerable groups, a number of integrated action plans are also under way, complementing the employability measures. Income support measures have been extended to cover more social groups in need, but no national guaranteed minimum income exists or has been announced so far. However, there exist income support schemes targeted to population groups at greater risk. A substantial increase in the number of structures and programs providing community social support and care services throughout the country has also been observed, largely co-financed by the ESF, the financial sustainability of which needs to be ensured. Only limited action was taken to promote and facilitate the mobilisation and active involvement of all relevant bodies.

Challenges ahead and Plans for 2005-2006. Upgrading and extending, in qualitative and quantitative terms, the provision of services to the most vulnerable social groups constitutes the main overriding concern of the NAPincl. In this respect, increasing the efficiency of the social expenditure is considered to be crucial. No specific and quantified short and medium term targets have been set as to the expected impact of the NAPincl 2005-2006 on alleviating poverty and social exclusion. Mobilisation of the full range of relevant actors remains also a challenge ahead. Moreover, certain challenges, although addressed, do not seem to receive the appropriate attention. These are: combating early school leaving, promoting lifelong learning, extending a "safety net" for all experiencing poverty, reducing regional inequalities, integrating immigrants and promoting multiculturalism, as well as applying consistently a gender mainstreaming approach and widening accessibility to all areas of economic and social life for the various categories of persons with disabilities.

1. Situation and key trends

Real GDP growth over recent years in Greece kept steadily at high levels despite the slowdown in the world economy. The annual real GDP growth rates for Greece outstrip by far the respective EU-25 averages (4.7% against 1% in 2003 and 4.2% against 2.3% in 2004), while projections for the period 2005-2006 indicate that they will remain at high levels though at a slower pace. This strong domestic economic activity has not led to employment gains as would have been expected, partially due to structural changes in the economy. The total employment rate has shown a gradual increase over the last few years, but it continues to lag behind the EU-25 average by 3.9 percentage points (59.4% against 63.3% in 2004). The gap appears to be much greater between the employment rates for young people (26.8 % against 36.8 % for EU-25 in 2004) and for women (45.2% against 55.8% for EU-25 in 2004), while the employment rates for people aged 55-64 appear to be nearly the same (39.4% against 40.5% for EU-25 in 2004).

The unemployment rate has followed a downward trend over the last few years. After reaching a peak of 12.7% in 1999, it fell to 9.7% in 2003 although it showed an upturn in 2004, reaching 10.5%. Yet, it remains higher than the EU-25 average (9% in both 2003 and 2004). Unemployment in Greece continues to affect mainly young persons and women, whose unemployment rates remain significantly higher than the EU-25 averages. Similarly, the long-term unemployment rate, despite its drop over recent years, remains higher than the EU-25 average (5.6% against 4.1% for EU-25 in 2004).

Over the last decade, a persistent effort is evident to extending and improving the social protection system in terms of both quantity and quality. Part of this effort is reflected in the substantial increase of social protection expenditures as a percentage of GDP, which in 2001 reached the same level (27.2%) as the EU-15 average (27.5%). Eurostat's preliminary data for 2002 shows a slight downturn for Greece (26.6% against 28% for EU-15). In spite of this increase, its impact on the relative reduction of the standard at-risk-of-poverty rate has been limited. In 2001, Greece exhibited a poverty rate of 20% (ECHP 2001) which is well above the respective EU-15 average (15%), and according to the latest data it still remains high (EU SILC 2003 20%). It must be noted that this percentage would probably be lower if imputed rent on the considerable numbers of owner-occupied housing among those at risk of poverty were taken into account. Also Greece presents one of the most unequal income distributions among the EU-15 Member States (s80/s20 quintile share ration : 6.0) and persistent poverty rates are among the highest in Europe (14% in 2001, not yet possible from EU-SILC). It should be noted that Greece, thus far, has not adopted an official poverty line nor a universal minimum guaranteed income scheme. There exist income support schemes targeted to population groups at greater risk (e.g. the old and the disabled).

2. Strategic approach

The NAPincl 2003-2005 general strategic framework was based on a combination of general policies, especially in the area of economic growth and structural change, to sustain the pace of increase in social spending, and specific policies to address the key social problems of the country. Within this framework, four linked strategic areas of focused policy interventions were singled out, corresponding to a great extent to the main identifiable needs in the area of poverty and social exclusion in Greece. These are: the countryside, eliminating differences in quality of life enjoyed by urban and rural population; the elderly, securing income support for those on low pensions and promoting accessibility to all social services; promoting

access in employment, with emphasis on women, older workers, young people, disabled and immigrants; and finally, quality of governance, entailing four priority issues: strategic intervention, structured dialogue with civil society, decentralization of actions, range and quality of services.

To this end, a wide variety of measures, actions and legislative arrangements have been increasingly under implementation over the last few years in Greece, most of which have been targeted at vulnerable population groups at greater risk. Despite the fact that improving governance in the social policy related areas was identified as the key element in the strategic approach, it did not receive the appropriate attention. Hence, the links established between the abovementioned strategic areas of intervention were not adequate, given that the mechanisms required for the coordination, monitoring and implementation of measures, especially at the local level, still need to be developed. This, in turn, has rendered the likely effectiveness of social policy interventions carried out to date rather limited.

As to the progress made towards reaching the ten national targets that were set out in the NAPincl 2003, given that these targets refer to 2010 and not to the reference period of the NAPincl, there is a long way to go before their achievement.

3. Key policy measures

Although no overall coordinating mechanism has been in place so far to monitor progress of implementation, the data presented show that most of the measures and actions of the NAPincl 2003-2005 are now well under way. This is largely due to the fact that a considerable part of them are being implemented under various Operational Programs of the Greek Community Support Framework, relying thus heavily upon the European Structural Funds' financial support and especially the ESF's. As to their pace of progress and thus their stage of implementation, it appears to be at variance.

Overall, active employment measures for the vulnerable social groups have been on the increase over recent years, while a number of integrated action plans for particular social groups are being also under way. Two such programs can be singled out: the integrated program for the de-institutionalization and the socio-economic integration of persons with mental health problems, and the Integrated Action Plan for Roma which entails measures relating to infrastructural investment combined with investment in human and social capital. Yet, as regards the latter, it is difficult to assess whether the targets set in 2003 have been achieved.

Furthermore, one observes an accelerated pace of progress with regard to the creation of structures providing social care and accompanying support services, especially to those population groups in need, at the level of municipality. The institutionalization, in particular, of specific schemes of social support, such as "Help at Home", "Child Care and Creativity Facilities" and "Care for the Elderly", has enabled provision of such services to be on the increase over recent years. These are being implemented in the main by municipal authorities and agencies under the Regional Operational Programmes and other Operational Programmes co-financed by the ESF. Yet, the issue of securing the financial sustainability of all these newly created social support structures and services, when the ESF's funding comes to an end, remains a challenge ahead. The income support measures have been extended to cover more social vulnerable groups, providing a categorical income support which is gradually being improved although it continues to be short of forming a "safety net". The level of benefits, the majority of which is still based on a "non means tested"

approach, remains relatively low, although they are regularly adapted. The action taken to promote and facilitate the mobilisation and active involvement of all relevant bodies has been very limited. Bottom-up and user-oriented approaches, open procedures and civil dialogue processes that would enhance participation of various actors, are still not adequately developed particularly in the context of poverty and social exclusion.

In relation to the gender mainstreaming priority, acknowledgement should be made of the fact that certain priority criteria for women's participation are being increasingly applied in recent years in the majority of employment, training and business start up schemes which have led already to an increase in the share of women's participation in these schemes. A substantial increase is also observed in the services provided (nursery schools, day-care centres, help at home etc.) to children and other dependant household members, which, among other things, are expected to facilitate women's entry/return into the labour market. Nevertheless, a lot remains to be done given the persistent low employment rates of women and their low participation in decision making processes.

Despite these positive steps, it appears that the social policy adjustments carried out to date have been short of meeting adequately the multidimensional problems and needs in the area of poverty and social exclusion. The majority of measures and actions under implementation appear to be fragmented, given that appropriate institutional mechanisms to facilitate the development of an integrated approach in the area of poverty and social exclusion are at an early stage of development, while problems continue to be addressed from a limited perspective by the various competent Government Departments and Agencies. Synergy and close interaction between the various measures, as well as coordination between the competent bodies, are yet hard to come by. The "network of social services" helps to orient potential beneficiaries to the right program measure. A commitment to continue the efforts for ensuring an efficient and equitable social protection system, in a "holistic" and more effective approach, is clearly articulated in the NAPincl 2005-2006.

4. Challenges ahead and Plans for 2005-2006

Upgrading and extending the provision of services to the vulnerable social groups remains the main overriding concern of the NAPincl. The expected effects of the new (economic) development policy to be pursued have been taken into account and should be articulated with the actions against poverty and social exclusion within the overall development planning. Improving governance in the social policy related areas, promoting mobilization, and enhancing participation of different actors, as well as ensuring coordination among them, remain challenges ahead. The initiative of establishing a National Council on Social Protection is a move to the right direction.

As stated in the NAPincl, achieving high quality growth is considered the most important priority for social inclusion along with three more priorities, namely: ensuring national coordination of social policy, strengthening the family and providing support to those persons lacking family protection and to other vulnerable social groups. In this context, the NAPincl 2005-2006, apart from introducing certain new policy approaches and measures, continues to be based upon the vast majority of measures and actions started in the NAPincl 2003-2005. However, no specific and quantified short and medium term targets have been set as to the expected impact of the NAPincl on alleviating poverty and social exclusion in Greece. The National Council on Social Protection should proceed in the revision and definition of the appropriate targets to allow future evaluation.

Moreover, certain challenges, although addressed, do not seem to receive the appropriate attention. These are: combating early school leaving, promoting lifelong learning, applying consistently a gender mainstreaming approach and widening accessibility to all areas of economic and social life for the various categories of persons with disabilities. The reform of the social security system remains a major challenge and constitutes part of a major initiative of the National Dialogue on the Social Security System. Ensuring a “safety net” for all groups experiencing poverty remains of crucial importance. The persistence of regional inequalities, though identified, remains also a challenge that needs to be addressed through specific and targeted policy measures, underpinned by an integrated approach. Integrating immigrants and promoting multiculturalism require consistent application of an inclusive policy approach, which can be helped by the provision of an integrated institutional framework.

SPAIN

Situation and key trends: Spain has continued to show economic and employment growth above EU averages during 2003 and 2004. But despite economic growth, 20% of the population is below the poverty threshold in 2003. Spain continues to have one of the lowest levels of social expenditure, as a percentage of GDP, of the Union at 19.7% compared with 28.0% in the EU15. Unemployment continues to fall, but there are significant differences among groups of the population; women and young people continue to be affected by much higher rates. Moreover, the employment rate continues to be lower than EU averages, and fixed-term employment is the highest in the EU. Again, women and young people are the most affected by this type of employment. Spain has one of the highest school drop-out rates in the EU, especially among boys

Strategic approach: In 2004 there was a change of government which has meant some changes in the strategic approach. The updated NAP aims to combine economic growth with social welfare, correcting territorial imbalances, reducing disparities and preventing social exclusion. A key element is the increase in both the minimum wage, and the lowest pensions, in order to improve the living conditions of low income earners. The increase in the minimum wages may mean a significant reduction in the working poor (which will benefit especially women) and, together with the reform of some benefits, will contribute to make work pay. Moreover, education, housing, and the fight against child poverty are now included among the key objectives. And there is a clear effort to face the issue of long-term care.

The NAP could be improved in terms of quantification of objectives. However, there has been a clear improvement in the national data made available, which allows a better measurement of budgetary efforts and will inform a future setting of targets. Efforts have been made to increase participation of different actors and raise the visibility of the updated NAP.

Key policy measures: The updated NAP contains some new measures regarding access to resources, immigration, housing, health and education. These new measures include an increase in the minimum wage, the improvement of some benefits for the elderly and disabled people, an increase in minimum pensions, a new national housing plan, a new law that will make non-contributive disability pensions compatible with employment, a revision of the grant system to NGOs and actions to combat school failure. An important development has been the regularisation of undocumented immigrants, which has allowed employers to legalise illegal employment, thus reducing the scope of undeclared work and increasing their social protection. Regarding long-term care, great efforts are being made with a White Paper, the establishment of a specific public fund, and the preparation of a new Law.

Challenges Ahead and Plans for 2005-2006: There has been progress against some of the challenges identified in 2003, such as cooperation among the different administrative levels. The updated NAP acknowledges a series of situations that had not been adequately reflected or captured in previous versions. The NAP addresses key challenges for Spain in the near future: the progressive ageing of the population; the integration of immigrants; the alarming early school leaving rate (and the consequent increased risk of social exclusion); and the rejuvenation and feminisation of poverty.

1. Situation and key trends

The economic situation in Spain since 2003 is characterized by higher economic growth than the EU averages, but also by higher employment growth. According to the Eurostat structural indicators, economic growth in Spain in 2003, 2004 and so far in 2005 (forecast) stood at 3.0%, 3.1% and 2.7% respectively compared with 1.1%, 2.4% and 2% in the EU25. This growth has been mostly fuelled by consumer spending and construction.

Despite economic growth, 20% of the population was below the poverty threshold in 2003 according to EU-SILC data, (19% in 2001 per ECHP, compared to 15% in EU) with a higher rate for some traditional risk groups such as elderly (30% for persons aged 65+, rising to 52% if living alone), children aged 0-15 (24%), single parents (40%) and the unemployed (40%) especially jobless households (68% with dependent children, 48% without). The GINI coefficient for 2003 was 31, slightly above the EU25 average. However, Spain continues to have one of the lowest levels of social expenditure as a percentage of GDP of the Union (19.7% compared to 28.0% in the EU15 Eurostat). This figure for Spain is lower than it was in 1994, when it stood at 22.8%. One of the explanations is that unemployment dropped dramatically and that the other social expenditure did not rise as quickly.

The rate of employment growth (annual variation in percentage of the total working population) in Spain in 2003 and 2004 reached 2.5% and 2.6% respectively compared with EU25 averages of 0.3% and 0.6%. But there are some negative characteristics: employment growth has not been evenly distributed among regions and groups of the population; fixed-term employment, affecting increasingly women and youth, has risen to 31.9% (1st quarter 2005, Eurostat) and represents the highest rate in the EU25 (13.8% average in the same period); a high incidence of working poor (10% of the employed population in 2001, compared with 7% average in EU 15, ECHP figures); and the proportion of people working part-time involuntarily, which affects mostly women and is concentrated in low qualification services and manual positions. In spite of the high growth in employment, the rate of unemployment in Spain has continued to be one of the highest in the EU (11% compared with 9% in 2004, Eurostat). The latest Spanish LFS figures (2nd quarter 2005) have confirmed a drop of the unemployment rate to 9.3%. Eurostat reported a rate of 9.9% in May, still above the Euro zone and EU25 (both at 8.8%) but rapidly closing the gap. Once again, there are significant differences between specific groups of unemployed people. Men's unemployment rates have equalled the EU25 average (8.1% in Spain and in EU25 in 2004, Eurostat), while youth and women's unemployment rates continue to be higher than EU25 averages (22.1% and 15% compared with 18.7% and 10.2%, 2004 Eurostat) although they are also dropping.

It is important to highlight the specific problems faced by particular groups, such as young people (issues related to the difficulty in accessing stable employment, high rate of fixed-term contracts and difficult access to housing); women (higher unemployment, high rate of fixed-term and (unwanted) part-time contracts, lower salaries than men, difficulties in reconciling work and family life); people with disabilities (facing a much higher rate of unemployment than the rest of the population, difficulties due to physical barriers); immigrants (suffering from several problems with regard to the access to resources, rights, goods and services, for instance poor living conditions, usually in crowded houses) and the Roma. Despite some developments regarding the Roma, e.g. the creation of the Roma People Council, and some successful programs such as the best practice on access to

housing identified in the updated NAP, there are still very serious problems, such as a life expectancy 8 or 9 years below average, a child mortality rate 1.4 times higher than the average or a 30% at-risk-of-poverty rate).

2. Strategic approach

In 2004 there was a change of government which has brought about a number of changes in the strategic approach highly relevant to the achievement of the common objectives and which is consistent with the rigorous analysis of the situation. The strategic approach stated in the updated NAP is to combine economic growth with social welfare, correcting territorial imbalances, reducing disparities and preventing social exclusion. A key element is the increase both in the minimum wage and the lowest pensions in order to improve the living conditions of those with lowest incomes. The increase in the minimum wage will contribute to make work pay, and will mean a significant reduction of working poor (especially among women). Some benefits from the social protection system are also being revised to enhance the income of pensioners and to give incentives to employment over inactivity. Education, housing, and the fight against child poverty are now included among the key objectives.

The updated NAP is largely based on measures, which have been formulated under various existing plans, covering both specific groups of the population and horizontal issues. These measures are in turn implemented by regional and local administrations, which have devolved competencies, in many instances in cooperation with NGOs. This has the advantage of harnessing existing processes instead of creating new ones, as well as giving continuity to the highly decentralised Spanish administration. However, there is some difficulty in obtaining detailed information (more particularly on beneficiaries and financial efforts made) regarding the diverse programmes and projects, which each level of administration carries out.

Moreover, some measures suffer from a low degree of specificity, not only in terms of quantifiable objectives, but also in terms of the specific budget assigned, and in concrete delivery mechanisms. However, there has been a clear improvement in the national data made available which will inform a future setting of targets. Efforts have been made to increase participation of different actors and raise the visibility of the updated NAP. Efforts to implement gender mainstreaming in all issues related to social inclusion should continue.

3. Key policy measures

Most of the measures included in the 2003-2005 NAP have already been implemented, at least in part. Several new measures have been introduced; the most relevant ones are related to the increase in minimum pensions and the increase of the minimum wage. Other important measures are the creation of a support fund for those municipalities specially affected by new immigrant population, or the increase of the budget for "compensatory education" programmes aimed at reducing early school leaving. There is a clear effort to face the issue of long-term care. In this respect, the White Paper on long-term care (currently being developed into a draft law), and the establishment of a specific public fund for dependency, deserve to be mentioned. One of the most relevant new measures has been the regularisation of undocumented working immigrants. This process, in which around 690.000 people participated, has so far increased the number of registered workers in the social security system by over 475.000. It is expected that this figure will increase in the following months.

Victims of gender violence are a group especially at risk of social exclusion. According to the Labour and Social Affairs Ministry, 11.1% of Spanish women could be technically considered as "suffering from mistreatment" (15.1% for women aged 45 to 64). The new Integral Law on Domestic Violence provides physical protection and legal defence for victims, as well as a range of social protection measures for those women depending economically on their male partners.

The new national housing plan will include more public housing measures and also some means to access rented housing. Some other measures refer to the insertion active income, a programme managed by the National Public Employment Service, which has widened its scope to include other groups, such as people with disabilities, persons over 25 and families with low incomes. A new law, passed in 2005, will make non-contributory disability pensions compatible with employment, allowing disabled people to engage in employment while still receiving this pension for a transitional period. This same law also makes the pension for orphans above 18 years of age compatible with the benefit for children with disabilities. Finally, the system to give grants to NGOs has been changed in order to strengthen the continuity of their actions.

The European Social Fund and the EQUAL Community initiative have had a role in the financing of some of the measures in the NAP (even if not all the co-financed measures have been identified). Between 2000 and 2003 more than 1.500.000 people have participated in activities co-financed by the ESF in the field of social inclusion.

4. Challenges Ahead and Plans for 2005 and 2006

There has been progress against some of the challenges identified in 2003, such as cooperation among the different administrative levels, necessary in the context of a decentralised system where the monitoring of progress is not always easy.

The updated NAP acknowledges a series of situations that had not been adequately acknowledged or captured in previous versions, such as the high level of early school leavers, child poverty and specific problems of youth (mainly insecure employment and obstacles to housing).

The integration in the Spanish society of the immigrant population remains a major challenge. Specific issues to be addressed are the difficulties that the children of immigrants have enrolling in private schools that receive state funding, as well as access to health care and housing, etc.

The high rate of early school leavers, especially among boys, may significantly increase the risk of social exclusion. Despite the increase in the budget for "compensatory education" programmes aimed at reducing early school leaving, this issue continues to be a major problem and has even worsened in recent years.

There seems to be a rejuvenation and feminisation of poverty that has to be addressed properly, while the progressive ageing of the population remains a major challenge.

FRANCE

Situation and key trends: The 2003-2005 NAP was implemented at a time when growth was weak, the employment rate was virtually at a standstill (-0.6% in 2003 and +0.1% in 2004) and unemployment was rising to the threshold of 10% in 2004 (over 20% for young people). The risk of poverty was 14% in 2003, with the high level of expenditure on social protection (30.9% of GDP in 2003) playing an essential role in containing it. The increase in “administrative” poverty was appreciable in 2003 and 2004, with a considerable rise in the number of recipients of *RMI* (*revenu minimum d'insertion* – minimum income for occupational integration)

Strategic approach: The hallmark of the 2003-2005 strategy was to combine a large number of measures contributing to achieving the Nice objectives. From 2004 onwards, combating exclusion was moved up the political agenda again by the social cohesion plan (SCP), which targeted employment (mainly of young people), housing and equal opportunities, and was underpinned by a genuine desire to programme activities properly and an announcement of substantial funding. In terms of objectives, however, the approach remains cautious; they include no motivational poverty-reduction targets and are often confined to putting measures in place. The budgetary reform should enable these to be fleshed out to good effect

Key political measures: Effective implementation of the measures announced, backed up by new activities, had positive effects in terms of care and giving access to rights for vulnerable groups and brought a fresh dynamism to the sectors of employment, housing, access to care and justice. A key law on equal rights and opportunities for the disabled, establishing the principle of a right to compensation for disability, was adopted. The SCP places particular emphasis on restructuring the public employment service, recasting subsidised contracts and reinforcing personal support - a priority action for the benefit of young people. It steps up the efforts made to increase the volume of housing available and to promote equal opportunities for areas and groups threatened with exclusion (by, for example, setting up a senior authority for combating discrimination). The renewed political impetus in 2004 was accompanied by increased State guidance (interministerial coordination on the basis of a cross-departmental document setting out performance targets with indicators and a national conference in 2004 preceded by local forums).

Challenges for the future and plans for 2005-2006: The SCP covering the period 2005-2009 updates the NAP, which focuses on the two major challenges of employment and housing, and, to a lesser extent, equal opportunities. However, boosting measures to promote access or return to work has not yet resulted in any structural reduction in unemployment and the efforts to combat ethnic discrimination in recruitment are still having very little real impact. Whilst the focus on access to employment is accompanied by activities to combat the phenomenon of poor workers, especially by means of measures to activate minimum income support and sharing in profits made by enterprises, it should not, however, detract from the importance of the difficult task of assisting specific target groups which have a lower profile in the NAPs, such as asylum seekers, travellers or even elderly people who have been living in insecurity. Finalisation of the guidelines announced for steering and for motivation and coordination of the players is keenly awaited, particularly as regards the entry into force of the budgetary reform (management of expenditure by objectives rather than type of expenditure) and interaction between the State and local authorities in the process of major decentralisation and delegation of activities to the various territorial and institutional levels to combat poverty.

1. Key trends and challenges

After the marked decline in GDP growth since 2001, it started to pick up steadily in 2004 (2.3% but with a forecast of only 1.5% in 2005) without, however, boosting employment, which posted negative growth in 2003 for the first time in ten years. The rates of employment nevertheless withstood the effects of the business cycle well, with an overall rate of 63.1% (68.9% for men and 57.4% for women) in 2004. Unemployment remained high, at 9.6% in 2004 (10.7% for women), hitting young persons particularly hard, the rate for whom stood at 23.3% at the end of 2004. Long-term unemployment increased to 3.9% of the active population (4.4% for women) and 41.6% of overall unemployment. The proportion of the very long-term unemployed (unemployed for over two years), however, went down by two points on the 2003 figure (20.3% in 2004).

The risk of poverty was 14% in 2003 at the threshold of 60% of the median standard of living after social transfers according to EU-SILC data. Youths aged between 16 and 24 had a markedly higher risk (20%). The most vulnerable groups were large families (17%) and single-parent families (30%), persons living alone (19%), tenants (19%) and the unemployed (34%), especially persons living in jobless households (with dependent children 40%, without children 26%). Whilst the standard of living indicator improved slightly between 2003 and 2004, the number of recipients of minimum income support rose (+ 8.5% in 2004 for beneficiaries of the RMI, partly due to the unemployment benefit reforms). The persistently high unemployment rate, well above the European average, constitutes a high risk of poverty, which is all the greater for non-EU nationals, whose unemployment rate is much higher (29.8% in 2003 according to national data). There are still housing shortages. At a time of slowing growth, the challenges identified in 2003 still remain, especially access to employment and increasing income from employment, the existence of marginalised populations, effective access to rights, especially to housing, and regional disparities in employment and unemployment which severely affect the overseas *departments*.

2. Strategic approach

Continuing the policies conducted since 1998, the strategy implemented between 2003 and 2005 concentrated on three main policy areas: access or return to employment, prevention of the risks of exclusion and motivation of players. 90% of the planned measures have been introduced and the remaining 10% were not specified. Since 2003, the policy pursued has been overhauled several times in the wake of the elections that overturned the majority in 2004 and the negative outcome of the referendum on the European Constitution in 2005, and has now produced a more dynamic political approach with top priority being given to combating exclusion. The 2005-2009 SCP presented in 2004 and its implementing legislation are key elements in this approach, underpinned in 2005 by an emergency employment plan. These strengthen the priority attached to employment and, in the case of the former, housing affirmed in 2003. Getting people back into employment remains the absolute priority, with synergies expected from the policy areas of housing and equal opportunities. The enhanced role of the commercial sector in occupational integration, which was targeted in 2003 and backed up by new instruments, is now flanked by a recent increase in subsidised employment in the public and association sector in support of a social approach to dealing with unemployment. Another facet of the strategy highlighted in 2003, the new responsibilities of local authorities for social work, has run into difficulties; there is a risk of the very high increase in RMI beneficiaries in 2004 and uncertainty about the compensation for financial transfers beyond 2004 opening the door to differences in the

treatment of beneficiaries. An assessment of the entire package of measures is expected in 2006.

As far as specific groups are concerned, it is people with disabilities and of foreign origin who benefit from an ambitious overall approach under this strategy. The effects in terms of economic and social integration cannot yet be assessed. By contrast, the resources earmarked for equal opportunities for men and women appear more modest.

The 13 quantified targets of the 2003 NAP have been exceeded for housing, met for contracts for the care and integration of immigrants, and almost met for access to rights. The NAP does not provide information on all of these and most of them are targets for setting up instruments which do not enable the effects in terms of reduction of poverty to be assessed. The budgetary reform should provide more details on this

3. Key political measures

The number and variety of activities planned in 2003 and undertaken, reinforced or supported by new measures reflect the energy that has been put into the implementation strategy. The employment, housing and access to resources, care and justice sectors have made significant strides over the reporting period. However, the report offers more in terms of description than evaluation, as it is too early for an assessment and updated data are not available.

Many measures have been undertaken for employment, mainly combining instruments for the benefit of low-paid workers, cutting of labour costs, incentives for services to individuals, overhaul of subsidised contracts and new campaigns for training young people and for apprenticeships. The phenomenon of poor workers (2 million in 2001 at the threshold of 60% of average standard of living) has been addressed by means of various instruments including profit-sharing.

Structures providing access to rights have flourished, dedicated job centres for the disabled has been introduced and a service for people with disabilities set up in each *département* in an effort to improve access to rights and support for persons in difficulties. Despite progress in the housing sector, with construction of social rented housing picking up in 2004, the situation is still fraught, with some areas being under extreme pressure. The policy of access to care launched in 1998 was extended, with benefits accruing for groups in difficulties. Apart from the emphasis laid on prevention, it is recognised that the challenge in terms of health now lies more in reducing inequalities, which are responsible for more health problems in vulnerable persons. Measures to reduce school drop-out should have positive long-term effects. By contrast, the report has little to say about culture and leisure and nothing at all about sport. Here too, these policy areas can be addressed in more detail when the cross-departmental political document is implemented.

As regards preventing the risks of exclusion, the development in 1998 of social handling of evictions, which was strengthened in 2004-2005, did not prevent a hardening in the trend of evictions up to 2003. In order to help the most vulnerable groups, the care and accommodation system was modernised and a decision taken to increase its capacity, the policy for the care, assistance and educational and occupational integration of disabled persons was reformed and an overall policy of integration of populations of foreign origin introduced. Combating of over-indebtedness and the debtor rehabilitation procedure set up in 2003 are currently being evaluated. Action under the heading of equality for men and

women concentrated on domestic violence, promoting quality and combating job segregation in employment, and reconciling work and family life. Other non-specific actions will have an indirect impact due to the size of the women's groups involved. The twofold discrimination suffered by women of immigrant origin has given rise to studies and action programmes, the effects of which in terms of socio-economic integration are not yet apparent at this stage. Generally speaking, gender is not a central element of the programme: there is no mainstreaming – either as a concept or an approach – and although it was announced that poverty targets and data would be gender-based, there is no sign of this being the case. Despite increased resources, the explosion in the number of asylum-seekers is still placing a heavy burden on emergency accommodation facilities. Other vulnerable groups, such as recipients of old-age benefits, ageing immigrant workers resident in France, travellers who are integrated under common law arrangements (in addition to provisions on parking or suitable housing) and groups of ageing persons who have long been recipients of welfare are not reported on explicitly. The report deals very briefly with areas threatened by exclusion.

There are virtually no budgetary figures, except for the appropriations announced for 2006 for the 2005 emergency employment plan. Although it does not feature in the plan, the ESF provided support through a large number of instruments, mainly for employment or combating illiteracy, which was supplemented by the French authorities for Objective 3 (€181 million in 2003 and 2004). Figures would make easier to monitor the budgetary commitments entered into in 2003 and, more conclusively, European participation in French social inclusion policy.

Although the very detailed statistical annex provides some invaluable indicators for monitoring purposes, there is still too little information geared to underpinning indicators of the results of the objectives presented elsewhere. The guiding hand of the State proved invaluable in 2004 and it was instrumental in introducing several individual initiatives and, in particular, in the preparation of the budgetary reform in 2006. Here, there is clearly a desire to mainstream social inclusion with special emphasis on coordination between ministries using guidelines based on objectives combined with performance indicators and remaining within the confines of the NAP. This presents a genuine institutional challenge. Ways of involving the groups affected, which was a feature of the national conference against exclusion in 2004, are now being discussed and experimented with in order to give persons in difficulty a say in what is to be done.

4. Challenges for the future and the 2005-2006 plan

The employment situation and the housing crisis remain the key challenges. The 2003-2005 NAP has been updated by the 2004 SCP, which was added to in 2005. Its top priorities are employment, housing and equal opportunities and it constitutes an ambitious project for combating poverty characterised by overall coherence, sound planning and the capacity to respond to events as they arise. As regards employment, the measures are intended to give integration pathways sufficient security to make unemployment a genuine period of preparation for return to work. One of the major problems of the labour market is also to be addressed by concentrating on training and employment for young people. Although the housing targets, sizeable as they are, do not yet enable the ground lost over the past twenty years to be made up, new undertakings (September 2005) were given recently as a flanking measure for the SCP. Action to promote equal opportunities is designed to reinforce activities benefiting vulnerable schoolchildren, areas with a high proportion of the population in difficulties, equal pay for men and women and combating discrimination. In

this respect, effective integration, particularly occupational integration, of populations of foreign origin is a major challenge. As regards governance, the plan highlights a desire to better coordinate national social policy and European policy, especially between national and local levels during a process of increasing decentralisation, and the regional social cohesion charters should be particularly useful here, the main challenge being to ensure that the various activities at different levels of administration are consistent with each other and will be sustained in the long term.

IRELAND

Situation and key trends: Ireland's performance is characterised by sustained economic growth (GDP +5.4% in 2004), an improving employment rate and continued low levels of unemployment (4.5%) and long-term unemployment (1.6%). In that context, inactivity levels are relatively high (30.5%, close to the EU average), as the demand for labour becomes increasingly dependent on migrant workers. The proportion at risk of poverty (21% for 2003) remains amongst the highest in the EU, with elderly people, lone parents and jobless households being particularly at risk. Expenditure on social benefits has increased substantially in real terms in recent years, and has also increased as a proportion of GDP - from 15.3% (2001) to 16% (2002) (EU 27.3% (2002)).

Strategic approach: Ireland has continued to follow the strategic approach set out in 2003, which comprehends the multi-dimensional and complex nature of poverty and social exclusion, and is centred on increased employment and employability and improvements in benefit levels and in access to services. A shift in emphasis towards addressing the issue of jobless households (and inactivity) is signalled. The presentation of a systematic and focussed report on progress towards achieving the targets set in the 2003-05 NAPincl is welcomed. Progress across the range of 35 targets is variable. Increases in social security payments should ensure that the key income support target will be met while progress is also being made on reaching employment rate targets. A more mixed picture emerges in relation to other areas such as health and education. As regards vulnerable groups, greater progress is evident in relation to people with disabilities and the elderly than is the case with other groups, notably Travellers. The absence of base-line data means that reporting is limited in some cases but efforts are underway to address these deficiencies.

Key policy measures: The implementation of measures relating to income supports, employment and unemployment and housing has ensured that targets set in these areas are largely expected to be met. In relation to other services, the position is perhaps not as clear, but the recent establishment of the Health Services Executive and the recent publication of an action plan on educational inclusion (Delivering Equality of Opportunity in Schools) are both potentially positive steps. While progress is being made in raising awareness among policy makers of gender issues, continuing efforts are required to ensure that the gender dimension is fully taken into account in the development and implementation of policies

Challenges ahead and plans for 2005-2006: Ireland indicates that renewed attention will be aimed at reducing the number of jobless households, affecting in particular lone parents, larger families and people with disabilities. To ensure success, sustained investment in childcare and eldercare services, in particular, as well as in health and education, will be required. While progress has been achieved on some of the challenges identified in the 2004 Joint Inclusion Report, attention must continue to be directed to addressing the high proportion at risk of poverty, the integration of the growing immigrant community and the translation of stated commitments to gender equality into effective policy actions. There is a need to continue to deal with the causes for the lower level of achievement of some targets, and to continue to address the persistent data deficits which make it more difficult to measure progress.

1. Situation and Key Trends

GDP grew at an estimated 5.4% in 2004, (EU 25 2.3%), and is projected to continue to grow strongly in the medium term. Ireland's employment rate has increased noticeably in 2004 by 0.8% to 66.3% (EU 25 63.3%) giving rise to optimism that the target of 70% by 2010 can be reached. The rate for women reached 56.5% in 2004 (while that of men reached 75.9%), and that of older workers was 49.5%, well above the EU 25 average of 41%. The unemployment and long-term unemployment rates remain very low at 4.5% (EU 25 9.0%) and 1.6% (EU25 4.1%) respectively. Despite the strong economic performance and sustained employment growth, inactivity levels remain relatively high (30.3%) as the demand for labour becomes increasingly dependent on migrant workers. The youth unemployment ratio at 4.7% remains amongst the best performers in the EU (EU 25: 8.3%).

Analysis of poverty trends shows that the proportion at 'risk of poverty', at 21% (2003) remains amongst the highest in the EU, with elderly people (40%), especially older people living alone (68%), lone parents (56%), and persons living in jobless households (80% with dependent children, 62% otherwise) being particularly affected. The rate of persistent poverty (13% in 2001) was one of the highest among the EU15 countries (average 9% in 2001) but progress on this indicator cannot be measured until the new EU-SILC survey has been operational for a number of years. Expenditure on social benefits has increased substantially in real terms and has increased also as a percentage of GDP (16% in 2002, 15.3% in 2001) (EU 27.3% in 2002)

2. Strategic Approach:

The strategic approach which has been followed since 2003 centred on increased employment and employability, improvements in benefit levels and improvements in access to services. It provided for a mix of generic measures (enhanced access to services, increased benefit levels etc.) and specific measures targeted at vulnerable groups. Ireland has presented a systematic report on the implementation of the main measures and targets of the 2003-2005 Plan, including targets which extend beyond 2005. The report also adverts to further measures or tasks being undertaken which were not explicitly included in the 2003-05 Plan. In a significant number of cases, reporting is limited either because the target is not time-limited or because adequate data is not available to enable progress to be measured. The report also notes that, in retrospect, some of the targets set were overly ambitious in their scope – e.g. to completely eliminate long-term unemployment by 2007. It would be useful, also, in future Plans and reports, to distinguish more clearly between targets which are focussed on policy impacts on one hand and targets which are more operational in nature and focussed on outputs on the other.

Progress is uneven across the 35 targets set out in the 2003 Plan. Almost half of the targets have been achieved or are considered likely to be achieved within the timeframe set. Solid progress has been achieved, for instance, in meeting the targets relating to income supports, employment rates, housing and rural transport. The position is less positive in relation to some other targets, notably in relation to services for the more vulnerable groups (e.g. travellers). A recurring problem is the inability to make a reasoned assessment of progress in some key areas owing to weaknesses either in data availability (an issue which is being addressed) or in the framing of the targets themselves. In addition, many targets have a longer timeframe (usually 2007) owing to the fact that they derive from the revised National Anti-Poverty Strategy (2002) which covers the period from 2002-07.

A large number of targets were set in relation to helping the most vulnerable with older people, those with disabilities, prisoners, Travellers and women the main groups targeted. Rural and urban areas marked by exclusion were also the object of targets or commitments. Greater progress is evident in relation to people with disabilities and the elderly with less substantial progress noted for other groups, notably Travellers.

It is noteworthy that a shift in emphasis towards addressing the issue of jobless households (and inactivity) is strongly signalled. This is to be welcomed since it should help to address the situation of some of those groups most vulnerable to poverty. However, progress in this regard will be critically dependant on enhancements to key services – in particular childcare and elder care – where supply and affordability remain problematic.

3. Key Policy Measures

Provided that investment levels are sustained, the key target in relation to income supports, (a minimum rate of €150, in 2002 terms, by 2007) seems likely to be achieved. Similarly, sustained economic growth allied to an effective active labour market programme means that the employment rate targets now seem likely to be achieved. In relation to services, it is harder to assess progress. In the area of health, for instance, (where the key target is to reduce the gap in premature mortality and low birth rates between the lowest and highest socio-economic groups), a range of initiatives is being implemented within the wider framework of the 10-year National Health Strategy (2001-11) but the absence of baseline data makes any assessment subjective. Notwithstanding heavy additional investment in recent years, it remains the case that deficiencies in service delivery and in health infrastructure persist. The establishment of a Health Services Executive from 1 January 2005 should facilitate a clearer division between policy development and service delivery. A positive measure to provide free visits to doctors (GP Visit Medical Cards) to low-income families is being introduced.

A similar rather mixed picture emerges in relation to education. While ambitious targets in relation to retention at 2nd level will not be met, steady progress is recorded. The recent publication of an action plan on educational inclusion (Delivering Equality of Opportunity in Schools) is a positive and welcome measure, providing for greater investment and a more coherent and integrated approach to the delivery of supports to disadvantaged schools. It is also expected that the heavy investment in literacy training, allied to demographic changes, will significantly improve Ireland's poor performance in this area.

Efforts to address the supply of emergency accommodation for homeless people have been successful (although targets for the elimination or reduction of homelessness were not included in the Plan). In general, measures to meet the housing targets can be said to be broadly on track but will require sustained efforts. While Local Authorities have adopted new Traveller Accommodation Programmes for 2005-2008, progress to date on meeting the accommodation needs of Travellers is still not adequate. Efforts are also underway to develop a comprehensive set of policies to meet the needs of Travellers in the areas of health, education and employment. The continued development of the Rural Transport Initiative (cited as an example of good practice) is commendable since access to services is a particular issue in thinly populated areas. A recent report commissioned by the Combat Poverty Agency (Mapping Poverty: National, Regional and County Patterns) underpins the fact that poverty is as much a rural as an urban issue in Ireland. The National Disability Strategy (September 2004) provides for legislative change, sectoral planning for key

Government Departments and a multi-annual investment programme for high priority support services.

A comprehensive account of social inclusion-related expenditure for 2004 (€19.2bn) and 2005 (€21.3 (estimated)) is provided, drawing on the annual budgets of the relevant Government Departments, and showing that investment continues to grow in each policy area. Nonetheless, it remains the case that Ireland's overall level of social protection expenditure is low by comparison with many other EU MS. The role of the ESF in supporting effective active labour market measures to facilitate access by unemployed and inactive persons to the labour market is clearly acknowledged.

There is evidence that a more comprehensive and systematic approach to monitoring implementation is now in place. A more thorough approach to addressing long-standing data deficiencies is underway, with all Government Departments now required to develop formal data strategies. Ireland has begun a review of its key poverty reduction target, framed in terms of the national 'consistent poverty' indicator, in light of new data from the 2003 EU-SILC survey (which showed a consistent poverty rate almost double that produced by the earlier ECHP (2001) survey, but methodological reasons mean that the results of the two surveys are not comparable). In this context, the issue of developing a broader approach to measuring poverty and exclusion could be considered, which could facilitate the framing of poverty reduction targets in terms of several measures of poverty, including consistent poverty and relative income poverty. Ireland has relatively strong institutional arrangements in place to oversee the development and monitoring of social inclusion policy. The development in 2004 of a communications strategy by the Office for Social Inclusion may help to increase public awareness of the NAPincl process. Some progress in embedding social inclusion at regional and local levels, e.g. in the development of local social inclusion strategies by City and County Development Boards, can be seen.

Both the NAP and the implementation report emphasise the importance of gender mainstreaming and of gender issues, but further efforts are needed to translate this emphasis into meaningful action in terms of gender analysis, prioritisation of gender in setting strategic challenges and targets, in budgeting and in the implementation of measures. An enhanced gender-proofing process along with efforts to mainstream equal opportunities across the NDP/CSF programme provide evidence of good intent.

4. Challenges ahead and Plans for 2005-2006

The report suggests that priority will be given to reducing the number of jobless households, affecting in particular lone parents and larger families. Success in this area will require sustained investment in service provision, notably in relation to childcare and elder care, where issues of supply and affordability continue to apply. Another challenge is the need to address the high proportion at risk of poverty; and to develop a broader approach to measuring poverty and social exclusion. There is a need to address the causes for the lower level of achievement of some targets, especially among certain vulnerable groups such as Travellers. The emerging needs of growing migrant communities will need greater attention. Further action is required to address gender equality issues more effectively.

ITALY

Situation and key trends: Despite weak economic growth job creation has continued and the employment rate has risen to 57.6% while unemployment has declined (now at 8%). Gains have benefited in particular women and to a lesser degree older workers, but historical weaknesses have not been overcome yet: regional differentials are still wide and employment rates remain overall quite low. In 2001 Italy's at-risk-of-poverty rate was 19% according to ECHP and EU-SILC data for 2003 suggest the situation is stable.

Strategic approach: The strategic approach of the 2003 NAP followed closely the White Paper on Welfare published earlier the same year, which identified as main issues the unfavourable demographic trends affecting Italy and their consequences on intergenerational relations. The Government planned then to strengthen family policies through both direct aid and fiscal relief. But the implementation of the NAP 2003 has occurred during a period of intense change in the institutional landscape, during which regions have further expanded their responsibilities for the design and implementation of social policies, while financial resources have sometimes failed to keep pace with these developments. Other important reforms have taken place during the implementation of the NAP, modifying the pension, education and tax systems.

Key policy measures: The legislative agenda of the NAP has progressed (especially concerning the labour market and re-conciliation of work and family life, but with the relevant exception of the "essential levels of assistance" that are still to be determined), but the ongoing process of building a new institutional framework coupled with the need to contain expenditure have resulted in some of the envisaged initiatives not being re-financed through the national budget. Measures such as childcare services and minimum income schemes are then being carried out at regional or local level and their overall impact is uneven, depending on the regional and local authorities' administrative and financial capacities, which are not always adequate to the task. In this sense the ongoing attempt at mapping out social protection expenditure at national and sub-national level may also help determine the areas in which more equity in the outcomes could be needed.

Challenges ahead and plans for 2005-2006: The development of the South remains the greatest long-term challenge. Plans for the immediate future involve alleviating the tax burden on families and continuing the implementation of the NAP agenda. Co-ordination between national and sub-national interventions should be strengthened, including through establishing the levels of assistance that are to be deemed essential nation-wide. Adequate financing arrangements should be ensured. The long-term integration of the growing immigrant population is a challenge Italy shares with the rest of the EU. Continuing the reform of the "shock absorber" systems remains a high priority. A universal approach to extreme poverty should be established through a concerted effort. Sustained effort should also go towards increasing the provision and affordability of care services.

1. Situation and Key Trends

Weak economic growth has characterised Italy in the recent years, as GDP growth in 2004 did not go beyond 1.2%, which was nevertheless an improvement over the feeble +0.3% of 2003 and 0.4% of 2002. Job creation has remained the bright spot of the Italian economy and in 2004 the total employment rate has reached 57.6%, an increase of almost four percentage points over the rate recorded in the year 2000. The increase has been more marked in the case of the women's rate, now at 45.2% (in 2000 it was at 39.6). Unemployment has declined and stands now at 8.0%, below the EU average. The Italian labour market has not overcome its historical weaknesses: regional differentials are still wide and employment and participation rates for women and older males remain quite low. However, labour deepening has benefited Italy also because it has allowed incomes per capita to remain stable despite a prolonged phase of anaemic growth accompanied by declining productivity. The last EHCP survey (2001) showed for Italy an at-risk-of-poverty rate of 19%; EU-SILC 2003 data suggest the situation is stable (19%). The risk is higher for children aged 0-15 (26%) and for youths aged 16-24 (25%) and lower for persons aged 50-64 (14%) or 65+ (16%). Groups at particular risk include the unemployed (49%) and persons living in jobless households (66% with dependent children, 27% otherwise), single parents (36%), large families (36%) and tenants (30%). The risk of poverty and exclusion remains overwhelmingly concentrated in the South.

National data for the year 2003 (based on expenditure for consumption) show a slight decrease in the number of individuals below the poverty line. Estimates by the Bank of Italy of the income available to families show instead no significant change over the 2001 survey. The profile of poverty and exclusion has not changed either, since it affects mainly the larger households and those whose head is unemployed. Households whose head is over 65 are at a significantly higher risk of poverty according to the survey based on expenditure, but not according to that based on income available, while the opposite holds true in the case of children, since the share of children living in families at risk of poverty is rising in the survey based on income. In both surveys poverty and exclusion remain overwhelmingly concentrated in the South. The narrowing down of the divide between North and South had indeed been identified in the JIR 2004 as the main challenge faced by Italy. There has been in the recent years some narrowing of the gap in GDP per capita between the South and the relatively affluent Centre-North, in consequence of a higher average growth rate in the South, but much faster growth rates would be needed for a true catch-up process to occur.

2. Strategic approach

The strategic approach of the 2003 NAP followed closely the White Paper on Welfare published earlier the same year, which identified as main issues the unfavourable demographic trends affecting Italy and their consequences on intergenerational relations. The fact that only a marginal share of the assistance services is covered by the public system or the third sector was mentioned as an example of the burden that the Italian family has to bear in order to protect the welfare of its weakest and most vulnerable members. In fact, Italy's social security system privileges items such as "old age" and "survivors" to the detriment of other items such as housing and social exclusion. In this respect, the ongoing attempt at mapping out social protection expenditure at national and sub-national level will prove very useful also in light of the complex and fragmented nature of Italy's social protection system. In the NAP the Government planned to provide monetary support to the family in the form of both direct aid and fiscal relief. But the implementation of the NAP

2003 has occurred during a period of intense change in the institutional landscape. Decentralisation in particular was seen in the 2004 JIR as a challenge as much as an opportunity for Italy. In fact, sub-national Governments now have full responsibilities and spending powers for the design and implementation of social policies, and in a series of decisions the Constitutional Court has consistently upheld the regions' exclusive jurisdiction over these matters, and consequently their autonomy in allocating financial resources according to the objectives planned. This has severely limited the central Government's capability of earmarking for specific purposes the resources of the National Fund for social policy, which are to be divided among the regions with no indication about their destination, according to needs and population. As regards the resources transferred to the National Fund, and from there to the regions, despite the tightened national budget, the Government has made a commitment to maintain the same level of financing as in 2004. The central Government retains instead the responsibility of establishing what levels of assistance are to be considered "essential" and must then be made available to all citizens: this fundamental part of the reform remains to be accomplished. In the end the "essential levels of assistance" will comprise two tiers: monetary transfers resulting from legal entitlements (such as, for instance, family allowances and disability benefits) will be defined as official rights of all qualified claimants, while other services will be made available on a regional basis according to the economic sustainability of their cost. Discussion with the regions is ongoing in order to determine exactly which services will belong to the second tier as well as reach an agreement over the co-financing arrangements. Other important reforms have taken place during the implementation of the NAP. Even though permanent, full-time contracts remain predominant, de-standardisation of work relationships has progressed, implying increasing variation in the protection that jobs provide to workers, but also allowing increasing employment at the margin. However, the second part of the "Biagi reform", envisaging a re-design of the entire unemployment benefit schemes (this was also a challenge identified in the 2004 JIR), has been only partially implemented, in particular insofar as both level and duration of unemployment insurance are concerned, since a limited increase has been recently introduced, but only temporarily. The framework law on the reform of the pension system has instead completed its course, and should help raise employment and participation rates among older workers. A reform of the system of primary and secondary education was also approved in 2003 in order to reduce drop-out rates (on a decreasing trend, but still high), increasing from 10 to 12 the years of compulsory schooling and introducing a new vocational track alongside the existing high schools. A comprehensive tax reform is also being enacted, moving to a system of three statutory tax rates replacing the previous five (eventually there will be only two rates).

3. Key policy Measures

Among the main new measures envisaged in the NAP 2003 were an allowance to favour new births (after the first child); financial support for crèches and children nurseries and for initiatives aimed at reconciling family and work life; new norms on parental leave; financial support for young couples wishing to purchase their first home; maternity and family allowances; support to family income through taxation relief and other income support instruments. While the legislative agenda of the NAP has progressed, the already mentioned rulings of the Constitutional Court, coupled with the need to contain public expenditure, have resulted in some of these measures (for instance those promoting home-ownership as well as the bonuses for newly-born children) not being re-financed through the national budget. Other measures are still being carried out at regional or local level (childcare services, for instance), but with an uneven overall impact. Minimum income schemes are

then also currently implemented - or not - by the regional and local authorities according to their administrative and financial capacities, which are not always adequate to the task.

It is difficult to gauge the welfare and labour market effects of the tax reform, but the reduction in the effective marginal rates should have a positive impact on the supply of part-time employment (of which in Italy there is still limited demand) and the emersion of underground labour. To preserve the least affluent from some mildly regressive effects of the reform, tax allowances targeting the lower incomes have been strengthened. However, neither the expansion of the no-tax area nor the tax allowances could benefit the very poor, who already did not pay taxes. A positive stimulus towards a better re-conciliation of work and family life has been provided by the contributions made available to firms applying contractual agreements promoting flexibility, and by the extension of "extraordinary" maternity leave benefits to up to two years when the dependent children are severely disabled, as well as by the streamlining of the rules governing the concession of maternity allowances for the self-employed. Another challenge in the JIR concerned the provision of childcare services; while it has increased in some regions, especially in the North, availability nation-wide remains rationed. New labour market legislation should ease the work insertion of the disabled, whose employment rates remain quite low despite the already (relatively) advanced laws on the matter. Social insertion of immigrants, whose number now exceeds 2.5 millions greatly contributing to the growth of labour supply, was another challenge. This number has also increased as a result of the regularisation of previously undocumented foreign workers.

Foreign workers have benefited from language courses and from some pilot projects ranging from the establishment of "cultural mediators" in several municipalities to the provision of training to aspiring immigrants in their countries of origin. This last initiative is also meant to promote a better regulation of immigration flows, since in the near future when issuing entry visas under the current quota system, preference will be given to the applicants who have already undergone work training. Monitoring of the risks of discrimination in the labour market and in access to services to which the growing immigrant population might be exposed will be developed in the future, since the National Statistical Body will provide specific data.

Other ongoing projects could also bring about a desirable improvement in the capacity to map out expenditure and evaluate policies. The mobilization of stakeholders, as well as the extent to which a gender perspective was mainstreamed in the plan, could have been better addressed in the implementation report. Despite the limited share earmarked for social inclusion (between 5 and 6%, but again with wide regional differences) ESF- and EQUAL-financed projects play an important role due to their innovative content, particularly insofar as preventative measures are concerned. Training, work experiences and small grants promote the labour market insertion of the long-term unemployed (mainly in Ob.1), disabled (especially in Ob.3) and, increasingly, immigrants.

4. Challenges ahead:

The development of the South remains the greatest long-term challenge. Plans for the immediate future involve alleviating the tax burden on families and continuing the implementation of the NAP agenda. In this respect, co-ordination between national and sub-national interventions should be strengthened, including through establishing the levels of assistance that are to be deemed essential nation-wide. Adequate financing arrangements should be ensured. Continue the reform of the "social shock absorbers" systems remains a challenge as well as a high priority. How to promote the long-term integration of the

growing immigrant population is a challenge Italy shares with the rest of the EU. The absence of a universal approach to extreme poverty constitutes a gap in the social safety net that should be bridged through a concerted effort. Sustained effort should also go towards increasing the provision and affordability of care services (including long-term care), which would also help further raise employment rates for women.

LUXEMBOURG

Situation and major trends: the Grand-Duchy's economy saw stronger GDP growth than in the Union (4.5% as against 2.3%) in 2004. The employment rate remained close to the average for EU-25, but still fell short of it for women (whose employment rate went down in 2004) and the over-55s (whose rate increased slightly in 2004). The unemployment rate rose to 4.8% in 2004. Long-term unemployment also went up slightly. The rate of risk of poverty after transfers was 11% in 2003. The amount of social expenditure was 23.8% of GDP in 2002. The school drop-out rate was higher than the EU rate, particularly amongst girls (19.6% compared with 14.1% in 2003), whilst the percentage of young people aged 22 with a secondary diploma was 69.8% in that year (compared with 76.7% in the EU). The population groups most at risk were still mainly made up of single-parent (21%) or large families (18%), jobseekers (46%) especially jobless households with children (27%) and children (18%).

Strategic approach: Luxembourg is still pursuing a complex strategy based on five specific areas and implemented via 115 measures, which are the products of the 2001 and 2003 NAPs. 27 of these measures are declared as having been completed and 74 are on the way to completion; the remainder are measures which have been abandoned or merged with others. However, the report presents analyses for each measure which are poorly coordinated and unfortunately does not say whether, in the event of *completion*, the initial aim has been achieved or, if the measure is *on the way to completion*, whether there has been any progress since 2003 (or even 2001), nor does it examine whether the measures are still valid in the light of the most recent indicators and the comments made by various promoters.

Key measures: the challenges identified in 2003 in terms of housing and prevention have been taken up by, *inter alia*, substantially improving the status of tenants and strengthening preventive instruments, such as youth centres and social support services. As regards promotion of access to employment, the most encouraging results were in the organisation and attendance of courses, getting beneficiaries of the *RMG* (guaranteed minimum income) into active employment and increasing the amount of nursery care available. With a view to reducing the risks of persistent poverty, progress has been made in setting up a social emergency service, improving the status of people with disabilities and taking care of drug addicts. In an effort to reduce social exclusion affecting children, activities were concentrated on improving the services of the State socio-educational centres. Questionnaires were distributed to applicants for *RMG* to give them an opportunity for participation and a voice. Efforts to integrate inclusion policy in the other policies, despite some laudable initiatives, did not meet with success. Finally, the fact that the membership of two consultation bodies has been widened suggests that the dialogue and partnership between all the stakeholders might be stepped up.

Challenges for the future and the plan for 2005-2006: three new policy strands, (economic solidarity and quality jobs, child care outside classes and promoting a culture of success at school/combating school drop-out) set the tone for 2005-2006. But what will be a crucial effort still has to be made with regard to steering the entire process by means of, say, a progress chart.

1. Situation and major trends

GDP growth remained high (4.5% in 2004 as against 2.3% in EU-25), though not matching the levels achieved between 1997 and 2000 (9% in 2000). The *employment rate* remained close to the Community average (61.6% as against 63.3%) in 2004, although the gap has widened somewhat (to 1.7 points compared with 0.3 points in 2003), but it is still lower for women (with, for the first time in ten years, a decline in 2004: 50.6% as against 52% in 2003 and 55.7% in EU-25 in 2004) and in particular amongst the over-55s (+0.8% in 2004 on 2003, but below the Community average: 30.8% as against 40.5%). The *unemployment rate* rose from 2.1% to 2.8% in 2002, 3.7% in 2003 and 4.8% in 2004 and mainly affected young women (23% in 2004 — 10 percentage points higher than in 2003 — as against 13.6 for young people — + 2.8 points). Long-term unemployment, especially amongst women, went up slightly. As regards *social cohesion*, the at-risk-of-poverty rate before all transfers was 38% in 2003, 22% excluding pensions but before other transfers and 10% after transfers (women: 10%; men: 10%). The persistent poverty risk was 9% in 2001 (compared with BE 7% in 2001 and DE 9% in 2001; EU-25 9% in 2000) and the rate of severity of poverty (relative median at risk of poverty gap) was 17% in 2003. The Gini coefficient was 26 in 2003 (compared with 26 for BE, 28 for Germany and 25 for Denmark for same year, and 34 for UK in 2003). The school drop-out rate was 17% in 2003 (EU-25: 16.1%) - 19.6% for girls (EU-25: 14.1%) and 14.4% for boys (EU-25: 18.1%); the percentage of young people aged 22 having completed higher secondary education was 69.8% (76.7% in the European Union). The level of social expenditure was 21.3% of GDP in 2001 (compared with 27.3% in EU-25) and 22.7% in 2002 (EU-25 figures are not available). 18% of full-time employees (15.8% of men and 21.8% of women) received the statutory minimum wage in 2004. The sharp increase in the number of beneficiaries of the *RMG* since 2000 is due to some of the conditions for granting it being relaxed, the slow-down in economic activity since 2001 and the rise in unemployment; single-parent families, the vast majority of isolated persons, the majority of women, children aged between five and nine and adults between 35 and 39 are over-represented amongst *RMG* beneficiaries. The 15-30 year olds are in a minority and there has been a very sharp decline in the number of beneficiaries in the 75-79 age group since the *RMG* was created in 1986.

2. Strategic approach

Luxembourg is still pursuing a complex strategy to achieve the four Nice objectives, which is based on five areas (1. Activation and participation in employment. 2. Reconciling family life and work. 3. Access to housing. 4. Reinforcement of the scheme for the under-25s at the risk of poverty and exclusion. 5. Access for vulnerable persons to resources, rights and services. These five areas cover the seven priorities formulated in the 2005 joint report), underpinned by three new policy strands (a. Revitalising economic solidarity and making work more attractive. b. Revising the concept of care for schoolchildren outside class hours. c. Initiating and pursuing reforms in education and vocational training) reflecting the three main avenues explored by some of the 115 measures that constitute Luxembourg's armoury in the fight against exclusion. 61 of these measures come from the 2001 NAP on social inclusion and the remainder from the 2003 NAP, with considerable overlaps between the two. 27 measures have been declared as having been completed and 74 are on the way towards completion; the remainder are measures which have been abandoned or merged with others. It is not always indicated whether, in the case of completion, the initial objective has been achieved or, if a measure is on the way towards completion, whether there has been progress since 2003 (or even 2001). Moreover, a series of indicators is given

at the beginning of the report and a set of comments by promoters is also included, but the report does not link these figures or the comments on or assessments of each of the 115 measures nor does it clearly indicate why the three new policy strands were defined. As a whole, the report is more of a collation of measures taken by various departments than a truly integrated strategic document.

3. Key measures

- *Access to employment*: a series of measures is aimed at reorganising training, which is handled mainly by the trade unions (law on “social unemployment”), maintaining economic solidarity, promoting *gender equality* in companies, protecting workers in the event of bankruptcy, *integration* (upgrading individual pathways, combating poverty traps, preventing career breaks, assistance for recruiting *RMG* beneficiaries, improving access to and choice of training, and strengthening of inter-organisational cooperation) or *childcare* support (increasing the number of places and making them easier to secure). The most striking progress has been made in increasing the number of training courses offered and attendance thereof (with support from the ESF), in activating *RMG* beneficiaries and in improving nursery care (with support from the ESF). Several planned legislative reforms have not yet been successfully completed.
- *Access to resources, rights, goods and services*: apart from studies (on, for example, creating a negative tax mechanism), very few of which were successfully put into practice and activities to reform the placement of young people, to reduce the digital divide or to improve access to culture, justice or a minimum electricity, gas or heating supply, the main progress has been made, in response to one of the challenges formulated in 2003, in improving the status of tenants (a tenants’ guide is currently being prepared, a tenants’ State guarantee was introduced in 2004, part of the public housing stock was made available for young disadvantaged adults, a housing observatory was set up in 2003, the amount of housing for large families was increased, and care structures were expanded and decentralised). Other measures are still awaited in this field (utilisation of unoccupied private housing and promotion of the sale of “public” housing).
- Combating exclusion from the knowledge-based society (especially for people with disabilities) and inability to meet basic subsistence needs (as a result of over-indebtedness, school drop-out or loss of housing): what stands out amongst the many measures devised to reform various aspects of teaching methods, primarily to combat school drop-out and partly with the support of Leonardo (combating illiteracy, personalised support, utilisation of skills, transition from school to training), to promote certain preventive arrangements (youth centres and social support services) or to improve financial protection (reform of the legislation on assignments and attachments, information campaign on over-indebtedness), is the progress made in preventive measures, which was one of the challenges identified in 2003. The impact of the measures related to education and training is more difficult to ascertain.
- *Maintaining solidarity in families*: of the two actions planned (parental training and support for families), the former was not successfully implemented and the latter has not yet produced any results.
- *Social integration for persons at risk of persistent poverty*: the *social emergency service* project launched in 2003 is developing but there are no plans yet to extend it beyond the southern part of the country (the region most affected). The reform of the *status of people*

with disabilities at work (who are now on an equal footing with other workers) entered into force in 2004. Care of the elderly has also improved as a result of legislative reform, as has the status of ex-beneficiaries of *RMG* who have become pensioners (retention of acquired rights). Measures for *drug addicts*, which are based on a well structured multiannual plan, have developed well on the whole, as have those aiming to get the over-50s back to work. By contrast, nothing specific is said about the progress made in regularising the situation of people without documents.

- *Elimination of social exclusion affecting children*: in addition to a planned reform of legislation on the protection of young people and certain assessment measures, the activities targeted improvements in the services offered by the State socio-education centres, where considerable progress has been made, and the development of aid to provide housing for young people without a roof over their heads.
- *Participation of excluded persons and giving them a voice*: this mainly consisted in distributing a questionnaire to each applicant for *RMG*. The results were very positive (response rate 92.42%).
- *Mainstreaming exclusion policy*: a database was set up containing information on the needs of persons applying to the social support service for help, but the data have yet to be analysed. The mainstreaming principle is more apparent in moves to develop statistical tools broken down by gender and organise training courses on gender for members of the interministerial committee responsible for monitoring and for the persons responsible for implementing the measures of the NAP on social inclusion. However, it was not possible to conduct the initial courses planned in 2004.
- *Promoting dialogue and partnership between all the players concerned*: the Law of 8 June 2004 widened the remit of the Interministerial Committee to social measures (mission: to guarantee an integrated approach to combating poverty and social exclusion, ensuring that the activities of the departments in question are consistent with each other) and that of the Higher Council for Social Action in its capacity as a forum for all the parties concerned in combating poverty and social exclusion.

4. Future challenges and the plan for 2005-2006

The three new policy strands presented in the report set the tone for the period 2005-2006 (see above) and their value will be apparent if the programme is managed properly in the future. Even management of the strategy itself still presents a major challenge in terms of simplifying the programme (essentially by merging measures), coordinating it better (by, for example, drawing up a progress chart) and defining the objectives and results achieved more precisely.

THE NETHERLANDS

Situation and key trends: In 2003, 12% of the population was at risk of poverty; although growing, this is one of the lowest rates within the EU-25. The persistent poverty risk was 6% in 2003. While employment rates are well above the Lisbon targets, inactivity (23.4%) remains relatively high. The employment rates for ethnic minorities were 48% overall in 2004 and 39% for women (50% and 36% in 2002). With decreasing economic growth between 2001 and 2004, unemployment increased from 2.8% in 2002 to 4.6% in 2004 and long term unemployment to 1.6% in 2004 (0.7% in 2002). The number of people entitled to social assistance also rose and debt problems became more persistent. While the percentage of early school leavers slightly decreased, the targeted 54% employment participation rate of ethnic minorities was not achieved

Strategic approach: The 2005 Dutch implementation report does not easily lend itself to an assessment of progress made over the last two years. Overall the targets set in the 2003 NAP are not yet achieved. The Netherlands has recently undergone a policy shift in the social policy domain. While the primary focus remains on budget consolidation, the emphasis has shifted from the role of government to one of fostering greater personal responsibility. Under a policy of decentralisation over recent years many key decisions on social inclusion policy are now taken at the local level. In the social inclusion domain, policy measures increasingly focused on improving individuals' chances and competences while, to a lesser extent, addressing direct and indirect poverty risk factors including gender, age or ethnicity. The future role of national policy in implementing such measures in a decentralised model needs to be monitored in the context of strengthening the links between the national and locally-based approaches.

Key policy measures: A new decentralised social benefit system gives municipalities a direct interest in achieving a strong benefit-to-work performance while facilitating a more tailor made approach at individual level. However, it also involves the risk that difficult-to-place individuals may be left behind. From 2003 a mix of policy measures has been taken to prevent youth unemployment as well as to improve cooperation between institutions dealing with youth. Nevertheless, youth unemployment increased in 2004. In relation to immigrants integration policies have been firmer in tone focusing on promoting active participation in society including acquaintance with the Dutch language and culture. The gender dimension of poverty and social exclusion is lacking in the implementation report as was the case in the 2003 NAP.

Challenges ahead and Plans for 2005 and 2006: In 2005 and 2006 a number of new plans are foreseen in the area of health, social support, income and work capacity; the impact of these acts will have to be closely monitored. A multi-faceted policy approach should be developed in tackling the incidence of *child poverty* and exposure to the *risks of poverty* as potential root causes of poor labour market prospects. In the formulation of anti-poverty strategies, the *gender dimension* should be incorporated where appropriate through the development of available disaggregated data. In view of their difficult position on the labour market, the integration of *ethnic minorities* and recognition of their *cultural diversities* should also be given special focus in the development of social inclusion policies. For the *elderly* and in particular those without adequate pension entitlements, policies must also be adapted to take account of their exposure to higher poverty risks.

1. Situation and key trends

Between 2001 and 2004, growth slowed down in the Netherlands. In 2003, GDP decreased by 0.9 % and labour productivity per capita grew by only 0.1%, one of the lowest growth rates in the EU. However, in 2004, GDP growth recovered by 1.4% whilst for 2005 a 0.5% growth is expected (2.0% for 2006). With 73.1% overall and 65.8% for women the employment rates in 2004 are well above the Lisbon targets. The employment rate for older workers has continued to improve to 45.2% in 2004 (EU-25: 41%). From a historically low level in 2001 (2.2%), unemployment has risen sharply to 4.6% in 2004. Long-term unemployment was 1.6% (+ 0.6 pp) in 2004. The overall level of inactivity remains relatively high at 23.4% in 2004 (16.1% for males, 30.8% for females). Around 1.8 million people were on either social, unemployment or disability benefits in 2004. The social protection expenditure as a percentage of GDP decreased from 31.9 in 1992 to 28.1 in 2003. Experiencing a slight upward trend, overall poverty risks continue to be among the lowest in the EU with 12% in 2003. As in other EU-countries, poverty has a gender, age and ethnic dimension. A particular group with a high poverty risk are single parents with dependent children, mostly women, whose at-risk-of poverty rate in 2003 was 39%. Large families also have a high risk (24%). In 2003, one out of every seven children (15%) resides in a family with an income on, or under, the poverty line. The unemployed have a high risk (42%) especially persons living in jobless households (64% with dependent children, 28% otherwise).

National data in 2003 suggests 23.7% of the households of non-western ethnic minorities had an income of 105% of the social minimum, as against 6.4% of the native population.

2. Strategic approach

The 2005 Dutch implementation report does not easily allow an assessment of progress made over the last two years. For different targets (comprehensive approach, integration of ethnic minorities and provisions for homeless people) figures for 2004 are not yet available in the report. Available data, however, show that the situation in relation to exclusion and poverty has worsened. Overall the targets set in the 2003 NAP are not achieved. Health, being a main risk factor for social exclusion, has not been addressed under the NAP's main objectives.

Since the 2001 and 2003 NAPs, the Netherlands has undergone a policy shift in the social policy domain. While the primary focus remains on budget consolidation, the emphasis has shifted from the role of government as direct provider of benefits to one of fostering greater personal responsibility. Under a policy of decentralisation over recent years, many key decisions on social inclusion policy are now taken at the local level thereby creating the possibility of a 'gap' between the national and the local level. The future role of the national government in implementing policy measures in a decentralised model needs to be monitored in the context of strengthening the link between national and local social inclusion policy. This needs to be supported by relevant information and monitoring tools. The policy measures on social inclusion have mainly focused on improving individuals' chances and competences and, to a lesser extent, addressed direct and indirect poverty risk factors including discrimination on basis of gender, age or ethnicity. In the policy areas of health and care, many changes are imminent. With the new Social Support Act, local authorities will assume greater responsibilities while citizens in need of care or welfare should first seek personally-driven solutions e.g. through volunteer aid. As a next stage, civil

society, housing corporations, care institutions and the municipalities must explore appropriate solutions in response to the citizens' demands. A new Health and Social Insurance Act (1.1.2006) will remove the distinction between private and compulsory health insurance.

Concerning the targets, youth unemployment rose from 6.3% (2003) to 7.9% (2004). The national target, namely that youth unemployment should not be more than double the overall unemployment rates, was just achieved due to the sharp increase of the latter (from 2.8% in 2003 to 4.6% in 2004). The target that every unemployed youngster should be at work or at school within six months was not fully met (2004: 77%). The percentage of early school leavers slightly decreased from 15.3% in 2001 to 14.5% in 2004 but it is still uncertain whether the 2006 target (-30% compared to 2002) will be reached. The target to increase the employment participation rate of ethnic minorities to 54% in 2005 is also unlikely to be achieved since, in 2004, only 48% participated in the labour market (as against 50% in 2002). In relation to child poverty, it is striking that one out of every eight children lives in a family with an income that is either on, or under, the poverty line. Due to a weak economic performance, the purchasing power of minimum wage earners decreased between 0.25% and 1.5% in 2005 while the purchasing power of medium wage earners dropped by more (2.25%). The number of people entitled to social assistance benefit increased between 2002 and 2004 from 339.900 to 361.000. In 2004, the number of households with debt problems and with difficulties in paying their fixed charges, almost doubled compared to 2001 going from 40.000 to 93.000. Despite decreasing waiting lists for care for the disabled by 20% in 2004 (compared to 2003), the interim target value (- 50% in 2004) has not been achieved. Contrary to the goal to decrease the waiting lists for mental health care by 50% in 2007, the latter actually increased by 8% compared to 2003.

3. Key policy measures

With regard to the NAP's main objectives of increasing social participation and guaranteeing a minimum income, the Act on Work and Social Assistance (1.1.2004) made local authorities financially responsible for both social benefit payments and reintegration measures. While better facilitating tailor-made approaches, the new system involves the risk that difficult-to-place individuals are left behind. During its first year of implementation, municipalities have focussed on the new inflow with particular targeting of those closest to the labour market. 93% of the municipalities give annual income supplement to long term dependants on the social minimum without job perspectives. All persons under 65 in the social scheme have to be available for work, including partly disabled and long-term unemployed. With the new act on Work and Income according to Work Capacity (1.1.2006), all people, who are only partially able to work, will be stimulated to return to (part-time) work. For many people this new act might result in a decline of income which encompasses the risk that more disabled and ill people will have to rely on social assistance. The new Childcare Act (1.1.2005) aims at guaranteeing a financially accessible childcare of good quality. However this act will have to be closely monitored whether it will achieve its objectives. Integration policies for immigrants are firmer in tone focusing on active participation in society including acquaintance with the Dutch language and culture. Negative images and discrimination are limiting factors for ethnic minorities to enter the labour market. In response, the government, social partners and organisations of ethnic minorities together seek to improve the labour market position of ethnic minorities through different policy measures. In the last two years, the government established a Commission which proposed additional instruments promoting participation of ethnic women, a National Language Action Plan to address language barriers by 2010, provisions for language courses

at home and an Academic Chair on management of diversity and integration at the Free University of Amsterdam. Concrete policy measures will have to be taken over by the local authorities.

As regards the main objective on promoting accessibility of provisions, an independent combating poverty think-tank emphasised in 2005 the need to increase the opportunities for children from poor families to participate in society. Different topics proposed by the think-tank are incorporated in policy measures, such as Operation Young (established in 2004), the approach to youth unemployment and preventing pupils from leaving school prematurely. Since there remain many homeless with the accessibility to social housing in decline, access to housing has been recognised as a key condition for social integration and participation in society. With regard to the NAP's main objective on improving the position of the most vulnerable, Operation Young aims at improving cooperation between institutions dealing with young people (schools, welfare and social work) while action plans have been drawn. Elderly people, who have not built up full pensions rights, may face difficulties while many do not avail of the possibility to apply for additional income assistance.

On the main objective to mobilise all relevant bodies, no information is provided on the national government's consultations with different organisations. The political and public support for the NAP-Inclusion is not widespread in the Netherlands. Due to decentralisation, there is no national steering or monitoring of results on social inclusion policy at the various levels. No financial resources are identified; neither in the NAP 2003 nor in the implementation report while no reference has been made to the ESF which provides assistance in implementing important inclusion objectives such as labour market integration and social activation programmes for the long term unemployed and the tackling of early school leaving. The gender dimension of poverty and social exclusion is lacking in the implementation report as was the case in the NAP 2003. With some exceptions indicators are not disaggregated by gender while gender specific targets are missing.

4. Challenges ahead and Plans for 2005-2006

In 2005 and 2006 a number of new plans are foreseen in the area of health, social support, income and work capacity; the impact of these acts will have to be closely monitored. A multi-faceted policy approach should be developed in tackling the incidence of *child poverty* and exposure to the *risks of poverty* as potential root causes of poor labour market prospects. In the formulation of anti-poverty strategies, the *gender dimension* should be incorporated where appropriate through the development of available disaggregated data. In view of their difficult position on the labour market, the integration of *ethnic minorities* and recognition of their *cultural diversities* should also be given special focus in the development of social inclusion policies. For the *elderly* and in particular those without adequate pension entitlements, policies must also be adapted to take account of their exposure to higher poverty risks. Across the national inclusion domain as a whole, a broader societal debate on the fundamental issues involved would raise the political profile in identifying the key challenges.

AUSTRIA

Situation and key trends:

The at-risk-of-poverty rate remained 13% in 2003 with a higher risk for women, children and, elderly people. National data suggests high rates for people with disabilities and immigrants. A persistent-risk-of-poverty rate stands at 5.9% in 2003. The GINI coefficient is around 26% for 2004. Due to a significant change in the Eurostat data collection the employment rate decreased from 69.0% in 2003 to 67.8% in 2004, while national data indicate a slight increase. The unemployment rate increased from 4.3% to 4.5%. The long-term unemployment rate remained at 1.2% in 2004 although national data report on substantial increase in absolute numbers. The share of public social expenditure of GDP has increased since 2000 and has reached 29.5% in 2003.

Strategic approach: The key challenges identified in the NAP (lone parents, long-term unemployed, people with low education levels, people with disabilities, immigrants and persons over the age of 65) remained unchanged. The promotion of employment, reconciliation of family life and work, development and improvement of social services for people with high social risks and investments in education are identified as the key policy levers in the NAP. An evaluation of the impact of the strategy is made difficult due to the absence of quantitative targets, time-frame and (gender) budgets in the initial NAP.

Key policy measures: The Implementation Report reviews many measures taken recently although it does not provide a systematic account of measures announced in the previous NAPs. The report focuses on schooling and training measures to improve the employability of vulnerable groups, the reconciliation of family life and work, monetary transfers, adaptation of the unemployment legislation and health promotion. A whole range of measures covers children, families, people with disabilities, in need of care, immigrants, asylum-seekers, over indebted persons, homeless and persons released from prison. As a measure to improve the situation of the working poor, a monthly minimum wage of 1000€ has been laid down in almost all collective agreements. While the reform of the pension system aims at consolidation, measures have been introduced to stabilise the position of low pension recipients. Detailed information on the use of the ESF to underpin the NAP is not given, apart from some important EQUAL projects.

Challenges ahead and plans for 2005-2006: The slackening of the labour market perspectives calls for enhanced measures to prevent exclusion especially with respect to elderly workers, long-term unemployed, immigrants and young people. In this context, expenditures on active labour market policy will be raised further in 2005 and 2006. The very low employment rate of older workers has been addressed for instance by the reduction of non-wage costs. The continuation of the employment offensive "people with disabilities billion" is also intended for 2005 and 2006, as well as other measures to fight discrimination. Starting from the school year 2005/06, children with insufficient knowledge of German are to be particularly supported. The 2005 legal package concerning foreigners provides for a further development of the integration agreement. Some Länder plan to prevent eviction and to put housing protection on a legal basis. For the years 2005-2008, an agreement was concluded between the federal level and the Länder in respect of the organisation and financing of the health care system to create optimal conditions for an "affordable, accessible and comprehensive health care" and to reduce existing delivery gaps. The harmonisation of the social assistance schemes of the Länder, and further extension of the statutory health insurance remain major challenges.

1. Situation and key trends: GDP growth in Austria rose to 2.4 % in 2004, twice the average of 2001 to 2003. Due to a significant change in the Eurostat data collection the overall employment rate decreased from 69.0% in 2003 to 67.8% in 2004 (60.7% women, 74.9% men), remaining well above the EU average, while national data indicate a slight increase. For older people however, it is among the lowest in the EU, and even decreased from 30.1% in 2003 to 28.8% in 2004. The unemployment rate increased slightly for the third consecutive year, to 4.5% of the labour force in 2004, partly due to a rather strong rise in labour supply, particularly of women (5.2% women, 3.9% men). The long-term unemployment rate remained at 1.2% (1.3% women, 1.1% men) although national data report on substantial increase in absolute numbers. The youth unemployment ratio increased substantially from 3.8% in 2003 to 5.6% in 2004 (5.4% women, 5.7% men).

According to EU-SILC data the at-risk-of-poverty rate increased from 12% in 2000 to 13% in 2003, with a higher risk for women (14%) against men (11%) and a higher risk for elderly people (17%) and children under 15 (15%) compared with those in the age group 16-64 (11%). National data suggests people with disabilities have an even higher risk with 19% in 2003, and immigrants the highest risk with 27%. EU-SILC data identifies the following risk groups: lone parents (25%), large families (22%), living alone (21%), unemployed (31%) and persons living in jobless households (39% with dependent children, 25% otherwise).

In 2003, the social protection systems (including old-age pensions) reduced the overall at-risk-of-poverty from 42% to 13%. The rate indicating a persistent-risk-of poverty stands at 5.9% in 2003 (national sources). Income inequality is moderate in 2004 (income quintile share ratio 4.0, Gini coefficient 26%). Despite budgetary consolidation, the share of public social expenditure of GDP has steadily increased since 2000 and reached 29.5% in 2003 (national sources). The highest percentage increase concerned unemployment expenditure, but in absolute amounts increases for old-age-related and health-related expenditure were far more important.

2. Strategic approach: The high-risk groups identified are lone parents, long-term unemployed, households with three or more children, people with low education levels, people with disabilities and those requiring long-term care, immigrants and persons over the age of 65. The promotion of employment, reconciliation of family life and work, development and improvement of social services for people with high social risks and investments in education are identified as the key policy levers in the NAP and in the implementation report to improve the situation of persons in or at-risk-of poverty. Improvements in education for disadvantaged young people and migrants are a main focus of the Austrian inclusion policy. Insufficient conditions in education and access to lifelong learning for elderly women, segmentation in training and education, as well as on the labour market and still traditional social roles for women require further measures. An evaluation of the impact of the strategy is made difficult due to the absence of quantitative targets, time-frames and (gender) budgets in the initial NAP.

3. Key policy measures: While containing a wealth of information about specific measures taken over the past years, the Implementation Report does not provide a systematic account of the measures announced in previous NAPs and of the impact of the approach. The Report focuses on schooling and training (eFit-Austria), measures to improve the employability of vulnerable groups (JOBS FOR YOU(TH) '04 and '05, apprenticeship programmes, and a "Clearing system" for occupational integration for young people with disabilities), the reconciliation of family life and work, monetary transfers and health promotion. A whole

range of measures covers children, families, people with disabilities, those in need of care, immigrants, asylum-seekers, over-indebted persons, the homeless and persons released from prison.

As of 1 January 2005 new suitability criteria apply to jobs offered by the Labour Market Service (AMS). According to the labour market reform act 2005 employment is only reasonable, if reconciliation of work with legal care obligations is ensured. An amendment to the unemployment insurance law provides access to health care to unemployed persons who were previously not covered. In order to bring low unemployment benefits to a minimum level defined in the pension system compensation supplements have been implemented. As a measure to improve the situation of the working poor a monthly minimum wage of 1000€ has been laid down in almost all collective agreements.

In 2004 the government adopted the NAP for children and youth following a United Nations commitment. With regard to improving the educational situation of young persons the law governing teaching in schools has been amended as from 2003/2004. Pupils who have not successfully completed secondary modern or polytechnic school can complete compulsory school free of charge in a tenth or eleventh school year.

An ongoing discussion concerns the childcare allowance scheme and the possible adaptation of the earnings ceiling up to which work is permitted without losing the childcare allowance. Various evaluations come to divergent results as to the employment promotion of women through this measure, which also aims at reducing poverty risks among young parents.

The introduction of a voluntary pension splitting as well as the shortening of the number of years in employment to acquire pension rights are intended to help women to access to pension rights. Compensation supplements, introduced to overcome some of the consolidation measures of the pension reform causing social hardship, have increased low pensions and nearly closed the gap between them and the at-risk-of poverty level as defined in the Laeken indicators. Future annual pension adaptations will cover price rises and thus guarantee their real value.

The analysis concerning the number of persons who are not covered by health insurance, mentioned in the last NAP, was completed. Approximately 160 000 people, 2% of the population, are not protected by the social health insurance. One important concrete measure taken pertains to asylum-seekers who are now covered by the social health insurance. .

The harmonisation of the social assistance schemes between the Länder, which was announced in the 2003-2005 NAP, is not progressing.

Gender Mainstreaming has been addressed in a large number of actions which are integrated into the various policies, such as improvement of framework conditions on the labour market or setting minimum targets to promote women in publicly supported programmes. However, these important activities need to be embedded into a comprehensive gender mainstreaming approach. This is particularly important in view of the high risk-of-poverty among “older women”, “single-parent mothers” and of the increasing number of “female working poor”.

The Structural Funds and the European Social Fund in particular are important instruments within Austrian labour market policy. Some projects in education and training for migrants, women and young women are mentioned in the implementation report. The EQUAL

programme gives special support to asylum-seekers and persons released from prison. Up to end 2003 about 7500 persons have participated in EQUAL projects, most of them having only completed compulsory schooling. In disadvantaged rural areas financial resources from the EAGGF contribute to the fight against poverty. The Territorial Employment Pacts, developed since 2001 and often supported through ESF assistance, contribute to inclusion into the labour market. However, detailed information about financial resources from Structural Funds' assistance is not provided.

4. Challenges ahead and plans for 2005-2006: The slackening of the labour market perspectives calls for enhanced measures to prevent exclusion especially with respect to elderly workers, long-term unemployed, immigrants and young people.

The Implementation Report advocates a continuation of present policies and mentions a number of upcoming initiatives to address the challenges. To address the needs of the long-term unemployed expenditure on active labour market policy will be raised further in the years 2005 and 2006. With a view to increasing the very low employment rate of older workers the 56/58 campaign has been launched which includes the reduction of statutory non-wage costs for 56/58 year-old workers. The employment campaign "A billion for people with disabilities" is also intended to continue in the years 2005 and 2006. The "equalisation package for people with disabilities" (Behinderten-Gleichstellungspaket) will come into effect on 1.1.2006. The aim is the abolition of all forms of discriminations.

Starting from the school year 2005/2006, children with still insufficient knowledge of German are to be supported in the year before the school entrance in pilot experiments. The 2005 legal package concerning foreigners (Fremdenrechtspaket) provides a further development of the integration agreement (extension of the target group, increase of the linguistic level, access to the labour market). Some Länder plan to prevent eviction and to ensure housing facilities on a legal basis.

For the years 2005-2008 an agreement was concluded between the federal level and the Länder in respect of the organisation and financing of the health care system and to reduce existing delivery gaps. Social care professions are intended to be upgraded and job mobility increased. The harmonisation of the social assistance schemes of the Länder and further extension of the statutory health insurance remain major challenges.

While the social actors delivered substantial contributions, cooperation with other central actors like the Austrian Anti-Poverty-Network need to be developed and made more visible.

PORTUGAL

Situation and key trends: Key social and economic indicators underline a worrying situation that has deteriorated since 2001. The economic slowdown has strongly increased unemployment, in particular long-term unemployment which now exceeds 50% of all unemployed. The traditional economic model based on labour intensive activities requiring low qualifications is undergoing intense pressure, while no clear alternative seems to have yet emerged. In spite of recent progress in educational attainment levels, more than 70% of the population has not concluded secondary education and almost 40% of the young leave school prematurely. The at-persistent-risk-of-poverty rate (15%) and the inequality of income distribution (6.5) were the highest in the EU in 2001 and show little progress since 1995. New data for 2004 shows continuing high inequality (7.0)

Strategic approach: The 2003-2005 NAP presented a broad list of principles and described more than 207 policy instruments to support a set of key challenges. The Plan brought some coherence to widespread and piecemeal existing measures, but failed to provide a clear strategic focus or establishment of priorities. A significant amount of measures made no reference to financial resources, lacked precise deadlines and clear measurable monitoring/impact indicators. The fact that 3 governments were in power between 2002 and 2004, partly explains the difficulties in pursuing a coherent strategy amidst sometimes conflicting political priorities and unstable administrative structures. The implementation process has also suffered from weaknesses at the level of intra-governmental coordination and participation of the major stakeholders. The NAP is not part of the political debate, but it has contributed to increase the discussion among experts in the field, and improved general awareness of social exclusion issues.

Key policy measures: The "Social Network" has been a major achievement by bringing together local authorities, social partners and civil society, all with profound knowledge of local realities. Reinforcing these networks and providing them with resources to improve their social intervention should be strongly pursued. The vocational training and apprenticeship measures aimed at reducing early-school leavers and improving their employment prospects have registered important progress. Changes have been introduced to the Unemployment and Sickness benefit schemes and the Public Administration pension system is undergoing significant changes bringing it closer to the private regime. Due to demographic developments and budgetary constraints, further reforms will be required to assure the sustainability of the social protection and pension systems. The Social Integration Income scheme (SII) focusing on those living in poverty and most vulnerable to exclusion has been reviewed. Public services need to adapt to the increased demand for SII support, and reinforce its social integration approach to prevent the system from becoming a simple monetary subsistence scheme.

Challenges ahead and plans for 2005-2006: The plans for 2005-2006 incorporate the priorities of the recently elected Government. They include a list of principles and brief descriptions of priorities that are all relevant for the promotion of social inclusion. However, they do not identify any targets, budget, implementing framework, or assignment of responsibilities. The challenges identified in 2003 have remained almost the same both at strategic and operational levels. At a strategic level, social cohesion continues to be threatened by high poverty levels, inequalities in income distribution, high levels of early school leavers, large numbers of working-poor, and a significant gender-pay gap in the private sector. At an operational level, the large number of existing measures should be streamlined, while implementing mechanisms and organisational structures need to be established with the involvement of the major stakeholders.

1. Situation and key trends

GDP growth continued its decreasing trend since 1998, having contracted by 1.2% in 2003. Growth has improved slightly in 2004 (+1.2%), but still expected to be below 1% in 2005, thus further widening the gap in per capita income with the rest of the EU. Although the employment rate (67.8% in 2004) and the unemployment rate (6.7% in 2004) compare favourably with EU averages, they have deteriorated since 2001 and data for the 2nd quarter of 2005 show long term unemployment exceeding 50% of all unemployed (was 38% in 2001). The labour market continues to be highly segmented with a large number of working poor.

Data from ECHP for 2001 shows that the at-risk-of-poverty rate on the basis of income including pensions but before other social transfers (24%) has hardly changed since 1995 (27%). New data from 2003 suggests an even higher rate (27%). Social protection expenditure represents 15.7% of the budget, far below the EU average of 19.3%. However, the impact of the social transfers has improved over the years and helped to reduce poverty levels to 21% in 2004 (23% in 1995, 20% in 2001). The rate of people at-persistent-risk-of-poverty (15% in 2001) was unchanged from the 1997 figure, representing the highest level in the EU.. In 2004, high levels of poverty affected the elderly (29%), persons living alone (36%), lone-parent families (41%) and large families (34%). Particularly vulnerable to poverty are the unemployed (32%) and jobless households (58% with dependent children, 32% otherwise)). Although regional employment rate dispersion is relatively low (3.9% in 2003), national data suggests the rate of poverty differs significantly among regions (12% in Lisbon and 25% in the Algarve). The inequality of income distribution ratio improved between 1995 (7.4) and 1999 (6.4). However 2004 data from EU-SILC indicates a level of 7.0 (the highest in the EU).

In spite of recent progress in raising the educational attainment levels of the population, Portugal is still far behind EU averages. More than 70% of the population has not concluded secondary education, and participation in training of the low-skilled is extremely low. Although Portugal invests 5.8% of GDP in Education, which is above the EU average (5.2%), education attainment levels are still among the lowest in the EU, as almost 40% of the young do not conclude their secondary education, and almost 40% of higher education students drop-out of university before concluding their studies.

2. Strategic approach

The 2003-2005 NAP brought some coherence to widespread and piecemeal existing measures, but did not present a focused and consistent strategy for tackling social exclusion. The fight against poverty and exclusion was pursued under three global domains: i) promoting socio-economic development, ii) preventive approach towards the most vulnerable target groups, and iii) action aimed at improving the situation of those subject to social exclusion. However, the consistency between various policy strands and measures, as well as the expected impacts of certain measures have not met expectations. Many of the instruments foreseen require the committed involvement of various government bodies. Weaknesses at the level of intra-governmental coordination and participation of the social partners and civil society have hindered the planning and monitoring process.

The fact that 3 governments with different organic structures were in power between 2002 and 2004, partly justifies some of the difficulties in pursuing a coherent strategy amidst

sometimes conflicting political priorities and unstable administrative structures. The successive changes to the SII scheme as well as to the sickness and unemployment protection systems are typical examples of this instability. The flagship aim of reducing poverty by 2 p.p. until 2005 cannot be measured due to lack of data (both at a national and EU level). The announced objective of bringing the minimum pension to the same level of the minimum wage, is still far from being achieved, and has been affected by budgetary constraints and changing political priorities.

3. Key policy measures

Of the 207 policy measures foreseen in the 2003-2005 NAP, the Implementation report only provides updated information on 75 (36% of measures).

To facilitate participation in employment the focus has been primarily on education and training, as well as on the development of active labour market (ALMP) and equal opportunity policies, directed at specific target groups. The vocational training measure aimed at reducing early-school drop-outs and providing the young with professional and scholarly certification to improve their employment prospects has been particularly successful. Only 8.4% of the target set for the certification and validation of competencies of adults has been achieved. The recent increase in long-term unemployed (more than 50% of all unemployed) is particularly worrying and requires further efforts to maintain these people in the labour market and prevent exclusion. Participation in employment is important to promote social inclusion, but proved to be insufficient to reduce poverty levels. The large number of working poor shows that without a comprehensive social inclusion strategy, having a job is insufficient to break out of poverty.

To facilitate access by all to resources rights and services, the most important developments have been in the area of the social protection system. Initiatives to assure the sustainability of the social protection system have been announced and their general principles outlined, but many of the measures are still not regulated. Housing policies still lack an intervention strategy for the homeless, and a significant amount of the existing housing is still in deplorable maintenance conditions. Efforts to reduce waiting lists for medical intervention have produced limited results. Recent independent reports have highlighted the almost paralysis in the development of primary health care, in particular in the local health centres, with direct consequences on the population's access and use of such vital services.

Most of the measures to prevent the risks of social exclusion are either still under development or no information has been provided. Home support services for the elderly and policies to reunite immigrant families have been developed and are being implemented. Progress has also been achieved in the reconciliation of family and working life through the increased availability of care facilities for children and other dependants. Measures to prevent exclusion due to over-indebtedness are still lacking. The introduction of personal computers in schools is proceeding according to schedule, but a major setback is the project to provide 2.000.000 diplomas in basic ICT by 2006. Less than 17.000 diplomas were awarded between 2003-2004. No progress is reported on the planned objective of "digital cohesion".

Various measures aimed at the integration of the most vulnerable have been launched. The SII scheme has had a major role in this process due to its focus on those living in poverty and most vulnerable to exclusion. Due to the deterioration of the socio-economic situation, the beneficiaries of the SII scheme have increased dramatically in the last two years, and

145.263 people were receiving support in August 2005. The differential between immigrants' unemployment rate and that of the nationals is one of the lowest in the EU. A National network of centres to support the integration of immigrants has been set up. Further progress is needed in the recognition of qualifications of immigrants. The fight against child labour has improved, but the network for the protection of children at risk has not reported any progress. A comprehensive study to identify the geographical distribution of exclusion and its causes was concluded in 2005. Policy measures should be reviewed in the context of these conclusions.

To mobilise all relevant stakeholders, progress continued to be made through the consolidation of the "Social Network" with its local approach to the identification of problems and planning of social intervention. During the period 2003-2005 a "Strategic Participation Process" was launched which involved a set of local events and workshops aimed at mobilising stakeholders, discussing local realities and promoting the NAP. These events culminated with a national Seminar that presented the results of the various workshops and served as a basis for drafting the 2005 Implementation report. The discussion involved NGO's, sectoral representatives at local and regional levels and national authorities.

The main structures for conceiving, monitoring and evaluating the NAP Inclusion are the Inter-ministerial Commission, the NGO Forum and the Social and Economic Council. Their participation in the current Implementation report is disappointing. The lack of a general commitment and involvement by some government bodies, partly explains the difficulties in the collection of data and the weaknesses in implementation. The 2005 Implementation report was not subject to any consultation process neither were the key actions envisaged for 2005-2006. Most stakeholders consider the NAP an important strategic tool in the promotion of social inclusion, but lacking support and visibility at the higher political level.

The Structural Funds have strongly supported the implementation of the NAP through EQUAL and the Operational Programmes co-financed by the ESF. The implementation report does not quantify the financial resources associated to the various measures. Structural Funds support is estimated at around 19% of total investments.

Although equality between men and women is one of the declared strategic goals in the 2003-2005 NAP, it lacks a clear definition of priorities and targets. The coordinating mechanisms with the "National Equality Plan" and the "Plan to Fight Domestic Violence" are unknown. The information in the Implementation report does not provide relevant information to assess the progress in terms of gender mainstreaming.

4. Challenges ahead and Plans for 2005-2006

The plan for 2005-2006 introduces minor changes to the previous objectives and incorporates the priorities of the recently elected Government. It announces the creation of a "third generation" of sustainable social inclusion policies including 6 new proposals: i) incentives for enterprises to facilitate reconciliation of working/family life, ii) fight poverty among the elderly (e.g. PECPI programme), iii) a programme to improve housing in rural areas, iv) a housing programme for people with special needs, v) community personnel services, vi) compulsory school/training attendance for young people below 18 years of age. Women are not referred to as a target group in the new priorities. However, they represent the majority in some of the groups identified as targets, namely; long-term unemployed, victims of domestic violence, elderly, lone parent households and unemployed with tertiary education. Moreover, women are subject to a significant gender-pay gap in the private sector

(in 2004 women earned 75% of men's average salary). The update consists of a list of priorities and principles, without any targets, budget, implementing mechanisms or assignment of responsibilities. Previous experience shows that the major difficulties of the Social Inclusion strategy, is not so much in the definition of policies but in the implementing mechanisms and structures.

The major challenges for social cohesion continue to be the high poverty levels, inequalities in income distribution, high levels of early school leavers, large numbers of working-poor, and a significant gender-pay gap in the private sector. At an operational level, the Social Inclusion strategy needs to be thoroughly reviewed in terms of delivery mechanisms and implementing instruments. The enormous amount of existing measures should be streamlined, re-launched or eliminated in cases where they have become non-operational or obsolete.

To further promote social cohesion, Portugal should transform the NAP into a coherent strategic document with an effective action plan and budget that goes beyond the simple compilation of existing measures. The current information system to monitor and evaluate policies and measures, needs to be further improved. Mainstreaming social inclusion in all relevant policy initiatives should be supported at the highest political level. Stable partnership-based structures that assure continuity of working methods while assigning clear division of responsibilities among stakeholders should be established. Furthermore, the active involvement of all stakeholders from the stage of conception through the implementation, monitoring and evaluation of the various policy instruments needs to be strengthened

FINLAND

Situation and key trends Finland expects to reach just 2% growth in total output in 2005. The forecasted growth rate for 2006 amounts to 3%. Employment growth is set to slow down (employment rate 2004 67.6%), but unemployment rate (2004 8.8%) is projected to fall. Finland spent 26.9% of GDP in social protection in 2003, almost 1/3 of it went to senior citizens. The share of GDP spent on social expenditure has been slightly below EU-average since 1998. Finland's relative poverty rate at 11% in 2003 has nevertheless remained one of the lowest in EU.

Indicators do not reveal major changes in the various risk dimensions of social exclusion since the 2003 plan. Long-term unemployment and homelessness have continued to decrease and real income of low-income households to increase. On the other hand, income growth among low-income population has been weaker than for the others. Substance abuse and the increasing number of children placed in care outside their home give cause for concern

Strategic approach The starting point of Finland's strategy was to preserve the basic structure of the social policy system. The groups threatened by social exclusion were to be catered for mainly by the coverage of services and benefits intended for the entire population, and by emphasizing the primacy of work; but the need to supplement the universal system with measures targeted at risk groups was underlined as well. The plan set out policy objectives for employment, development of the service system, income support, education, and housing, together with complementary objectives for measures targeted at risk groups. The overall strategic approach has been adhered to and all the objectives have been pursued. The approach is mainly based on the Government's program, and the follow-up procedures of the program (the Government Strategy Document) have not resulted in any proposals for major modifications.

Key policy measures The most important measures started by Finland with a view to reducing social exclusion are the measures and reforms to facilitate participation in employment, the National Health Project and the National Development Project for Social Services, the development of pupil welfare and counselling, and the programs to reduce homelessness. Practically all the measures identified in the NAP on inclusion 2003-2005 have been or are being implemented. The Ombudsman for Children is a new initiative. As most of the measures are based on the Government's program and cross-sectoral policy programs, the implementation processes are still going on. This makes it difficult to assess the impact of the measures. It is also problematical to extract the impact of the measures from the impacts of general economic development and changes in working life.

The Structural Funds, namely the ESF, have played a useful role in supporting the implementation of the NAP on inclusion, especially in fields of employment, education and measures targeted at risk groups. Structural Funds have been made available for many measures undertaken

Challenges ahead and plans for 2005-2006 The Government's budget proposal for 2006 comprises a multifaceted package of measures to improve the situation of the most vulnerable (increase of expenditure by 33.5M€ in 2006 and 90.3M€ in subsequent years). The package is consistent with the previous strategy. Efforts to increase employment rate at both ends at the age bracket, as well as among the disadvantaged, need to be continued to avoid eroding the financial base of the welfare system. Furthermore, more employment will not only generate income, but also promote social participation and personal development.

1. Situation and key trends

Finland's GDP grew by 3.6% in 2004 (EU15 2.2%), but growth is not expected to exceed 2% in 2005 due to production stoppages in forest industry. Faster GDP growth (3%) is predicted for 2006. Employment growth is set to slow down (employment rate 2004 67.6, 2005 68.0, 2006 68.0), but unemployment rate (2004 8.8, 2005 8.0, 2006 7.5) is projected to fall due to decline in labor supply. As regards females the employment rate was 65.6 (EU15 57.0) and unemployment rate 8.9 (EU15 9.3) in 2004. The employment rate for older workers has been rising since 1995 and was at 51.4 in 2004 (EU15 51.7).

In 2003, 11% of the Finns lived on an income of less than 60% of median income. Although relative poverty has increased from 7% to 11% 1995-2003 and has become more persistent (increase from 5% to 7% 1999-2003), inflation-adjusted fixed poverty level has dropped down from 7% to 4% 1995-2003 and inequality ratio at 3.6 in 2003 is still low (EU15 4.6 in 2001).

Long-term unemployment has decreased from 4.9 in 1997 to 2.1 in 2004, but remains a major cause for exclusion and is often connected with other risk factors. Of the long-term unemployed 60% were over 50 years of age. Youth unemployment ratio has remained at about same level since 1998, but was still relatively high in 2004: 10.3 (EU15 7.6). National data shows that certain households have a higher than average risk of poverty: youth under 30 yrs (many of these are students), single parents, singles 30-64, couples with children under 7 yrs, and elderly over 65 yrs (low-income pensioners and those who are ill). The proportion of people on low income has increased in all these groups 1995-2003 (possible exception: for under 30 yrs there is no data before 2003). More and more children are being placed in care outside their home (almost 15 000 in 2004). The number of prisoners (over 3500 2004) has taken an upward turn since 1999, the same is true for foreign prisoners (some 300 2004). Homelessness has decreased from almost 16 000 in 1990 to less than 8000 in 2004

2. Strategic approach

Finland's strategy was to preserve the basic structure of its social policy system and work mainly within that structure. The measures aimed at upgrading the universal system were to be supplemented with those targeted at risk groups. The plan presented a set of policy objectives in the fields of employment, development of the service system, income support, education, and housing, as well as complementary objectives for measures targeted at risk groups. The overall strategic approach outlined has been followed also in practice.

The approach was assessed in a seminar organized by the Ministry of Social Affairs and Health in June 2005. The viability of the basic structure and the set objectives were not questioned, but there were suggestions to put the objectives and measures more clearly in order of importance and that the objectives should be concretized further. The policy objectives set in 2003 were seen to have been achieved reasonably well, but it was noted that the results of the measures will be assessed separately at a national event to be arranged in autumn 2005, when updated statistics will be available. The aim is also to make use of qualitative reviews. The autumn review event will be made a permanent practice and will be a useful contribution to strengthening the monitoring on the NAP/incl process.

The 2003 plan referred to the Government's employment targets (jobs for 100 000 people by April 2007; employment rate up to 75% by 2010; average effective retirement age up to at

least 2-3 years by 2010). The Government's employment report for year 2004 notes that there is no progress yet as regards the first target. Employment rate was 67.6 in 2004 (2001 68.1, 2002 68.1, 2003 67.7), slight employment growth is expected for 2005, but it is set to slow down in 2006; retirement age was 60.3 in 2003 (2001 61.4, 2002 60.5).

3. Key policy measures

Facilitating participation in employment: The plan aimed at reducing long-term unemployment, increasing the work participation rate in various age groups, enhancing the length of time at work by at least 2-3 years by 2010, and adding incentives for work as far as social security is concerned. The key methods which have been undertaken include concentration of services and resources for disadvantaged jobseekers in employment service centers, developing labor market support in a manner that contributes to the activation of the unemployed, providing long-term unemployed with personal employability programs (in February 2004, only 43% of people entitled to a plan had one), and the Social businesses scheme. In August 2005 there were 20 enterprises employing altogether 100 persons with disabilities or long-term unemployed persons.

Facilitating access to resources, rights, goods and services for all: For the health and welfare service system the objectives included reducing differences in health between population groups, improving availability and quality of services, decreasing public health impact of alcohol consumption, enhancing the potential of the elderly to live and cope at home, and progressing disabled people's potential for social participation. All measures have been implemented as planned, the most important ones being the National Health Project and a parallel National Project for the Social Welfare field, both of which will go on until the end of 2007. The aim is to secure availability of social and health services on an equitable basis in the whole country.

For housing the objectives were to reduce homelessness, balance supply and demand for reasonably priced housing in growth centers, and preserve the social balance in housing districts while diversifying their resident structure. The Government has launched its housing policy program 2004-2006. The program enhances social housing by introducing improvements in the criteria for granting housing loans and a new investment subsidy for disadvantaged groups. It also provides guidelines for developing the housing allowance system and supports diversity in the population structure. According to Housing Fund of Finland increase of the annual supply of reasonably priced rental housing was up to 5100 units in 2004 and the estimate for 2005 is at the same level (target was 10 000 new units annually in years 2004-2007).

For education the intention was to make the transition from comprehensive school to vocational education more efficient and quicker, strengthen the components that prevent social exclusion in pupil counseling services, and reduce the number of dropouts from education and training. The most important efforts have been taken in the fields of improving pupil welfare (implementation of a new provision of the Basic Education Act, according to which pupils are entitled free-of-charge to such pupil welfare which is necessary for participation in education) and developing student counseling (e.g. handbook on best practices concerning young school dropouts). Pedagogical development measures together with the new system of performance-based financing in vocational education have helped in reducing the number of dropouts.

To prevent the risks of exclusion: The plan endeavored to reduce the need for income support, provide sufficient minimum benefits and a reasonable guarantee of living, ensure comprehensive insurance coverage, reduce poverty among families with children and prevent inheritance of social exclusion, make health care charges reasonable and increase transparency of the charge system. All the measures identified in the 2003 plan have been implemented, except that preventive social assistance has not been increased. There have been several improvements in the economic status of families with children. The number of immigrants receiving special support has been increasing steadily since a scheme for the purpose was introduced in 2003, in July 2005 the number was 3916. National Health Project has dealt with the issue of health care charges.

To help the most vulnerable: The plan displayed various kinds of integrated measures aimed at risk groups. The emphasis has been on early intervention in the problems of children and young people. A development program for child welfare and several other measures aimed at tackling the problems experienced by children and young people have been taken. A new post of the Ombudsman for Children has been established. Other important developments include programs reducing homelessness, an amendment of the Immigrant Integration Act with a view to intensifying and accelerating the integration of immigrants, implementation of the National Alcohol and Drug Policy Action Programs for 2004-2007, as well as preparation of a draft National Program for the Prevention of Violence.

To mobilize all relevant bodies: NAPs/incl have improved co-operation between the relevant actors. The stakeholders participated in the assessment seminar of June 2005. Involving local level, which is responsible for delivering the services, in the planning work was further felt to be a challenge. One example of a "bottom up" consultation mechanism covering municipalities is the statutory regional evaluation of basic services, conducted by five State provincial offices with the aim of determining accessibility and quality of basic services within each province.

Gender perspective: The indicators are only partially presented according to gender. Exclusion risks are more prevalent among men than women due to that e.g. long-term unemployed, homeless and prisoners are mostly men. Gender aspect could have been scrutinized as regards single parents, those who are employed but under poverty line, and immigrants.

4. Challenges ahead and Plans for 2005-2006

Relatively high and persistent unemployment, at 8.8% of the labor force, reflects structural problems. There is a risk of continued unemployment coinciding with a lack of qualified employees. In the short run the challenge of labor supply is related to skills mismatches rather than to the quantity of labor force. In the longer run, Finland will be facing the challenge of ageing population. This requires that the labor input of the working age population need to be used more fully. Measures to increase the employment rate at both ends of the age bracket, as well as among the disadvantaged, should be continued in order to avoid eroding the financial base necessary for the delivery and availability of social and health services.

The Government's budget proposal for 2006 includes a number of changes to existing measures to improve the situation of those most in need:

- Abolishment of the client's own payment share of housing costs i.e. seven percent. The move will affect 70 000 households living permanently on social assistance, e.g. single parents, families with children, and long-term unemployed.
- The rate of the national pensions is increased by five euros for the benefit of low-income pensioners. The non-taxable supplement paid to people with disabilities who work at workshops maintained by local authorities is increased from 9 to 12 euros. The increase aims to benefit some 6800 low income recipients, mostly those with intellectual disabilities and mental health rehabilitees.
- Long-term unemployed will be entitled to allowance for periods of rehabilitation for substance abuse. About 3000 people are expected to be affected by the change. Long-term unemployed will also be given an unchanged amount of housing benefit up to three months after they have found work. The amendment will help some 3000-5000 persons.
- A project to support the return of school dropouts to education and training by providing diversified additional teaching. In addition, the youth workshop activities will be made permanent, so as to prevent exclusion of young people from work.
- The return of former prison inmates to society is made easier by various supportive measures: release plan, better support during supervised parole and rehabilitation for substance abuse.

The proposals for 2006 represent a positive step in the direction of prioritizing and concretizing the objectives and corresponding measures. Further efforts in this regard could be taken following the planned autumn 2005 assessment event.

SWEDEN

Situation and key trends: Sweden continues to have the highest gross spending on social welfare in the EU at 33.5% in relation to GDP (2003), although net expenditure is significantly lower. The trend of increased spending on sickness, disability and administrative costs seems to have reversed. The poverty risk is one of the lowest in the EU at 11% (2003), although there are more risk prone groups such as immigrants, young people, older people and lone parents. GDP growth improved in 2004 to 3.6%. Employment rates overall (72.1%), for women (70.5%) and older workers (69.1%) are high in an EU perspective. Despite a strong economic performance, employment growth is still negative and the total employment rate has shown a decreasing trend since 2001. There is also a worrying trend of increasing unemployment and long-term unemployment, especially for young persons.

Strategic approach: The implementation report follows the strategic approach of the 2003 NAP. The "primacy of work" principle continues to be the corner stone in the Government's strategy to fight poverty and social exclusion. However, measures are often described in a catalogue-way, lack priority setting and analysis of impact. This could be due to the fact that only initiatives in the State Budget are reported. Moreover, there is no reporting back from territorial levels of effects of implemented measures. A positive feature in the report is the many ambitious national targets. The two national targets for 2004 on employment and on social assistance dependency have not been reached, although the latter is moving in the right direction. The Government estimates that the target to halve the number of sick leave days between 2002 and 2008 can be reached. The outcome so far is in line with the target.

Key policy measures: Measures have been focused on tackling youth long-term unemployment, the integration of immigrants (e.g. training, validation of skills, anti-discrimination), improved health care and public health, measures to reduce sick-leave (e.g. rehabilitation, employer co-financing, centralised administration of social insurance), the situation of vulnerable people, in particular the elderly, children at risk of poverty, drug abusers and mentally disabled persons. Some initiatives have been taken to better involve users and the local level

Challenges ahead and Plans for 2005-2006: With the highest dependency ratio in the EU, this continues to be the main challenge for Sweden's social protection and welfare system. A reinforced and broader policy approach is needed to better integrate immigrants on the labour market and into all aspects of society, considering the heterogeneity of needs and situations of people with a foreign background. Sick leave has gone down, but still more than half a million Swedes in working age are in sickness- and activity compensation. Work situation oriented and individually adapted solutions are needed to facilitate the transition for people on these schemes into the labour market. Although the poverty rate is low, a challenge is to make sure the risk of poverty decreases for all groups with an increased risk. Welfare policy needs to ensure a balance between incentives and solidarity, considering the high level of people receiving benefit compensation for loss of income. Regional and local levels could increase their reporting to show the full impact and importance of the efforts to tackle poverty and social exclusion at all levels. Plans for 2005 and 2006 mainly refer to the 2005 Spring Budget, focusing *inter alia* on employability of long-term unemployed, improved allowances and better integration of new immigrants.

1. Situation and key trends

Sweden continues to have one of the lowest shares of population living at risk of poverty in the EU (11% in 2003) and low inequality in income distribution (3.3%). However, there are differences in poverty risks between groups. Young people aged 16-24 and persons over 65 years (especially women) live at a significantly higher risk of poverty (26%, 14% and 18% respectively). In terms of family type the highest risk is for single persons, especially women and persons over 65 years, (23%, 25% and 24% respectively) and single parents with dependent children (19%). Tenants (19%) have a higher risk than owner-occupiers (7%). Particularly vulnerable are the unemployed (26%), the inactive (24%) and persons living in jobless households (42% with dependent children, 18% otherwise). Also immigrants, especially recent, tend to have higher poverty rates (17.2% in 2003) compared to native born Swedes (6.4%)²¹. Sweden still has the highest gross expenditure on social protection in relation to GDP in the EU (33.5% in 2003). The expenditure has increased since 2000, but is significantly lower than during the recession in early and mid 1990s. Moreover, if account is taken of the impact of the tax system gross expenditure would decrease with more than 20%. The composition of the expenditure shows a trend since mid 1990s of higher expenditure for sickness, disability and administration costs, although national data indicate a reversal of the trend between 2003 and 2004. National data shows that more than 1 million full year equivalents²² are dependent on various types of benefits.

After three years of sluggish economic growth, 2004 showed a significantly improved GDP growth rate of 3.6%. However, this has not converted into an improved employment growth, which continues to be slightly negative resulting in a decreasing employment rate (72.1% in 2004 compared to 74.0% in 2001). In an EU perspective the employment rate is nevertheless among the highest, including for women (70.5%) and older workers (69.1%). Sweden still has lower employment rates for immigrants and foreign born citizens: national figures indicate 59% for foreign born citizens compared to 75% for native Swedes and the gap is widening. Access to education, in terms of eligibility to secondary and higher education, is generally higher for Swedish born citizens than for young persons with foreign background. Coupled with falling employment, unemployment levels have increased significantly (from 4.9% in 2001 to 6.3% in 2004). Long-term unemployment is still low (1.2%) compared to EU average, but it has increased. A worrying development is the recent increase in youth unemployment (16.3%) and youth long-term unemployment (8.3%).

2. Strategic approach

The objectives set in the implementation report follow the strategic approach of the 2003 NAP and the challenges identified in 2003 are addressed. The overarching aim is to reduce significantly the number of people at risk of social and economic vulnerability until 2010. This aim is accompanied by a number of specific objectives. The "primacy of work" principle continues to be the basis of the Government's strategy. In general, there is little information on the impact of policy, although this could depend on the fact that many of the reported measures were only recently implemented. The report is rather a catalogue of recent and planned measures. It is also difficult to see what the priorities are among the various initiatives, even if there is a strong focus on employment, social security and education. A positive feature is the prevalence for setting and reporting on national targets.

²¹ National data

²² Number of people that are supported by benefits connected to the labour market during a full year.

Welfare policy in Sweden is in many ways decentralised and is handled at local and regional level. The NAP only reports on legislative measures and initiatives in the State Budget, thus excluding measures decided at other territorial levels.

The national target to increase employment among people in the age group 20-64 years to 80% by 2004 has not been reached, although the figure stands at 77%. The Government announced in the 2005 Spring Budget that it continues to focus on this target, coupled with efforts to reach the national unemployment rate target of 4%. The target to reduce the number of persons receiving social assistance between 1999 and 2004 (from 115,200 to 57,600 persons²³) is not reached, but there is a decreasing trend (85,000 persons in 2003). The Government retains the target to be reached "as soon as possible". A discussion about the reasons why the various targets have not been reached is lacking. Progress concerning the target set in the 2003 NAP on halving the number of sick leave days between 2002 and 2008 and decreasing the number of new entrants into sickness- and activity compensation schemes (former disability pensions) by 2008 seems positive and the Government considers that the target will be reached. National figures show that in August 2005 there were 227,000 persons on sickness allowances, a decrease of 14% compared to last year. New entrants into sickness- and activity compensation have decreased by 7% the last 12 months. Although sick-leave is falling, the number of persons on the more permanent schemes continues to increase, standing at more than 550,000 persons, of which 328,000 women, and accounting for 67% of total sickness related payments. It would be a worrying development if people in sickness benefits are simply transferred into other benefit schemes. Coupled with the Government's efforts, the Swedish Social Insurance Administration has set up an ambitious target to lower the number of total sickness related absence days (including sickness allowance, sickness- and activity compensation) until 2008. The target is set at 37 days per year and it currently stands at 42 days.

3. Key policy measures

The Swedish welfare system continues to be built upon the principle of general income maintenance, to ensure a decent living standard during periods of illness, unemployment, parenthood or old age. As a reaction to increasing unemployment Sweden reports on measures to tackle youth long-term unemployment. Various initiatives are reported to improve the integration of immigrants (e.g. supplementary training, validation of skills acquired abroad, work trial placements, more support from employment services) and there is an enhanced effort to focus on anti-discrimination (e.g. new legislation, new "anti-discrimination bureaux"). The list of measures looks ambitious, but there is little information about the direct impact of already implemented measures.

Impact analysis of the 2003 pension reform shows a slight net increase in income for the current population of retired people. Together with other measures to improve the situation of the elderly (e.g. improved housing supplements, a new subsistence allowance for the most disadvantaged retirees); Sweden has provided a fairly good response to the high poverty rate within this group. In terms of health care and public health, a number of measures are reported. The health care system in Sweden suffers from availability problems and delays in treatment. It is therefore positive that a new health care treatment guarantee will be introduced in November 2005. County Councils will then be obliged to provide the necessary treatment within 90 days. Although many initiatives in terms of health are

²³ Measured in full-year equivalents.

reported, there is no discussion about their potential impact on promoting older workers' labour market participation and on reducing sick-leave. Recent measures to tackle the high levels of sick-leave include better co-ordination between authorities for rehabilitation, an increased co-financing of the sick-leave payments for employers (15% of the cost) and the change into a more centralised administration of social insurance. It seems that the implemented actions so far have had positive effects, although the employer co-financing seems to be less favourable to illness prone jobseekers. To cope with the high number of people on early retirement, a requirement to examine the person's work capacity every three years has been introduced from 2005. It is doubtful if this is sufficient to cope with the high number of new entrants.

In terms of housing policy, the Government encourages the production of new housing units for rent. There is a strong focus on facilitating for young people to enter the housing market and areas in need for renewal and refurbishment will be identified, which should largely benefit segregated residential areas. Studies have shown that children to lone and immigrant parents are the most vulnerable, often related to unemployment. The main effort is therefore to reduce unemployment, but also to provide support to families with a weak financial position. National plans to tackle the abuse of alcohol and drugs have been implemented. Although the trend for young people is positive, overall alcohol consumption and drug use have gone up, suggesting at this stage a limited impact of the measures. Increased resources have been allocated to support people in vulnerable situations (e.g. drug abusers, mentally disabled persons, homeless people, people under threat of honour-related violence, newly released prisoners).

Financial resources allocated are often mentioned. The European Social Fund is mainly mentioned in terms of its objectives and very little on implementation. For Equal some successful projects are cited. A lot of indicators and statistics are used. Although the NAP does not report on measures implemented at regional and local level, it is a positive development that some initiatives have been taken to involve the local level and to make the EU work on poverty and social exclusion better known to the general public. A good example in this context is the "Users Committee" set up in 2003 with the purpose to enhance the influence of users when implementing the NAP. There is a continued strong emphasis on mainstreaming (gender, immigrants, children and young people), with the situation for disabled people as a new mainstreaming field.

4. Challenges ahead and Plans for 2005-2006

To maintain the high level of ambition of welfare policy and to prevent poverty and social exclusion, in view of a high dependency ratio and an ageing population, Sweden's main challenge is to integrate more people on the labour market. With already high employment, efforts need to be focused on particular groups, such as immigrants, people on sick-leave or early retirement, young and older workers. Considering that the share of immigrants of the Swedish population is as high as 14%, an important challenge, also recognised in the Swedish report, is to reinforce policy to better integrate immigrants on the labour market and in society in general. A broad approach seems necessary, to tackle employment and unemployment gaps, differences in education outcome, segregated areas, heterogeneity of the immigrants, in particular the vulnerable situation of recent immigrants. Emphasis needs to continue to support transitions from sickness related schemes into the labour market, also stressed in the Swedish report. A challenge is the high stock and increasing number of people in sickness- and activity compensation. A policy mix of incentives based measures and initiatives to adapt the work situation at the individual level (e.g. flexible working hours,

changed or adapted work tasks) seem necessary. In addition to the challenges also highlighted by the implementation report, it would appear important to reflect on the high level of people receiving benefits and thus the appropriate balance between incentives and solidarity in the benefit schemes. Despite efforts taken, a continuing challenge is to reduce the relative higher poverty rates among specific groups, such as immigrants, young people, older people and lone parents. An enforced reporting effort from regional and local levels would show the full impact and importance of the Swedish efforts to tackle poverty and social exclusion. Plans for 2005-2006 refer to measures proposed in the 2005 Spring Budget, such as to improve employability of long-term unemployed, better child allowances, improved housing supplements, better healthcare and elderly care, the construction of more housing units and better introduction of newly arrived immigrants. Although the measures are not linked specifically to the challenges for social inclusion and social protection, they address many of the challenges identified in 2003.

UNITED KINGDOM

Situation and Key Trends: The UK economy continues to grow steadily, although there are some early signs of weakening (3.2% in 2004 and forecast 2.8% in 2005 and 2006). Strong economic performance over recent years has been combined with record levels of high employment (71.6% in 2004) and low unemployment (4.7% in 2004), exceeding all Lisbon targets. Notwithstanding this positive overall climate, the proportion of the UK population at risk of poverty in 2001 (19%) is higher than the EU average (15%) but improved to 18% in 2003). Inequalities persist such as those in income (GINI co-efficient of 34 in 2003), and in some cases such as health and wealth may be widening. Economic inactivity remains relatively high at 24.4%.

Strategic Approach: The UK adopts a multifaceted approach to combating poverty and social exclusion founded on a principle of 'work for those who can and support for those who cannot'. Work is seen as the primary route out of poverty and many of the UK's initiatives find their foundation in activation measures, facilitating access to the labour market, and providing financial incentives to work.

Substantial additional resources are being made available to key initiatives and to the reorientation of public services, particularly social protection, health and education. The results of this additional investment can be expected to be felt in the coming years.

The Implementation Report maintains the strategic approach set out in the 2003-05 NAP. Progress is reported against the wide range of established targets, including the key aim of eradicating child poverty.

Key Policy Measures: Recent years have seen the introduction of additional measures to 'make work pay', in order to guarantee a minimum income for working households and encourage people to move into work. These include an increase in the national minimum wage and the introduction of income 'top-ups' such as Tax Credits.

The UK government has expressed an aspiration to raise the employment rate to 80%. With registered unemployment at record low levels, the focus for significant further increases in employment is now those without work but not registered unemployed, such as the high number of people out of work for health reasons. Encouraging early results are being seen in 'Pathways to Work' pilot schemes and reform of the Incapacity Benefit system should further drive progress. The 'New Deal' is the flagship initiative for the unemployed, providing help and support to look for work, including training.

A number of initiatives and benefits have been introduced to deliver the key commitment to eradicating child poverty. Good progress has been made here and an initial target should be achieved, but momentum seems to be slowing and further sustained effort will be required to hit longer-term targets.

The European Social Fund in the UK contributes significantly to combating poverty and social exclusion. Focused delivery models such as Global Grants have been particularly successful in engaging client groups traditionally hard to reach for mainstream funding sources and delivery models.

Challenges Ahead and Plans for 2005-06: The overall policy mix would seem to be well-founded and no significant changes in strategy are planned for 2005/6 and beyond. However, the impact of some policies is likely to be felt only in the longer term. Many inequalities persist such as those in income, wealth, health, skills and 'life chances', and comparative progress at EU-level is less than might have been hoped. Limited inroads have been made into the incidence of poverty and social inclusion for some of the most vulnerable groups in society, many of whom suffer multiple disadvantages and further sustained effort and additional redistributive policies will be needed to realise progress here.

Economic inactivity continues to be a matter of UK concern; increasingly measures must be tailored to engage the traditionally the hardest to reach. Concerns also remain over quality and sustainability of work and the number of people not earning enough to escape poverty through their wages alone. Personal debt is at record high levels and in the event of economic turndown, those below, on, or slightly above the poverty line will find it difficult to cope.

1. Situation and key trends

The UK economy has continued to grow, GDP in 2004 was 3.2% (2.3% EU25), growth is expected to continue, at a slightly slower pace (2.8% in 2005 and 2006, although national estimates are more modest), but should still remain ahead of overall EU forecast growth (expected to be 2% in 2005 and 2.3% in 2006).

The UK economy is characterised by high employment rates 71.6% in 2004 (63.3% EU25), and low unemployment 4.7% (9% EU25); employment continues to grow at above EU rate (0.9% in 2004 contrasted with 0.6% EU25). The number of long and very long-term unemployed is similarly low when compared to EU averages and all Lisbon targets are met. While the recorded unemployment rate is now one of the lowest in the EU, the UK still has one of the largest proportions of working-age adults in jobless households overall (11%); this is particularly high for women 13%. Comparatively high levels of economic inactivity (little changed over the past decade) continue to give cause for concern. The current rate of economic inactivity is 24.4% and is concentrated in lone parents, ethnic minorities, students, people from areas of high deprivation and the long-term sick or disabled (2.7 million people claim incapacity benefits which represents 7.5% of the working-age population and 2½ times the unemployment claimant count). The proportion of part-time employees (25.8%) is significantly above the EU average (17.7%), and more prevalent among women. The gender pay gap is amongst the highest in the Union (22% in 2003, compared to an EU average of 15%). Employment and unemployment rates vary greatly between areas and for the disabled, ethnic minorities and the lowest qualified. The population in employment having a second job would also seem particularly high, with only Poland reporting higher figures.

The proportion of the UK population at risk of poverty remains higher than the EU average, 19% in 2001 contrasted with 15% for the EU15. Following several years of relatively static at-risk-of-poverty the UK position has improved by one point to 2003. The latest available comparable data (2000) on persistent at-risk-of-poverty indicates that the UK rate (11%) is stubbornly above the EU15 average rate (9%). Risks are particularly acute for: children; the over-50s; lone parents; ethnic minority groups (particularly Pakistani and Bangladeshi); the disabled; those in economically disadvantaged areas or regions and the lowest qualified. Also vulnerable are persons living alone (27%), especially the elderly. The unemployed (54%) are at particular risk.

Progress has been made in improving adult basic skills although this area remains a key concern. An estimated 5.2 million adults have worse literacy than that expected of 11 year-olds, while 14.9 million have numeracy skills below this level. The number of people who have not completed upper secondary education, and therefore face in considerable penalties in the labour market, remains high.

Inequality of income distribution (as measured by the GINI coefficient) remains high at 35 (2003), the trend here has been broadly increasing since 1995 but has plateau-ed since 2000. The most recent data available at EU-level (2001) reflects a rate of 29, and has essentially remained constant since 1995. Wealth distribution is further polarised with the wealthiest 1% owning approximately one quarter of the UK's marketable wealth in 2002, in contrast, half the population shared only 6% of total wealth. In recent years health inequalities (measured by infant mortality and life expectancy) between the poorest and the population as a whole have continued to widen despite government efforts. Reaching the national target of a 10% reduction by 2010 in the inequality gap now seems unlikely.

UK consumer debt has surpassed £1 trillion. An increasing number of people report difficulties in keeping up with payments (37% in 2003). Debt advice providers continue to report escalating numbers of seeking help with debt problems and the number of personal bankruptcies has reached its highest level in 40 years, almost tripling since 1997. Sub-prime lending (lending to those who have insufficient ratings to access 'mainstream' credit) has also risen to levels unprecedented since the 1970s.

Expenditure on social protection is slightly below the EU average (UK = 26.7% of GDP in 2003 and EU25 = 28.0%) but has increased significantly over recent years, this increase can be seen particularly in sickness and healthcare benefits and to some extent in old-age benefits, with other categories of social spending remaining broadly steady, or falling. Noteworthy, is the high proportion of means-testing in many benefits (4.1% of GDP in the UK contrasted with 2.5% EU25 (2001)). Recent years have seen substantial increases in state funding for childcare, however, concerns persist about availability and affordability and there are marked regional and local variations. Despite help through tax credits, overall parents in the UK pay around 75% of the cost of childcare (an average nursery place costs around €10,500 pa).

2 Strategic Approach

The UK adopts a multifaceted approach to combating poverty and social exclusion. Key to this is an emphasis 'work for those who can and support for those who cannot' principle; with work seen as the best route out of poverty and social exclusion. The Implementation Report reaffirms this strategy as set out in the 2003-05 NAP and the continued relevance of established targets.

Substantial additional resources are being made available to key initiatives and to the reorientation of public services, particularly health and education. Increasingly, attention is focused on how to improve the life chances of the most vulnerable in society, including considering in more depth how public services can be delivered more effectively for the people who are currently missing out. There is a high reliance on means-testing in the benefit system to focus support on those most in need and a commitment to joining-up public services so that they are truly responsive and provide individualised support. Interventions are targeted on the activation of people facing greatest disadvantage in the labour market, such as lone parents, the disabled, ethnic minorities and those with poor basic skills or low qualifications, or from deprived areas.

In general, the NAP implementation report provides a comprehensive overview of strategies being implemented in the fight against poverty and social inclusion. However, less clear is the extent to which these strategies are successful in addressing the key issues identified in the NAP 2003-05. There is a lack of discussion of the concentrations of low-income and low pay among women in the context of the challenges identified by the NAP and mainstreaming of gender equality in policy design and impact analysis is not evident.

3. Key policy measures

In-keeping with the 'work first' perspective, key policy measures centre on activation. The UK Government has declared an aspiration of 80% employment (not differentiated by gender). Key to achieving this challenging target will be the activation of target groups which have thus far proved difficult to engage, many of whom have multiple barriers which hinder their access to, and progress in, the labour market. Encouraging early results are

being seen in 'Pathways to Work' pilot schemes, which target incapacity benefit recipients, offering specialist advice coupled with mandatory work focused interviews and improved financial incentives to take up work. The 'New Deal' range of programmes aimed at activation, through training support and help with finding work continues to be the flagship activation initiative, helping 1.3 million people find a job since 1998. Although there is some evidence to suggest that the numbers of 'New Dealers' moving into work has stalled in recent months

Further measures to 'make work pay' are being implemented. These include an increase in the national minimum wage and the introduction of additional income-related benefits such as the Child and Working Tax credits. The latter has undoubtedly had a significant positive impact particularly for lone parents. However, childcare costs remain prohibitively high and discourage many who would otherwise wish to return to work from doing so. For couples, and those without children, the improvements in incentives have been rather less-clear cut.

Recent reforms outlined by the Government indicate a greater emphasis on rights and responsibilities alongside benefit regime changes that acknowledge different degrees of incapacity and reward people for taking steps that take them closer to the labour market. .

Whilst employment is high, no reference is made in the NAP to improving the quality and sustainability of employment. UK levels of 'working poor' are comparable with average EU levels, yet concerns persist that workers in the lowest-paid jobs not earning enough to escape poverty through their wages alone and are reliant on means-tested state help, or other sources, to achieve an adequate standard of living.

Progress has been made in reducing the high levels of child poverty. At the time of the last NAP the UK had the worst levels of child poverty in the Union; this has now improved significantly. Initial momentum would now appear to be slowing and more will need to be done if the UK is to achieve its own ambitious target of eradicating child poverty by 2020. The increase in benefits to tackle pensioner poverty, particularly 'Pension Credit' and the implementation of strategies to increase poor levels of take-up, have begun to yield results.

The UK has strong and vibrant community and voluntary sectors. Consultation with and involvement of such organisations has continued to develop considerably since earlier NAPs. The involvement process is now both more strategic and increasingly structured, allowing for real input to the policy process of those with direct experience of living in poverty. This proactive, user-focussed approach to policy development and evaluation is to be welcomed and can be considered as a model of best practice. Furthermore, the NAP implementation report reflects, to some degree, the differentiated approach being taken by the devolved administrations of Scotland, Wales and the Northern Ireland office in line with the particular needs in their areas. Joining-up between central government departments is less clear.

The European Social Fund in the UK contributes significantly to combating poverty and social exclusion. Focused delivery models such as Global Grants have been particularly successful in reaching client groups that have been traditionally hard to reach for more mainstream funding sources and delivery models.

4. Challenges ahead and plans for 2005-2006

The policy mix adopted by the UK combined with substantial increased investment over recent years provides a sound foundation to combat poverty and social exclusion. However, many challenges set out in the Joint Inclusion Report of 2004 remain valid. Inequalities persist such as those in income, wealth, health and 'life chances', and comparative progress at EU-level is disappointing. Limited inroads have been made into the incidence of poverty and social exclusion for the most vulnerable, many of whom suffer multiple disadvantages and additional redistributive policies will be needed to realise progress.

The level of economic inactivity continues to be a matter of concern in the UK. Key to achieving the government's goal of 80% employment will be the activation of groups who have traditionally proven more difficult to reach. Some concern remains regarding the quality and sustainability of work and risk of in-work poverty, and a reliance on state benefits to escape poverty. Furthermore, it is difficult to reconcile the ambitious targets set in some areas with substantial efficiency savings planned for key areas of administration in these policy areas.

Levels of personal debt are very high; the numbers of people reporting difficulties in keeping up with payments and in bankruptcies are escalating. Some efforts have been made to improve financial inclusion but more should be done to mitigate the risks of overindebtedness.

CYPRUS

The priorities and respective measures described in the 2004-6 NAP/inclusion remain relevant. The 2005 update reiterates the commitments devoted to combating poverty and social exclusion and contains supplementary information with regard to the NAP presented in 2004. A short account of the implementation of policies and measures is given. Following the release of the 2003 Family Budget Survey data, an amelioration of poverty indicators is registered as compared to 1997 (risk of poverty to 15,3% from 16,3%). The amelioration is primarily reflected in the significant decrease of old persons' poverty (52% from 58%) and attributed to the increasing maturity of the current social protection system. Cyprus has now gone a long way in setting targets for the eradication of poverty and social exclusion. The targets include reducing the overall risk of poverty and the level of income concentration, the labour market integration of vulnerable groups and targets in the field of education.

The principle of employment as the best prevention of poverty and social exclusion remains characteristic of Cyprus' strategy on social inclusion, fitting with the tight labour market. Emphasis is put on the full utilisation of human resources and the activation of employment reserves through active labour market measures. Women, the unemployed, the disabled, the elderly and newcomers to the labour market receive the bulk of attention. Female entrepreneurship and self-employment schemes for the elderly are running, and a spectrum of tailor-made vocational training programmes has been created.

In the field of healthcare, a ten-year action plan for the development of health care for the elderly is being developed. On mental health, the focus remains on deinstitutionalisation. Plans to initiate a comprehensive method of coordination and communication with NGOs in the field are mentioned. However, the picture remains unclear as regards the introduction of the National Health System which has been long delayed. In relation to social protection, major amendments to the social insurance scheme and particularly the pensions system are expected by 2006, aiming on the one hand to ensure its financial viability and on the other hand to secure decent living standards for all and particularly the elderly. Other developments include the issuing of a social card for persons over 63 and the amendment of the public assistance law to take account of emerging needs. Focusing on vulnerable groups constitutes a key approach, due to the fact that problems of poverty and social exclusion are not widespread in the society. To that end, the following initiatives can be noted: the establishment of an integrated strategy for persons with disabilities is imminent; progress is reported as regards the integration of children with disabilities in primary education; the legislative framework in force and relevant benefit policies, have been reviewed. Special attention is also paid to older persons: a relevant NAP is forthcoming which will address access to employment, education and life-long learning. Support for a decent living including the fight against neglect and violence against the elderly is also planned. Furthermore, an action plan for children (2005-10) is being finalised. Other plans in favour of children include the integration of children's rights in legislation and social policies, the appointment of a Commissioner for children, the empowerment of children, the strengthening of relevant research and the creation of additional 'zones of educational priority' to guarantee high quality education. A national drug strategy (2004-8) is being implemented. The expansion of a programme for drug prevention including the setting up of mobile education units is expected. Although more action is required to invest in the needs of vulnerable groups of a different cultural background, improvements have been registered in the implementation of measures for immigrants and Turkish Cypriots. The creation of a Turkish-Cypriot school is in the pipeline. In that same context, the delivery of a comprehensive strategy on the employment and integration of foreign workers is awaited. Progress is also noted concerning gender equality, mostly in terms of legislation and coordination of policies. A new low income housing scheme aims at better accommodating the needs of low-income population.

A long tradition of social dialogue and cooperation with civil society exists and the government appears committed to furthering the involvement and strengthening the capacity of all relevant partners. Developing the potential and role of local authorities poses an acknowledged challenge for the future. For the first time, the update has been approved by a Council of Ministers' decision, but information and awareness raising activities need to be intensified. Efforts to bring together stakeholders for the monitoring of policy developments and interventions are ongoing but an evaluation culture based on scientific research which would consequently guide policy formulation is yet to be established.

HUNGARY

The Hungarian update provides a detailed list of measures implementing the strategy as defined by the first NAP on Social Inclusion. Accordingly all objectives and targets have remained valid; description of implementation and available monitoring data has been delivered. In addition to this, the update complements the NAP in some cases with quantified targets. While unemployment remained well below of EU average (5.9% in 2004), it is coupled with very low employment (56.8% in 2004) and high inactivity (39.5% in 2003) which remains the most acute problem of the Hungarian labour market.

Therefore, the objective of promoting employment has been addressed in the update through a wide range of measures. These include the improvement of employability through lifelong learning and active labour market policies with special view to disadvantaged labour market groups, i.e. the Roma, the disabled and elderly people. Ensuring an employment-friendly economic environment is implemented mainly through programmes aiming to increase the competitiveness of the business sector and the 50% reduction of social security contribution of disadvantaged groups. Active labour market programmes seek to bring inactive people closer to the labour market with the help of integrated programmes or the comprehensive modernisation of the PES including the improvement of its physical accessibility. Different types of community service work programmes have provided temporary employment for 64,000 people altogether. Improving employability includes on the one hand increasing the efficiency of education in the school system through for example the prevention of school drop-outs and better involving disadvantaged people in adult training on the other. The normative flat-rate adult education subsidy supported the training of 2347 disabled persons in 2004. Women are also identified as a priority group through measures aimed at promoting their employment and the reconciliation of work and family life. Increasing the availability of care services and changes in the tax and contribution system with a view to make work pay play a crucial role, e.g. recipients of child-care allowance will be able to take on part-time employment without losing their eligibility.

Guaranteeing access to public services is intended to be brought by creating equal opportunities in access to social services, education, health care, information technology and culture and sports; and by the reduction of regional disparities and discriminatory practices. First of all better access to social services is addressed by the modification of the Social Act which involves a shift from resident-based pro-rata subsidy to a task-proportionate one in home care for example. Incentives to settlements to create partnerships and thereby provide more efficient services are also included in the act. However, the comprehensive reform of social provisions under the auspices of the SZOLID initiative has not been implemented. In addition to the modifications of normative provisions, a number of programmes are designed to settlements in all areas of social services and health care.

As to prevent the risks of exclusion, Hungary has set itself the objective to reduce persistent and deep poverty. In this domain most significant changes have occurred in targeted social assistances. The 30% increase of the caregiver's fee affects approximately 3000 persons who take care for severely disabled relatives. Housing and homelessness are addressed e.g. by means of measures to reduce indebtedness with the aim of reaching more than 15 000 persons and reducing the debt of households by 8 million euros in 2005.

Helping the most vulnerable is given high prominence in the Hungarian NAP via actions to guarantee child well-being which include both broader access to *family benefits and services* and measures in the area of *education*. Important steps have been taken especially in the provision of meals and textbooks in kindergartens and schools, making these services available to more children. Better integration of disadvantaged students in education with a special view to the Roma involves increased pro-rata subsidy in integrated education, methodological support for teachers and stronger control of channelling pupils to classes for the mentally disabled.

Important efforts have been taken in order to mobilise relevant bodies for social inclusion as well. The Interministerial Committee to Combat Social Exclusion is involving all relevant government departments in the planning and monitoring of the NAP. Recently, the Social Sectoral Interest Conciliation Council has been re-formed as the forum of interest conciliation between social partners concerning new regulations with a social aspect.

LITHUANIA

The NAP Update presents a list of new measures to implement the strategy defined by the 2004 NAP. All previous objectives and targets remain valid and an additional consolidated list of all existing measures has been adopted. The NAP's strategy becomes more operational, as more specific measures, responsible institutions and preliminary need for resources are identified.

Promoting employment and better access to the labour market remain at the core of the strategy. A number of measures in those fields are financed from the Structural Funds. The Update addresses structural unemployment (youth 20.8% and long-term 5.6% in 2004), underlining the need to support the acquisition of labour market experience for youth and unemployed and to optimise the efficiency of labour market measures. Several of the new measures aim at evaluating self-employment possibilities for the vulnerable groups and at building the capacity of the public labour market services in this area. Gender mainstreaming measures comprise the fight against gender stereotypes and support to the creation of innovative methodologies to integrate young women into the labour market.

The Update's measures on social protection systems aim at the establishment of the personalised social care system, the setting of quality standards for social care services, a better information on the eligibility for social benefits and the capacity building of social workers. The consolidated list reflects on one hand, the recent tax reform introducing a better balance between capital and labour taxes through higher taxes on real estate and lower personal income tax rates and on the other hand, planned social policy measures, aimed at increasing social benefits and broadening the coverage of the social protection system.

Concerning the prevention of the risks of exclusion, the Update emphasizes the broad e-inclusion of the youth (6000 young persons covered by the measure) in reaching the target of EU15 internet penetration average by 2015 and the adjustment of public, living and working environment for the disabled people. However, no specific measures are foreseen for the declared objective to prevent homelessness and indebtedness as well as for the provision of housing.

As regards helping the most vulnerable, a strong focus on children and youth has been maintained in the Update through the strong involvement of the NGOs, better access to education for the socially excluded children and the diverse response to the drop-outs issue. Multiple measures address the social and professional integration of the refugees and the reception of asylum seekers and their children. The drafting of the programme for 2005-2010 for Roma integration is foreseen.

The adoption of the NAP Update for the first time at Government level and the establishment of a NAP monitoring group constitute a significant achievement in the mobilisation of all the relevant bodies and contribute to bringing the social inclusion issue on the political agenda. Further efforts are needed to strengthen the NAP coordinating role and strategic focus in the choice of measures, with clear indicators and quantified targets, the mobilisation of all stakeholders and a better visibility of social inclusion policy

MALTA

Although Malta had a slight economic improvement (GDP growth in 2004 of 1%) coupled with a lower unemployment rate (7.9% in 2003 and 6.9% in 2004, LFS data), activity and employment rates remained low. According to Eurostat data, female participation has worsened with the female employment rate decreasing from 33.6% to 32.8%. However, important positive trends have been reinforced in education (youth school attainment increasing from 43% in 2003 to 47.9% 2004 and rate early school-leavers dropping from 48.2% to 45%) even if educational attainments remain below EU 25 averages. While reiterating the policy priorities identified in the NAP 2004, the update not only provides a more coherent report organised by the Nice common objectives but also introduces 21 additional measures. The effort of self-assessment of programme coordinators allowing an update of all measures could be extended and provide a wider public assessment.

Measures to improve access to employment constitute the bulk of the NAP policy instruments with emphasis on promoting reconciliation between work and family life, making work pay and preventing early-school leaving. An important progress is the finalisation of Child Care Regulations providing standards for the child care centres. Given the above-mentioned decreasing trend, such measures are welcomed and should be sustained. The Government white paper on the organization of the social protection system constitutes an important step in the discussion of the pensions' reform. The proposals include the creation of a three-tier pillar system, the gradual increase of working age to 65 years for men and women, the increase of the contribution period and the extension of the baseline contribution period for benefits calculation. Persons aged above 48 years will have the choice of contributing towards a second pillar (they are excluded from mandatory contribution) and will likely receive lower pension entitlements when compared to the current situation. Those who will be covered entirely by the new system will also have lower entry benefits but should be compensated from the return of the second pillar. Positive long-term repercussions in the public finances are expected to be achieved by such reform. Still to come is a white paper containing proposals for an urgently needed rent housing reform.

Preventing the risks of exclusion and helping the most vulnerable have been reinforced with 10 new policy measures. The government took some initiatives to standardize the national approach towards immigrants, refugees and integration in answer to an unprecedented increase in the number of immigrants and asylum seekers coming to Malta. This influx is forcing a substantial upgrading of accommodation facilities, which have already been object of a number of recommendations from the Council of Europe. New legislation regarding domestic violence is also in discussion which may remedy the existent legal void in the domain.

Regarding the mobilisation of all actors, the creation of the EAPN Malta has been achieved in 2005, as well as the establishment of an Office for Social Inclusion, responsible to coordinate and monitor all activities in the field of social inclusion and therefore enhancing a better governance of the NAP. The update itself reflects a better coordination of policy measures offered by different government departments and non-governmental organisations.

ANNEX 2 – POLICY IMPLEMENTATION

1. PROMOTING PARTICIPATION IN EMPLOYMENT

The 2005 Joint Report on Social Inclusion and Social Protection highlighted as one of the seven key policy challenges for the Member States, that *increasing labour market participation* is seen as the most important priority by most Member States. The Report specified that this translates into expanding active labour market policies and ensuring a better linkage between social protection, lifelong learning and labour market reforms so that they are mutually reinforcing.

The implementation reports of all Member States continue to emphasise the key role of participation in employment in fostering social inclusion. The focus on employment was reinforced through the revamped Lisbon strategy on growth and employment as well as through the new Social Agenda 2005-2010 for modernising Europe's social model.

In a nutshell, the assessment of the implementation reports suggests that Member States' efforts under the first Nice objective indicate some progress and point into the right direction. However, labour inclusion policies had rather limited success. The key challenges remain unchanged and there still is a long way to go, in particular in those Member States where unemployment has remained persistently high and the demand for relatively low qualified work continues to be weak.

Only a few Member States refer explicitly to their *NAPs on employment*, explaining the coordination and links in the implementation of the two action plans. Most of the NAPs on employment demonstrate a lack of comprehensive strategies focused on disadvantaged groups. The lack of delivery and the 'feeding out gap' of the European Employment Strategy as regards labour market inclusion might at least partially explain why the employment and inclusion strategies continue to be implemented without systematically exploiting all synergies.

In the reporting, *input* indicators on expenditure or the overall number of beneficiaries prevail. *Output* indicators such as sustainable integration into the first labour market, and *impact* indicators on net effects of policy measures are scarce.

Improving *governance* (decentralisation of support, PES reforms, one-stop-shops for disadvantaged groups) and reforms of the *regulatory framework* (such as the reforms of ALMP in Germany and Denmark, making social assistance recipients with an employment potential eligible for active policy measures) play an important role for facilitating the access to work, but are mostly difficult to evaluate in a comparative way within the framework of the NAPs. Thus, from an analytical point of view, an assessment of policies remains in most cases necessarily rather superficial.

Only Ireland and the UK report on progress towards intermediate outcome targets. Both Member States are optimistic that their 2010 *employment targets* will be achieved (UK: overall rate of 80%; Ireland: reaching the three Lisbon targets of 70/60/50% for the overall rate/women/older workers). However, Ireland reports that the elimination of LTU proved more difficult to achieve. Moreover, quality of employment and working poor remain concerns for both Member States.

References to raising *minimum wages* as a means of reducing the number of working poor are given in the implementation reports of Spain, France, Ireland, Cyprus, Austria and the UK.

Several Member States report on successful implementation of activation measures of the type *'make work pay'*, by increasing benefits for those taking up work or through tightening the eligibility criteria for benefit recipients. For example, the UK refers to tax credits for particular groups, France to benefit conditionality on job search, and Denmark to continuous evaluation of unemployed people's current employment potential.

As regards *improving employability*, the UK provides figures on the Skills Strategy, where, between July 2003 and July 2004, 750,000 adults gained a first qualification in literacy, language or numeracy. In Portugal, compared to the original targets, the vocational training programmes are assessed as partly successful. Several Member States report on the implementation of additional individual pathways programmes through presenting different input indicators. For example, Hungary provides 18 million euros to support 47 projects on improving the employability of disadvantaged people, in particular of the Roma; another 10 million euros are spent on assisting alternative employment services. The fight against absolute and functional illiteracy, as well as equipping all with numeracy and (to a lesser extent) ICT skills is reported by a number of Member States. Some countries (Belgium, France, UK) are taking strategic approaches to adult illiteracy, mainly based on screening skills and providing training and, if necessary, overall guidance and support. Ireland and the Netherlands set national targets for the reduction of adult functional illiteracy by 2007.

A number of new measures are reported on fostering the integration of *youth* into the labour market: According to the German national training pact, employers will advertise an average of 30.000 new training places every year. Austria has introduced a new integrated vocational training measure, aiming at supporting disadvantaged young people. In the Netherlands, 13.000 young people were supported between January 2004 and June 2005 in finding a job. As regards supporting the labour market inclusion of disadvantaged *older workers*, several Member States have implemented new policy measures and targeted programmes; however, quantified information interpretable in a comparative way is rather scarce.

Only limited progress is reported on improving the labour market integration of *people with disabilities*, particularly in Member States suffering from weak economic growth and high unemployment. But Sweden has made an effort to evaluate the effectiveness of the labour market programmes for persons with reduced work capacity.

Progress on raising the employment participation of *immigrants* and improving their employability remained particularly slow in most Member States. The implementation report on the Netherlands' NAP shifted its attention in particular to the employment participation of women from ethnic minorities. The Danish experience with the postponement ('waiting period') of the eligibility for social benefits for immigrants and refugees had little, if any impact on their labour market participation. In Spain, the regularisation process for working illegal immigrants, in which around 690.000 people participated, has so far increased the number of registered workers in the social security system by over 475.000.

A majority of Member States promoted policies on *reconciliation of work and family life*: providing more childcare facilities; in addition to specific measures such as all-day schools, some report reinforced targeted counselling but also the implementation of special tax credits to lone parents aiming at increasing the labour market integration of women.

Belgium and Luxembourg highlight examples of successful integration of disadvantaged people into the labour market provided through promoting the *social economy*. Portugal admits that its targets on the social economy have not been reached. Regional cohesion is supported in Austria through networking of all relevant actors in Territorial Employment Pacts.

As regards the **updates 2005-2006** of the NAPs, most Member States do not foresee major policy changes.

But France appears to be pushing forward with the Social Cohesion Plan ("*Plan de cohésion sociale*"), which contains the most challenging quantified targets: an additional 4.6 billions € are earmarked for employment. 800,000 young having difficulties in accessing employment should be supported between mid 2005 and 2009. In the same period, the number of apprenticeship places should be increased from 300,000 to 500,000. Special programmes are tackling the problems of young long-term unemployed and early school leavers.

Denmark intends to increase employment by up to 60,000 jobs towards 2010, of which 25,000 jobs must go to immigrants; employment of 'non-Western' immigrants in the public sector will be widened.

In order to reduce statutory non-wage costs, the Netherlands present the Work Capacity Act intended to restrict the eligibility for occupational disability benefits; persons partially fit for work are encouraged to work.

Greece is widening subsidised employment opportunities to 65,000 persons in 2005 compared to 34,000 in 2004.

2. SOCIAL PROTECTION SYSTEMS

Previous reports under the OMC for social inclusion have underlined the important role of social protection systems within the fight against poverty and social exclusion. The point is borne out forcefully by the analysis which shows the extent to which poverty risk is reduced by social transfers (see Joint Report on Social Protection 2004, Figure 7; 2005 Report on Social Inclusion in the 10 New Member States, Figure 7). The continuing importance of such income transfers is underlined by the fact that their share within GDP has recently risen after a period of decline.

Within this overall framework, exchanges under the social inclusion process have placed particular stress on a number of specific issues relating to the structure and delivery of social protection: how they ensure both financial incentives and the necessary supports for labour market participation ("making work pay"); how effective systems are in providing minimum income guarantees to those in need; and the effectiveness, mainly in terms of coverage and adequacy, of pension systems and of family benefits.

The challenge which the inclusion process raises for social protection systems is summarised in the Joint SP and SI report for 2005 which lists as one of the seven key policy priorities for tackling poverty and social inclusion:

Modernising social protection systems: This means ensuring that sustainable social protection schemes are adequate and accessible to all and that benefits aimed at those who are able to work provide effective work incentives as well as enough security to allow people to adapt to change.

The 2004 Joint Inclusion Report noted that all of the then 15 Member States were faced with the need to modernise social protection systems in the face of demographic ageing. A majority reported that they were in the process of undertaking substantial reforms. A concern with ensuring the long-term sustainability of systems was an important dimension of these reforms together with the related aim of strengthening incentives and supports to take up work for those in a position to do so. The 2005 Report on the EU10 countries, while noting the financial constraints within which systems were operating and the challenges they faced related to economic transition, recorded in particular that several Member States were engaged in the process of strengthening provisions for minimum income guarantees to the most impoverished citizens.

Modernisation of social protection systems in the new Reports

Supporting labour market participation: The implementation NAPs from the EU15 countries and the updates from a number of new Member States, confirm that the reform efforts previously announced have continued. The accent on strengthening of incentives and supports for labour market participation continues to be the main driver of change in social protection, right throughout the Union. Sweden and Denmark report on efforts to reduce benefit dependency of specific target groups: migrants in both countries, plus older workers having recourse to long-term sickness benefits in the case of Sweden. Denmark sets out the view that this effort is necessary as a means to ensuring the long-term sustainability of its system in the light of future financial pressures linked to ageing. UK continues to invest in improving the financial incentive to take up work, through an increase in the minimum wage and through enhancement of in-work benefits such as such as the Child and Working Tax credits. Like Sweden, it has recently targeted long-term incapacity benefit. In Ireland, the stated challenge is to extend labour market integration mechanisms to jobless households such as lone parents and the traveller community, but with the important acknowledgement that the challenge of doing so will require the development of services, notably childcare, as much as any changes in benefits.

Finland targets its interventions on the long-term unemployed and with a view to prolonging working lives. For Finland, the stated aim is to preserve the basic structure of its social policies. Among the countries of Southern Europe, the challenge of ensuring that social protection enhances labour market participation may involve the development of more comprehensive social protection systems than those which exist at the moment. Thus, for example, the absence or weakness of social assistance systems for young unemployed is a barrier to the development of employment services to address youth unemployment. Furthermore, the need to develop such policies in an integrated way is strongly acknowledged. Thus in Spain, Portugal and Greece, improvements in both coverage and adequacy of minimum benefits are linked to minimum wages in such a way that the incentive to take up work will not be weakened (addressing the phenomenon of working poor is also an objective). Furthermore, Greece and Portugal also see a need to link such

developments to improvements in social services: Portugal cites the need to improve care services; Greece focuses in particular on provision of services to the Roma population.

Starting from the same objective of promoting labour market integration, some Member States are making what amount to fundamental changes in their approach to welfare provision. In Germany, the Harz reform programme has involved a major restructuring of social protection and a breaking down of the compartmentalisation which previously existed between unemployment benefits, which were accompanied by activation measures, and social assistance, which tended not to be. In Netherlands, a similar drive to integrate the right to social assistance with the requirement to take up activation measures has led to a decentralisation of responsibility for social assistance from central government to the municipalities.

The four update NAPs from EU10 Member States also point to an increased focus on integrating labour market measures with entitlements to benefits.

Overall the implementation and update NAPs highlight the extent of action in this field; they provide much less which would allow an assessment of the impact of these measures on poverty and social exclusion. If they are to be successful, these policies must impact positively on the labour market participation of the most hard-to-place groups. Where increased benefit conditionality is an element of the policy, there is the risk that some households will see benefit losses which would place them at risk of poverty. The increased focus on employment participation may also risk an escalation of in-work poverty if job quality and minimum wage levels are not being enhanced. There is little reporting on these issues, although some of these risks are implicitly acknowledged. Netherlands reports that the decentralisation of responsibility for social assistance to the municipal level may be leading authorities to focus their employability effort on those easiest to place in jobs, thus leaving those most in need of integrated help to one side. UK refers to a slowing down in successful transitions to work from its New Deal policy. Commentators on the Danish approach suggest that increasingly the conditionality of benefit for migrants has had limited impact on their employment participation in the absence of improvements in their basic skills.

Measures to address adequacy of benefits: Among the new Member States which submitted updates, Lithuania and Hungary report on measures aimed at improving the coverage and effectiveness of social assistance and basic redistributive mechanisms. In the case of Lithuania, this is integrated with action through the tax system to improve the position of working poor. Possible improvements in pension coverage and adequacy are under consideration in both Cyprus and Malta, in the latter case in the context of measures to establish a comprehensive new framework for a three-pillar system. Adequacy and coverage of pension systems is also recognised by Greece to be an important challenge. Greece highlights within its National Strategy Report for pensions that the population cohort of people over 75 shows a risk of poverty (35%) far higher than any other the single group, a point which is likely to be true of some other southern European countries and which means that greater attention should be paid to poverty risk among the elderly.

Within the implementation NAPs, Spain and Ireland highlight commitments to raise the level of benefits. In Ireland's case, where most benefits are flat-rate, the commitment covers all benefit categories; in Spain, the focus is on increasing minimum pensions and other linked basic benefits. Spain has also raised the minimum wage with a view to reducing in-work poverty (especially among women) and enhancing work incentives. The two countries

are undertaking these policies in the context of economic growth and employment growth rates which are higher than the European average (sharply so for Ireland). An objective for both is to use the social protection system to ensure that groups otherwise at risk of failing to benefit from increased national prosperity can do so. Belgium also reports on steps taken to increase a range of minimum benefits and to link their future values to wage development.

Child benefits in Ireland have been increased at a rate above the increase in general benefit levels, while the increase in in-work benefits for aimed at families (Child and Working tax credits). However, beyond this, the implementation Naps have little to report in relation to family benefits.

3. HOUSING

In the joint report on social inclusion in 2004, drawing the conclusions from the 2003/2005 NAPs on Social Inclusion, three groups of countries with three types of priorities emerged.

For Belgium, France, Luxembourg and Ireland, which saw a sharp increase in unmet demand for affordable housing for persons on low incomes, the top priority was to give low-income households a greater chance of obtaining decent housing catering for their needs.

For Greece, Portugal and the United Kingdom, the top priority was to combat the deterioration or even squalor of a large proportion of housing for low income populations and promote social integration of the families concerned, particularly by rehousing them. France also planned to make this a second major priority for the five years to come.

For Denmark, Finland, the Netherlands, Spain and Sweden, the top priority was to help groups such as young people, single persons, the elderly or disabled, immigrants, Roma, travellers and the homeless to find housing catering for their specific needs. These Member States also attached considerable importance to improving neighbourhoods and surrounding areas.

The reports on implementation of the 2003-2005 NAPs on Social Inclusion and the updated versions for 2005-2006 provide the information given below. In the frequent absence in these reports and in the NAPs of any means of comparison with the previous situation or comparative statistics at European level in support of the measures presented, such as those produced at informal meetings of EU housing ministers in 2003 and 2004²⁴, we should note that only very fragmented conclusions can be drawn from them.

Improving access to decent and affordable housing

Whilst tax measures appear to have been the main vehicle for encouraging renovation of existing housing and access to owner-occupied housing in Belgium between 2003 and 2004, the Public Social Assistance Centres will pay rental guarantees and scales of indicative rents will be laid down under pilot schemes to facilitate access to private housing for persons on low income in 2005-2006. Flanders and the Brussels region will start construction of a new tranche of social housing (3 000 and 3 500 units), while the Wallonia region will support

²⁴ See "Housing Statistics in the European Union 2004" , National Board of Housing, Building and Planning, Sweden & Ministry for Regional Development of the Czech Republic, <http://www.boverket.se/novo/filelib/arkiv11/rapporter/housingstatistics2004.pdf>

construction of high-quality “collective” housing, possibly in partnership with associations active in social affairs. In France, 74 948 new social dwellings were built in 2004, compared with 56 426 in 2003, and targets have been set for the period 2005-2011 to build 250 000 new social dwellings for rent in sensitive areas, refurbish 400 000 and demolish 250 000 social housing units and, in the private sector, to refurbish 200 000 units with stabilised or controlled rent and return 100 000 vacant dwellings to the market. In Luxembourg, the tenants’ guide should be completed in 2006 and the “State Rent Guarantee” for persons who have only very low incomes should be implemented in the course of 2005. In Ireland, 61% of the targeted 500 000 new units for 2000-2010 and only 60% of the 41 500 new social housing units for 2000-2006 were built by the end of 2004. The reason for the shortage of social housing, despite the fact that the appropriations entered into the National Development Plan were exceeded by 8%, is that building costs were higher than planned. A survey on housing needs conducted in 2005 is to be published in the autumn and should provide useful information for revising policy in 2006. In Sweden, thanks to the new measures taken by the government to increase construction of rented housing, volume went up by 52% between 2002 and 2005 (from 19 000 to 29 000). In Greece, the OAK, the Employees Housing Organisation, which is in charge of 90% of the public construction of social housing, will allocate the 2 292 dwellings in the Olympic village to recipients of social benefit living and working in the prefecture of Attiki.

Combating deterioration of housing for people on low incomes

The United Kingdom appears to be well on the way to having fulfilled its objective of ensuring that no social housing falls below the standards of decency by 2010, having renovated 200 000 units since 2001. In the private sector, 63% of vulnerable households now live in decent housing, with the target having been 70% by 2010. Portugal reports remarkable progress in rebuilding or demolishing its shanty towns and slums over the past few years, with 48 000 families having been relocated in the metropolitan regions of Lisbon and Porto. In France, the pilot programme to combat unhealthy housing has been extended to the whole country and an evaluation survey of the scheme was initiated in 2005 and is currently being processed.

Helping the most disadvantaged persons and families to obtain housing suitable for their specific needs

(The disabled and elderly, large families, young people, immigrants and ethnic minorities)

In Denmark, the government is well on the way to achieving its objective of building or renovating 700 dwellings for disabled persons in 2003. It has subsidised 43 new projects to combat isolation of persons with mental or physical disabilities and, in May 2004, presented its strategy against ghettoization, which has been implemented in full since 2005. In January 2004, the Finnish government adopted a new 2004-2006 programme to make more housing available for specific groups such as homeless persons, the elderly, young persons and the disabled or mentally ill. In Spain, the government has considerably stepped up its financial support for housing aid for the under 35 age group. Instances of good practice on behalf of the Roma minority in Asturias and in the town of Avilés are presented in the report on implementation and updating of the NAP on Social Inclusion in Spain, where a special programme has successfully eradicated slums completely, relocated the inhabitants and reintegrated them into employment

4. ACCESS TO HEALTH CARE

Ensuring effective access for everyone to the health care and tackling health inequalities remains a high priority for all Member States²⁵. Despite increases in expenditure and population coverage, there remain important access inequities stemming from high individual financial costs of care, lack of coverage of certain care, supply deficiencies vis-à-vis population needs, geographical disparities of supply, administrative obstacles and lack of information on care access and health-inducing behaviour (i.e. prevention). These obstacles impact more severely on the most disadvantaged population groups also more often exposed to health risks and in need of more care.

Moreover, there is a life expectancy gap between socio-economic groups and geographical areas which is not narrowing. Health inequalities are associated with behaviour (e.g. smoking) and living (e.g. housing) and working conditions, and are aggravated if access to care services is not properly ensured. Effective promotion and prevention coupled with adequate care access can help reduce health inequalities.

The implementation reports on NAPs/inclusion show that all Member States are taking steps to reduce access barriers, reduce health inequalities, adjust care to the needs of specific groups and improve / widen their health promotion and disease prevention programmes. Actions have been initiated or legislation is in progress to ensure implementation soon. Further Member States are planning measures to decrease the financial burden of care to disadvantaged groups and to increase population and care coverage. The provision of long-term care is also to be given greater attention by virtually all countries. The use of information technology is also seen as a way to improve access and quality of services. Several other Member States are planning promotion and prevention actions along the lines identified

Groups with specific needs are identified: mentally ill, alcohol and substance abusers, elderly dependents, their carers, ethnic minorities and migrants. Countries recognise different experiences of care use across different income groups, with poorer households making less use of preventive and specialist care and more use of late, hospital and emergency care.

Some Member States give more detailed descriptions of the achievements of their actions, e.g. Portugal, Greece, Ireland. Others focused on specific measures. The measures described in the reports as implemented/being implemented can be grouped in the following categories.

Improving the affordability of health services for disadvantaged groups

Cost containment policies namely an increase in patient cost-sharing (out-of-pocket payments) and the exclusion of some treatments from the insurance package can result in a high financial burden of care to those with low or modest incomes. Several Member States have taken steps to reduce the financial obstacles to access for vulnerable groups and ensure access to necessary care irrespective of income. These include measures to enlarge population coverage and for certain services such as incorporating social assistance

²⁵ See also Note to the SPC "Review of preliminary policy statements on health and long-term care".

recipients (Germany) and asylum seekers (Austria) in the statutory/social health insurance; ensuring coverage of unemployed (Austria, Greece) and the uninsured/destitute (Greece through health booklets); enlarging the pool of reimbursed treatments to include more dental care with better access for children (Belgium), physiotherapy (Belgium), maternity care of those vulnerable (France) and free preventive paediatric care to all children 0-6 years old (Belgium); offering means-tested free or reduced-cost care for disadvantaged groups (Cyprus);

Also included are measures to reduce the direct costs of care such as making supplementary payments socially compatible i.e. a % limit of one's income (Germany); establishing limits on total co-payments (Belgium, Denmark, Finland, Germany, Ireland); implementing more favourable / complete reimbursement (France, Belgium) or reduction /exemption of co-payments (Austria, Belgium, France, Germany) for those in disadvantaged socio-economic groups; providing financial support to acquire complementary insurance (France); offering financial aid to disadvantaged groups (Finland, France, Luxembourg) or to those unable to cover for an emergency due to illness (Greece);

Reducing waiting times for treatment

Long waiting times can be observed for GP and outpatient specialist appointments, for elective planned surgery and for long-term care services. Several Member States emphasise waiting times reduction. They do this by:

- increasing hospital capacity (Greece, Malta, UK) and staff numbers (Greece) and adjusting capacity to population needs (France)

- implementing an appointment guarantee for primary care services i.e. phone or personal help provided the same day the patient contacts the service (Finland, Portugal, Sweden), establishing an appointments-by-phone system (Greece);

- introducing a waiting time guarantee (Finland, Netherlands, Sweden, UK for planned treatment; Denmark for substance abusers; Ireland for hip replacement; Finland for elderly care services); implementing a new on-duty/of-duty schedule (Greece)

- pooling cases i.e. a patient is allocated to any hospital in the country (Denmark); allowing patients' choice of hospital within the country (Denmark); implementing common management of bed capacity (Portugal)

- introducing staff incentives (Netherlands, UK).

Reducing geographical disparities of care supply

Geographical disparities of supply constitute another identified obstacle to access. Measures to tackle gaps in care provision comprise:

- establishing new primary care centres (Greece), increasing the number of GPs (Cyprus, France, Germany, Greece, Portugal), hospital capacity (Greece), rehabilitation centres and nursing institutions (Hungary) and upgrading equipment in needed areas (Greece, UK);

- adjusting supply to needs (Belgium, France, Greece, Hungary, UK); establishing an agreement between federal government and provinces on planning, management and financing to ensure uniform care (Austria);

- improving roads and transport (Hungary);
- easing the authorisation process for the supply of certain services (Belgium);
- establishing agreements with neighbouring countries (Belgium) and cooperation between local authorities for the joint provision of services (Finland, Hungary)

Improving patients' information and rights

In order to tackle information barriers the actions implemented include:

- developing user friendly contact/information points (Sweden, UK): citizen service centres (Sweden), phone and internet information systems (Hungary, Netherlands, Portugal, UK),
- establishing patients rights (all Member States); provisions to protect the position of persons in institutional long-term care (Austria); creating the health and social solidarity ombudsman to enforce patient rights (Greece)

Adapting the services to the needs of disadvantaged groups

Adapting care to the priority needs of certain groups of the population is a major policy goal of Member States. Policies encompass:

Mentally ill: increasing insurance coverage (Greece); enhancing services capacity (Denmark, Sweden) - mobile units (Greece), day-centres (Greece) and home support services (Malta); improving coordination between social and health services (Denmark); appointing a national psychiatric coordinator (Sweden); enhancing training (Malta);

Alcohol and drug or substance abusers: analysis of the drug situation (Cyprus, Malta, Sweden); strengthening supply of substitution programmes (Denmark, Greece, Spain, Sweden); establishing a 2-week waiting time treatment guarantee (Denmark); developing reintegration mechanisms (Germany, Portugal, Spain) including residential vocational training (Malta); support to organisations developing programmes dedicated to substance abusers (Spain); funding prevention centres and local projects to curb use in the community (Denmark, Greece) focusing on specific groups like children and young people (Denmark, Germany, UK); establishing a council (Germany) or coordinator (Sweden).

Elderly people: analysing needs of elderly people (Belgium, Cyprus, Denmark, Germany, Ireland, Malta, Portugal, Spain); enhancing capacity (virtually all) e.g. care-homes, day-centres, home help, mobile units, staff, use of new technologies (Spain); developing integrated and multidisciplinary care at home (Belgium); upgrading staff skills (e.g. geriatrics and gerontology) (Belgium, Finland, Luxembourg, Spain, Sweden, UK); train carers (Germany, Luxembourg); improving cooperation between central and local governments (Sweden); offering free or partially free (Belgium, Ireland, Malta) or favourable reimbursement (Luxembourg) of medicines and equipment; limiting user charges (Denmark); providing dependency aid (Portugal, Belgium including by pushing up the aid threshold); incentivising family care by reducing tax burden (Belgium, Spain); offering financial and counselling support to carers (Denmark, Finland, Germany, Hungary, Ireland, Luxembourg, Spain);

Roma, Travellers: involving group representatives in the formulation of health priorities and strategy (Hungary, Ireland, Spain) and primary care delivery (Hungary, Ireland); appointing health co-ordinators (Ireland); carry out mobile health units visits to encampments (Greece); focus on assuring early diagnosis, screening and treatment (Hungary); improving service tolerance in hospitals towards Roma (Hungary);

Migrants: guaranteeing the right to health care for illegal residents (Belgium) or with "séjours precaires" (Belgium, France); offering psychological support to newcomers (Belgium, France); having intercultural mediators at care institutions (Belgium).

Effective health promotion and disease prevention

The general disease pattern and existing health inequalities are seen to require good prevention and promotion programmes and good collaboration between public authorities. Action in this field includes *implementing theme programmes* such as poor nutrition (France, Hungary, Ireland, Spain, UK); alcohol (Denmark, Hungary, Ireland, Sweden, UK); tobacco (Hungary, Ireland); drugs (Cyprus, Denmark, Finland, Hungary, Ireland, Spain, UK); sports (Greece, Hungary, Ireland, Sweden); health at work (Sweden); environment (Hungary); HIV/AIDS (France, Portugal, Spain); sexual health (Spain, UK) and oral hygiene (Hungary). It also involves *improving access to promotion and prevention by disadvantaged groups* through pro-active group-specific (school children, young people, people at risk: prostitutes, immigrants, disabled, elderly, prison inmates) measures (Denmark, Finland, France, Hungary, Ireland, Spain, UK), e.g. free immunisation and screening (Austria, Belgium, Hungary). Other action involves *enhancing local prevention* through local counselling centres (Denmark) and participation of community based groups in the definition of activities (Ireland, UK) *improving coordination* to increase effectiveness and efficiency of policies: between levels of government and municipalities (Hungary, Sweden), at regional (France) and national level through a national management group (Sweden) and *improving monitoring* using national and regional indicators (Belgium, France, Greece, Sweden).

Conclusions

Balancing the pressure to cut costs with the need to improve access of those in a disadvantaged position will be a challenge for the coming years. In the future the reporting should indeed focus more on consequences than just descriptions. A better correlation between information given in the NAPs/inclusion and the national statements (reports) on health care & long-term care would be beneficial

5. ACCESS TO EDUCATION

Tackling disadvantages in education and training is one of the seven key policy priorities agreed by Member States and the Commission in the 2005 Joint Report on Social Protection and Social Inclusion. Consistent with this most implementation reports identify education and training as making a crucial contribution towards promoting social inclusion in Europe. However, the place given to education and training in the reports varies considerably from country to country and some reports lack a true lifelong learning dimension. The reports often point out the need to overcome the fragmentation of the political responsibilities and the large number of parties involved at the operational level, in order to achieve an integrated policy at the meeting place of education, work and training. It is encouraging to

see that many countries are adopting coherent and comprehensive lifelong learning policies and strategies, often with an explicit reference to Lisbon, while some are undergoing deep reforms of the legal framework in order to create the conditions for lifelong learning. There are signs that such a public effort in some areas is beginning to reap rewards, although implementation remains the main challenge for most countries. Member states are placing emphasis on efficiency in public investment in education and training. Nonetheless, due attention needs to be paid to the whole lifelong learning continuum, and the efficiency, quality and equity objectives of the systems must be given equal consideration. Increasing access to education and training for all, including disadvantaged groups, increases the active population, which simultaneously promotes growth and reduces inequalities.

Improve quality of education and training for all pupils

Most countries seem to be taking action in addressing disadvantaged groups in schools, even though only about half of the reports highlight a true strategy for equal opportunities. In Finland, the Basic Education Act was supplemented with a section on pupil welfare (defined as good learning, good mental and physical health and social wellbeing). Ireland has recently launched a five-year action plan for educational inclusion, providing a single integrated approach addressing the educational needs of children and young people from disadvantaged communities, from pre-school through secondary education. Spain placed the issue of equal opportunities at the core of the debate on the reform of the education system. France presents an example of an inclusive educational model, with several measures for educational and psychological support and with open access to provisions. In Belgium, schools with a large intake of students from a low socio-economic background have been allocated extra human resources. Germany launched an action programme for the targeted compensation of educational disadvantages. Denmark supports projects aiming at improving the quality of teaching of disadvantaged children.

In general, while most countries make use of international comparative data on outcomes (especially PISA) to assess their system performance, many have not developed adequate national performance indicators or arrangements to collect the necessary data. In particular, the question of the gap between lowest and highest attaining schools should be tackled in a strategic way. The British report seems to be the only one to analyse the issue in detail and define a true national strategy on the issue. Nonetheless, France monitors closely the link between social background and school attainment. Sweden is envisaging defining guidelines for municipalities on ensuring quality as well as a development of the national test system.

Only a few reports highlight the paramount role of pre-school for preventing school failure and social exclusion. Sweden is a good example in this respect: free pre-school services are obligatory to all municipalities and specific grants are given to municipalities to increase and train the staff of pre-schools that are in segregated areas of the country. Also in Spain pre-school is free of charge since last year, thus leading to a significant increase in the number of children in pre-school, many of whom of immigrant origin. In Portugal, the objective is to progressively extend pre-school education to all children.

Improving access to education and training for marginal groups

The issue of improving education facilities for marginal groups, especially for immigrant children is highly topical. However, the chosen approaches vary considerably from one country to another.

In some countries, such children receive specifically targeted educational support. Italy devotes a very significant amount of funding to support schools in areas of high immigration. Germany has a specific programme to encourage secondary school pupils with an immigrant background. Denmark launched a campaign aiming at helping young immigrants and their descendants to access education and employment on an equal footing with other young people at their age. In Greece, specific intercultural schools (primary and secondary level) have been created in areas with a high density of immigrant or Roma population. There is still a range of specific issues that need to be addressed in a number of countries. In Spain, for example, the children of immigrants face serious difficulties to enrol in private schools that receive state funding.

In many countries, a priority is placed on language learning, while overall support for immigrants in schools is mainstreamed through educational inclusion policies. The Netherlands, for instance, pays great attention to the linguistic issue. A good command of the language of the host country is of course a necessary but not sufficient condition for integration. Broader measures to prevent underachievement and early school leaving are necessary even in countries where language is not such an important issue.

Sweden and Germany place great emphasis on pre-school education as a means to ensure language learning and integration from the start. Specific material and support is provided to pre-schools in segregated areas. Luxembourg promotes non formal education as a means to ensure the integration of immigrant children.

Little mention is made of educational support for gypsies and travellers and the worrying impression is given that the issue is not getting attention in most Member States. One of the exceptions is Spain, which shows a large awareness of the problem and states that, while gypsy children are now attending primary school, the drop out rate is still huge. An overall Strategy for gypsies' development includes a specific programme on education, focused on development of intercultural mediation, training of teachers, support for children in schools, and specific vocational training and guidance for unemployed gypsies. Spain also provides grants to ensure education in circuses. Hungary makes significant efforts to eliminate segregated classes and develop a nation-wide system of integrated education for Roma children. Greece promoted a specific programme of induction of gypsy children to school, consisting first of all of a census of gypsy children. Ireland is taking a strategic approach to Travellers' education.

Equal opportunities of access to higher education

There is also very little reference made to equal opportunity of access to higher education (one exception being Finland, where grants were recently increased). It is true that tuition fees are kept relatively low in most Member States. Nevertheless, it should be realised that not all Member States provide students with grants and loans. Having to pay for accommodation, transport and books is still a significant deterrent to taking higher education studies for many people. Hungary announces the introduction from September 2005 of positive discrimination in higher education whereby disadvantaged students may be

admitted to tertiary education with only 80% of the admission threshold score and those students who are admitted are also assigned mentors to help them with their studies. Only Ireland mentions special targets on increasing the participation of Travellers and disabled in higher education.

Access to ICT for everyone

In general, all Member states have made a significant effort, also through ESF support, in equipping schools with ICT facilities. In parallel, efforts and plans are made to equip teachers with ICT skills. It is now probably necessary to shift the focus from the provision of hardware to equipping people with digital literacy skills and to improving service delivery so that the information is easily accessed and understood. The lack of ICT skills is in fact indicated in some reports as a major risk factor for social exclusion. For this reason, in several countries the employment services offer free basic ICT training. The UK launched a Digital Strategy which sets out key actions to ensure that everybody benefits from ICT.

Discouraging early school leaving and increasing the number of people in education

Education and training systems are developed to help ensure that young people – especially those from disadvantaged backgrounds – do not ‘slip through the net’, with costly consequences later on for the individuals concerned, for the economy and for society as a whole. Most countries are concerned with this and are responding by reforming curricula and study programmes, aiming to ensure that key, transversal competences are acquired by all (e.g. Austria, France, Germany, Italy and UK). Several countries set national targets for reducing drop-out rates.

In Belgium, there was a significant improvement in the drop outs from upper secondary school. However, there are significant regional disparities. Besides, the situation is particularly worrying for non European foreigners. Regional disparities are also remarkable when it comes to the proportion of pupils experiencing delays of two years and more in secondary schools.

In Italy, diminishing the percentage of early school leavers has high priority. The implementation of alternative compulsory education pathways, accompanied by measures of mentoring and tutoring to prevent dropping out, have led to a marked diminution in the numbers of early school leavers. The new system of general and VET pathways for upper secondary schooling, and work study (alternance) programmes is supposed to bring about important improvements in numbers of people completing upper secondary school.

The Dutch report states that the drop out from provisions has decreased. A legislative proposal is being drawn whereby the Information Management Group is allowed to report to municipalities on those school age youngsters who are no longer going to school.

In Spain, despite the increase in the budget for "compensatory education" programmes aimed at reducing early school leaving, this issue continues to be a major problem and has even worsened in recent years.

Finland intends to launch a specific project to support the return of young people who have dropped out of school to education and training. The project will provide diversified additional teaching in order to ensure that young people get access to education.

Fostering adult participation in lifelong learning

According to the European benchmark, by 2010 the EU average level of participation in lifelong learning should be at least 12.5% of the adult working age population. Some countries have set targets for adult participation in learning. This is the case of the Netherlands, Italy and Portugal and the UK. The UK developed a range of initiatives in partnership with the private sector. Also Italy is working at a series of publicly funded bilateral agreements with employer federations and the social partners.

Some countries are actually building a comprehensive lifelong learning strategy. Sweden set up an Agency for Flexible Learning to coordinate cooperation between different actors at different levels to ensure coherent provision, and is conducting an evaluation of the adult education system. Germany launched a Strategy for Lifelong Learning encompassing several programmes and measures. In Greece, efforts are being made to bridge education and employment through links between the two Ministries. The workplan includes the definition of training programmes, the accreditation of training organisations and the certification of skills. Belgium also puts the accent on the need to provide better and clearer information on the existing learning provision.

In most countries, specific measures are addressed to people lacking lower secondary school qualification, in order to stimulate them to enrol in second-chance learning.

A comprehensive guidance system in support of social inclusion

Guidance is a powerful tool to ensure inclusion and participation, and it is quite surprising to observe that only a few reports make reference to guidance in a holistic manner. In most cases, guidance is referred to as support to job placement or, in the case of the Netherlands, as a tool to prevent school drop-outs. It is also surprising to see that some countries, which do dispose of interesting guidance provisions (France and the UK, for instance), do not refer to them in their social inclusion reports. The overall impression is therefore that the role of guidance as an inclusion tool is significantly underestimated. An exception is Belgium, where the guidance system is being reorganised in order to provide citizens with a true lifelong guidance service. This will be achieved through reinforcing synergies and cooperation among existing services in support of learning and employment and through a specific training for guidance counsellors. In Italy, the ongoing reform of public employment services represents a significant step forward to the establishment of a guidance system, even though not yet a lifelong system. Also Finland is in the process of restructuring guidance services in educational institutions in a cross-sectoral perspective.

Validation of prior learning

Several countries, in line with the indications of the Copenhagen process, recognise the importance of developing tools for the validation of prior learning in order to valorise competences and to prevent exclusion. Some significant initiatives are on their way in this field. In France, the VAE system awards vocational qualifications or even single credits leading to a qualification. In Belgium, through agreement with social partners, both the Walloon and the Flanders government approved a system for validation of a professional title on the basis of meaningful competences relating to a profession, wherever they have been acquired. In Italy, a system for the recognition of skills linked to a national qualification framework was agreed with social partners, and it is particularly geared to the needs of groups least likely to take up formal learning

6. ACCESS TO OTHER SERVICES

6.1. Culture

Access to and participation in cultural activities plays a very important role in promoting inclusion and in preventing and reducing poverty and exclusion. This was reinforced in a recent report on cultural policies and social exclusion prepared by the University of Northumbria for the Commission as part of the social inclusion process. Participation in cultural activities is a key way in which people can define and develop their own identities. People can represent themselves to others and engage in symbolic exchange. It is well documented how active involvement in cultural and arts activities can be a tool in helping people who are isolated and marginalised to gain skills and self-confidence. Cultural projects can also contribute significantly to the regeneration of disadvantaged communities and to creating employment opportunities. With higher levels of migration and a trend towards greater diversity in societies cultural policies are likely to play an ever more important role in overcoming and preventing social exclusion. However, in spite of this many Member States still give little or no attention to this issue in their NAPs/inclusion and little account has yet been taken of the important findings of the study by the University of Northumbria. Only a minority of countries mention culture in their implementation report (Belgium, France, Greece, Ireland, Luxembourg, Portugal, UK).

Belgium reports on important developments to support access to cultural activities and includes a good practice example on social and cultural participation. Portugal also reports on a range of initiatives: linking cultural institutions and schools, taking literature to the main urban areas, developing a network of multi-purpose theatres, using new information technologies to disseminate information on cultural activities. France describes plans to promote arts education at local level. Ireland describes a scheme of funding to support arts and cultural projects throughout the country. Greece outlines the issue of cultural cards to vulnerable groups giving free access to archaeological sites and cultural entities and also supports intercultural programmes for vulnerable groups. The UK reports on efforts to encourage participation by children and young people and people from priority groups, to set targets to increase numbers visiting historic environment sites and regional museums and also the establishment of creative partnership projects targeting children and young people. Luxembourg reports on increasing access to museums.

6.2. Sport and Leisure

Implemented measures on sport and leisure are reported by seven Member States. Most of these measures deal with sports, specifically with attracting new public to participate in sports. By providing subsidies it is hoped that especially youngsters (Belgium, Sweden and the UK) and women (Belgium) will be convinced to lead a more active life. The UK explicitly places its sports policies in the fight against overweight and obesity. Sport at the workplace is also stimulated by the Belgian subsidies. In Greece 'Sports for All' programmes have been running since 1983. Recently however, organisational problems occurred. Therefore, Greece announces that resolving these problems will receive priority in the near future. Portugal reported that its 'No Frontier Programme', which provides young people (at risk of social exclusion) with culture, sports and leisure activities, attracted even more people than planned.

Denmark reported the implementation of a measure on leisure, namely the broader granting of subsidies for disabled people who want to participate in leisure activities. The state will bear a higher share of transport costs and the cost of entry tickets for people escorting disabled people. Also Hungary aims at disabled people, namely by the 'Sports Committee for Persons with Multiple Disadvantages' which supports sport projects (136 in 2004) It also aims at young people in a disadvantaged situation through the 'Moon Ray Programme' providing sports opportunities.

Finally, Ireland mentions very globally that it granted € 331 million to 4,271 projects concerning sports in the period 1999-2004.

The 2004 Joint Report on Social Inclusion reported that access to sport and recreation activities did not feature prominently in the NAPs/incl. Four of the five Member States who did not mention these policy areas in their NAP, namely Austria, Germany, Finland and the Netherlands, did not mention them in their implementation report either, and France joins this group by also leaving sport and leisure out of its implementation report. In addition, the chapters on sport and/or leisure that are included in the six above mentioned implementation reports are very limited in respect to the plans which were set out in their respective NAP. New plans concerning sport and leisure were not made by any of the Member States, except for Greece.

6.3. Transport

Access to transport remains a minor aspect in Member States' concern about social inclusion. Only five countries, namely Germany, Greece, Hungary, Ireland and Spain, have reported on measures that deal with transport. With seven measures they touch upon two domains. First, a better access to transport means eliminating barriers for disabled persons. Greece has realised this on several parts of its public transport and in Germany stakeholders negotiated goal agreements to achieve this in the near future. Germany labelled this one of its best practices. In Ireland a station accessibility audit came available in 2003 which provides a comprehensive assessment of the works that has to be carried out. Portugal reported a first phase implementation. A network model was created to form a Network of Centres of Support for people with disabilities, which, among others, helps with mobility difficulties. Secondly, to improve the accessibility of transport, Greece, Hungary and Ireland are expanding the supply of public transport. Ireland, declaring this as one of its best practices, focuses on rural areas. Likewise, Hungary focuses on regions and micro-regions lagging behind. It does this not only by increasing public transport, but also by major road renovation projects.

All these measures were roughly planned in the respective NAPs/inclusion. Portugal also planned to provide mobility subsidies to pupils in secondary education and to students, but did not report on the implementation of this measure. Of the Member States that have not reported implementations on transport, some countries (Belgium and UK) at least made plans on mobility in their NAPs/inclusion

6.4. Legal Services

Twelve Member States reported 19 executed measures on legal services in mainly five domains. Most of the policy measures (4) deal with subsidised judicial assistance. Belgium expanded this assistance to new categories of people. In Hungary, legal aid for people who are unable to pay for it was set up by a law in October 2003. Also Spain mentions free legal

services plus Legal Guidance Services specialised in different vulnerable groups. Furthermore, Hungary expanded its Roma Anti-discrimination Client Service Network, and installed the Public Foundation for the Rights of Patients, Care Recipients and Children. France installed, faster than planned, local access points for judicial advice, and more will be installed in the near future. In the Netherlands the subsidised legal assistance was restructured into a first and a second line of assistance division to become more efficient. Luxembourg agreed upon minimum rules for judicial assistance in border-crossing cases, so access to judicial assistance in such cases is facilitated.

A second domain on which Member States reported policy measures concerns children's rights. In Sweden a report to review the juvenile sanction system became available and Austria developed a National Action Plan on children's rights which contains several policy proposals. In both countries, concrete policy measures still need to be taken. Malta appointed a Children's Rights Commissioner in December 2003, as Hungary did in October 2004. Finland also reports on the establishment of a new post of the Ombudsman for Children. Cyprus reported plans to appoint a Children's Rights Commissioner. Thirdly, two Member States, namely Germany and the Netherlands, have introduced a last resort assistance programme for (respectively) debt counselling and debt rescheduling, which the Netherlands brought to the fore as a best practice. Fourthly, on the (re)integration of offenders, Sweden reported the extension of a pilot programme and release of a commission of inquiry report on the relation between sentences and relapses into crime. Finland reported on the implementation of a crime conciliation measure. Finally, France installed a High Authority which is responsible for discrimination cases and the promotion of equality. France signalled this High Authority as one of its best practices.

Nearly all these measures were announced – not necessarily by name but at least by intention – in the last NAP on Social Inclusion or are further developments of measures that were mentioned. Some Member States however, namely Denmark, Ireland, Portugal and the United Kingdom, did mention measures concerning legal services in their former NAP, but currently have not reported any implementation.

None of the Member States include new measures concerning legal services, except for Cyprus, which announced the intention to appoint a Children's Rights Commissioner.

7. PREVENTING THE RISKS OF EXCLUSION

7.1. Promoting eInclusion

While the penetration of new technologies in the everyday life of European citizens is in constant progression - just under half of the EU 25 population used Internet in 2004²⁶ - diffusion trends remain uneven across and within Member States. Digital divides are configured along socio-economic and demographic factors, as well as geographical ones. Education, age, income, gender and urban vs. rural location appear to be the five major determinants of gaps – seen as "percentage variation from the national average". Although disability seems to be also an important factor there is lack of data on this item. The largest divides in Internet access are often found within countries scoring the lowest EU 25 penetration rates (e.g. Portugal, Greece, most of the New Member States). Conversely,

²⁶ Source: Eurostat – Statistics in focus 18/2005 – "Internet usage by individuals and enterprises 2004"

countries with the highest ICT penetration (e.g. Sweden, UK, and the Netherlands) have also the most cohesive information societies²⁷. The slow Internet uptake by groups characterised by older age, low income and educational levels, rural dwelling – as well as the gender gap which cuts across all other categories (but fades out in younger generations) – point to a still polarised European knowledge society, where the link between digital and social inclusion may be considered structural and effective public intervention is required in the framework of the fight against poverty and social exclusion.²⁸

However, knowledge society related aspects seem to be mainstreamed to a large extent in the policies and societies of Member States scoring high – of very high - ICTs penetration. This trend already emerged in the 2003 NAPs and is reinforced in some of the 2005 Implementation Reports, where eInclusion issue is hardly addressed as such (e.g. Sweden, Finland, Netherlands, Denmark). In other cases, the strategic challenge represented by the transition towards a service and knowledge society is explicitly recognised (e.g. Germany) and taken into account. The United Kingdom has launched a new comprehensive IS strategy in April 2005 - "Connecting the UK: the Digital Strategy" – which includes key actions ensuring that everyone has access to ICTs. Ireland has developed a revised eInclusion strategy based on a comprehensive review of national eInclusion policy, which is currently feeding the rollout of projects aimed at building the ICT capacity of the Community and Voluntary sector.

Investment in human capital – and therefore in the quality of the educational system – is still considered by many Member States the best way to cope with the changing requirements of the knowledge economy and to guarantee employability / participation to working life. Integration of ICTs in school curricula at all educational levels and provision of internet connection to all educational institutions is a goal achieved to a large extent by some countries – also through measures implemented in the 2003-2005 period - and further pursued by others (e.g. Belgium, Greece, Portugal, Austria). Lifelong learning, supported by eLearning services, is also further promoted, as well as measures for familiarising young people with new technologies. Interesting new initiatives along this line are worth mentioning, such as the "Digital Secondary School Programme" – launched in 2004 by the Hungarian Government – which aims to help Roma early school leavers obtain A-level and vocational qualifications with IT support.

Policies aimed at providing computer access and literacy to broad sections of the society have been implemented in the 2003-2005 period and are planned to continue in some Member States, as well as provision of infrastructure and of broadband connections in particular (e.g. Belgium, Portugal, Greece, Hungary). The setting up of PIAPs (Public Internet Access Points), especially in small centres and rural areas, has progressed in the last two years and is further planned by some Member States. Actions targeting specific groups – older people, disabled, low income groups, women – are mentioned in a few Implementation Reports; however, less emphasis is given to these themes with respect to the 2003 NAPs. On the other side, new aspects are emerging, such an increased use of IT technologies in public administration, healthcare provision (e.g. Denmark, Hungary), access to culture (e.g. Portugal), services for the citizen, including employment services. The

²⁷ Source : Eurobarometer 59.2 – Spring 2003

²⁸ see "eInclusion revisited: the local dimension of the information society" – Commission Staff Working Document compiled with the support of the ESDIS Group SEC(2005)206

Danish initiative of establishing in 2004 regional knowledge centres to determine competencies of refugees and immigrants – powered by common databases and coupled to job searching facilities – is worth mentioning in this respect, as well as the establishment in Greece of a meta-Information centre for Immigrants, Greek Repatriates and refugees, operating through a network supported by IT technologies. This last project is being realised in the framework of EQUAL, which seems to have relevantly contributed to eInclusion efforts across the EU.

Not all the 2005 Implementation Reports have provided information on the follow-up given to the 2003 planned actions; very few Member States have submitted structured and comprehensive data, allowing a systematic monitoring of the measures under implementation (some indicators and/or quantitative data – results achieved, budgets spent – have been submitted by France, Portugal, and Spain). The general impression is that eInclusion has been targeted in the last two years and progress has been achieved; however, this progress can be hardly evaluated. The approaches have somehow evolved – coherently with the evolution stage of the national knowledge societies - and some innovative actions have been taken, targeting existing and emerging challenges. Only few countries have submitted plans for the forthcoming years (e.g. Spain, Belgium, Germany, and Hungary). A more comprehensive reporting by the Member States in the eInclusion field would greatly enhance the usefulness of the NAPs exercise, both at national and European level, and allow a real exchange of experiences as well as a monitoring and evaluation of the implemented policies.

7.2. Overindebtedness and Financial Exclusion

In the reports on implementation of the NAPs on Social Inclusion, the Member States highlighted rising overindebtedness and its adverse affect on poverty and social exclusion of individuals and families and their ability to hold down or look for a job, many of them agreeing that preventing and combating this was a major priority. To be fully effective, it must be integrated in all policies (credit, justice, consumer protection, etc.), not only social policies.

In the absence of any scientific or official definition at European level of this phenomenon, the data used to assess it differ from one country to another. In Austria, some 9% of households are described as overindebted by the debtor advisory services (*Schuldnerberatungsstellen*); in Belgium, 4.2% of the population were registered by the personal loans centre (*Centrale des crédits*) as being late with repayments - 10% of whom were over three instalments behind - and the number of files on collective debt regulation increased by 29.7% between 2002 and 2004; in Germany, 8.1% of households had problems with debts and the number of insolvency procedures went up by 53% between 2003 and 2004; in France, the number of files lodged with the debt commissions (*Commissions de surendettement*) went up by 29.4% between 2002 and 2004; in Ireland, according to representative studies, 12% of the population is overindebted; in the Netherlands, 40 000 of the 93 000 households whose income is below 150% of the minimum income were considered to have debt problems in 2003; in the United Kingdom, consumer debt has surpassed £1 trillion, an increasing number of people report difficulties in keeping up with payments (37% in 2003), debt advice providers continue to report escalating numbers of seeking help with debt problems and the number of personal bankruptcies has reached its highest level in 40 years, almost tripling since 1997, sub-prime lending (lending to those who have insufficient ratings to access 'mainstream' credit) has also risen to levels unprecedented since the 1970s, and according to the White Paper on Consumer Credit

published in autumn 2003, 7% of the adult British population lost access to a bank account, the proportion being almost double in Northern Ireland, and 1% of the population underwent private bankruptcy proceedings; in Portugal and Spain, by contrast, the information available on overindebtedness of families is sparse, but in Portugal the problem is presented in the report on implementation of the NAP on Social Inclusion as having reached worrying proportions and requiring urgent measures and in Spain a report by the Bank of Spain highlighted the problem that 34.5% of the poorest families had debts which were in excess of three times their annual income. Nevertheless, the figures available can hardly be used to compile statistics covering the entire EU, since the Member States rely on different sources and criteria to measure the number of overindebted persons. If a common definition of overindebtedness could be drawn up at European Union level, it would enable statistics on overindebted households to be collected for the purposes of comparison and would provide a stronger basis for implementing the open coordination method to combat social exclusion.

Action to prevent and combat financial exclusion

In view of the rise in overindebtedness, several Member States (Austria, Belgium, France, Luxembourg, Portugal) had announced information and education activities in their 2003-2005 NAPs on Social Inclusion. Sometimes the same countries (Belgium, France) or others (UK) presented measures to improve access to banks and free financial advisory services.

In their implementation reports, Austria, Germany, Belgium and the United Kingdom presented the information and education activities they had conducted. In Austria, in addition to guidance and advisory activities, priority is increasingly given to preventive activities, and part of advisers' time in the overindebted advisory services is henceforth to be devoted to education and training. A brochure was disseminated for young people by the Austrian Federal Ministry for Social Security on the use of mobile phones and several Federal regions conducted campaigns on this subject. In the United Kingdom, financial literacy projects were funded. In Belgium, following the pilot schemes conducted in 2003, 124 "schools for consumers" were approved in 2004 and have already been attended by 1 500 persons, and information campaigns were conducted on the dangers of certain sales techniques via mobile telephone or the Internet. In Germany, monthly demand for the brochure "What should I do with my debts" amounted to 15 000 copies and a free information and advice telephone line was set up.

The reports presented by the United Kingdom, the Netherlands, France, Finland and Belgium and Germany highlight the measures taken to combat financial exclusion by reinforcing access to a bank account, simplified soft loans and face-to-face counselling to cater for the needs of people on low incomes. In the United Kingdom, the target of reducing by half the number of adults without a bank account was adopted by the government and the banking industry, the resources of the social fund enabling zero-interest loans to be made to the most needy families were increased and a task force and a special fund for financial inclusion were also set up. One of the key elements in the new strategy against poverty in Northern Ireland is the priority given to combating financial exclusion, whilst in Wales and Scotland, increased support was given to the Credit Union movement, which, in a bid to educate people on low incomes, encourages them to build up a small savings account and offers them reduced-rate loans. In the Netherlands, the Minister of Finance has imposed a code of practice on credit organisations which obliges them to advise borrowers and to collect the necessary information on their financial situation in advance to protect them against unfair credit terms. In France, a law enacted in 2003 defined the framework for renewable credit and tightened up consumer information standards, a reform of the national

credit repayment files was launched in 2004, a social cohesion fund to guarantee micro-loans either to unemployed persons wishing to set up their own businesses or to households excluded from credit on the basis of their ratings was created in January 2005 and the Prime Minister has just announced the setting up as soon as possible of a universal banking service so that in 2006 the most disadvantaged persons can all have a bank account and benefit from personal financial advice. In Finland, a social credit system was institutionalised in January 2003. In Belgium, a central file of loans granted was set up in June 2003 and the region of Wallonia supported organisations offering micro-loans to persons who do not have sufficient credibility in the eyes of banking organisations. In Germany, the banking industry undertook to enable any individual to open a current account.

Services offering advice and guidance for the indebted

Several Member States have reinforced the services for debtor advice and guidance (Austria, Belgium, Germany, Finland, France, Hungary, Netherlands, Ireland, UK). However, they appear to be having problems meeting growing demand in many areas. In Austria, the number of initial consultations went up by 14% between 2002 and 2004, whilst the ratio of counsellors per 100 000 inhabitants varies from 0.83 to 1.63 depending on the Federal Region. In Belgium, Flanders is looking for a new approach to optimise the way its services operate. In Germany, the government renewed its appeal to the economic sector, and in particular credit institutions and suppliers of energy and telecommunications, to contribute to funding of services. In France, the Prime Minister has just announced that social security for families (family allowance funds), departmental authorities and consumer associations are to be networked to provide systematic guidance for families which have lodged a file with the debtors' commission. In Ireland, the Money Advice and Budgeting Services (MABS) throughout the country, a peer review²⁹ of which in November 2004 was particularly positive, were faced with a steady increase in applications for assistance (+30% a year between 2001 and 2003). In the United Kingdom, although the system is fragmented and funded at local level, the services that, until recently, were part of the voluntary sector have developed more and more to cope with growing and increasingly complex demand and have become highly specialised services (legal representation and defence, preparation of budgets, assistance in private bankruptcy procedures). Hungary made effort in 2005 to widen the debt management service local government which have been able to operate since 2003.

Legislation on regulation of debt

One of the conclusions drawn from the peer review conducted in Ireland on how to deal with overindebtedness was that it could be useful to legislate on collective treatment of debts, as this would probably constitute real progress in combating exclusion of overindebted persons. Following the legislative reforms introduced in Germany under the 2001-2003 NAP on Social Inclusion, several Member States presented legislative reforms on debt regulation (BE, FR, FIN, NL) in their implementation reports for the 2003-2005 NAP on Social Inclusion. In Belgium, two bills were sent to Parliament, one proposing to extend the competence of industrial tribunals to cases of overindebtedness and the other proposing to improve the effectiveness of the non-contentious phase, the question of privileges, the fate of persons who had offered a personal guarantee and the possibility for the judge to grant total dispensation of debts (civil bankruptcy). The regulation on seizures is

²⁹ See <http://www.peer-review-social-inclusion.net/peer/en/index.html>

also under review. In France, a new personal rehabilitation procedure (civil bankruptcy) was adopted in August 2003. In Finland, a draft law totally reforming debt regulation has been circulated for consultation and will be sent to Parliament in 2006. It will enable debts to be written off completely at the end of a settlement period and will restore the debtor's normal freedom of action. In the Netherlands, following an evaluation conducted in 2001 on the 1998 law on settlement of debts, the Ministry of Justice submitted a proposal for reform in December 2004, which will enter into force in 2006 and will mainly aim to strengthen the non-contentious procedure, force creditors to cooperate, simplify the rules and take better account of debtors' situation.

7.3. Homelessness

In March 2005, the Council for Employment, Social Policy, Health and Consumer Affairs (EPSCO) made tackling homelessness one of its top priority after adopting the 2005 Joint Report on Social Protection and Social Inclusion.

The 2004 Joint Report on Social Inclusion underlined the need to have precise and comparable data in order to obtain a more accurate picture of this phenomenon. It also highlighted the value of integrated and global strategies combining prevention with improvements in emergency care and temporary housing, mobile multidisciplinary outreach teams for persons on the street, networking with public authorities, health, psychiatric care and social housing institutions, and social housing organisations, cooperation with NGOs, rehousing capacity guaranteed by public authorities, etc.

In the implementation reports for the 2003-2005 NAPs on Social Inclusion, the Member States presented considerable progress in these various areas and especially in improvements in data collection, development of prevention and the setting up of more comprehensive systems and more integrated strategies

Improvement of data collection

Some Member States (Austria, Denmark, UK) report that they have introduced indicators with quantified data enabling them to closely monitor developments in homelessness, while others (Belgium, Greece, Spain, Ireland, Luxembourg, Netherlands, Portugal, Sweden) have opted for new studies, surveys or types of collection to improve the effectiveness of their systems. In Belgium (Flanders), the TELLUS system is developing and provided data for 2004 on the number and profile of clients in the different housing services of the Flemish umbrella of welfare organizations. In Greece, the homeless service provider KLIMAKA is currently carrying out a survey on « Homelessness in Greece: socio-psychological profile and living conditions in the streets of Athens and three other big Greek cities ». Spain commissioned the National Statistical Institute to conduct a survey on homelessness, which, after focusing on the network of care and assistance centres, will be extended to better target the population concerned. Ireland, after acknowledging the need for a better data collection system to guide policy more accurately, set up a new system called LINK, which is intended to provide the homeless with better continuity of support by updating their needs assessments. A system for electronic transmission of data was also developed in Ireland to help local authorities to cope more effectively with their responsibilities for housing. Luxembourg undertook a study mainly intended to devise: a definition of homelessness and a methodology enabling it to be quantified and analysed in the specific context of Luxembourg, a reliable data collection procedure as part of a quantitative and qualitative survey, a database and appropriate indicators. The Netherlands has introduced an

information collection system in most of its institutions and has initiated a programme for finding out more about homelessness amongst women. In Portugal a survey of rough sleepers in the whole country on 19 October (from 7pm to 3 am) has been planned in cooperation with homeless service providers. Portugal also commissioned the Institute of Social Security to carry out a study to draw up a diagnosis of homelessness and the support provided by institutions and a comparative analysis of the situation in Portugal and the other European countries. Sweden asked the National Council for Health and Social Assistance to conduct a national survey on homelessness in 2005 and to repeat it every two years.

Development of prevention

A significant number of countries (Austria, Germany, France, Sweden, UK) appear to have taken particular pains to develop arrangements for preventing homelessness in implementing the 2003-2005 NAP on Social Inclusion. In Austria, plans to prevent evictions were drawn up in the regions in liaison with the NGOs helping the homeless. The latter made provision for the social assistance fund to pay the rent arrears for and rehouse the evicted. In Germany, a wide range of measures to reinforce social assistance, with contributions from the municipalities and the NGOs which manage the social institutions, aimed at helping people to overcome their social difficulties by means of personalised assistance and support, saw the number of homeless persons fall from 530 000 in 1998 to 310 000 in 2003. In France, with evictions rising sharply, a ministerial decision in May 2005, accompanied by an explanatory document and methodological and technical recommendations, requested State representatives in the *départements* to implement charters to prevent evictions in order to improve social support for the persons concerned and to coordinate all the players in the field. In Sweden, 20 local projects with the aim of preventing homelessness and evictions were subsidised. In the United Kingdom, a major programme (£5 billion over 3 years) called "Supporting People" was devised to prevent homelessness, providing vulnerable people with support when they need it to overcome crises and to be able to continue to live independently in their own home. Ireland and Wales also instituted new strategies with preventive measures targeting the highest risk groups, such as persons coming out of prison or refugees. As for Scotland, it set itself the target of there being no unintentional homelessness by 2012.

Setting up of more comprehensive arrangements and more integrated strategies

Sustained efforts in most of the EU 15 countries over the period 2003-2005 (Austria, Belgium, Denmark, Germany, Spain, Finland, France, Ireland, Luxembourg, Netherlands, Portugal, Sweden, UK) as well as Hungary appear to have been made to devise more comprehensive instruments for dealing with homelessness, whilst in 2004, according to estimates by the FEANTSA European Observatory on Homelessness, social exclusion connected with homelessness tended to increase rather than diminish.

Some countries, such as Finland, pursued their integrated programme to reduce homelessness, placing the emphasis on increasing the number of small social dwellings available for rehousing homeless persons and a stronger partnership with the social services and the NGOs. Others, such as Ireland, Sweden and the United Kingdom, reviewed their strategies in a bid to make them more effective. Ireland, where the target in terms of emergency care and temporary accommodation is generally held to have been met, asked a group of consultants to evaluate its strategy to combat homelessness and to come up with recommendations for future progress. Sweden asked the National Council for Health and Social Assistance to stimulate and sustain efforts by the municipalities and specialist

organisations to combat homelessness more effectively. The United Kingdom, i.e. England, Wales, Scotland and Northern Ireland renewed and intensified their strategies to cope with the problem. England implemented a campaign to combat street homelessness³⁰ with the aim of reducing the number of persons living on the street by two-thirds by 2002 and a level as close as possible to zero by 2010 and to put an end to the scandal of homeless families living with their children in poor quality bed-and-breakfast establishments for long periods of time and introduced a new move in March 2005 to reduce by half the number of households living in precarious and temporary housing by 2010. Wales adopted a new strategy in April 2003 to dispense with the use of bed and-breakfasts for housing needy families and to diminish the periods of residence of persons in temporary accommodation. Northern Ireland published a new draft initiative for consultation in November 2004, a final version of which is planned for the end of 2005. Scotland, after having continued its strategy to eradicate homelessness and to improve health and employment services for the homeless will, at the end of 2005, take stock of the activities conducted by local authorities with a view to providing permanent housing for all the homeless by 2012. In Hungary, an innovative initiative is the so called "Village Programme", which provides extensive support for homeless families to make a new start. Other measures include the expansion of day-care services for the homeless with the support of the ESF, the improvement of street social work through more methodological help and the establishment of regional health centres that are to provide emergency help, monitoring and nursing for homeless people.

Finally, other countries, such as Austria, Belgium, Denmark, Spain, France, Luxembourg and Portugal have made an effort to add to their care and intervention systems for the homeless. In Austria, qualitative and quantitative measures implemented successfully in Vienna are progressively being introduced in other federal regions and there are plans to provide legislative support in Upper Austria to prevent evictions and to keep tenants in permanent accommodation. In Belgium, there has been a more coherent approach to social assistance for homeless persons since 2003, responsibility for which now lies entirely in the hands of public social assistance centres and a relocation premium has been offered to homeless people who find housing. In Denmark, in addition to the other measures for the support and reintegration of homeless people, a programme of atypical housing has been implemented for people who lead atypical lives and for whom the offers of support in connection with a household, an ordinary or transitional dwelling are not suitable and who sometimes have been living on the street³¹ for very many years. In Spain and Portugal, more resources have been devoted to multi-disciplinary support and outreach teams for the homeless. France has introduced a new programme of alternative housing (*maisons relais*) for persons who are suffering from severe exclusion, which has given a much needed boost to the capacity that is available for the care of asylum seekers, and has started modernising and strengthening both the care and social reintegration system and social monitoring and support platforms operating under a single free telephone number (115). In the Netherlands, additional measures have been taken to organise more effective help for women exposed to violence and people leaving prison. In Luxembourg, increasing the number of places available for homeless persons and creating structures close to where they live will enable them to be given professional help as quickly as possible, prevent their situation becoming chronic and reintegrate them more easily in society

³⁰ See peer review conducted on 5 and 6 May 2004

³¹ See peer review conducted on 26 and 27 April 2005

<http://www.peer-review-social-inclusion.net/peer/en/index.html>

7.4. Family Solidarity

Enhancing income support and assistance to families and single parents has been highlighted by Member States as a key step in combating the intergenerational inheritance of poverty. Growing up in a poor family, particularly in a family with 3 or more children or a lone parent family, has been identified, by many Member States as one of the main risk factors associated with poverty and social exclusion. Supporting those households is thus an important policy objective in most of the Member States in view in particular of the changing structures of families and the high risk of poverty for single parents and larger families. Support to families has been ensured through a range of measures that on the one hand provide financial assistance to parents (e.g. tax reductions or allowances) and on the other hand relate to the work-life balance/reconciliation. Indeed, most NAPs report a commitment to expand childcare services and report on numerical targets relating to childcare (Germany, Portugal) and the expansion of childcare for school-age children (Austria, Germany) or non-numerical targets with a view to improve work-life balance(Luxembourg) or accessibility of childcare places (Belgium). Some (Ireland, UK) mention improvements in parental and maternity leave schemes. Some NAPs also address care issues for dependent adults in poor health or disabled (e.g. reconciliation measures in Portugal).The Belgium NAP highlights fiscal incentives that encourage children to take care of an elderly parent at home without however tackling the issue whether families should care for the parents or external services which, in the first case, may increase the burden faced by women as carers. Similarly, "validation of experience in the area of social services" provided in the FR NAP and involving, inter alia, taking into account family experience gained in bringing up children and caring for the elderly, is an interesting measure but one which may lead to further feminisation and undervaluation of certain tasks (carers, childminders, etc). On the other hand, the Austrian NAP refers to the childcare allowance scheme and the possible adaptation of the earnings ceiling up to which work is permitted without losing the childcare allowance, a measure aiming at promoting the employment of women and also at reducing poverty risks among young parents. As for the UK NAP, it highlights the introduction of additional income-related benefits such as the Child and Working Tax credits, a measure which has undoubtedly had a significant positive impact particularly for lone parents. However, childcare costs remain prohibitively high and discourage many who would otherwise wish to return to work from doing so. The vulnerable situation of lone parents is also an issue that is often addressed in the NAPs. However, the female dominance of this category is rarely made explicit (Finland, France, Netherlands, UK) while in contrast Spain provides some comparison between male and female lone parents.

The development of support services for families can be very important in crisis situations such of domestic violence which is considered as a risk of social exclusion.

Denmark provides for a new programme against domestic violence which includes measures to address the specific needs of ethnic minority women and children and to reduce men's violence at home. Portugal also refers to the progress achieved in order to support women and children victims of domestic violence. Hungary reports on the establishment of a Regional Crisis Service Network to help victims of domestic violence through providing legal, psychological and social assistance and through offering shelters.

Achieving work –life balance remains a challenge: this is what the NAPs implementation reports have revealed. Yet, despite the growth of a new generation of men who shares more of the domestic burdens, women are still the first to stop work or take up a part-time job in

order to be able to respond to their tasks as carers and, at the same time, 85% of the increasing number of lone parent families are headed by women. Supporting the caring capacity of families and tackling gender inequalities generated by uneven distribution of household tasks among parents should continue to be a key message within the context of Member States' policies for social inclusion.

8. HELPING THE MOST VULNERABLE

8.1. Immigrants and ethnic minorities (including the Roma)

In the 2005 Joint Report on Social Inclusion and Social Protection, overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and migrants was highlighted as one of the seven key policy challenges for the Member States. The report stated that the fight against high levels of exclusion experienced by such groups would require a threefold approach: *"increasing access to mainline services and opportunities, enforcing legislation to overcome discrimination and developing targeted approaches"*. The Roma population was singled out as being in need of particular attention.

General overview

The implementing and update reports, like the NAPs, continue to clearly identify ethnic minorities and migrants as being particularly at risk of social exclusion. The majority of the reports highlight the problems of unemployment, education and poverty levels for ethnic minorities, pointing to significant gaps – in some cases widening gaps – between these groups and the majority population.

However, the language used to describe these groups can be unclear with Member States frequently referring to 'immigrants' to describe all ethnic minorities – from refugees, to Roma or other people with the nationality of the country. Little distinction has been made between groups and at the same time there is little or no acknowledgement of the diversity within these groups, or indeed the multiple disadvantage that these people might face (e.g. older migrants, Romani women etc.). Little mention is given, for example, of the needs of young second or third generation migrants and how these might differ from the needs of people from more recent migration. Targeted approaches to support these groups will require a more sophisticated analysis and understanding of their situation and needs.

In spite of the increased attention given to the social inclusion of migrants, in some of the Implementation reports important political and legislative initiatives in the area of integration of immigrants were not adequately reflected. A more complete picture of the integration policies in the EU25 will be provided in the forthcoming Second Annual Report on Migration and Integration.³²

It is also clear that most of the Implementation reports do not sufficiently situate the issue of the social inclusion of migrants within the wider context of integration policy. It is important that social inclusion policies are coherent and complementary to integrations measures carried out at local, regional and national level, particularly with respect to newly-arrived

³² The first Annual Report on Migration and Integration, (COM(2004) 508) was published in 2004. A Second Annual Report on Migration and Integration will be published shortly. This will contain a Summary Report on Integration Policies and Recent Developments in the EU-25.

immigrants. This is all the more the case as local and regional authorities and NGOs generally play an increasingly important role in the design and delivery of services aimed at the integration of migrants. The Commission has set out in its recent Communication on A Common Agenda for Integration a number of suggestions for a broad approach, putting forward a framework for the integration of third-country nationals in all dimensions of the integration process³³. The experiences set out in the 'Handbook on integration for policy-makers and practitioners' is also a useful resource for policy makers in this area.³⁴

However, the Roma continue to be absent from the majority of the implementing reports, even in countries with a sizeable Roma population. Only Spain and Greece, and (to a lesser extent) Portugal, refer to the social inclusion of the Roma population (predominantly references to projects which are being financed though Spain also refers to the creation of the Roma People Council), while the UK and Ireland make reference to Travellers and Gypsies.

Of the updating reports submitted by EU-10, only Hungary covers the issues of Roma population in a comprehensive manner: active labour market programmes; training and lifelong learning measures; access to healthcare; improving housing conditions; education are all highlighted.³⁵

Lack of targets and objectives

As only a few countries presented clear and specific objectives and targets in their NAPs 2003-2005 regarding ethnic minorities, measuring progress is difficult. A number of Member States report on progress (or lack of progress) on certain issues. In the UK, the employment rates of people from ethnic minorities have increased over the past two years. The gap between the employment rate for ethnic minorities and the population as a whole has fallen by 2% since 2002. In Greece the targeted strategy for the Roma population has yielded a number of concrete results, particularly on housing, according to the implementing report. Ireland has presented a systematic report on progress towards achieving the targets set in the 2003-05 NAP/incl. While limited progress has been achieved, in relation to reducing the numbers of Travellers living on unauthorised sites, the situation is less positive on other Travellers-related targets, notably as regards education of Traveller children. Portugal also reported on a number of targets set in 2003 in relation to the integration of immigrants. While some progress has been achieved (the creation of a Support Centre for Immigrants and of an SOS Immigrant telephone line) other targets were not met, such as the establishment of Local Immigrant Support Centres. In the Netherlands, the target to increase

³³ "A Common Agenda for Integration: Framework for the Integration of Third-Country Nationals in the European Union", COM(2005) 389. This builds on the Common Basic Principles adopted by the Justice and Home Affairs Council in November 2004 which cover all dimensions of integration policies necessary to underpin a coherent European framework on integration of third-country nationals. The main orientations were supported by the Justice and Home Affairs Council in December 2005.

³⁴ See http://europa.eu.int/comm/justice_home/doc_centre/immigration/integration/doc/handbook_en.pdf

³⁵ According to the report commissioned by European Commission in 2004 *The Situation of Roma in an Enlarged European Union* (2004) see http://europa.eu.int/comm/employment_social/fundamental_rights/pdf/pubst/roma04_en.pdf Social inclusion of Roma "should be the focus of short, medium-and long-term commitment by the European Union." The reports concludes that there is a "pressing need" to evaluate the impact of EU and national projects and programmes targeting Roma, and that there is a need to move beyond "general aspirations and have set specific and quantified targets to provide a basis for monitoring progress". The majority of the implementing reports have clearly failed in this respect.

the employment participation rate of ethnic minorities to 54% in 2005 is unlikely to be achieved since, in 2004, only 48% participated in the labour market (as against 50% in 2002).

Links between discrimination and social cohesion

The majority of Member States made a direct link in their reports between discrimination and social cohesion. Sweden, for example states that all Swedes have the same rights, obligations and opportunities "irrespective of ethnic origin, sex, ethnic affiliation, religion or other beliefs, sexual orientation or disabilities".

As mentioned above, the 2005 Joint Report on Social Inclusion and Social Protection stated that "enforcing legislation to overcome discrimination was key to any comprehensive social inclusion strategy". The European Directive on combating discrimination on the grounds of ethnic or racial origin³⁶, which was to be implemented into national law during 2003, was indeed highlighted by the majority of Member States, though little detail was given as to what, if any, practical impact it is having on the ground. Sweden highlighted the creation of anti-discrimination bureaux to support victims of discrimination as well as the establishment of a committee of inquiry on promoting equal rights and opportunities at work irrespective of ethnic affiliation, religion or belief.

In general, however, a greater effort would be needed to strengthen the monitoring of the risks of discrimination in the labour market and access to services. Further steps also need to be taken to ensure the proper enforcement of the legislation and to determine the concrete impact of the laws on the ground.

Increasing focus on integration of immigrants

In a number of cases the focus in the reports appears to be increasingly on improving the human or social capital of the migrant group, in particular language ability and civic orientation, rather than on equal rights or fighting racism and discrimination. Particular attention has therefore to be paid to the needs of second and third generation of immigrants.

The Austrian report states, for example, that the "barriers for a successful integration by migrants are a lack of knowledge of languages but also cultural barriers". In the Netherlands, a "general obligation to integrate in Dutch society" will be introduced for all persons between the age of 16 and 65 who want to and are allowed to stay permanently in the Netherlands. No details are given, however, on measures taken to prevent discrimination against such individuals, which may prevent them exercising their rights to jobs, training, services, healthcare etc.

In some cases, strategies for integrating immigrants are being re-oriented. Denmark reports, for instance, that steps taken in 2002 to reduce social allowances for refugees and immigrants have had little, if any, impact on labour market participation. For this reason, the Government re-launched the reform at the beginning of 2005, reinforcing the integration policy through further requirements for language acquisition and the involvement of local authorities.

³⁶ EC Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin

In Germany, a new Immigration Act entered into force on 1 January 2005, which aims at a structured and easier integration of immigrants into the labour market and social life, as well as at more harmonised responsibility for integration policies between the Federal Government and the Länder.

Growing involvement of civil society

One positive development which could be noted is the number of MS who are involving civil society in the conception and implementation of policy initiatives as well as the NAPs themselves: The Irish report refers to the implementation of the Travellers Health Strategy (2002-2005) where Travellers and Traveller organisations are involved in determining health priorities and in resource allocation, through, inter alia, the appointment of Regional Travellers Health Co-ordinators. The Dutch Commission PaVEM (promotion of the participation of women from ethnic minorities) was established with the aim of helping municipalities boost the participation of migrant women.

Lack of data hampers evaluation

As highlighted in the 2004 Joint Inclusion Report, the lack of data on migrant and ethnic groups continues to be a major problem. The need for data in implementing reports is particularly significant. The Irish report states clearly that in relation to the target on traveller health the absence of data "has made it impossible to determine whether the target in this regard will be met". More generally, it states that for vulnerable groups, including migrants and ethnic minorities, progress "cannot be determined as there is currently no data available on their unemployment levels". The Swedish report states that "as a matter of principle" no statistics are kept on ethnic origin. Progress on integration goals is therefore monitored by means of statistics relating to "persons born outside Sweden" or persons "who were born in another country", which gives an incomplete picture.

Not all groups at risk of long-term and multiple social exclusion are identified by means of standard surveys and common indicators. A stronger co-operation between statistical offices, national, regional and local authorities, researchers and civil society organisations which represent socially excluded groups would be vital in working towards gathering effective and reliable data and developing appropriate indicators³⁷.

New measures in the pipeline for 2005-2006

The majority of Member States focus on the development and consolidation of actions already taken. However, a number of new measures are in the pipeline. In Ireland, a new Traveller accommodation programme 2005-2008 will be launched and work is underway on a strategy on Traveller education. An Immigration and Residence Bill is also in preparation. The UK national refugee integration strategy document, 'Integration Matters' was published on 9 March 2005. The aim of the integration strategy is to ensure refugees are treated as "equal members of society". Cyprus reports on a new integrated strategy for employment of foreign workers. In Denmark, the February 2005 Programme "new goals" sets a target to increase employment by up to 60 000 jobs by 2010. 25 000 of these jobs are earmarked for immigrants. An information campaign on ethnic minority women's rights is also underway.

³⁷ As to migration statistics, in order to ensure more reliable data at EU level, the Commission has proposed the adoption by the Council and the European Parliament of a Regulation on Community statistics on migration and international protection: COM(2005) 375.

Germany sets among measures envisaged for 2005 and 2006 the adoption of an Anti-Discrimination Act to transpose the EU anti-discrimination directives and to improve the participation and the equality of opportunities for various disadvantaged groups.

Conclusion

The 2004 Joint Report on Social Inclusion concluded that the specific situation of immigrants and ethnic minorities faced with poverty and exclusion would require "greater effort and analysis if we are to increase their labour market participation to the same levels as the majority population and to promote their participation in social, cultural and political life".

Despite a certain amount of progress noted in the implementing reports, the situation has not significantly improved. The analysis needs to be more developed, and distinctions made both between and within groups. More focus needs to be given to the Roma population which was largely overlooked in almost all the reports.

As only a few countries presented clear and specific objectives and targets in their NAPs 2003-2005 regarding ethnic minorities, progress is difficult to measure. As regards the extension of the NAPs, a growing emphasis in a number of Member States appears to be on the integration of migrants. In this area a number of countries are developing comprehensive national and regional plans which will have an impact on social inclusion policies.³⁸ Efforts need to be made, however, to address the potentially discriminatory behaviour, attitudes or practice of the majority population which hampers people's chances of equal treatment. Steps also need to be taken to monitor the risks of discrimination in the labour market and in access to services, as well as to assess the concrete implementation of anti-discrimination legislation.

The Race Equality Directive is clearly a key instrument in tackling barriers to participation in employment, but also other areas such as housing, education and healthcare.

At the same time, further work is necessary on the development of data and common indicators on the social inclusion of ethnic minorities in order to gain a real picture of the situation and needs in each country.

The growing importance of developing effective policies for the integration of migrants reinforces the importance of EU support for Member States' integration policies through a number of financial programmes, such as EQUAL or Preparatory Actions for integration of third-country nationals INTI. In future, in addition to continued support through the Structural Funds, there is a clear need for a targeted financial instrument in this area of growing policy challenge. Under the financial perspectives 2007-2013, the Commission has proposed a new solidarity instrument – a European Fund for the Integration of Third-Country Nationals.

³⁸ See Second Annual Report on Migration and Integration, forthcoming.

8.2. Disabled people

Main trends and challenges

Disabled people across the European Union are facing a higher risk of poverty, social exclusion and discrimination than the population in general. All seven key priorities identified in the Joint Report on Social Protection and Social Inclusion 2005 are relevant to prevent and reduce this particular risk, and one of the key priorities highlights specifically the need to overcoming discrimination and increasing the integration of disabled people. All Member States have recognized this in their implementation reports, and most of them have included a variety of policies targeting disabled people. The Swedish disability policy action plan "From Patient to Citizen" has set targets for the period 2000-2006, Denmark and the United Kingdom have programmes supporting independent living at home, and Denmark has developed an action plan to combat violence against women aiming at disabled abused women, resulting in the improvement of the capacity and the quality of shelters.

Even though Member States report that a wide range of policies have been delivered and improved, this is to a large degree not supported by concrete statistics and indicators. It is therefore difficult to measure the actual impact of policies targeting disabled people.

Access to employment

An important challenge that is widely acknowledged by Member States is the need to narrow the substantial gap in employment rates that exists between disabled and non-disabled persons. Despite of this, the gap is widening in many Member States. The United Kingdom is the only country reporting that the gap has narrowed.

There is not always a clear reference made to the revised Lisbon Strategy in relation to the employment of disabled people, but most of the Member States have implemented active employment measures:

- Sweden has an ambitious goal of achieving an employment rate of 80% and to halve the number of sick leave days and persons dependent on social assistance by 2004. Disabled people have priority in all general labour market programmes. Education is recognised as an important element for boosting the growth and improving labour market. Special education for hearing-impaired and blind pupils is provided through the Swedish Institute for Special Needs Education.
- In Austria, expenditure on active labour market policies will be raised further in 2005 and 2006. The employment initiative "A billion for people with disabilities"³⁹ will continue in 2005 and 2006 as well as other measures to fight discrimination.
- The United Kingdom has set up a pilot project "Pathways to Work", aiming to reduce the number persons on incapacity benefit and to raise the employment level of disabled people. The importance of access to information and communication technology is highlighted in the UK Digital Strategy.

³⁹ Attention: 1 billion Austrian Schilling is approximately €63 million

- In Finland, the Act on Social Businesses entered into force in 2004. Approximately 100 persons with disabilities or long-term unemployed persons are employed in the 20 registered enterprises. A new Act on co-operation between rehabilitation providers entered into force in 2003, and vocational rehabilitation became a statutory benefit in 2004.
- Denmark has launched a new multi-annual employment strategy with a wide range of measures aimed at increasing the number of disabled people on the open labour market

There is no visibility given to the connection between anti-discrimination measures, especially in the area of the employment of disabled people, and the social exclusion experienced by these persons.

Eliminating barriers to education and training at all levels

It appears that the 2003 European Year of People with Disabilities served as a basis to launch a series of measures to support the integration of people with disabilities in education, training and employment. It also seems that, in general, progress has been made in participation in education by people with disabilities. Nevertheless, not all reports dedicate enough space to this issue. Some countries (France, Greece, Ireland, Italy, Portugal and Spain) describe some strategic measures and set national targets for increasing the participation of disabled people. UK, Spain and Portugal are implementing measures to promote the use of ICT for people with special needs. The other reports make only short references, while in some cases the issue is not mentioned.

Good governance – mobilising disabled people

All Member States have stated that relevant authorities at both regional and national level, as well as organisations representing the interest of disabled people are being involved in the disability policy creation and implementation. There is a positive impact visible by a large quantity of good examples on close cooperation between relevant actors at all levels.

European Social Fund as a tool for social inclusion

Member States report that they make good use of ESF funding, including the EQUAL Initiative, but in most cases they do not explicitly mention measures aiming in at disabled people. Nevertheless some good practices have been mentioned:

- The German initiative "job-Jobs without Barriers" aims at improving the training and employment situation of disabled and severely disabled people in the long term. Specific attention is given to disabled women
- The Vision Partnership in Denmark focuses on the integration of visually impaired persons into the open labour market
- In the United Kingdom, disabled people benefit from a mainstream education programme to address child and adult literacy

Lack of data and indicators

There is a general lack of data and indicators to measure the situation of disabled people, which may explain why most Member States have set few targets and that the monitoring

and reporting instruments to measure progress and impact of policies are missing to a large extent.

Nevertheless, several Member States have provided a reasonable amount of statistics on disability. Ireland uses a high level of statistics and targets, in the Netherlands statistics on disability are available for specific policies, Belgium has expanded the already existing National Indicator "Access to the labour market for foreign people non-EU15" to also include disabled people, and Austria has included data on unemployed disabled people in their statistical annex.

Mainstreaming disability issues

The Council Resolution on promoting the employment and social integration of people with disabilities⁴⁰ and the Commission Communication "Equal Opportunities for People with Disabilities – A European Action Plan"⁴¹ both focus on the need to mainstream disability issues into all relevant policies.

Many of the Member States have not yet transposed the mainstreaming approach into their overall national strategies, but some aim to gradually move towards including the disability perspective into different policies (Austria, Finland). Several Member States report that they systematically implement the mainstreaming approach in all policies (Denmark, the United Kingdom, Sweden, Greece). However, it is not always well understood that the mainstreaming approach should take place during both the early stage of preparation and the later stage of implementation and monitoring of policies. At the same time, the mainstreaming approach does not exclude disability-specific measures as is the case for example in the United Kingdom with the Disability Discrimination Act of 1995 (amended in 2005), or in Ireland, where greater emphasis is being placed on supported employment schemes.

The Member States do not refer directly to the European Disability Action Plan⁴², nevertheless their disability policies address the themes outlined in the Action Plan.

New measures planned for 2005-2006

- Some Member States report that new anti-discrimination legislation has recently been enforced (France, Greece) or will be implemented shortly (Austria). The United Kingdom has recently amended their Disability Discrimination Act of 1995.
- In Sweden, an Agency for disability policy coordination will be established as from January 2006.
- The Irish Budget for 2005 introduced a multi-annual investment programme for disability specific services in health and education. This provides for additional expenditure of €150 million in 2005 and €900 million over the period 2006-2009.

In the Netherlands, the current occupational disability scheme ('WAO') will be replaced in 2006 by two separate schemes: one for full and permanent occupational disability ('IVA')

⁴⁰ 2003/C 175/01 OJ C 175 of 24.07.2003

⁴¹ COM (2003) 650 final

⁴² COM (2003) 650 final

and one for partial occupational disability ('WGA'). The aim is to address people's abilities rather than their inabilities.

8.3. Other Vulnerable Groups

There is little information in the Implementation Reports with regard to the impact of the measures announced in the 2003 NAPS in respect of certain vulnerable groups such as drug addicts, ex prisoners, people with alcohol problems, etc. Austria refers to the problems of released prisoners, who are voluntarily counselled and looked after through the "Assistance service for released prisoners", in close cooperation with the Public Employment Service in order to facilitate their reintegration in the labour market. The Belgium reports that the integrated social plans and security contracts implemented at regional level (in Wallonia) in order to prevent and respond to the risk of drug abuse, have achieved improved coherence of the actions undertaken to this end. Finland highlights two Programmes running for the period 2004-2007 and addressing the problems of alcoholism and drugs, the first one by mobilising, through, partnerships, local authorities, NGOs, churches and business life actors, and the second one by intensifying the co-operation between different authorities against drugs. Germany for its part highlights the fact that for the first time in Germany, there is a comprehensive policy framework in respect of drug addiction, which provides among its key objectives the improvement for drug addicts of opportunities on the labour market as a means to increase the success of an addiction treatment. Ireland mentions that the evaluation of the first 3 years of the Drugs Strategy 2001 – 2008 confirmed that progress is being made across all actions contained therein, although progress varies from action to action. Some amendments were recommended in the review in order to better deliver on the aims of the strategy, including changes to the performance indicators by which progress is measured and a review of the overall impact of the strategy will be undertaken when the strategy is completed. Spain announces programmes aimed at the social and labour integration of internees, those on conditional release and former convicts, and mentions that attention will be paid to convict women with children in their care, in particular as regards the educational and leisure aspects. Sweden presents a range of measures aimed at different vulnerable groups: the government's programme "Our Shared Responsibility" focuses on crime prevention by mobilising stakeholders at local level. A three-year drug programme in the correctional service was also launched in 2002, which has improved the capacity of the correctional service for treating clients who are drug users, as is increasingly the case. Moreover, measures have been taken to support young men and women who are subjected to oppression, threats and violence by relatives that is justified on the grounds of the need to uphold family honour, in particular by providing sheltered accommodation. The UK finally stresses the need to prevent and combat the harms caused by illegal drugs by reinforcing the powers required for better focussing on the dealers and drug users.

The problems these groups of people face are often translated into homelessness, unemployment, low education and, subsequently, their exclusion from society. It is therefore necessary to ensure that services should be made more responsive to the needs of the most vulnerable, in particular in cases of emergency.

8.4. Social Exclusion among Children

The NAPS 2003-2005 Implementation Reports confirm that child poverty and social exclusion of children area are a serious concern for the Member States. The Reports refer to measures taken to prevent and alleviate these phenomena and reiterate among their key policy priorities that in order to achieve long term progress on the eradication of child

poverty, it is essential to break the intergenerational inheritance of poverty at an early stage of the child's life.

Three approaches to tackling child poverty emerge from the reports: early intervention, supporting children in the context of the family and the community and a multi-faceted policy approach. The German NAP refers to the risk-of poverty rate for the age group up to 15 years which, at 15% (East:23,7% and West:12,4%), is higher than the 13,5 % for the overall population. The introduction of a child bonus paid to parents whose income is adequate to support themselves but not their children has been introduced only in January this year and around 150.000 children receive this support. According to the Irish NAP, families get no direct help with childcare costs and while childcare provision has been targeted (through the Equal Opportunities Childcare Programme especially) and significant further efforts were made to increase supply, there is still a shortfall in available places. The Danish NAP emphasizes the need for measurable goals of attainment for all children and highlights issues such as early and targeted intervention, improved early learning among children, reducing barriers in changing from pre-school to school activities, but fails to provide a clear strategy to this end. The Belgian NAP stresses that, despite great financial pressure put upon the country's health system, particular attention has been paid to the needs of very young children who can now be treated free. The Netherlands NAP highlights the fact that one out of eight children lives in a family with an income that is on or under the poverty line and announces that the new Childcare act in force since January last aims at guaranteeing accessible childcare of good quality, while increasing the opportunities for children from poor families to participate in the society is an element to be taken into account in various policy measures as, for example, when tackling youth employment or early school leaving. The Portuguese NAP states that the incidence of child poverty has been increasing (27, 5% in 2001 compared to 16% for the adult population) contrary to what happens with other age groups and refers to improvements registered in the fight against child labour and with regard to the revision of the legal regime for adoption. The Finnish NAP puts emphasis on early intervention when tackling the problem of socially excluded children and young people and refers to a development programme implemented for the welfare of children and to the establishment of a new post of the ombudsman for children. The Swedish NAP addresses the specific problems faced by children born to often unemployed lone parents or immigrant families, through measures aiming at reducing unemployment and by providing financial support to those in need. As for the UK NAP, it confirms that good progress has been made in reducing the high levels of child poverty (a key objective in the 2003-2005 NAP) with a view to eradicating child poverty by 2020. However, the initial momentum seems to be slowing down and, therefore, UK should enhance its multi faceted strategy (increase family income through labour market participation; support poor families' income; tackle material deprivation; ensure high quality services for poor families)to this end.

An element that emerges from the Implementation Reports is the limited focus on children's and young people's rights and their very limited involvement in the social inclusion process, which is partly reflected in the lack of use of indicators which define children and young people's experiences of poverty and social exclusion from their own perspective. An exception is the National Longitudinal Study on Children mentioned in the Irish NAP and involving 18.000 children in total, which will provide a valid source of data as regards the impact on child development by a wide range of policies.

Preventing poverty and social exclusion of children should remain a priority for the Member States and, having been identified as a key issue in the Conclusions of the European Council

on the revised Lisbon process last March, it should occupy one of the top places on the Member States' national agendas on social inclusion.

8.5. Areas Marked by Exclusion

A majority of Member States reports on measures implemented in favour of areas marked by exclusion. However, the information on evaluation of policies is generally rather scarce.

As regards *combating regional inequalities*, regional development programmes aiming at employment creation are referred to. Assessing the impact of these programmes is difficult. The Laeken indicator on regional cohesion in Greece has considerably improved, but the risk of poverty remained significantly higher in rural areas (42%) compared to urban areas (16%). In Hungary, guaranteeing access to public services is one of the implementation priorities as regards the general objective of reducing regional disparities.

EU rural development policy contributes to the fight against poverty in rural areas. Member States are implementing, during 2000-2006, rural development programmes and Leader+ programmes. These actions contribute to creating and maintaining employment and improving the quality of life in these areas, helping in this way to fight poverty. These are not fully reflected in several of the implementation reports. However, a number of implementation reports do give details on tackling *disadvantages faced by rural areas*. Under the heading of 'prevention of the risk of exclusion', Greece implemented a variety of rural development programmes, local employment initiatives and social services for elderly people. Hungary reports detailed figures on progress in creating equal opportunities in access to different public social services, especially in small settlements. Ireland presents the 'Rural Transport Initiative' that has addressed after an extensive consultation process the particular needs of rural areas as one of its examples of good practice. Portugal has recently launched a 15 M€ 'Programme for Inclusion and Development' targeting marginalized and depressed areas. In recognition of existing shortages, the UK focused (under the objective 'Preventing the risk of exclusion') on improving access to affordable housing for those who live and work in rural areas.

Measures to help *deprived areas and disadvantaged neighbourhoods* have been implemented in a majority of Member States. In an attempt to apply a holistic approach to urban development, Denmark has launched 12 neighbourhood improvement projects. In Germany, the 'Local Capital for social purposes' has been implemented in 286 areas in the context of the 'Social city' programme. France has promoted urban renovation through extending the previously 44 areas by adding 41 newly eligible neighbourhoods. The Hungarian 'Urban regeneration of urban areas' programme intends to improve slums in segregated urban areas in Budapest and 18 towns. In the Netherlands, an 'Urban Policy Programme' that started in 1995 intends to enable cities to respond better to local conditions. In a report published in early 2005, the UK presents an evaluation as regards progress made in tackling disadvantage in deprived communities over the course of five years. The UK has a wide range of area-based initiatives targeted on the most disadvantaged communities such as Flagship – Neighbourhood Renewal Strategy (and Fund), Local Strategic Partnerships to "bend" mainstream interventions and other specific schemes such as New Deal for Communities. The European Structural Funds focussed on Community Economic Development in the worst-off areas also make a strong contribution. The Northern Ireland Anti-Poverty Strategy is highlighted in the UK implementation report as an example of good practice.

As regards the **updates 2005-2006** of the NAPs, most Member States foresee only minor, if any policy changes. France decided to double some funds for cities with very deprived communities. The new Portuguese government prioritised the allocation of resources to disadvantaged rural areas. Regenerating deprived neighbourhoods as regards housing, health and accessible public transport is one of the four key priorities and related actions over the next few years.

9. MOBILISING ALL RELEVANT BODIES

There is widespread recognition across all update and implementation reports of the importance of mobilising and consulting with all actors in support of social inclusion policies. This has been put into practice through arrangements for preparing action plans and reports but also through longer term schemes that have been put in place to embed the objectives of the EU's social inclusion process into their policy making systems. Most Member States have used committees involving relevant ministries and agencies to co-ordinate the preparation of the NAPs and reports. Almost all have also consulted with a range of different actors (social partners, regional and local government, NGOs). However, there is a great variety in the extent of co-ordination and the depth of consultation. Some directly involve ministries and representatives of other actors on working groups drafting NAPs where others limit the involvement of non governmental actors to meetings, seminars and written submissions and comments.

However, many reports tend to be quite descriptive, and little evidence is provided on analysis or assessment of the impact of this increased involvement. The NAP process seems to have made a useful contribution to an improved climate of cooperation between central authorities and other actors and bodies involved, promoting mobilisation, and enhancing participation, as well as developing increased co-ordination across government ministries and, in some cases, between the national, regional and local levels of governance. However, several Member States recognised themselves that current arrangements are not completely satisfactory and that co-operation and consultation with the different partners need to be improved to achieve a more effective and coherent approach to preventing and tackling poverty and social exclusion.

9.1. Promoting the participation of people suffering exclusion

The participation of people with experience of poverty to the NAPs process is widely acknowledged in the reports as being an essential contribution to the elaboration and implementation of effective social inclusion policies. The challenge remains to put in place structured ways of ensuring this participation.

Most countries extended the participation of the excluded and several countries strengthened their efforts to consult with groups representing the excluded. The most common method encompasses the participation of their representatives (mostly NGOs) in preparatory seminars, working groups and committees. Some countries use existing co-ordinating and consultation arrangements for preparing and assessing their NAPs. However, in some cases further development of these arrangements is stressed. For instance, Belgium has set up two working groups ("actions" and "indicators") bringing together representatives of federal, communities and regions, social partners, organisations in which people experiencing poverty can express themselves and the "Service de Lutte contre la Pauvreté" to submit a report to the interministerial Conference on social integration. In Spain, the participation of

those affected in social inclusion programmes is channelled through a series of Councils and similar consultative bodies, including civil society and national authorities' representatives, to define and co-ordinate coherent policies of integral attention for these groups. In Sweden, a Users Committee, involving the public sector and voluntary and user organisations, was set up in 2003 for consultation and information exchanges in connection with the implementation of the NAP. The Committee also organises national seminars whose conclusions are organised in the form of measures taken by both the public authorities and voluntary organizations. The report acknowledges that, while the experience of the work of the Committee is positive, there is still a need to put in place a system to establish a real user cooperation at all levels of society. In Portugal, a “Non Governmental Forum for Social Inclusion” was established, composed by national, non-governmental entities and representatives from the NAP/Incl intervention areas to ensure that opinions on measures, instruments and programs to strengthen or to include in the Plan would be taken into account. The report recognises, however, that the lack of capacity to involve the excluded represents an important weakness in the execution and effectiveness of policy measures, and that this objective needs to be reflected more clearly and systematically in the implementation of the Plan. Little detail is provided on the presentation of consultation processes by some others (notably Italy and the Netherlands).

While the mobilisation and involvement of actors, including people suffering poverty and exclusion, show some progress, there is little evidence of a direct link between mobilisation of actors and the actual impact on policies and practices. Some countries claim that this involvement has already had some impact on the elaboration and implementation of social inclusion policies, or are assessing the participation of persons living in poverty to the design and the implementation of regional and national policies. Belgium, for instance, stated that account is taken, in the implementation of its national policies, of the conclusions of the yearly European meeting of persons experiencing poverty. In addition, an evaluation study is carried out on the input of persons living in poverty to the report of the Brussels region on the state of poverty. The work of participation of the poor people will be readjusted according to the conclusions of the study. In the UK consultation with, and involvement of, organisations of the community and voluntary sectors has continued to develop considerably since earlier NAPs. The involvement process, both in terms of policy development and evaluation is now more strategic and increasingly structured, allowing for real input to the policy process of those with direct experience of living in poverty.

Arrangements for involving some disadvantaged groups in policy making exist in a number of countries and this contributes to a higher visibility given to issues of such groups in some of the NAPs. In this respect, people with disabilities tend to have the best-organised representation and are accordingly most strongly present in dealings with authorities (including Denmark, Spain, Malta and Austria). In Spain, other bodies for participation of those affected are in place, such as the Consultative Commission for the Programme of Gypsy Development, the Observatory of Equal Opportunities between Men and Women, and the State Council of the Elderly.

9.2. Mainstreaming the fight against exclusion

A key element of the OMC process is meant to be the mainstreaming of social inclusion policies at all levels of policy making.

An interesting element of the reports is that some countries refer to initiatives and actions carried out in the framework of the Community Action Programme to Combat Social

Exclusion. In Hungary the Interministerial Committee to Combat Social Exclusion (ICCSE) is kept informed about the activities under the Programme. Belgium was among the promoters to ensure that the European meeting of people experiencing poverty becomes an annual event on the European agenda – and funded under the EU Action Programme – and, as mentioned above, takes account of the conclusions of these meetings in the implementation of its policies. Denmark and the UK mentioned the Peer Review exercise supported under the Programme as a key element of the OMC and stressed seminars hosted in their countries and participation as peers in other seminars. The UK also highlights the organisation of the 4th European Roundtable on Social Inclusion to be held in Glasgow in October 2005, aiming at involving key actors and focussing on taking stock of progress towards the Lisbon objectives in the light of the seven key priorities set out in the Joint Report on social protection and social inclusion.

The National Level

Reports show some progress in efforts for strengthening institutional arrangements to mainstream a concern with poverty and social inclusion. Interdepartmental committees and working groups to co-ordinate and mainstream policies on poverty and social exclusion have been set up in several countries.

In France efforts are in particular founded on coordination between ministries via a steering tool based on objectives accompanied by performance indicators. An interministerial committee of fight against exclusions (CILE) is chaired by the Prime Minister and assisted by a Standing Committee made up of the ministers' representatives. CILE also created a horizontal policy document on social inclusion (DPT) under the organic law concerning the finance laws, aiming at encouraging coordination, by a leader minister, of actions falling within the competence of several ministries and programmes. In Hungary an Interministerial Committee to Combat Social Exclusion is involving all relevant government departments in the planning and monitoring of the NAP, promoting an integrated approach. Lithuania has established a NAP supervisory group which will report to the Government. In Luxembourg, the interministerial Committee to the social action, which aims at ensuring an integrated approach to poverty alleviation and social exclusion, was enlarged in 2004. In the Netherlands an interdepartmental working group has been established in order to monitor the progress in the targets in the field of Social Affairs, Health, Social Care, Education, Labour, Finance, Justice, Integration and Housing. Portugal clearly stated the importance of strengthening the NAP as strategic instrument for transversal planning, integrating several actors and sectors at public, private, central and local levels in the formulation and development of all policies. This is done particularly through the Interdepartmental follow-up Commission, with representation of the different Ministries and State Secretaries and Regional Governments of the Azores and Madeira. In the UK the Social Exclusion Unit and Neighbourhood Renewal Unit work across Government to promote social inclusion and help improve the lives of the most disadvantaged by tackling issues that cut across Departmental boundaries.

Despite improvements, there is still little evidence that progress has been made in linking the implementation of the NAPs to national decision making and budgetary process. There is also a strong need of a more systematic attention to mainstream social inclusion policies alongside national economic and employment policies, need which is more crucial in the context of “feeding in” into the new Lisbon process.

Decentralisation to regional and local levels

The key role regional and local Governments have to play in developing social inclusion strategies is generally recognised. The establishment of cooperation between the various territorial levels is felt as fundamental for effective development policy and the need to mainstream a concern with social inclusion is expressed at all levels of governance. Representatives of regional or/and local communities were included in several committees and working groups developing the NAPs. Coordination between different levels of governance in terms of preparing and implementing plans seems to be gradually increasing in several Member States as the process develops. However, information about implementation at local level remains insufficient. This appears to be particularly challenging for those countries with strongly devolved regional administrations (including Belgium, Germany, Italy and Spain).

In some Member States emphasis is put on building the NAPs on the basis of strong regional contributions and regional and local action plans on social inclusion are being elaborated in several countries. In Belgium, regions have their own Plans which are incorporated into the NAP. The elaboration and implementation of these plans follow a participative approach, particularly through seminars and round tables. Support is also given at regional level to organisations where people living in poverty can intervene. However, the involvement of the local level is still to be enforced. In Spain 14 regional plans on Social Inclusion have been approved and the main capitals and important cities have presented or are planning to implement their plans. The ambition, in perspective, is that the National Plan will be built on regional plans and these, in turn, on municipal plans. In Italy, most regions have approved their social plans, integrating social inclusion concerns in the development of regional policies in the area. However, and while the ongoing attempt to map out and monitor social protection expenditure at national and sub-national level should prove beneficial, important resources issues related to the decentralisation are still to be determined..

In Hungary, the enforcement of social inclusion aspects in regional planning is promoted by the Regional Social Policy Planning and Development Network and a co-operation agreement has been drafted between the ministers responsible for youth, family, social affairs and equal opportunities, the minister responsible for regional and territorial issues and the regional development councils. In Portugal, the "Strategic Project for Participation" aims at moving from a Plan which is elaborated centrally into a Plan which is based on different perspectives and input collected at central and local level, from public entities and representatives from civil society.

Greece acknowledges that an increased cooperation of central government with regional and local authorities needs further improvement to translate governance mechanisms into concrete actions in social policy related areas. In Ireland, the Office for Social Inclusion works with relevant Departments, with regional and local structures and with the Combat Poverty Agency to strengthen the focus on the regional and local implementation of the NAP/inclusion. The Local Government Anti-Poverty Learning Network promotes and supports the development of a strong anti-poverty focus within a reformed system of local government, providing a forum in which local authorities can share experiences and best practice and consider how to make the maximum contribution to policies to tackle poverty and social exclusion.

Other reports put a clear accent on further decentralisation of responsibility to the local level. In France, there is a stronger effort to ensure a better articulation between national and local levels in a context of increasingly important decentralisation. In this respect, the "chartes de cohésion territoriale" should allow central authorities, thanks to an institutional and associative broad partnership, to create favourable dynamics for the development of local action plans. Some countries emphasise the role of municipalities and the need to encourage horizontal co-operation in local action plans during implementation. In the Netherlands, the Urban policy (GSB), established in 1995, includes long-term agreements between cities and the national government, better co-operation at national level and interactive policy formation. The cities are responsible for the implementation of the GSB while the national government offers financial support for consecutive periods of a five-year. The third GSB programme covers the period 2005-2009. In Finland, involving local level, responsible for delivering the services, in the planning work is further felt to be a challenge. One example of a "bottom up" consultation mechanism covering municipalities is the statutory regional evaluation of basic services, conducted by five State provincial offices with the aim of determining accessibility and quality of basic services within each province.

While there is a progress in reinforcing links to the regional/local levels when designing policies, the analysis of the impact of particular policies at regional/local levels is still often missing.

Monitoring and Evaluation

Regular monitoring and evaluation are essential tools for effective implementation of the social inclusion strategy and for ensuring that the NAPs remain at the centre of policy debate. The need for comprehensive evaluation is broadly acknowledged and all countries propose that it should be done, either by existing committees or by establishing special bodies. Only a few reports, however, provide some evidence that a more comprehensive and systematic approach to monitoring implementation and to review and assess their NAPs is now in place. Effective monitoring is also hampered by the lack of relevant and timely data as well as by a limited target setting. This highlights the need to develop capacity and data sources necessary for improved policy impact assessment. The lack of clear and formal institutional arrangements for monitoring and assessing the implementation and impact of the NAPs on an ongoing basis, involving relevant stakeholders, undermine the possibility of producing a rigorous and informed implementation report.

Ireland makes a systematic effort to put in place effective mechanisms to assess the implementation of the NAP. The process of monitoring and evaluating progress against NAP's targets has been coordinated over the past two years by the new Office for Social Inclusion (OSI), which has to publish an annual report to Government on progress. In France, the national Council of the policies to combat poverty and social exclusion (CNLE), responsible for the monitoring of the social inclusion policies, has recently been enlarged to social partners and other organisations. Strategic measures of the previous Plan are subject to a follow-up twice a year through an input from all the departments concerned. Statistical monitoring of progress towards quantified objectives is established halfway and at the end of the period. In Greece, decentralised service structures are meant to contribute to appropriate monitoring and evaluation of policies and needs at the local level. Steps have also been made in improving and reinforcing mechanisms to evaluate and monitor policies within the framework of the NAP/incl. Spain provides for the monitoring and assessing by the Interministerial Commission of the NAP and a report on the impact of the NAP from the Economic and Social Council. Involvement of the Autonomous Communities is channelled

through the Special Commission for the pursuance and evaluation of the NAP. Monitoring and evaluation are also done at the municipal level by the Social Services Commission of the Spanish Federation of Municipalities and Provinces. However, report still shows the need for better co-ordination between the different policy measures.

In Italy the monitoring system in place is still incomplete; this makes difficult to evaluate the achievements of the plan. However, ongoing projects (particularly on the National Fund of Social Policies) could bring about an improvement in the capacity to monitor expenditure and evaluate policies. Also in Portugal an efficient information system to monitor and evaluate policies needs still to be developed. Structures are in place for conceiving, monitoring and evaluating the NAP (the Inter-ministerial Commission, the NGO Forum and the Social and Economic Council) and the monitoring process is based on a Follow-up System supported by indicators. However, the report itself acknowledges that it is important to make a greater effort, so as to overcome the difficulties in progressing towards the objectives set in 2003.

The involvement of different actors in monitoring and evaluation bodies and mechanisms is highlighted in some countries. Belgium has taken the opportunity to review extensively its approach with a broad range of actors. Luxembourg involved representatives from social partners and NGOs in the assessment process and their assessment of NAP measures is enclosed as an annex to the national report. In Finland, an overall assessment of the NAP was carried out in a seminar organized in June 2005. However, the results of the measures will be assessed separately at a national event to be arranged in autumn 2005, when updated statistics will be available. This autumn review event will become a permanent practice, providing a useful contribution to strengthening the monitoring on the NAP/incl. process. In Cyprus, a Special Working Group has been set up, involving representatives from the governmental sector, social partners and NGOs, to monitor and assess all policy developments on social inclusion. In addition, a one-day seminar was organised in March 2005, bringing together representatives from the government, NGOs, social partners and academic institutions to analyse the priorities and the process for implementing the Plan.

9.3. Promoting dialogue and partnership

Reinforcing dialogue at National level

Several Member States have taken or are in the process of taking significant steps to ensure structured and ongoing dialogue between different actors at national level by establishing commissions or consultative committees involving the different actors.

In Belgium, there has been a broad public debate about anti-poverty policy to coincide with the 10th anniversary of the General Report on Poverty. An evaluation of progress made due to the NAPs process took place at a national colloquium held in February 2005. The results of these exchanges will be reworked in working groups and included in the 3rd bi-annual report of the "Service de Lutte contre la Pauvreté" (December 2005). In Germany, the Federal Government launched a broad dialogue with all relevant actors in the field of social inclusion. A wide campaign (FORTEIL – forum of participation and social integration) has been launched in close co-operation with Länder and NGOs, in order to deepening the discussion about social exclusion issues in the wider public and further developing the strategic approach to strengthen social participation. In Spain Consultative collegiate bodies, involving policy makers, NGOs, observatories and diverse forum, consolidate a participation structure for the planning, co-ordination and joint decision making of social policies.

Hungary established in 2005 a methodological working group (METOD) under the auspices of the Interministerial Committee to Combat Social Exclusion, consisting of academic experts, ministries and associations of local governments, responsible for consultations and recommendations relating to the Laeken and national indicators as well as for recommendations to the Government concerning data needs in this area. In Ireland, in April 2003 the current national partnership agreement, *Sustaining Progress*, set down a major part of the agenda for the further development of the NAP/inclusion through the agreed commitment to pursue a series of special initiatives on the basis of dialogue between Government and all relevant partners. A NAPS Social Inclusion Forum organises national meetings with all social inclusion stakeholders. In Malta an Office for Social Inclusion was established in March 2005, aiming at coordinating, collaborating and mobilizing all the different actors to ensure a concerted approach. The Office was launched through a wide ranging consultation with key stakeholders on policy measures to update this report. In the UK, shared working arrangements with the NGOs in a forum called the Social Policy Task Force were developed. A key outcome of this partnership has been the setting up of a time limited *Participation Working Group* (PWG) to advise on future engagement with people experiencing poverty in developing social inclusion strategies. In addition, the “New Deal for Communities” aims at tackling multiple deprivations in the most deprived neighbourhood in the country in an intensive and co-ordinated way through partnership with public agencies, local business, voluntary bodies and the local residents.

The Greek Report acknowledges that the establishment of the National Committee for Social Protection for the promotion of social dialogue to combat poverty and Social Exclusion still needs an upgrading and a more effective utilisation. In France, a national conference, in July 2004, followed by an interministerial committee of fight against exclusion, made it possible to strengthen the exchanges between the various institutional bodies, associative actors, elected representatives and social partners. In Italy, alongside the work of different observatories in areas relevant for to social inclusion, it is worth mentioning the work of the Commission on poverty and social exclusion, consisting of academic experts and civil society representatives. In Portugal, the "Social Network" with its local approach to the identification of problems and planning of social intervention was consolidated. A national seminar presented the results of a series of workshops and served as a basis for drafting the 2005 Implementation report.

Promoting Partnerships at local level

Reports show a growing emphasis on ensuring that the integrated approach at national level is translated into integrated action on the ground. However, more needs to be done to ensure that key policies at local level can respond to the multiple dimensions of poverty and social exclusion.

In the UK Local Area Agreements (LAA) are providing a valuable opportunity to social exclusion to the forefront of local community planning. LAA prepared by the first 20 pilot local authority areas were signed off in March 2005 for delivery from 2005/06. In Austria, an intensified cooperation is taking place at local and regional level, between authorities, NGOs, social partners and social services providers through the Territorial Employment Pacts, co-funded by the European Social Fund.

A key factor in increasing the role of local and regional, authorities in the NAPs/inclusion process is to offer support for capacity building in these bodies. Strengthen the institutional capacity of local authorities is seen (Cyprus) as a key step for an effective implementation of

the NAP/inclusion. In Greece, municipal authorities have been offered the opportunity to upgrade their role and actively contribute to meeting the needs of local communities.

NGOs and civil society

The role played by NGOs in the fight against poverty and social exclusion is widely acknowledged. However, cooperation needs to be further strengthened in many Member States to promote and ensure a real consultation and this raise in particular the issues of resources and capacity building.

With the aim of mobilising civil society, Cyprus government states its commitment to supporting the volunteer sector and to initiating new policy measures, by improving the capacity of Volunteer Organisations to address social exclusion. Portugal aims at encouraging the emergence and development of organizations which integrate disadvantaged populations, promoting their capacity in the decision-making process, through the Technical and Financial Support for NGOs.

Tax revenue is in some countries (including Hungary and Spain) available to support the financing of NGOs. In Hungary taxpayers may donate 1% of their personal income tax to the NGO of their choice since 1996. In addition, since 2004, the central budget has matched the amount donated by taxpayers to NGOs under the National Civil Fund Programme. In Spain financial support is given to the NGOs for investment and maintenance, and for the performance of social programmes aimed at the social inclusion of disfavoured people and groups through the General System of Social Action, and the programme of subsidies charged to income tax. A reform of the grant system makes now possible for the NGOs to elaborate multiannual programming, aiming to provide more stability to the NGOs and to reduce the number of fixed-term contracts in this sector. Central authorities maintained the collaboration agreements with the Autonomous Communities for developing projects for social mobilisation in the area of social exclusion through the Volunteer Plan. In Austria both federal government and provinces support NGOs and umbrella organisations of NGOs.

Some countries make also clear the contribution of NGO networks in advancing the debate on policies. For instance Hungary highlights the role of the Hungarian Anti-Poverty Network, member of the European Anti-Poverty Network (EAPN). In other countries cooperation with central actors like the national Anti-Poverty-Networks needs to be developed and made more visible.

Social Partners

The role of social partners in designing social inclusion policies and in their implementation is recognised. Several countries report that social partners have been involved in the development of the NAPs, normally through existing consultative arrangements, directly in the drafting process or at least consulted. However, it is difficult to assess whether and to what extent this involvement is really proactive. Their mobilisation seems, however, remaining limited and little attention is given to their potential role as actors in designing social inclusion policies.

Public awareness

The need to build public awareness of the social inclusion and the NAPs and its role for mobilising the involvement of relevant actors is recognised, but there are few arrangements

in place yet. Even in those countries where the process has had a significant impact, it remains very little known by the general public. Knowledge at both national and, especially, local levels seems limited to a narrow group of officials, NGOs, social partners and experts. There is a broad agreement that increasing awareness on the OMC process is a key strategic challenge for the future.

However, some reports highlight efforts to increase awareness. In Ireland the development in 2004 of a communications strategy by OSI may help to increase public awareness of the NAP process. A communication strategy was also developed by OSI during 2004, with the production, in December 2004, of the first information leaflet on poverty issues, and the launch of OSI's website (www.socialinclusion.ie), including, inter alia, the text of the NAP, OSI first Annual Report and relevant publications, details regarding poverty measurement and links to social inclusion activity at a local, national and international level. In Sweden, in connection with the Government Offices' public programme on the Europe Day, on 9-11 May 2005, an open seminar was held on the EU's cooperation on poverty and social exclusion, with the purpose of raising awareness among the general public about the ongoing EU process. The seminar was broadcast live by the SVT 24 channel, and on the government's external web. In the UK the NAP has been used as a means of communicating issues of poverty and social exclusion to a wider audience. This has enabled people with experience of poverty to have voice in the debate and has enabled exchange of good practice between all relevant actors. The Social Policy Task Force (SPTF) a network of umbrella non-government organisations was also established to develop awareness of and participation in the NAP.

Cyprus report stresses the need for social partners, NGOs and local authorities to increase efforts to raise awareness amongst their members and the public in general on the NAP/Incl. Portugal refers to significant efforts been made for raising awareness by the stakeholders involved at local level. However, no detail is given on concrete measures.

At the end of the process most plans have been formally approved by the cabinet. This can contribute to bring the social inclusion issue on the political agenda in these countries. This happens, for instance, in Lithuania where the NAP Update was adopted for the first time at Government level.

The role of national parliaments for an effective implementation of the social inclusion strategy and for ensuring that the NAPs remain at the centre of policy debate is still not adequately taken into consideration and their level of involvement in either contributing to or commenting on and monitoring the OMC processes remains generally very limited. Only a minority of Member States actually submit plans to national parliaments. The Swedish plan stresses that, if the NAP is to have the impact, Parliament must give it active consideration and call attention to the importance of the issues raised.

Social responsibility of business

Promoting the social responsibility of business is featured only in a few NAPs. For example, in Spain a Technical Commission of Experts to enhance the Corporate Social Responsibility has been created in July 2003, in order to draw up a theoretical framework of practical application in the CSR. In Portugal the debate on this issue is still very recent. The plan stresses the need to encourage companies to take social responsibility to combat poverty and social exclusion. The RSE Portugal (Portuguese Association for the Social Responsibility of Companies) has particularly mobilized SME towards these responsibilities.

ANNEX 3: EXAMPLES OF GOOD PRACTICE

This annex contains a summary of the examples of good practice proposed by Member States in their implementation reports. An analysis of these good practices and a more detailed discussion on good practice in the social inclusion process is contained in chapter 4.

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
1. EMPLOYMENT			
DE	Local Capital for Social Purposes	Small budgets (max. € 10,000) for micro-projects to enhance local employment.	
ES	Traperos de Emaús Navarra	This non profit organisation provides stable employment for 121 people from groups with difficulties in accessing the regular labour market. Its main activity is waste collection and recycling.	
LU	La société 'Polygone'	'Polygone' initially was created as a social economy enterprise. However, in twelve years this enterprise transformed into a common economic enterprise opposing daily competition. Today, Polygone offer a job to 150 employees.	
MT	Employment and Training Corporation	This corporation signed a series of cooperation agreements with NGOs and seek to address the employment and training needs of socially excluded groups.	
PT	Supported Employment	This project consolidated a methodology of guidance-training-integration which supposes a close link with the labour market (before and after inclusion) and with the regular structures of education. The model is based on the assumption that most people can be included in the regular system of training and employment and in the open/competitive labour market.	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
SE	The Equal partnership Empowerment for the Future	This partnership, part of the EC Equal Project in the area of Social Economy and Social Enterprise organises vocational training, a course in social mobilisation and independent workplaces for socially excluded and especially former drug users.	
IT	"Futura" project	This ESF-funded project provides working women with children under 3 years of age and women willing to take up work or training with vouchers that can be spent to purchase care services	
UK	Pathways to Work Pilots	This programme offers early, tailored support for people claiming/receiving incapacity benefits to help them plan a return to work.	
IT	Crafts and Skills Fair	An orientation workshop extending over 7,000 square metres provides youth between 14 and 20 with a wide array of educational and work services	
2. MINIMUM INCOME / SOCIAL SAFETY NET			
GR	Social Services Network	Using the existing local government's infrastructure, the network provides primary support on a personal basis to persons or groups at high risk of social exclusion. This primary support consists mainly of guiding and helping to find the way in the field of social services and in following up and supporting beneficiaries after they have completed a programme.	
IT	Social insertion of child beggars	Over one thousand children beggars have been supported by this project that aims at promoting social insertion of children who are forced, often by their parents, to live off the streets of Rome	
IT	Small loans	In order to prevent a fall into poverty,	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		small loans are given to families in Liguria who due to sudden and temporary circumstances find themselves in financial difficulties	
3. HEALTHCARE			
IE	Building Healthy Communities Programme	The objective of this programme is to establish community participation in tackling poverty and health inequalities. In phase 2 (2005-2007) the programme has an annual budget of € 180,000. This should help creating awareness, interest groups, participation also of disadvantaged people and working relations between community groups and service providers.	
PT	FORCII project	This project constitutes a community support network for clinical care at home, also with attention for palliative care procedures. It includes, among others, a 24h/day call centre for information so that patients do not have to go unnecessarily to the emergency of a hospital.	Partnerships
4. HOUSING			
BE	Multi-annual action programme on living on tourist sites	(Walloon region) This programme must lead to the socio-economic (re)integration of people living on camping and weekend sites.	
5. EDUCATION			
FR	la Validation des acquis de l'esperience (VAE)	People can now have their professional experience validated to obtain a higher degree in social work – what is very important because a shortage of social workers is expected. So, the courses are both modernised as personalised by better taking into account individual routes.	Social sector employment
GR	Learning the Greek language	This is a training programme for unemployed repatriates, refugees and	Immigrants

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		immigrants to improve their employability. In the first circle, 78% of 6,709 participants acquired the Greek knowledge certificate.	
MT	Foundation for Educational Services	This foundation worked out the Family Learning Support Initiative. It supports teachers and parents to work together as partners to raise literacy standards and to ensure that children, especially those most at risk of educational failure, gain literacy skills and cope with their school curriculum and in their lifelong learning journey.	
IT	Implementation of Law 162/98 in Sardinia	Personalised services for severely disabled people are provided in the framework of Law 162 that states the legal right of severely disabled people to an independent life	
6. CULTURE, SPORTS, LEISURE			
BE	Social and cultural participation	To promote social and cultural participation and development of social assistance beneficiaries in 2005 € 6.2 million was made available by the federal government for the public centres for social assistance (OCMW/CPAS). This is done because social integration can not be limited to stimulating employment, among other reasons because some people can not be activated.	
IT	"Free Earth Project"	Assets previously the possessions of organized crime are put to use for social purposes in Calabria. The beneficiaries are local administrations, enterprises and cultural and sports associations	
7. INDEBTEDNESS			
NL	Debt Rescheduling Natural Persons Act (Wsnp)	This law from 1998 installed a last resort debt rescheduling system through the judicial system for people who are not able to pay their debts	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		and could not arrange an amicable settlement. This should avoid people being pursued for years and personal bankruptcies. After an evaluation in 2001 some amendments are proposed. One of them aims at using stricter selection procedures to decrease the premature dropout. Success factors of this system are a quantitatively and qualitatively sufficient supply of administrator, a knowledge centre and computerised system, confidence with creditors and a new future for debtors.	
8. HOMELESSNESS			
DK	Special housing for homeless people	A pilot project (1999) for special housing for homeless people who have difficulty settling down in conventional residential estates or existing residential facilities ('Freak Houses') is prolonged for four years.	
9. MOBILITY			
IE	Rural Transport Initiative (RTI)	In rural areas it is difficult to provide commercial public transport. With the RTI local need responsive initiatives are planned and coordinated by all the stakeholders, which resulted in 2004 in 500,000 passenger trips. This increases independence and access to services. The funding is increased in 2005 from €3 million to €4.5 million (€5 million in 2006).	
10. FAMILY SOLIDARITY / CHILDREN			
AT	Kinderbetreuungsgeld (Child care money)	Monthly amount (€ 436 + € 181 for low earning single parents and single earners) to offer parents (including non-insured) the possibility to take care of their children (up to 30 months or 36 when both parents take up the care for their children). The parent, who receives this child-care-money, is still allowed to earn a labour market income up to € 14,600, this to	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		enhance the work-family relation.	
11. TO HELP THE MOST VULNERABLE			
11.1. IMMIGRANTS⁴³			
DE	Immigrant Social Work North Rhine-Westfalia	Restructuring and Future Developing Immigrant Social Work in North Rhine-Westfalia	
GR	'ESTIA' – Electronic support Network for asylum seekers and refugees	ESTIA is a unique documentation centre to which various bodies in direct contact with the target groups can connect (job or dwelling services, legal or psycho-social counselling, medical support, training or/and language lessons). Double registration and overlaps in services are avoided, and most importantly, the harassment of those receiving the services who used to be sent from one authority to another. Every serving body is also able to know whether a visiting beneficiary has ever addressed any of the other bodies in the network, the reason, the tie, whether the request was satisfied or remains pending.	Partnerships
11.2 ROMA			
ES	Municipal programme of eradication of shanty towns in Avilés (Asturias)	In a framework of a National Programme for the Development of the Roma, its overall objective was to eradicate shanty areas by providing non segregated housing along with support measures for the socio-labour insertion of the Roma population and the encouragement of intercultural coexistence.	Housing
11.3 OTHER VULNERABLE GROUPS			

⁴³

A valuable source of good practice in the area of integration of immigrants is also the "Handbook on Integration for policy-makers and practitioners elaborated in cooperation with the network of National Contact Points on Integration and published in November 2004. See http://europa.eu.int/comm/justice_home/doc_centre/immigration/integration/doc/handbook_en.pdf <http://www/>. Currently, the second edition is being prepared.

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
BE	Support unit for mental health/social exclusion problems	(Region of Brussels – Capital city) This unit aims to develop new professional methods and to start a dialogue between direct stakeholders to obtain a better view on the needs of the target group. Furthermore, an interdisciplinary mobile team will support partner institutions.	Healthcare
DE	Goal Agreements to Create Freedom from Barriers	Agreements concluded between recognised associations that represent the interests of disabled people and companies (or associations of) within the framework of contracts under civil law. Already implemented in tourism ('barrier-free offers in Hotels and catering') and in a triple negotiation for transport (on stops, platforms and airport systems).	Disabled persons
DK	Special activities against trafficking in women	A responsible police officer will be appointed per district, and centrally a training coordinator is hired. This coordinator will also function as the police contact to NGOs.	
MT	Richmond Foundation	The foundation provides a number of services that help persons experiencing mental illness to live a life of good quality within society. The services provided include, among other issues, housing, support to manage their home and skill training in activities of daily living and employment. Further, the foundation also promotes to educate society to accept individuals having different needs.	
12 ACCESS TO RIGHTS AND PUBLIC ADMINISTRATION			
FR	La HALDE (Haute autorité de lutte contre les discriminations et pour l'égalité)	This High Authority started in May 2005 and is competent for all discrimination matters. It can be seized directly by a victim or an intermediate, or by the High Authority itself. A second mission of the	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		Authority is to promote equality by, among other things, pursuing research and recommending legislative modifications.	
13. PROMOTING DIALOGUE AND PARTNERSHIP			
BE	Experts with experience in poverty	(Flanders) People who are experienced in living in poverty receive a training course after which they can form a bridge between the world of poverty and all organisations which are combating poverty.	
	Government action plan on gender equality, intercultural integration and social inclusion	Different ministries agreed to tackle these issues horizontally, each providing yearly follow-up reports.	
CY	Special Working Group	This group of partners, which consists of representatives from the governmental sector, social partners and NGOs, has to monitor and assess all policy developments on social inclusion and to ensure transparency through an open dialogue.	
	One-day seminar	This seminar brings together all stakeholders to analyse the priorities and the process for implementing the NAP/Incl.	
ES	Consultative collegiate bodies	Consultative collegiate bodies, which assemble policy makers and NGOs, observatories and diverse forums, have been introduced for more than a decade and consolidate a participation structure for the planning, coordination and joint decision making of social policies.	
FR	Social inclusion cross cutting policy document Le "Document de Politique Transversal"	The new ' Social Inclusion ' Cross Cutting Policy Document ("Document de Politique Transversale" = "DPT") should encourage the coordination of several ministries and of several programmes which deal with the fight	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
	(DPT) 'Inclusion sociale'	against social exclusion.	
IE	NAPS Social Inclusion Forum (SIF)	This forum organises national meetings, prepared in smaller committees, with all social inclusion stakeholders.	
MT	ACCESS Complex	The Complex is a network in the social welfare sector in the Cottonera region. It aims to be both a resource centre as a centre of activity, targeting at unemployed, persons with disabilities, children and families etc. Projects the network has already worked out include, among others, a Job Club for young unemployed, Smartkids Family and Childcare centre and Women in Work.	
PT	IDEIA Project	(Inclusion initiative for the development of companies in the Azores): This initiative creates a network for existing social economy and social solidarity companies. Its direct aim is to promote cooperation, but the ultimately to enhance the social-professional integration of people in a situation of poverty and social exclusion with the greatest possible sustainability.	Employment
SE	The Committee for User Influence in social development processes	This involves a partnership between the public sector and voluntary and user organizations for consultations and information exchanges in connection with implementation of the national action plan against poverty and social exclusion. It also organises seminars for MP's, government offices.	
UK	The Northern Ireland Anti-Poverty Strategy	This strategy consists of a restatement and grouping of the Government's main approach to addressing the issues associated with poverty and social exclusion. It creates among	

MEMBER STATE	TITLE OF MEASURE	SUMMARY	RELATED TOPIC AREAS
		others an inter-departmental and cross-sectoral forum.	
	Working in Partnerships with EU Colleagues	Northern Ireland is a partner in a two stage EU funded project. The first stage of this project compared approaches across different EU Member States. The second stage has sought to develop practical guidance on mainstreaming social inclusion into policy, budget and programme development.	
	The New Deal for Communities	This partnership aims to tackle multiple deprivation in the most deprived neighbourhoods in the country in an intensive and co-ordinated way through partnerships with public agencies, local businesses, voluntary bodies and the local residents.	

ANNEX 4: KEY POLICY PRIORITIES

The seven key policy priorities identified in the 2005 Joint Report on Social Protection and Social Inclusion were substantiated by the implementation reports. They are:

1. **Increasing labour market participation:** Seen as the most important priority by most Member States, this translates into expanding active labour market policies and ensuring a better linkage between social protection, lifelong learning and labour market reforms so that they are mutually reinforcing.
2. **Modernising social protection systems:** This means ensuring that sustainable social protection schemes are adequate and accessible to all and that benefits aimed at those who are able to work provide effective work incentives as well as enough security to allow people to adapt to change.
3. **Tackling disadvantages in education and training:** Emphasis is being laid on preventing early departure from formal education and training; facilitating the transition from school to work, in particular of school leavers with low qualifications; increasing access to education and training for disadvantaged groups and integrating them into mainstream provision; promoting lifelong learning, including e-learning, for all. Many recognise the need to invest more, and more efficiently, in human capital at all ages.
4. **Eliminating child poverty:** This is seen a key step in combating the intergenerational inheritance of poverty. Particular focus is given to early intervention and early education in support of disadvantaged children; and enhancing income support and assistance to families and single parents. Several countries also put increasing emphasis on promoting the rights of the child as a basis for policy development.
5. **Ensuring decent accommodation:** In some Member States attention is being given to improving housing standards; in others, to the need to address the lack of social housing for vulnerable groups. Several Member States are developing more integrated approaches to tackling homelessness.
6. **Improving access to quality services:** This includes improving access to health and long term care services, social services and transport, improving local environments, as well as investing in adequate infrastructure and harnessing the potential of new, accessible ICT for all.
7. **Overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants:** The fight against high levels of exclusion experienced by such groups involves a mixture of increasing access to mainline services and opportunities, enforcing legislation to overcoming discrimination and developing targeted approaches. The difficulties faced by the Roma require special attention.

ANNEX 5: COMMON OBJECTIVES IN THE FIGHT AGAINST POVERTY AND SOCIAL EXCLUSION, 2002-2005

1. To facilitate participation in employment and access by all to resources, rights, goods and services

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 life-long learning.

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.

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. *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 such as those affecting immigrants.
- b) To move towards the elimination of social exclusion among children and give them every opportunity for social integration.
- c) To develop comprehensive actions in favour of areas marked by exclusion.

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

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