Survey on Social inclusion: Theory and Policy

Report Working Paper of

Dirk-Jan Omtzigt

Oxford University
Oxford Institute for Global Economic Development

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**ORIGINS AND DEFINITION OF SOCIAL EXCLUSION**

Ideas about social exclusion date back a long time. Plato’s political work *I nomoi* distinguished the artisans and farmers from the citizens arguing that being a citizen is in itself a full-time job, superior to all others. He subsequently ranked people in three quality groups. In the first group and of the highest quality he placed the philosophers, followed by the citizens and then came the artisans and farmers and finally completely excludes women and slaves, stressing that they should have neither any political nor any social rights. In the Middle Ages and between the XII to the XIX centuries, the socially excluded were those people considered unacceptable by the church (Allard, 1973, p.23). This group included killers, thieves, the poverty-stricken (known as paupers), certain occupations (such as butchers, decorators, mercenaries etc), women, the physically and mentally handicapped, the elderly, the prostitutes, the beggars etc. (Allard quoted by Ward). The importance of being socially included was first articulated in the economic literature by Adam Smith (1776), who described a key component of social life as the ability to appear in public without shame.²

The economic transformation of post WWII Western Europe brought significant changes to the economic fabric of Western countries, alongside the emergence of strong individualism. The result of the economic downturn was not just a lack of income or wealth for certain people or groups. With the weakening of social ties in general and family ties in particular, the consequences of joblessness resulted in what came to be termed as social exclusion - a process that fully or partially excludes individuals or groups from social, economic and cultural networks and has been linked to the idea of citizenship (Lee-Murie, 1999). Former notions of poverty no longer adequately captured this process or state.

The current use of the term social exclusion can, in particular, be traced France in the 60’s and 70’s. We first come across it as a concept in the 60’s in Pierre Massé’s report, *Les dividendes du progrès* (Massé, 1964) and 1965, Jean Klanfé’s *L’Exclusion sociale: Étude de la marginalité dans les sociétés occidentales* (Social exclusion: The study of marginality in western societies). The term is most often attributed to René Lenoir’s work *Les exclus: Un français sur dix* (1974) (The excluded: One Frenchman out of ten). The meaning of social exclusion as laid out in 1970’s France referred to several categories of people labelled as social problem. Remy Lenoir, for instance, spoke of the following as constituting the “excluded”: “mentally and physically handicapped, suicidal people, aged invalids, abused children, substance abusers, delinquents, social parents, multi-problem households, marginal, asocial persons, and other social misfits”. The problem of arriving at a common definition is exacerbated by the fact that the meaning of social exclusion varies across countries (Silver & Miller, 2003), rooted in different traditions and an intellectual and political history (Silver, 1994). The British definition, for example, draws on liberal ideas of Locke, which looks upon individuals as actors who can move across boundaries, therefore social exclusion is the result of active discrimination.

The term social exclusion has been extended by some to include exclusion from livelihood; secure, permanent employment; earnings; property, credit, or land; housing; minimal or prevailing consumption levels; education, skills, and cultural capital; the welfare state; citizenship and legal equality; democratic participation; public goods; the nation or the dominant race; family and sociability; humanity, respect, fulfilment and understanding.\(^3\) However, there is also a need for caution in not using the term too indiscriminately (Sen, 2000) as to lose meaning, support and applicability. In a sense social exclusion has become a term that straddles traditional notions like poverty, capacity deprivation, and underclass. Both have led to lack of clarity as the real meaning of social exclusion. Thus the first task here is to clarify the meaning of social inclusion.

1. **Towards a definition of social exclusion**

There are a multitude of different definitions of social exclusion. The EU defines it as follows\(^4\): Social exclusion refers to the multiple and changing factors resulting in people being excluded from the normal exchanges, practices and rights of modern society. Poverty is one of the most obvious factors, but social exclusion also refers to inadequate rights in housing, education, health and access to services. It affects individuals and groups, particularly in urban and rural areas, who are in some way subject to discrimination or segregation; and it emphasises the weaknesses in the social infrastructure and the risk of allowing a two-tier society to become established by default. The Commission believes that a fatalistic acceptance of social exclusion must be rejected, and that all Community citizens have a right to the respect of human dignity.

In contrast Silver and Miller (2003) define social exclusion as follows: Social exclusion is (1) multidimensional or socioeconomic, and encompasses collective as well as individual resources, (2) dynamic or processual, along a trajectory between full integration and multiple exclusions, (3) relational, in that exclusion entails social distance or isolation, rejection, humiliation, lack of social support networks, and denial of participation, (4) active, in that there is a clear agency doing the excluding, and (5) relative to context.

Definitions are caught between trying to provide an exhaustive list of everything the socially excluded is excluded from and listing the processes underlying the poverty and social exclusion.

The Observatory on National Policies to Combat Social Exclusion, defines social exclusion as in relation to the social rights of citizens “... to a certain basic standard of living and to participation in the major social and occupational opportunities of the society” (Room, 1992. p 14, quoted in ILO paper)


\(^4\) Commission of the European Communities (1993)
Sen (2000) dispenses with listing all dimensions and focuses on social *inclusion*. He states: “Inclusion is characterized by a society’s widely shared social experience and active participation, by a broad equality of opportunities and life chances for individuals and by the achievement of a basic level of well-being for all citizens”. This, however, poses a problem - social exclusion is not the converse of social inclusion, as Hilary Silver points out that ... “there is not a zero-sum relationship in which greater exclusion means less inclusion. Rather, both processes are interrelated and can occur simultaneously.” This is a straightforward result of exclusion as multiple and cumulative deprivation. While there are very few people who are totally excluded in all dimensions at once, there are many more people who are socially excluded in some respects. Social inclusion and exclusion are the inverse of each other only if it is a one dimensional concept.

Moreover, social exclusion is not an isolated concept but there are similar concepts, so perhaps a fruitful way forward is to map how social exclusion overlaps with existing, probably less contested, definitions of poverty, capacity deprivation and class:

- **Poverty (in particular relative monetary poverty) vs Social Exclusion**

We start by a definition of poverty from Townsend (1993): If they lack or are denied resources to obtain access to these conditions of life [diets, amenities, standards and services which allow them to follow the customary behaviour which is expected of them by virtue of their membership of society] they may be said to be in poverty. (Townsend, 1993: 36)

Sometimes poverty and social exclusion are considered virtually identical such as by Howard: 'Poverty and social exclusion are concerned with a lack of possessions, or an inability to do things, that are in some sense considered normal by society as a whole' (Howarth et al. 1998:18).

Poverty, in the narrowest sense, is a monetary concept to do with falling below a certain threshold of income or expenditure. Note that there is not a one-one relationship between poverty and social exclusion. Moreover, a person with income above the poverty line can be excluded from social relations and institutions, and a person with income below it is not necessarily socially excluded. Yet exclusion can be part of a poverty trap and can imply a higher probability of sinking into poverty. At one extreme, social exclusion can be seen as one element within a narrow definition of poverty in terms of the minimum standard of living below which one is absolutely poor. At the other extreme, social exclusion can be seen as an alternative to poverty in terms of understanding the real livelihoods of poor people.

De Haan and Nayak (1995) argue that the potential of the using social exclusion for understanding poverty lies in the fact that that present poverty studies tend to emphasises economic aspects and to pay less attention to political and cultural dimensions of poverty. This sentiment is echoed by Room (1994) who notes that whereas poverty is a distributional, social exclusion focuses on relational issues – inadequate social participation, lack of social integration and lack of power (Room quoted in ILO study).
Overall, poverty, as defined by the 1995 Copenhagen World Summit on Social Development, involves: lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It is also characterised by lack of participation in decision-making and in civil, social and cultural life. (United Nations 1995:57)

These definitions have important features. The Townsend definition incorporates the idea of a minimum threshold which is to some extent relative. In addition, the UN definition incorporates the idea of poverty being a multi-dimensional concept. The broad literature has rightly drawn attention to the multi-dimensionality of poverty: Social exclusion goes beyond material deprivation and extends the notion of deprivation to include social dimensions. Whereas poverty is often seen as a state, social exclusion draws attention to a process of impoverishment.

Social exclusion is arguably a richer and broader concept than poverty with better policy applications. For example social exclusion has identified the role of a lack of access to land and credit, deprivation of political, social and labour rights, ethnicity and state action in reinforcing exclusion. Thus it has allowed the identification of “certain social groups that experience multiple and self reinforcing exclusion, and face persistent disadvantages transferred from generation to generation.” (reviewing the concept of social exclusion – unattributed Inter American Development Bank conference paper)

- Capability Deprivation vs Social Exclusion (Sen)

Nobel Prize economist Amartya Sen, drawing attention to the fundamental link between development and freedom, emphasized that poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of income. There are dimensions of well-being of people that are not easily captured by income or monetary indicators. In particular, Sen argues that the well-being of an individual is best seen as an index of the individual’s functionings (Sen, 1985). Functionings represent parts of the state of an individual, in particular the various things that he or she manages to do or be in leading life. The capability of a person reflects the alternative combinations of functionings the individual can achieve, and from which he or she can choose one collection (Sen 1993). Thus, living is viewed as a combination of various “doings and beings”, with quality of life to be assessed in terms of the capability to achieve relevant functionings. Therefore, the “process” of social exclusion produces a “state” of exclusion that can be interpreted as a combination of some relevant deprivations. (Poggi, 2003)

Thus according to Sen’s capability approach, social exclusion can be understood as the impossibility to achieve some relevant functionings leading to a state of deprivation. For this definition to become operational “the relevant functionings” need to be identified as well as the excluded individuals in every dimension and their degree of exclusion. Sen argues that the purpose of economic development should be to expand ‘valuable’ capabilities
Social Exclusion vs Class (underclass): horizontal vs vertical categorization:

Exclusion is often pictured in terms of geography and distance. When Bill Clinton spoke of inner city problems in 1993, he remarked, “It’s not an underclass anymore, it’s an outer class.” The most eloquent argument of social exclusion as the development of an underclass is put forward by Ruth Levitas. Levitas denotes this as the moral underclass discourse (MUD). The MUD is rooted in neo-conservatism. Levitas describes this discourse as equating social exclusion with the development of an ‘underclass’. This form of discourse invariably highlights the pathology of the poor, the creation of ‘pathological communities’ and a culture of ‘dependency’. The policy implications are “not the extension of citizenship rights, but their greater conditionality, reduction, or removal” (Levitas 1998:18).

But this characterisation is not shared by all, as Touraine (1991) puts it, exclusion is a matter of being ‘in’ or ‘out’, not ‘up or ‘down’. Daly notes that “a ... defining feature is that social exclusion tends towards a conceptualization of deprivation that is horizontal in nature. Central to it is an idea of “distance” or separation from a core of society which consists of people who are integrated into the sets of relationships and groups that are considered “normal.” As a characteristic of society social exclusion is, therefore, distinct from inequality, which derives from a view of social life as hierarchically organized with access to economic resources as the most critical criterion. Looked at through the lens of social exclusion people are excluded not necessarily because of where they are placed on the class hierarchy but because of their remoteness from the core of.”

2. Social exclusion as an overarching concept

Perhaps the concept of social exclusion straddles the other concepts as it draws attention to social exclusion as multi-dimensional poverty - it stresses the logic of ‘cumulative disadvantage’ that affects the most deprived segments of the population (Silver and Miller, 2003) - the idea of distance to the core of society and capability deprivation and lack of functionings.

From the above we can construct a comprehensive definition of social exclusion. De Haan (1999) lists the following distinguishing features of social exclusion:

1. It stresses the multidimensionality of deprivation
2. It stresses the personal relationship dimension of deprivation
3. The concept has brought to the fore causal linkages between different forms of deprivation

This allows us to arrive at a definition. Social exclusion is the ‘inability to participate effectively in economic, social, political and cultural life, alienation and distance from the mainstream society’ (Duffy 1995) or 'the dynamic process of being shut out ... from any of the social, economic, political and cultural systems which determine the social integration of a person in society' (Walker and Walker 1997:8).
MEASUREMENT OF SOCIAL INCLUSION/EXCLUSION

The definition of social exclusion naturally leads us to ways of measuring it. Not all scholars agree that the notion of social exclusion lends itself to being measured. Yepez (1994) suggests that social exclusion is a pivotal concept which aims less to identify contours of empirically observed reality than to highlight the relationships between processes, between micro and macro mechanisms, and between individual and collective dimensions (Yepez, 1994, p 14).

However, we stress the importance of measurability if we want to make the concept operational. And some constructive work has been undertaken, in particular in the European context. There is a developing literature on the measurement of social exclusion and this literature can be divided into two separate branches. The first branch of literature is focused on developing an axiomatic approach to the measure of social exclusion. The second branch of literature is focused on the empirical analysis of social exclusion without developing an appropriate theoretical background.

In relation to the question of indicator properties, a recent report prepared for the Council of the European Union by Atkinson, Cantillon, Marlier and Nolan (2002) identified a set of six basic principles that should be applied to each indicator. These are statistical requirements (taken from Saunders)

- Clarity and lack of ambiguity;
- Robustness and validation;
- Policy responsiveness (and lack of manipulation);
- Comparability (across countries) and consistency (with established international standards);
- Timeliness (but subject to revision); and
- Avoidance of unnecessary informational burden on states, enterprises and citizens.

They further argue that the whole portfolio of indicators should be:

- Balanced across its different dimensions;
- Mutually consistent and appropriately weighted; and
- Transparent and accessible to citizens.

While these are very valid statistical properties they do not in themselves get us to a list of dimension we want to measure social exclusion with.

The second branch encompasses a multitude of ad hoc studies attempting to measure social exclusion. Overall these various lists look very visionary and probably close to the optimal definition we explored in section 2 but the statistical properties are not and measurement look unfeasible and ambiguous. We can illustrate this by examining some of the studies that fall in the second strand of the literature.

The first group are those based on primary data. The Rowntree Foundation sponsored a group of researchers in Bristol (Gordon et al. 2000) to conduct a new Poverty and Social Exclusion survey. This survey examined four dimensions of social exclusion:
(i) income poverty and material deprivation;
(ii) exclusion from the labour market;
(iii) exclusion from public services; and
(iv) exclusion from social relations – this is subdivided into:

a. Indicators of participation in ‘common social activities’, respondents indicated whether they considered an activity essential, whether they actually engaged in them, and if not, what prevented them. For some essential social activities, sizable minorities did not enjoy an evening out once a fortnight, a meal out once a month, a week’s holiday away from home, a hobby or leisure activity, and having friends round for a meal, snack or drink.

b. Indicators of ‘social isolation’ and living alone included marital status and household composition.

c. Isolation and non-participation implied the lack of emotional and material ‘social support’.

d. ‘Civic disengagement’ tapped more than just ‘thick’ formal citizenship but also active involvement in public affairs. An important Bristol innovation was that, rather than define inclusion arbitrarily, the researchers did something similar to those constructing ‘subjective’ poverty measures: they asked a representative sample of Britons what they considered ‘normal’ social activities.

The Poverty and Social Exclusion survey also examined constraints on individual choice. Respondents indicated whether their unwanted exclusion was due to lack of affordability or to non-financial obstacles, such as poor transport, fear of crime, child care needs, time stress, physical barriers, or cultural inappropriateness. Perhaps more comprehensively than any other study to date, the Bristol group examined the specifically social aspects of exclusion.

This Poverty and Social Exclusion survey immediately poses some serious questions. First this survey does not conform to the avoidance of unnecessary informational burden on states, enterprises and citizens. Second, it is, for example, not clear how comparable across countries this is. It does however examine the (perceived) causes of exclusion – a topic we turn to in the next section.

Other studies are based on primary sources of information. Barnes (2005) constructed indicators covering 7 dimensions of social exclusion:

- financial situation,
- ownership of durable goods,
- the quality of housing,
- neighbourhood perception,
- personal social relationships (operationalised as social support),
- physical health; and
- psychological well-being.
Considering Barnes’ list, it is immediately clear that indicators like neighbourhood perception, personal social relationships (operationalised as social support), physical health and psychological well-being violate clarity and lack of ambiguity and robustness and validation. Moreover Barnes (2005) contrasts with earlier work by Barnes et al. (2002) which examined 5 somewhat different dimensions, namely disadvantage in the areas of housing, health, education, social relations, and participation. This calls sharply in focus the question of indicators balanced across its different dimensions and appropriate weighting.

An alternative approach has been developed by the World Bank (2007). This approach is rooted in Sen’s capability approach and looks at the underlying causes of exclusion defined as a lack of 4 forms of capital instead of the consequences of exclusion.

Individuals who are deprived of certain capabilities could be excluded from participating in the labour force, consumption, wealth accumulation and from social functions (Sen, 2000). The World Bank study measured four forms of capital that can affect an individual’s well being, economic fortunes, poverty and inclusion. These forms of capital are:

- **Financial Capital.** An individual has financial capital when they own financial assets or have the ability to acquire financial capital through employment earnings. For this exercise, all those with the means to earn financial capital through employment, farms, rental and investment income were grouped as having financial capital. Financial capital gives an individual the power to participate in exchanges and trade.

- **Physical Capital.** An individual was defined as having physical capital if they privately own land or property. In addition to private ownership of private living, physical capital would also include neighbourhood infrastructure and assets that would facilitate access to education and, social activities and education.

- **Human Capital.** An individual has human capital from their education and years of schooling and training. For this exercise, those lacking education capital were defined as those who did not reach the compulsory level of education in their country.

- **Social Capital.** At the individual level, this comprises of social networks and relationships that allow them to achieve reciprocated goals.

As with many causes of social exclusion these four forms of capital are complements. The World Bank (2007) states: “Ownership of financial capital might enable one to escape from the negative effects of poverty or some of the negative aspects of lack of social capital such as crime. And in some societies ownership of human capital in the form of certain skills can enable individuals to survive with little physical skills. Social capital can be affected by how these forms of capitals are distributed in a society. Crime, isolation and lack of social cohesion, for example, are affected by the distribution of financial capital and how housing and public amenities are distributed.”
As the data used is from cross-sectional surveys it does not allow for the analysis of the dynamics of exclusion. This approach only gives a very limited and not well specified role to “basic public goods and services” (water, electricity, transport, education, health, promotion of business environment, law and order, legality). First, they are split between human capital (where education is hidden behind achievements) and physical capital (where they are mixed as a secondary, additional consideration after privately owned land. Second, emphasis is on “capital”, i.e. infrastructures, while what matters is the provision of services of which infrastructure is only a precondition: This will result in the following undesirable aspect: once you move to measuring, leads to counting kilometres of roads or of pipeline not quality of services.


(i) consumption (less than half the mean net household income) and savings;
(ii) production (those still economically active who are not engaged in socially valued activity);
(iii) political engagement (those who do not vote or belong to political organisations); and
(iv) social interaction (lacking someone who will offer support (listen, comfort, or help in a crisis) or having someone to relax with or who really appreciates you).

The dimensions used in the Burchardt et al study are probably the closest to our understanding of social exclusion – however it is questionable if the absence of membership of a political organisation is an indicator of political exclusion. And not all economically inactive people can be considered excluded along the productive dimension, for example retirees.

It is by now very clear how fraught with difficulties arriving at a common set of indicators is.

An attempt has been made to arrive at a common set of indicators to assist in the Open Method of Coordination (OMC) in December 2001, the Laeken European Council endorsed a set of 18 indicators of social exclusion and poverty, organised in a two-level structure of primary indicators – consisting of 10 leading indicators covering the broad fields considered to be the most important elements leading to social exclusion – and 8 secondary indicators – intended to support the leading indicators and describe other dimensions of the problem.

They have two important characteristics. First they represent a way to promote a political discourse: “These indicators need to be considered as a consistent whole reflecting a balanced representation of EU social concerns. They cover four important dimensions of social inclusion financial poverty, employment, health and education, which highlight the
multidimensionality of the phenomenon of social exclusion." Second, they respect minimal statistical requirements for this debate. The indicators are:

### Primary Indicators

<table>
<thead>
<tr>
<th>Indicator 1a:</th>
<th>At-risk-of-poverty rate, by age and gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1b:</td>
<td>At-risk-of-poverty rate, by most frequent activity status and gender</td>
</tr>
<tr>
<td>Indicator 1c:</td>
<td>At-risk-of-poverty rate, by household type</td>
</tr>
<tr>
<td>Indicator 1d:</td>
<td>At-risk-of-poverty rate, by accommodation tenure status</td>
</tr>
<tr>
<td>Indicator 1e:</td>
<td>At-risk-of-poverty threshold (illustrative values)</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td>Inequality of income distribution - S80/S20 income quintile share ratio</td>
</tr>
<tr>
<td>Indicator 3:</td>
<td>At-persistent-risk-of-poverty rate, by gender (60% national median)</td>
</tr>
<tr>
<td>Indicator 4:</td>
<td>Relative median at-risk-of-poverty gap, by gender</td>
</tr>
<tr>
<td>Indicator 5:</td>
<td>Regional cohesion (dispersion of regional employment rates)</td>
</tr>
<tr>
<td>Indicator 6:</td>
<td>Long term unemployment rate, by gender</td>
</tr>
<tr>
<td>Indicator 7:</td>
<td>Persons living in jobless households, by age and gender</td>
</tr>
<tr>
<td>Indicator 8:</td>
<td>Early school leavers not in education or training, by gender</td>
</tr>
<tr>
<td>Indicator 9:</td>
<td>Life expectancy at birth, by gender</td>
</tr>
<tr>
<td>Indicator 10:</td>
<td>Self-defined health status by income quintile by gender</td>
</tr>
</tbody>
</table>

### Secondary Indicators

| Indicator 11: | Dispersion around the at-risk-of-poverty threshold |
| Indicator 12: | At-risk-of-poverty rate anchored at a moment in time |
| Indicator 13: | At-risk-of-poverty rate before social transfers, by gender |
| Indicator 14: | Inequality of income - distribution Gini coefficient |
| Indicator 15: | At-persistent-risk-of-poverty rate, by gender (50% national median) |
| Indicator 16: | Long term unemployment share, by gender |
| Indicator 17: | Very long-term unemployment rate, by gender |
| Indicator 18: | Persons with low educational attainment, by age and gender |

However, this list raises a number of questions: Are Laeken indicators fit for purpose? The short answer is yes, however it does not necessarily mean this list is either complete or exhaustive. This is indeed acknowledged. For example no agreements could (yet) be reached on a common EU indicator on the key dimension of housing. However, the text on social inclusion indicators endorsed by the Laeken European Council states that all NAPs/inclusion “should contain quantitative information covering three issues: (1) decent housing, (2) housing costs, (3) homelessness and other precarious housing conditions”. Moreover the original list of indicators has been subsequently revised as follows

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5 Poverty and social exclusion in the EU after Laeken-part 1, page 1
Revised Laeken Indicators

The primary indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Age breakdown</th>
<th>Gender breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 At-risk-of poverty rate</td>
<td>Share of persons with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its &quot;equivalent size&quot;, to take account of the size and composition of the household, and is attributed to each household member.</td>
<td>Yes. Age groups: 0-15; 16 and over; 16-24; 25-49; 50-64; 65+.</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
<tr>
<td>1a Poverty risk by household type</td>
<td>Poverty risk for the total population in the following household types: Households with no dependent children: • Single person, under 65 years old • Single person, 65 years and over • Single women • Single men • Two adults, at least one person 65 years and over • Two adults, both under 65 years • Other households Households with dependent children: • Single parent, 1 or more dependent children • Two adults, one dependent child • Two adults, two dependent children • Two adults, three or more dependent children • Three or more adults with dependent children Dependent children are individuals aged 0 – 15 years and 16 – 24 years if inactive and living with at least one parent.</td>
<td>Already specified in the typology of households</td>
<td>Already specified in the typology of households.</td>
</tr>
</tbody>
</table>

7 This table was extracted from the Statistical annex of the 2003 Joint Inclusion Report (adopted by the EU Council of Ministers in March 2004). Those indicators that have been re-defined can be identified thanks to the * sign that has been added in the first column. Similarly, new indicators can be identified thanks to the mention "new" (NB: The detailed methodology of the indicators is available on the Eurostat CIRCA website or from Eurostat on request).
<table>
<thead>
<tr>
<th></th>
<th>Indicator</th>
<th>Definition</th>
<th>Age breakdown</th>
<th>Gender breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>1b</td>
<td>New Poverty risk by the work intensity of households</td>
<td>Poverty risk for the total population in different work intensity categories and broad household types. The work intensity of the household refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household. Individuals are classified into work intensity categories that range from WI=0 (jobless household) to WI=1 (full work intensity).</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>1c</td>
<td>Poverty risk by most frequent activity status</td>
<td>Poverty risk for the adult population (aged 16 years and over) in the following most frequent activity status groups: employment (broken down by wage and salary employment and self-employment); unemployment; retirement; other inactivity. The most frequent activity status is defined as the status that individuals declare to have occupied for more than half the number of months in the calendar year.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>1d</td>
<td>Poverty risk by accommodation tenure status</td>
<td>Poverty risk for the total population in the following accommodation tenure categories: - Owner-occupied or rent free - Rented</td>
<td>Yes</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
<tr>
<td>2</td>
<td>At-risk-of-poverty threshold (illustrative values)</td>
<td>The value of the at-risk-of-poverty threshold (60% median national equivalised income) in PPS, Euro and national currency for two illustrative household types: - Single person household - Household with 2 adults, two children</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Income quintile ratio ($S80/$S20)</td>
<td>Ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile). Income must be understood as equivalised disposable income.</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Persistent at-risk-of-poverty rate</td>
<td>Share of persons with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.</td>
<td>Yes</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
<tr>
<td>5</td>
<td>Relative median poverty risk gap</td>
<td>Difference between the median equivalised income of persons below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.</td>
<td>Yes</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
<tr>
<td></td>
<td>Indicator</td>
<td>Definition</td>
<td>Age breakdown</td>
<td>Gender breakdown</td>
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<tr>
<td>6</td>
<td>Regional cohesion</td>
<td>Coefficient of variation of employment rates at NUTS (Nomenclature of Territorial Units for Statistics) level 2. Employment rates are calculated as the share of the population (aged 15 years or more) who are in employment (ILO definition).</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>Long term unemployment rate</td>
<td>Total long-term unemployed population (≥12 months; ILO definition) as a proportion of total active population aged 15 years or more.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8a*</td>
<td>Population living in jobless households: children</td>
<td>Proportion of children (aged 0-17 years) living in jobless households, expressed as a share of all children.</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>8b*</td>
<td>Population living in jobless households: prime-age adults</td>
<td>Proportion of all people aged 18-59 years who live in a jobless household as a proportion of all people in the same age group. Students aged 18-24 years who live in households composed solely of students are not counted in neither numerator nor denominator.</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Early school leavers not in education or training</td>
<td>Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>Life expectancy</td>
<td>Number of years a person aged 0, 1 and 60 may be expected to live.</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>11</td>
<td>Self-defined health status by income level</td>
<td>Proportion of the population aged 16 years and over in the bottom and top quintile of the equivalised income distribution who classify themselves as in a bad or very bad state of health.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## B: the Secondary Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Age breakdown</th>
<th>Gender breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Dispersion around the at-risk-of-poverty threshold</td>
<td>Share of persons with an equivalised disposable income below 40%, 50% and 70% of the national equivalised median income.</td>
<td>Yes</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
<tr>
<td>13 At-risk-of-poverty rate anchored at a moment in time</td>
<td>In year t, share of persons with an equivalised disposable income below the at-risk-of-poverty threshold in year t-3, uprated by inflation over the three years.</td>
<td>Yes</td>
<td>Yes (applying to people aged 16 years and over).</td>
</tr>
</tbody>
</table>
| 14 At-risk-of-poverty rate before social cash transfers | Relative at-risk-of-poverty rate where equivalised income is calculated as follows:  
- excluding all social cash transfers  
- including retirement and survivors pensions and excluding all other social cash transfers.  
- including all social cash transfers (= indicator 1)  
The same at-risk-of-poverty threshold is used for the three statistics, and is set at 60% of the national median equivalised disposable income (after social cash transfers).                                                                 | Yes           | Yes (applying to people aged 16 years and over).                                 |
| 15 Gini coefficient                            | Summary measure of the cumulative share of equivalised income accounted for by the cumulative percentages of the number of individuals. Its value ranges from 0% (complete equality) to 100% (complete inequality).                                                                                                                     | No            | No                                                                               |
| 16 Persistent at-risk-of-poverty rate (50% of median equivalised income) | Share of persons with an equivalised disposable income below 50% of the national median equivalised income in the current year and in at least two of the preceding three years.                                                                                                                                                       | Yes           | Yes (applying to people aged 16 years and over).                                 |
| 17 In-work poverty risk new                   | Individuals who are classified as employed (distinguishing between wage and salary employment and self-employment) according to the definition of most frequent activity status (indicator 1a) and who are at risk of poverty.  
This indicator needs to be analysed according to personal, job and household characteristics.                                                                                                                   | Yes           | Yes (applying to people aged 16 years and over).                                 |
<p>| 18 Long-term unemployment share               | Total long-term unemployed population (≥12 months; ILO definition) as a proportion of the total unemployed population aged 15 years and over.                                                                                                                                                                                                     | Yes           | Yes                                                                               |
| 19 Very long term unemployment rate            | Total very long-term unemployed population (≥24 months; ILO definition) as a proportion of total active population aged 15 years and over.                                                                                                                                                                                                         | Yes           | Yes                                                                               |</p>
<table>
<thead>
<tr>
<th></th>
<th>Indicator</th>
<th>Definition</th>
<th>Age breakdown</th>
<th>Gender breakdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Persons with low educational attainment</td>
<td>Share of the adult population (aged 25 years and over) whose highest level of education or training is ISCED 0, 1 or 2.</td>
<td>Yes. Age groups: 25-34; 35-44; 45-54; 55-64; 25-64; 65 years and over.</td>
<td>Yes</td>
</tr>
</tbody>
</table>

We do not resolve the problem of how to transform these multiple indicators in one single indicator capturing cumulative disadvantages. Silver (2007) comments on these indicators, stating “The EU indicators have little to do with the academic social scientists’ measures of social exclusion [see section 1] that are more oriented to the rupture of social relations. However, it is worth noting that two of the EU indicators attempt to capture dynamics of both persistent poverty and long-term unemployment.” It is indeed true that EU social indicators are much better developed for material and labour market deprivation than for social, political or cultural dimensions, for which more work is required.
WHAT ARE THE CAUSES OF SOCIAL EXCLUSION?

We now turn to the causes of social exclusion. The discussion of the causes of social exclusion often follows the same muddled path as the definition. “Because social exclusion has different definitions, interpretations and meanings; and because “….different meanings embody…different models of causality…” (Levitas 2000: 358). Todmann (2004) argues that the variety of causes of social exclusion may also be attributed to its multidimensionality: multiple dimensions are rooted in multiple origins. Todmann notes that social exclusion is attributed to a variety of different factors as a result of its analysis by several different intellectual disciplines (e.g. economic, sociological, political scientific, and psychological), each of which attributes the phenomenon to different causal factors. Or as Silver (2002) states it. .. “Consensus on exclusion as multidimensional does not mean agreement on which dimensions are operative.”

Our focus on the causes of social exclusion is motivated by finding the areas of the most likely successful policy intervention, which is the topic of the final section of this paper.

There are a number of ways of categorizing the causes of social exclusion, which are overlapping by their nature. For example Bourginion (2006) suggests that possible channels of causation into three categories: around circumstances (such as initial wealth or power), the endogenous component of policy choice, and culturally shaped behaviours (that influences “effort” in the abstract representation used there). We suggest that the most fruitful distinction is between agency and material exclusion. That is to say we first explore by whom or what institution are the excluded excluded. Within this we distinguish between active and passive exclusion. And, second, the absence of what excludes the excluded.

Agency – who is excluding the excluded? This has three different components

- Active;
- Passive; and
- Self exclusion

Material – what is excluding the excluded - material or instrumental exclusion

- Lack of employment
- Lack of capability
- Lack of assets/income
First we examine who is actively excluding - using an agency approach. This approach sees social exclusion as active exclusion and constitutive exclusion. According to this school of thought social exclusion is the consequence of discrimination or unenforced rights. Toddman (2004) explains: “It is a consequence of the discriminatory decisions and actions undertaken by, for instance, a society’s political, social, and economic majority and/or elite who, by acting in their own self-interest (e.g., retaining for themselves material, cultural, symbolic and other privileges) exclude the other members of society. Such powerful class and status groups, which have distinct social and cultural identities as well as institutions, use social closure to restrict the access of outsiders to valued resources (such as jobs, good benefits, education, urban locations, valued patterns of consumption) (Saraceno 2002: 7-8). The excluded are unable to remedy their disadvantage because they lack or are unable to enforce political, economic, social, and other rights that undergird inclusion.”

The second, and possibly most prevalent, school of thought holds that social exclusion is a function of the organization and operation of societal institutions and systems. Social (e.g. insurance and assistance), economic (e.g. regional, national, and international), political, civic and other institutions and systems cause exclusion by limiting access to the opportunities, resources, and powers required for inclusion. Sometimes the limitations are unintended, and often they are beyond the control of any single individual or entity (including the excluded themselves who lack such resources as political autonomy and decision making authority required to alter the structures and behaviours of societal institutions and systems) (Todman, 2004)

Atkinson and Davoudi (2000) cite a framework for organizing and understanding the main institutional causes of social exclusion. The framework distinguishes between four institutional subsystems, the failures of which are thought to cause exclusion. Those subsystems are (i) the democratic and legal systems, which foster civic integration; (ii) the labour market, which fosters economic integration; (iii) the social welfare system, which aids social integration; and (iv) the family and community system, which enables interpersonal integration. In principle, social exclusion may occur when any one of these institutional subsystems fails, but generally occurs when more than one fails as part of a chain reaction.

The issue of the inclusiveness of the democratic process and of deliberative democracy are clearly very important for policy in general and for cohesion policy. Central to this (and other) institutionally-focused perspectives on the causes of social exclusion is the degree and manner in which individuals and groups are embedded within institutional systems. The nature of their embeddedness determines the effects that institutions have on their welfare—that is, their inclusion or exclusion.
The question that arises then is what are the structural changes in society and the economy that cause social exclusion and also perhaps what have exacerbated in recent times. The European Commission (2000, 2001) cites the following structural causes of social exclusion: (1) changes in the labour market (due to globalization, technological evolutions, and industrial restructuring) which have altered the relative balance between job flexibility and security, and marginalized the least adaptable individuals and groups; (2) expansion of the knowledge society (and the social and economic roles of information technologies) which has marginalized the technologically illiterate and others who lack newly requisite knowledge and skills; (3) socio-demographic changes (e.g. aging of the population; declining birth rates; evolutions in family and community structures and patterns; immigration; migration; and increasing ethnic, religious, and cultural diversity); and (4) territorialism, or geographic bias and polarization of development, which has left some areas (e.g., old urban industrial sites) devoid of the financial, physical and other forms of infrastructure required for economic and social development and, ultimately, inclusion.

Similarly, in the UK, the Social Exclusion Unit (2001) cites two main categories of structural causes of social exclusion. One category is economic and social in nature. They include (i) industrial restructuring (which has altered the relative importance of industrial sectors, forcing many people out of the labour market -- either permanently or for very long periods of time, allowing re-entry only at substantially lower wages); (ii) family restructuring (which has resulted in an increased number of single parent and other fragile families); and (iii) community fragmentation and polarization (which have weakened social networks and other supports traditionally available to vulnerable individuals and groups.)

A third approach is to argue that the excluded exclude themselves. Burchardt et al. (1999), attribute it to the perverse, pathological, antisocial, and self-destructive (e.g., extra-normal) behaviours, morals, and values of excluded individuals and groups. According to this perspective, the excluded are themselves responsible for their marginality. Bourginion argues that one channel could be the internalization of self depreciating beliefs by members of disadvantaged groups as a product of relations with dominant groups, and the impact of these beliefs on their actions and outcomes.

An alternative vantage point is offered by Ruth Levitas (1998,2000), we referred to in section 1. In articulating social exclusion she uses a moral underclass discourse (MUD)... “which emphasises moral and cultural causes of poverty and which is centrally concerned with the moral hazard of 'dependency', and thus with workless households rather than individual labour market attachment.”

This way underclass categorisation is not convincing for a number of reasons, notably that it is static concept: you are either out or in. What is important to notice is that social exclusion is a dynamic concept, and changes with structural and institutional changes in society.
More generally, while the agency is important it is relatively less helpful for formulating policy intervention. For this we understand exclusion through the absence of personal characteristics, which we term material or instrumental exclusion. This focuses more on the excluded individual than the circumstances or environment. It will become immediately clear that these are not separate causes but can overlap and reinforce each other. It, however, provides a helpful characterisation of the causes of social exclusion and our subsequent discussion of the policy options.

**Lack of assets or income**

First social exclusion can be attributed to a lack of asset of income. Levitas terms this the redistributive discourse (RED), which sees social exclusion as a consequence of poverty. This is the closest to social exclusion as an extension of poverty and Adam Smith’s notion of being able to appear in public without shame – and for this. This is exactly what Howard (1998) referred to when he stated “Poverty and social exclusion are concerned with a lack of possessions, or an inability to do things, that are in some sense considered normal by society as a whole” It is therefore no coincidence that the first 5 Laeken indicators are indicators of monetary poverty and inequality. It seems a precondition for combating social exclusion that individuals have resources, but this ignores the relational dimension of social exclusion. So in addition we look at elements that cause a rupture from society.

**Lack of employment**

Social exclusion was originally defined against a background of widespread unemployment and concern about discrimination and long-term unemployment as a major source of social isolation and an obstacle to integration (Lenoir). Levitas argues that social exclusion “is underpinned by a discourse about social integration (SID) in which paid work is represented as the primary or sole legitimate means of integrating individuals of working age into society. The excluded are those who are 'workless', or, in the case of young people, at risk of becoming become so.” Sen uses the following example: Persistent unemployment for the unskilled. Unemployment results in loss of skill, self esteem, material deprivation and loss of freedom. Unemployment might be the consequence of an adverse shock to the economy and the unskilled are probably the most vulnerable. Even though there is no active exclusion passive inclusion has led to real exclusion in the economic circumstances.

**Lack of capability**

Salais (2007) puts it succinctly: “Social exclusion as capability deprivation is thus, for one part, the lack of basic functionings, material such as being correctly fed, housed, educated, having a decent job, or immaterial such as having social relations, voting, etc. It is, for the other part, the lack of effective freedom to choose and to act in the circumstances where the person is staying. These two parts are really non separable. If one of them is absent, the person continues to suffer from capability deprivation. For, in Sen’s views, the ultimate target is to provide the person with autonomy of development and possibility to reflexivity and self-responsibility.” For example exclusion from the credit market is not in itself an important exclusion, but it is instrumental as it may lead to economic impoverishment that may, in turn, lead to other deprivations.

What is more, Sarvais argues lack of achieved functionings are correlated and interact in a negative way. Access to one of them conditions access to others. For instance, housing
conditions can vary in quality, but living in some housing or neighbourhood or address can lead to an absolute deprivation in terms of labour market access. Conversely the inability to find and keep a decent job can prevent to find good housing conditions.

If, as Salais (2007) argues, social exclusion has to be understood as capability deprivation then the true question is whether individuals have or do not have the capability to achieve the corresponding functionings. For instance, a long-term unemployed person or a disabled person or a young under 25 in social difficulties could be accepted in a job, in particular when local employers have a sense of ethics; however, very often he or she will not have the capability to stay in it; more than some days or hours.

Having constructed a shortlist of causes of social exclusion we now turn to potential policies.
POLICY

1. How do national governments define and attempt to achieve social inclusion?

Under the Open Method of Coordination (OMC) countries issue National action plans (NAP) aimed at facilitating exchange of ideas and measurement of progress. A casual reading of a subset of these country policy documents8 shows that few actually provide a precise definition of social exclusion9 or indeed a thorough framework of analysis. Few, if any, look meaningfully at cumulative disadvantage. Social exclusion is a politically more expedient term, as preventing social exclusion is politically more acceptable than to gather support for intervention aimed at reducing income inequality. There does not seem to be a clear one-one relationship between definitions in the academic literature and the working definitions in policy documents or those put forward by think tanks. The definitions often fall in the “laundry list” approach of social exclusion. For example the Social Exclusion Unit (SEU) set up in the UK in 1997 describes social exclusion as ‘a shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown' (SEU 1997). This suggests a more compact index than the NPI report, with one lead indicator and some supplementary ones in each of four areas - income poverty, (un)employment, education and health. The UK government’s own publication returns to the original definition of social exclusion:

The most severe forms of exclusion – such as pregnancy under 16, exclusions from school or rough sleeping – affect a fraction of one per cent of the population. But approaching ten per cent suffer significant problems – for example, nine per cent of 16 to 18 year olds were not in learning or work in 1997; ten per cent of young men aged 18 to 24 were alcohol dependent; seven per cent of men born in 1953 had served a prison sentence by the age of 46. And many groups are affected by several different problems like these.

As a result policy interventions are often confused or misdirected, or more accurately many policies fit under the preventing social exclusion banner. This section is trying to order policy interventions. Policies can be ordered along the same lines as the causes of poverty. We use our categorization of material or instrumental exclusion. In addition we consider policies that fit the underclass.

The first set of policies advocate increased resources or transfers often to particular categories of people, through for example old age pension provision or generous unemployment benefits.

The second set of policies are aimed at increasing employment levels on the basis that there is a clear link between unemployment and social exclusion.

8 See http://ec.europa.eu/employment_social/spsi/strategy_reports_en.htm and peer-review-social-inclusion.net

9 For example the UK based thinktank new Policy Institute uses the terms poverty and social exclusion interchangeably
The third set of policies is aimed at capability enhancement measures, such as education provisions.

We examine each in turn.

**Resources**

The first set of policies look at providing additional resources in particular to those groups most likely to be socially excluded including benefits for old-age pensioners, single parents and children. Child poverty is not only tackled through generous benefits but also put through the lens of education and employment. The EU 2008 Summary report states: Out of the 78 million Europeans living at risk of poverty, 19 million are children. Ensuring equal opportunities for all through well-designed social policies, and strengthening efforts aiming at successful educational outcomes for each child, is required in order to break the transmission of poverty and exclusion to the next generation.

The idea of conditional cash transfers is also applicable to unemployment benefits, schemes in France and the Netherlands for example, attach a training and job seeking requirement to receiving unemployment benefits. New Deal in the UK is another good example of this.

Particular attention in all country plans is paid to old age pensioners and poverty and exclusion amongst this group. Again where possible labour force participation is raised among “the young olds”. This has been a deliberate policy also from the point of view of the sustainability of the pension system. But this also enables workers to save more and better plan for retirement, so reduce the risk of old age poverty and exclusion: The European 2008 summary states

“Extensive structural labour market and pension reforms have taken place in most countries in the past decade and still continue in some Member States. They build on a life-cycle approach by strengthening the link between pension contributions and benefits and on active ageing strategies by reducing access to early retirement schemes, strengthening incentives to work longer and improving the employability of older workers”

**Employment creation**

Sen (2002) argues that ... “in contemporary Europe, the extraordinary prevalence of unemployment and worklessness is perhaps the single most important contributor to the persistence of social exclusion in a large and momentous scale.” The German Socila inclusion strategy states unequivocally: “Reducing unemployment has the utmost priority for the Federal Government” (National Strategy Report Social Protection and Social Inclusion 2006 Germany)
Unemployment results in lack of income, embodies a lack of control and may lead to shame and exclusion and it is therefore reasonable to assume that the converse therefore leads to social inclusion. A longitudinal study of unemployed persons in Croatia compared those (over half) who remained unemployed after one year and those who returned to work. The long-term unemployed, who tended to be older, poor, with low education and poor health, suffered a decline in their financial resources and an increase in social isolation. In contrast, those who were employed improved their material situation and experience less social isolation (Sverko, Galic, and Sersic 2006). We critically examine the link between employment and social inclusion. Atkinson (1998) quotes the 1994 European White Paper on Growth, Competitiveness and Employment which argues that the creation of jobs is necessary to safeguard

*The future of our children, who must be able to find hope and motivation in the prospect of participating in economic and social activity (European Commission, 1994:3)*

Atkinson (1998) argues that unemployment may cause poverty, but this may be prevented, as in a number of mainland European countries, by social security. Unemployment may cause social exclusion, but employment does not ensure social inclusion. Whether or not it does depends on the quality of work offered, job security and remuneration.

This goes to the heart of the debate between labour market flexibility and the role of the welfare state. A rise in unemployment in some Continental Europe in the between the late 1970’s and the early 1990’s was not accompanied by a rise in poverty levels. These countries include France, Italy, Denmark and Finland.

The key question if labour market flexibility results in the creation of marginal jobs in contrast to regular jobs. The latter provide “the expectation of continuing employment, offer training and prospects for internal promotion and are covered by employment protection. Thus for marginal jobs to reduce social exclusion they need to offer a prospect for the future, be stepping stones to regular employment instead of trapping people in low paid and insecure jobs with recurrent unemployment” (Atkinson, 1998).

This point is echoed by the World Bank (2007). A large proportion of the poor in the ECA region are in employment and though economic growth between 1998 and 2003 did lead to higher wages, the working poor remain the largest constituents of the poor in the region. In Poland, the unemployed constituted only 31 percent of the poor (using $4.30 a day at 2000 PPP), the remaining 69 percent of the poor were in employment. Rates of poverty were very similar between the employed and those not employed at 26 and 30 percent respectively.10

A popular ‘good practice’ which in this context is always mentioned in The Netherlands is the project ‘mother contracts’. It was a project in academic hospitals which were having shortages of specialist nurses. These nurses resigned their jobs after having a child. They were asked to return to work during school hours (between 08.30 and 15.00).11

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10 For a more comprehensive overview refer to Chiara Saraceno Social exclusion, cultural roots and diversities of a popular concept.

11 Women’s Return to Work after Family-Related Breaks in Employment, Charles de Vries
Capability

The third set of policies is firmly rooted in Sen’s capability approach, and it is recognized by the EU. The European Social agenda stresses that “Employment is the best protection against social exclusion… Social policy has a crucial role parallel to that of employment policy; yet the relevance of other factors must be acknowledged, such as housing, education, health, information, communication, mobility, security and justice, culture and consumption.” Apart from the last element the focus of interventions stress the capability enhancement of the individual. Education programmes are often designed to increase the possibility of finding paid employment and seen as the most pivotal capability. The World Bank (2007) notes exclusion from human capital intersects with lack of physical and financial capital. This means that the consequences of not having human capital are more far reaching because they affect the ability to acquire financial and/or physical capital.

Access to services, such as health services can also be seen from the same vantage point. The EU summary report continues: “Social policies have a major impact on health and health is an important determinant of life.” Thus it is not the consumption of these services by itself, but the enabling characteristic of them that is the key reason for intervention.

It would be too simple to narrow it down to one policy or identify one intervention that is most successful, such as employment oriented policies. As Salais alluded to reciprocity between the inability to find and keep a decent job and the ability to find good housing conditions. There is a great need to solve the problems progressively and in a coherent way. Social exclusion is by its very nature cumulative and multidimensional and should be tackled as such.

2. Social inclusion in the EU and EU policy

The policies referred to above are nationally implemented policies, in the sense that some countries pursue them. It is not clear that these are national competencies or EU competencies.

Let’s start by reminding ourselves of the origins of social exclusion in the EU. The 1989 Community Charter of Fundamental Social Rights for Workers (the Social Charter, as it is known) was one of the first high-level EU policy documents to refer to social exclusion. This was followed by the Resolution of the Council of Ministers for Social Affairs on Combating Social Exclusion (89/C277/01), issued in 1989. This resolution stated that social exclusion was a legitimate concern of the EU, being driven by structural changes, reducing access to the labour market.

This was followed by the Recommendation from the Council of 24 June 1992 on Common Criteria Concerning Sufficient Resources and Social Assistance in Social Protection Systems (92/441/EEC), which endorses the 1989 Resolution. It reiterated the need for the right to sufficient income to be accompanied by policies for the economic and social integration of those affected.

The Commission published Towards a Europe of Solidarity in 1992 – Intensifying the fight against social exclusion, fostering integration (COM(92) 542). Thereafter the focus shifted to labour market oriented policies. For example the White Paper on social policy
(COM(94) 333) published in July 1994. This document was primarily concerned with labour-market related measures geared towards activation. However it did contain a chapter on social policy and social protection. This focus could also be found back in White Paper on Growth, Competitiveness and Employment (COM(93) 700). The focus remained on the competitiveness and labour market.

The agreement reached at Lisbon in March 2000 was a key turning point in the development of EU social inclusion policy. The Lisbon policy program to combat social exclusion is framed in terms of the following four sets of objectives and activities:

- to facilitate participation in employment and access by all to resources, rights, goods and services;
- to prevent the risks of exclusion;
- to help the most vulnerable;
- to mobilize all relevant bodies.

Daly explains that these objectives, which function as a guiding set of ideas for how member states should (re)organize their social policy (or how they report on it at any rate), spell a broad-ranging social program. In essence, the radical potential of the concept of social exclusion is recognizable in this EU vision – participation, prevention, assistance and political mobilization are the four core processes that will eliminate it. So, rather than concentrating on access to the labor market only, emphasis is placed on access to social services (with social protection, housing, health, education and justice, among others, expressly mentioned), measures to prevent exclusion (with access to technology, the prevention of life crises and the promotion of family solidarity specifically mentioned as well as culture, sport and leisure) and measures to help particular “disadvantaged” groups (especially those with disabilities, those at risk of poverty and children).

The Lisbon agreement introduced the Open Method of Coordination (OMC), a method of following common guidelines (rather than edicts and laws), to social exclusion (later extended to pensions and health care among other policy domains) (Council of the European Union 2000).

So what have the results of the OMC been? The EU website proudly proclaims this has resulted in “increased political awareness of poverty and exclusion and placed it higher on national political agendas”. However, the question is to what extent does OMC deliver results? Ferrera and Sacchi (2004) analyse the impact of the Social Inclusion OMC in Italy. They conclude that the autonomous impact of the OMC has been relatively significant in the case of employment and relatively insignificant in the case of social inclusion. One key difference was the treaty status of the employment OMC which forced the Italian authorities to comply - this component was lacking for social inclusion.

Mayes argues that “[t]he EU’s open method of coordination might seem like window-dressing. Medium-term objectives are agreed among the member states and a set of generalised guidelines developed to try to achieve them. In an annual cycle of actions based on more specific and quantifiable targets, each member state sets out an implementation plan. The European Commission monitors progress and draws conclusions to assist the next cycle of the programme. The difference from the ‘harder’ methods of coordination is the lack of compulsion. Each member state can choose
measures it finds best for its economic and social structures and traditions; following the same path is presumed inefficient."

The Commission has produced comparisons and the general the response has been positive, as governments do not like to be low in league tables; this has been the driving force of progress and mutual learning. While Mayes contends that some programmes may just be relabelling of existing activities, because of quantitative measures in general actions have been significant

Special Policy problems –

We briefly review two policy areas where an integrated EU policy might be particularly appropriate, namely migration and the Roma problem.

Migration

Asylum seekers and 'sans-papiers' are some of the most vulnerable groups of the EU population, because access to employment, healthcare, housing and voting right is dependent on their legal status. As we elaborated on above being denied access to these result in poverty and social exclusion. The Hague Programme, adopted by the European Council of 4-5th November 2004, underlines the need for greater co-ordination of national integration policies and EU initiatives in this field. The Commission states: "Integration is a major concern in a number of EU policies. The effective and responsible integration of immigrants in the labour market constitutes an important contribution to reaching the Lisbon targets."

Indeed the Community acquired competence in the area of migration under the treaty of Amsterdam. A series of directives “create a legal framework, prescribing equality of treatment and according rights of access to employment, and to education/training, all of which elements are necessary components not only for a credible immigration policy but also for any successful integration of third-country nationals as part of that policy.”

By the very nature immigrants are not embedded within society The key reason this is a EU competency is because of free movement of people within the European Union. Granting rights of citizenship in one country therefore has repercussion for other EU member states.

Roma

The Roma are a group for whom the social exclusion framework and Europe are particularly important. On 1 May 2004, the European Union was joined by ten new members. This enlargement has brought on a doubling of the EU’s Roma population to its current 3 million citizens constituting the largest minority group on the continent. Assuming there are 3 million Roma in Europe, which is a conservative estimate, there are now 6 EU countries with less people than there are Roma in Europe. Until the very recent past, Roma in Europe were being excluded from recognition as an ethnic minority in almost all countries. In the absence of a state to protect Roma rights bilaterally, the European and international level has come to be particularly important for them. When recognised as a national minority, Roma are covered by the Framework Convention for the Protection of National Minorities adopted by the Council of Europe in 1995. So the acknowledgement of the Roma as a minority group by Europe is a first requirement to tackle their specific problem.
In addition, the Roma is one of the most stigmatised groups, suffering from high levels of social exclusion and poverty that affect it in all areas: education, employment, health, social and political participation, housing.
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