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- Part II: The Member States

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

"Part I: the European Union", together with the Executive Summary, is to be found in 15223/01 SOC 538 ECOFIN 400 EDUC 161 SAN 167.

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

Translations provided by the Commission services.

Joint Report on Social Inclusion

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BELGIUM

Conclusions

Situation and key trends Since 1997 the Belgian economy has continued to experience a favourable evolution. However, long-term unemployment and the share of the population living in jobless households remain important. In 1997 15% of the population are at risk of poverty (income below 60% of the median income), the EU average being 18%. The difference between this rate and the rate before transfers (28%) illustrates the well-developed social protection system in Belgium. Children from low-income households are disadvantaged with regard to education, and under-represented in further training and education. The healthcare insurance system covers 99 % of the population and is being strengthened in respect of exceptional health risks. The offer of social housing does not match the demand and rents have increased significantly over the last 15 years.

Strategic approach The Belgian NAP gives an extensive overview of all social policy initiatives taken by the different Belgian authorities in the framework of the 'active welfare state' approach, but could better articulate key priorities. The NAPincl focuses only on recent policy measures without referring to the existing comprehensive social policy system. It provides a wide-ranging overview of these measures, without however making a systematic assessment of their impact on social inclusion. Integration in the labour market is considered a key element, in combination with improved social protection schemes. Improvements in other major policy fields (housing, education and healthcare) should help prevent social exclusion. The synergy between policies of the various regional and community governments could be reinforced and local authorities could be further involved in the development of the NAP. The involvement of the stakeholders was limited, but the NAP ensures increased implication in the implementation, the follow-up and the assessment of actions.

Policy measures The first two of the Nice-objectives are equipped with a large number of measures, some of which contain quantified targets and time horizons. A number of these measures are innovative, such as the refundable tax credit, a programme with regard to the minimum income guarantee system and the introduction of a maximum health bill. Under Objective 3 the NAPincl focuses on vulnerable groups such as the disabled, migrants and single parents. The involvement of stakeholders will be further reinforced, inter alia through the Resource Centre for the fight against poverty.

Challenges ahead The impact of general policy measures on the situation of the most vulnerable groups will need close examination and follow-up. The further development of an active welfare state as part of a coherent approach tackling social exclusion from different angles (income, education and training, labour market participation, housing) is identified as an important challenge. Given the complex federal structure of Belgium, continued co-ordination between all levels remains essential. The Belgian NAP contains a strong section on indicators and aims at facilitating comparability by using community sources. The further development of such indicators, including a breakdown by gender, in order monitor and assess the impact of policy measures is identified as a key challenge. The implication of stakeholders should be enhanced.

1. MAJOR TRENDS AND CHALLENGES

Since 1997 the Belgian **economy** has continued to experience a favourable evolution. The **employment** growth rate was 1.8% in 2000 and the employment rate increased from 56.3% in 1996 to 60.5% in 2000. The employment rate of women (51.5% in 2000) grew by 6 percentage points since 1996. Unemployment decreased substantially in the last few years (from 9.7% in 1996 to 7% in 2000) but the share of long-term unemployment is still important. According to national data, the percentage of the population living in jobless households remains high (14%) and 2% of the working population can be considered as 'working poor', with the household composition being the main influencing factor.

Belgium spent 27.5% of GDP on social welfare in 1998, which is broadly in line with the EU average. Although Belgium has a well-developed **social protection system**, 15% of the population were at risk of poverty in 1997 (on an income below the threshold of 60% of the median income). Half of this group is confronted with persistent risk of poverty. Especially social welfare recipients and the unemployed run a high risk to get in this situation. Since the mid-80s, social benefits have lagged behind wage development.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Education and **training** are key factors for the integration in the labour market. Children from low-income households are disadvantaged with regard to education, and are under-represented in further training and education programs. The **healthcare** insurance system covers 99% of the population, although specific groups requiring a great deal of care suffer particular hardship. The supply of social **housing** is small compared to other West-European countries and does not match demand. Rents have increased by 46% above inflation over the last 15 years, and especially rents in the lower segment of the market.

The NAPincl identifies the **future challenges** in broad terms, but three aspects are underlined by the Belgian authorities. First, the '**active welfare state**' approach is used as a multidimensional strategy to tackle social exclusion. Employment is considered as a crucial factor for social inclusion, with particular attention for groups at risk. The impact of the new activation policies on the integration of disadvantaged groups becomes visible: since a peak in 1998, the number of minimum income recipients is decreasing. Second, given the complex federal structure of Belgium, better **co-ordination of social inclusion policy** between the federal, regional and community governments is to be achieved. The Belgian authorities tackled this challenge by a co-operation agreement concluded in 1998 and which contributed to keep poverty permanently on the policy agenda. Third, the Belgian authorities have put considerable effort in the elaboration and calculation of **indicators** that are comparable at EU level. The further development of such indicators should allow for a close monitoring and assessment of the impact of policy measures on social inclusion. It is the government's intention to contribute to the European commitment towards developing a set of common indicators which will support the development of future NAPs incl.

2. STRATEGIC APPROACH AND KEY OBJECTIVES

The present NAPincl provides a wide-ranging overview of social policy measures that have been taken in recent years, but does not systematically assess their specific impact on social inclusion. The strategic approach in the NAP embraces the 4 objectives and covers the major policy fields.

Labour market integration should be facilitated by a preventive approach focused on activation, mainly through investments in education, training and guidance and by tackling the unemployment traps. For those remaining dependent on benefits, adjustments in social protection schemes and both general and selective increases in benefit levels are foreseen. Access to **education** will be improved by reducing education-related costs and increased funding for priority schools/areas.

The strategic approach also aims to improve the social **housing** sector and to facilitate the access to the private renting sector. In the field of **healthcare**, policies will be strengthened to cover exceptional health risks and to reinforce preventive and first line healthcare.

2.1. The long-term strategic perspective

The approach covers most of the major challenges although relying much on general measures. The targeting towards the most vulnerable groups remains underrated. The NAPincl is precise on additional budgets allocated to policy measures, but quantified targets and time horizons with regard to poverty and social inclusion are set only for a limited number of policy measures in the field of integration in the labour market.

2.2. The innovative content of the NAPincl

This first NAP on social inclusion is focused on recent policy measures without referring to the existing comprehensive social policy system. Most of the measures described are of a recent date and constitute new policy lines in the framework of the 'active welfare state'. A number of initiatives with respect to income and social protection, integration in the labour market and healthcare, are innovative. For education and housing, the innovative element is more limited.

2.3. Co-ordinated and integrated approach

The income and social protection policy is integrated with the vocational training and employment policy. Within the field of employment, the question of the integration of instruments and the collaboration between the different authorities is not addressed in the NAP. For education and housing, the strategies and measures of the different competent authorities put different emphases. In the field of healthcare, the central role of the Federal authorities in the health insurance system aims at a more co-ordinated and integrated approach. But overall, the NAP lacks a coherent approach, due to the difficulty of matching the different federated entities contributions.

Given the singularities of the Belgian federal structure, the elaboration of a strategic approach on social inclusion necessitates a close co-ordination between the federal, regional and community governments. The NAP has been elaborated in a broad forum: the working group on social affairs of the Belgian Intergovernmental Conference (which brings together the ministers of the Federal government and ministers of the federalised governments in the follow up of the Lisbon process). The involvement of the stakeholders, including the Resource Centre for the fight against poverty, precariousness and social exclusion, was limited due to time constraints, but the NAPincl states that they will be prominently involved in the implementation, the follow-up and the assessment of the actions.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl

The section on employment policy in the NAP inclusion is consistent with the NAP employment. The emphasis on active labour market policies, with particular attention to the integration of young people, long term unemployed, low-skilled workers and socially excluded groups and the measures to tackle the unemployment traps are found in both NAPs.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment and access to resources, rights, goods and services for all

A whole range of actions is listed to improve access by all to the labour market through activation, the promotion of social economy, lifelong learning schemes, pathways to integration for young people, ICT programmes. Other initiatives aim at improving access to reasonable income, to decent housing, to health facilities and to education. The NAP determines that families with very low income cannot fully benefit of the tax deduction for dependent children because their tax bill is too low. This shortcoming in the tax system concerns more than 10% of all families. Therefore, a refundable tax credit for dependent children will be introduced as from the fiscal year 2001, as an instrument to improve the income situation and to tackle the unemployment trap. Despite the recent positive employment development, Over the past ten years the number of people depending on social assistance has increased significantly, due to exclusion from the labour market as well as the erosion of mainstream social security benefits. The Spring Programme aims at tackling these structural causes by activation measures and increasing minimum benefit levels. The programme is not yet fully implemented. It sets ambitious quantitative targets and a time horizon: the overall number of minimum income recipients should be reduced by one third in five years time, the number of activated beneficiaries should be raised from 5% to 20%. There is no comprehensive strategy on ICT, but some good initiatives on ICT training are included.

3.2. To prevent the risks of exclusion

Prevention is an important aspect of the Belgian policy against poverty and social exclusion. The Belgian healthcare can be used as an example. The health insurance system covers fixed amounts for medical services, the balance being born by the patient. Although certain social categories are eligible for reduced personal contributions, households with low income and/or facing serious health problems need a better coverage. Previous measures already foresaw in reimbursements above certain levels of expenditure for some categories. The maximum health bill extends and simplifies these measures, allowing immediate reimbursement of expenses above given ceilings by the national health insurance fund. These ceilings are related to the household's income tax declaration. This measure prevents the risks of exclusion due to severe health problems (objective 2) and improves the accessibility of healthcare (objective 1).

3.3. To help the most vulnerable

The Belgian NAPincl focuses on vulnerable groups such as the long-term unemployed people with disabilities, migrants, , excluded groups in the health sector, single parents. A territorial approach is implemented through plans to promote a co-ordinated and integrated action against social exclusion in selected municipalities (with a partnership between public and private stakeholders).

3.4. To mobilise all relevant bodies

The structural involvement of the stakeholders will be assured through several bodies including the Resource Centre for the fight against poverty, precariousness and social exclusion. This centre was created in 1999, in order to ensure a permanent dialogue with all stakeholders as well as ongoing evaluation of anti-poverty policy on all levels. It has a solid legal structure and includes in its steering group representatives of the associations of the poor, the social partners, the (local) public agencies and the health insurance organisations. The involvement of this platform in developing the NAP has been limited.

4. GENDER MAINSTREAMING

The gender dimension in the NAPincl is taken on board but with limited visibility. The indicators are often lacking a gender perspective, and most of the gender related strategies concern the overall population and do not as such address the issues of poverty and social exclusion. The main gender related elements raised in the NAPincl concern the provision of childcare facilities to facilitate women's participation into employment. Useful initiatives in the field of employment, training and support services are presented to improve the situation of single parents.

The government expresses its concern about the under-representation of women in ICT. In order to establish a clear link between women and new technologies, an action plan for equal access for women to new technologies was developed within the framework of the Inter-ministerial Conference on Equality. In the field of health, the NAP installs new measures to tackle gender specific health problems that have been identified.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

Each of the Belgian ESF Objective 1 and 3 programmes (a total financial allocation of €929 million) contains specific priorities or measures on social inclusion. The proposed ESF actions target all categories of people at risk of being deprived, and the multidimensional aspects of social exclusion are being addressed by an integrated approach. On the basis of the programmes approved in 2000, it can be stated that the different Belgian governments intend to spend €378.5 million on social inclusion (40% of the total envelope).

The EQUAL programme, with an allocation of €74.1 million, will also concentrate on the integration of those who are excluded from the labour market. Despite the importance of the ESF and EQUAL, the NAPincl does not refer to their possible impact on the policy to promote social inclusion in Belgium.

DENMARK

Conclusions

Situation and key trends The Danish social policy system is based on the principle of universality: all residents are guaranteed certain fundamental rights if they should encounter social problems. The effectiveness and comprehensive nature of the system is confirmed by the fact that Denmark has the lowest risk of poverty rate in the EU in 1997.

The positive trends in the Danish economy, with the highest employment rate in the EU and low unemployment, form a good basis for reinforcing policies for building a more inclusive and cohesive society. According to the harmonised ECHP data, 8% of the Danish population lived on an income of less than 60% of the median national income and the rate of persons living at risk of poverty continuously for the 3 years 1995-1997 was 3%.

Strategic approach The Danish approach to social inclusion focuses on developing the inclusive labour market, allowing more people to gain or retain a stable affiliation with the labour market. This is seen as the best way to integration and also the best defence against poverty and exclusion. Other objectives are to ensure the individual person financial support for a reasonably decent life and to improve living conditions for the most vulnerable groups, those unable to participate in the labour market. The strategy is furthermore based on a willingness to involve all relevant stakeholders in the development of social policy.

Policy measures Denmark is responding to all four objectives but with a strong focus on the social dimension of the activation approach. The range of related measures is comprehensive. There is free access for all to education and to healthcare, and there are also care provisions for children and the elderly. Prevention has also for many years been an important feature of the policy against poverty and social exclusion, of which eInclusion is now a part. For the most vulnerable groups the focus is on initiatives such as the promotion of legal protection and individual action plans. Within the culture of "partnership" the Social council, local co-ordination committees and networks on corporate social responsibility have been established. A new Equal Opportunities Act was adopted in 2000, establishing statutory gender mainstreaming.

Challenges ahead The major challenge ahead is making a success of the inclusive labour market. This has to be seen in the context of an ageing workforce and the overall long-term target to increase employment by 100 000 persons. Another challenge is to ensure the social, linguistic, cultural and occupational integration of refugees and immigrants. People with multiple social/health problems, who make up a large proportion of those people ending up homeless, is also an issue of concern.

1. MAJOR CHALLENGES AND TRENDS

The **employment** rate in 2000, at 76.3 %, continues to be the highest in the EU. Moreover the **unemployment** rate is low at 4.7% and long-term unemployment is now just 1%. The rate of GDP growth was 2.9% in 2000.

According to the ESSPROS data from EUROSTAT, Denmark spends 30% of GDP on **social protection** compared to the EU15 average of 27.7% (1998 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the Danish expenditure on social protection is at 7098 PPS considerably above the EU15 average of 5532 PPS.

The effectiveness and comprehensive nature of the Danish social policy model is confirmed by the fact that Denmark has the lowest risk of poverty rate in the EU. According to the harmonised ECHP data (1997), 8% of the Danish population lived on an income of less than 60% of the median national income. The rate of persons living at risk of poverty continuously for the 3 years 1995-1997 was 3% (ECHP data).

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Developing the **inclusive labour market**, allowing more people to gain or retain a stable affiliation with the labour market, is the **major overall goal**. For the vast majority of people, quality of life is closely connected to an active working life where employment is not only a goal in itself, but also reduces the risk of social marginalisation. To reach this overall goal, the following challenges are present:

- Despite the substantial fall in unemployment and the increase in employment **the number of long-term claimants of maintenance allowances** – i.e. persons receiving cash assistance, activation or rehabilitation for at least 10 months during the calendar year – increased from 115 000 in 1994-1998 to almost 122 000 in 1999. As a rough estimate, about 70% thereof (85 000 persons) have problems other than unemployment.
- Promoting and building inclusive societies have a **growing ethnic dimension**. It is important to open and adapt policies in ways, which will ensure that increasing ethnic diversity in society is turned into a strength and does not become a factor of exclusion and social divide. Immigrants comprise a rising percentage of the long-term recipients of cash assistance (34% in 1999 against 24% in 1994).
- Another concern is **people with special social problems**. An estimated 50 000 people are socially marginalised (e.g. drug misusers at about 14 000, homeless people at about 4,500 and mentally ill people requiring special social initiatives at about 30 000). It is estimated that only a small proportion of the alcohol misusers falls into the group of socially marginalised people.

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The positive trends in the Danish economy form a good basis for reinforcing measures to address these challenges and building a more inclusive and cohesive society. Over the next 10 years the Government aims to increase employment by 100 000. This has to be seen in the context of an ageing overall workforce that is falling in numbers and that is foreseen to fall by as many as 40 000 by 2010.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The Danish social policy system is based on the principle of universality: all residents are guaranteed certain fundamental rights in case they encounter social problems such as unemployment, sickness or dependency. The Danish approach to social inclusion focuses on giving people an active life. The strategy is to ensure that people in need should be helped to achieve the highest possible degree of self-support.

The key objectives in coming years relate to increasing employment and the inclusive labour market, aiming at reducing the number of retirees and long-term unemployed but also by reducing the numbers of people of working age who are on transfer income. The aim is to meet the needs of the increased number of older people without reducing pension levels and services or increasing taxation. However, most important is to make sure that people enter into meaningful working relationships, seen as the best way to integration and also the best defence against poverty and exclusion. Other issues are to ensure the individual person financial support for a reasonably decent life and to improve living conditions for the most vulnerable, those unable to participate in the labour market.

2.1. The long-term strategic perspective

The complexity inherent in the effort to assist vulnerable groups to (re-)gain a foothold in the labour market is matched by a comprehensive approach directed to all levels of policy formulation and implementation. The approach also recognises the necessity to create both economic incentives for individuals and employers and a common understanding of the need for everybody to contribute to social cohesion.

2.2. The innovative content of the NAPincl

The comprehensive character of social policy is directed to the creation of an active and cohesive society.

Taking the working place as the point of departure for prevention of social exclusion and marginalisation, the measures supporting the responsibility of social partners, the Social Index and the Socio-Ethical accounts represent new ways to create positive incentives for companies to take on social responsibility. This has to be seen in the context of an ageing overall workforce. Demographic developments mean that the workforce would be reduced by as many as up to 40,000 by 2010, if the present age- and gender specific participation rates remain unchanged.

2.3. Co-ordinated and integrated approach

The strategy involves a high degree of co-operation between the different levels of government as well as between public authorities, NGOs and social partners both at national and local levels.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl

The social policy approach in the NAPincl is interlinked with other policy fields in a common drive to strengthen social cohesion. Both the NAPempl and the NAPincl focus on ensuring that as many people as possible participate in working life. The NAPempl focuses more on those in the labour force (in particular persons insured against unemployment), whereas the NAPincl focuses more on the creation of the inclusive labour market. In both NAPs there are only a few details about offers to the uninsured unemployed (people with unemployment as the only problem) receiving cash benefits. The NAPincl also includes policies aimed at those who are not able to participate in the labour market.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

Much emphasis is put on facilitating participation in employment and the active social policy is targeted at persons who for some reason find it difficult to stay in or enter the labour market. The policy aims at giving each individual a chance to participate by developing her/his skills and at the same time creating more job opportunities for individuals with less than full working capacity.

The active social policy includes a range of measures with the overall objective of enabling individual persons to support themselves and their families. Such measures include rehabilitation benefits, flexible working arrangements and sheltered employment with wage subsidy, protected employment and day shelters. Social chapters have also been introduced in almost all collective agreements, establishing a framework for employing and retraining persons with reduced capacity for work. Social clauses are another instrument available to public authorities wishing to contribute to the inclusive labour market. As part of the effort to strengthen the active social policy, the anticipatory pension scheme reform will be implemented from 2001 to 2003. Such amendment implies operating with a new criterion of "working capacity" which focuses on the individual's resources and development potential rather than his or her limitations. This criterion is in accordance with the criteria used in relation to other schemes.

3.2. Facilitating access to resources, rights, goods and services for all

Denmark ensures access for all to education as well as to housing and healthcare. All persons also have a right to some form of benefit if they cannot support themselves and from the age of 65 all Danish citizens have the right to receive a public old-age pension. Access to housing is ensured by means of publicly subsidised housing and by individual housing benefits for low-income groups. The Danish care provisions for children, the elderly and other persons who can not look after themselves are also comprehensive. In 2000, 76% of local authorities provided a child care guarantee for children between the ages of 0 and 5. For older people and others in need of assistance local authorities are obliged to provide personal and practical assistance. Building regulations on accessibility for disabled persons are based on the UN Standard Rules on the Equalisation of Opportunities for Persons with Disabilities. The NAPincl does not address issues related to the access to justice, culture, sport and leisure.

3.3. To prevent the risks of exclusion

Prevention has for many years been an important feature of the Danish policy against poverty and social exclusion, which does not mean that there are no further areas which may benefit from more preventive attention. Further development can be seen in the public health programme where one of the general objectives is to improve the health of the most disadvantaged groups. Another issue is the improvement of deprived urban neighbourhoods by using a holistic approach focusing on local resources and physical, cultural and social improvements.

For persons at risk of marginalisation and with dependants, special support is put in place concerning their economic, housing and health situation. Denmark is taking steps to meet the challenge of integrating immigrants and ethnic minorities. For newly arrived immigrants and refugees, there has been since 1999 a three year integration programme aimed at ensuring them equal access to society and to the labour market. More recently a number of other initiatives in relation to ethnic minorities are being taken including projects for mentally ill and homeless people, the collection of more information about ethnic minorities, more support for parents, initiatives for families with disabled and more day-care places for bilingual children. While a comprehensive strategy on **eInclusion** is not presented, the Plan mentions initiatives in different areas: ICT and the disabled, with a specific IT Action Plan, and ICT and the elderly.

3.4. To help the most vulnerable

Helping the most vulnerable has high priority and efforts are being strengthened to prevent the aggravation of problems, while aiming at ensuring a decent life for each individual. Denmark appears to have a balanced approach based both on structural policies alleviating the risks of exclusion and tailor made measures for individuals at risk. The focus is on initiatives to promote legal protection, individual action plans, user involvement, qualified counselling, cohesion and equality.

3.5. To mobilise all relevant bodies

The Danish model is based to a large extent on a culture of "partnership" characterised by the involvement of the social partners, the local authorities and other relevant organisations, including user organisations, at all levels. The implementation of social legislation is decentralised and primarily the responsibility of the local authorities. Legal protection is ensured by the possibility of appealing against decisions on social issues to administrative appeals committees and finally to the courts.

A **Social council** has been established at national level, gathering *inter alia* representatives from the social partners, the local authorities and the Danish Council of Organisations of Disabled People. The same scope of representation can be found at local level, with **the local co-ordination committees**. Another example of the partnership approach is the campaign on **corporate social responsibility** where a national network, as well as five regional networks of Business Executives, have been established with support from the Ministry of Social Affairs to promote social commitment in the corporate sector. **The Copenhagen Centre** is also playing an important role in this field. **Social Index** and **Socio-Ethical Accounts** are being introduced to allow companies to benchmark themselves against other companies on social parameters.

4. GENDER MAINSTREAMING

Denmark's universal system, giving equal rights to all, in itself enhances equality. The employment rate for women is high and women's participation in the labour market is supported by a comprehensive offer of public day-care facilities for children. A new Equal Opportunities Act was adopted in 2000, making it compulsory for all public authorities to include gender equality in their planning and administration. A steering group will oversee and manage the mainstreaming process. Parents are entitled to parental leave for up to one year for children under 9 years old. The outcome of the leave scheme is not gender balanced, as approximately 90% of parents on leave are women. While only a few of the social indicators presented in the NAPincl are broken down by sex, significant gender related differences emerge. In order to further analyse such differences and to monitor progress, more information would be needed.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The ESF allocation to the Objective 3 SPD is €379 million corresponding to 50% of the total amount. The SPD includes a priority aiming at promoting equal opportunities for all in accessing the labour market and support will also be available at a local level to provide disadvantaged groups, such as ethnic minorities, with employment and training opportunities (ESF allocation €105 million representing 27% of the budget). Another programme is the EQUAL programme with an ESF allocation of €29.9 million corresponding to 50% of the total amount. Approximately 58% thereof will be concentrated on actions to integrate people who are currently suffering some form of exclusion from the labour market. Despite the existence of the above programmes, their potential has not been referred to in the NAPincl.

GERMANY

Conclusions

Situation and key trends Germany has an employment centred system of social protection, which is based on various social insurance schemes, providing insurance against the major life risks - old age, illness, invalidity, the need for long-term care and unemployment - and, as a last resort safety net, on the right for residents in Germany to social assistance. This guarantees to people who do not have an adequate income the basic resources for meeting their economic, social and cultural needs. Despite favourable economic development in recent years (GDP growth in 2000: 3%), and an increase in the number of employed persons of about 1.1 million between 1998 and 2000, Germany is confronted with persistent high levels of unemployment in the Eastern Länder. The harmonised ECHP data reveal that in 1997 14% of the German population were at risk of poverty (i.e. with an income less than 60% of the national median), a lower rate than the EU average of 18%. 8% of Germans were in this situation for (at least) three consecutive years.

Strategic approach The NAP adheres explicitly to the concept of a 'socially fair society' and combines the emerging 'knowledge based society' with the need of strengthening social cohesion. At the same time the welfare state has to activate and to promote (*fördern und fordern*). Each person has to be more responsible for him or her self and at the same time his or her participation in social life has to be secured. The NAP especially emphasises the intention to avoid poverty cycles. The participation of non-governmental actors is seen as a very important condition for solving social problems. The publication of the first governmental Report on Poverty and Wealth in April 2001, emphasising the multidimensionality of the phenomenon of social exclusion, was an important step towards a more substantiated public discussion. The NAP/employment is considered to play a significant role in tackling poverty and social exclusion.

Policy measures The NAP focuses on four priorities in fighting poverty and social exclusion: integration into the labour market and qualifications, reconciliation of work and family life, assistance for the most vulnerable groups and improved efficiency of the assistance schemes by making them more targeted. The NAP provides an overview of the German system of social protection and refers to many existing and recently introduced as well as some planned individual measures and good practices to implement these objectives. A full panoply of policy areas and risk groups is mentioned, as well as specific help for them. More explanations should be given for most of the general commitments on how more inclusive policies will be translated into new operational arrangements. Quantified targets and monitoring mechanism capable of measuring progress should be better developed. **Challenges ahead** The major challenges ahead are the fostering of integrated inclusion policies related to people with problems entering into the labour market which will address this as a structural rather than as a mere target group issue. In fighting poverty and social exclusion common efforts from all the relevant partners in the fields of education, vocational training and lifelong learning are essential. Particular attention has to be paid to the higher unemployment rate in the Eastern Länder and its effects on social exclusion.

It is necessary to involve the regional and local level better in the development and implementation of the social inclusion process in order to enable a discussion the targets and initiatives at the levels appropriate to the German federal system.

1. MAJOR CHALLENGES AND TRENDS

Economic and employment growth in 2000 was (at 3% and 1.5% respectively) the highest in 10 years. Unemployment continued to fall to 7.9%, but the long-term unemployment rate (4.0%), while slowly decreasing, remained above the EU average. The groups with the Unemployment affects in particular people without certified education/vocational training; older workers; people with a disability; immigrants – especially female immigrants; and women with young children or living as single parents. There is a significant gap in the provision of childcare facilities both for children up to three years of age and for school age children in the Western Länder. Employment growth and unemployment decline are concentrated in Western Germany, where certain regions show nearly full employment, whereas in many regions of the Eastern Länder job growth is stagnant and unemployment remains high.

According to the ESSPROS data, Germany spends 29.3% of its GDP on social protection compared to the EU15 average of 27.7% (1998 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the German expenditure on social protection, at 6459 PPS, is significantly above the EU15 average of 5532 PPS.

The comprehensive social protection system in Germany explains to a large extent why the risk of poverty has been kept low despite the labour market problems. According to ECHP (European Community Household Panel) data, in 1997 14% of the population lived on an income below 60% of the national income median, a lower rate than the EU average of 18%. The persistent risk of poverty rate was 8%. According to the 1998 wave of the national German panel survey (SOEP), in the western German Länder 13.0% of the German, but 25.4% of the non-German citizens, were at risk of poverty. However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Some of the key challenges are the following:

- Half of all non-Germans (compared to one quarter of German citizens) do not have any certificated vocational qualification or education. The gaps for those between 20 and 29 years old widens to one in three of the non-Germans compared to ‘only’ one in twelve German citizens.

- There are still regional income disparities between the old and the new German Länder. The 1998 German Income and Consumption Survey (EVS) of the Statistische Bundesamt reveals a rate of persons in households with an income below 60% of the national median threshold of 11.0% in the 'old' Länder, but of 18.7% in the 'new' Länder (12.5% overall at the national level)¹.
- In addition, Eastern Germany is characterised by specific challenges such as the high structural unemployment and the need to maintain public and private infrastructures.
- In December 2000, 3.3% of the population received social assistance, in other word 'regular assistance towards living expenses'. While the conditions for being entitled to social assistance have remained unchanged the number of people receiving cost of living assistance is decreasing (-4.2% in 2000 compared to 1999 and -3.2% in 1999 compared to 1998. More than one in four single parent households (28 %) rely on social assistance (1998 data).

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

On the basis of an activating and promoting welfare state, the NAP focuses on four priorities in fighting poverty and social exclusion: integration into the labour market and qualification, reconciliation of work and family life, assistance for the most vulnerable groups and improved efficiency of the assistance schemes by making them more targeted. Due to the federal structure, both the federal and the Länder level have been consulted in the elaboration of the NAP. The Länder, and within them the municipalities, are responsible for tackling poverty and social exclusion. The federal level is mainly responsible for promoting participation and access for all to the labour market, with the Public Employment Service responsible for managing/implementing unemployment and assistance legislation.

The Länder are responsible for education, culture as well as for financing and implementation of social assistance and also, to some extent, for vocational training , lifelong learning, and housing. This leads to differing strategies regionally and locally.

¹ However, if the different economic conditions, such as different price levels are taken into account, and the low-income threshold is calculated according to regional medians, then the quota of people living in low-income households are lower in the Eastern Länder (8.4%) than in the West (13.1%).

In this context and at this stage the Bundesrat, the Chamber of the German Länder, has adopted a resolution calling for the respect of the share of competencies as defined in the EU Treaty and expressing scepticism towards the setting up of quantified national targets or sub-targets in the NAP. As a result of time constraints, the NAP reports predominantly on policies and measures for more activation and better integrated approaches, which were already implemented or which are on their way. Only a few commitments are genuinely related to the NAP/incl itself.

2.1. The long-term strategic perspective

The first official report on poverty and wealth underlines the poverty risks linked with the situation in respect of employment, education and family . Therefore, the groups most vulnerable to social exclusion are the unemployed, people with low qualifications, single parents and families with three and more children, as well as immigrants including re-settlers. However, the NAP could have focused more on initiatives to tackle non-integrated departmental policies and foster coherent territorial approaches. Specific strategies for the challenges in the Eastern Länder needs to be further developed.

Explanations are lacking in the general commitments on how more inclusive policies will be translated into new operational arrangements. The implementation of strategies to provide more and better childcare facilities remains unclear. Few new commitments beyond the two years perspective of the current NAP have been done (e.g. pension reform, part time legislation, Labour Market activation) and proposals on the mid-term strategy for integrated approaches are only at their very beginning. Reference to the 10 years perspective highlighted at the Lisbon summit is not sufficiently pronounced.

2.2. The innovative content of the NAPincl

The NAP reports predominantly on policies and measures for more activation and better integrated approaches, which were already implemented in the present and partly also in the coming year. Many new initiatives are pilot measures in limited test regions or in some municipalities.

2.3. Co-ordinated and integrated approach

The need for better co-ordination of departmental policies has been debated for years between the stakeholders and it is also widely recognised in the NAP. Due to the federal structure, the consultation process between the national, regional and local authorities and the other partners takes place within the framework and the procedures foreseen by Germany's federal structure. This issue is related to the rather complex debate on the division public expenditure and receipts between the federal level and the Länder as well as the latter's political autonomy.

2.4. Compatibility of strategic approaches in relation to National Action Plan/empl

The NAPincl intends to complement the NAPempl in promoting 'access to stable and quality employment for all women and men who are capable of working' in particular for long-term unemployed persons in receipt of social assistance, people with low qualifications, people with disabilities and immigrants. As regards the participation of (in particular young) immigrants in education and training measures, the NAPincl specifies that their share should be raised to their respective share of all unemployed. Examples are mentioned on four local pilot projects for initiatives targeted on youth in the period 2001 – 2003. Quantified sub-targets on measures to reconcile work and family life are lacking in both NAPs.

Synergies between the two NAPs could be expected in the fields of continuous training and lifelong learning, where the NAPincl stands for a more integrated approach to reaching people with poor qualifications and other groups with the greatest needs.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

The NAP focuses on improving co-operation between the PES and the social assistance administration aiming at more efficient assistance to help people integrate into the labour market and simpler bureaucratic procedures. The contribution of education and life long learning policies to this goal remains, however, unclear. For those with low qualification levels or lacking key basic and IT skills, and who experience the tension between the aim of lifelong employment and the reality of numerous breaks in their individual labour market careers, the answer seems still to lie in partly supplementary and only partly connected measures – the risk of the "Learning Divide" remains high. There is also a major initiative to foster the integration of persons with a disability into the labour market ('50.000 new jobs for the disabled'). Schemes providing tailor-made services for disabled persons by means of 'job assistance' (*'Arbeitsassistentz'*) are intended to be mainstreamed to the whole of Germany.

3.2. Facilitating access to resources, rights, goods and services for all

The government has formulated the aim of a need-oriented basic income, which will improve the existing system of 'cost of living assistance' and intends to achieve it step by step. As a first step the recent reform of the pension system includes provisions, which have made access to financial assistance easier for elderly people in need. A housing benefit reform intends to make the scheme more family-friendly. Attention is given towards structural improvements of health-care provision for immigrants (Ethnomedical Centre Hannover).

3.3. To prevent the risks of exclusion

There is a great variety of counselling services for specific groups such as migrants, families, young people, persons with disabilities, or homeless people. A great part of these services are offered by non-governmental organisations. The ICT promotion campaigns launched in 1999 and 2000 also include specific measures for people with disabilities, the elderly, and women as well as for improving public access to ICT facilities, e.g. in public libraries. On preventing homelessness, the NAP reports on the possibility to temporarily pay rent of tenants in difficulties. In order to increase the quality of advice provided by debt counselling agencies, quality standards for further training in debt counselling are being drawn up which will apply throughout the country. However, it seems important to ensure the necessary financial support for these information centres.

3.4. To help the most vulnerable

Objective 3 focuses on disabled persons, immigrants and persons with particular social problems. More commitments beyond the two years perspective of the current NAP should be made in order to support integrated approaches and structural reforms. There is a lack of information on some fields of problems and individuals at risk, e.g. the whole area of people with addictions to legal or illegal drugs.

The large scale programme 'The Social City' (*'Soziale Stadt'*) goes in the direction of a better integrated territorial approach to fighting social exclusion in an urban context.

3.5. To mobilise all relevant bodies

The NAP process included repeated consultations of the relevant partners from the federal and regional administrations with representatives of the social partners, civil society and experts from the academic world. Thus it continued the co-operation established by the consultative board for the 'Report on Poverty and Wealth'. The challenge ahead is to organise this collaboration in such a way as to fostering integrated and innovative approaches in implementing the Nice objectives.

4. ASSESSMENT OF GENDER MAINSTREAMING

The NAP emphasises the general objectives for increasing female labour market participation and for reconciling work and family life. To achieve this objective it is announced that the availability of childcare facilities will be improved. Moreover, part-time work is promoted by a bill on the equal status for women and men in the public service sector, by increasing the pension entitlement of women who have been working part-time because of their children, and PR campaigns. Finally, with the introduction of statutory long-term care insurance a network of outpatient care services has come into being, which allows many relatives of care-dependent persons to continue their own professional career. Carers may also accumulate entitlement under the pension scheme. The NAP refers explicitly to gender mainstreaming in the context of the initiative 'Soziale Stadt' ('The Social City') within the territorial approach of combating social exclusion. Gender aspects of targets will be taken into account in the implementation of measures for people with a disability, in promoting ICT qualifications, in the context of child and youth welfare, education and regarding immigrants. In promoting ICT qualifications the 40% target for female participation in all ICT fields should be broken down by occupational categories.

A new law intends to further reduce the housing problems of victims of domestic violence.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The total ESF intervention by the federal and Länder level amounts to € 10.809 billion under Objective 3 and € 8.805 billion under Objective 1. Objective 1 interventions closely follow the structure and thrust of the objective 3 SPD. Under policy field b (*'a society without exclusion'*) the ESF support amounts to 19.9% (€ 2.107 billion) and 22.1% (€ 1.29 billion) respectively, which is concentrated on fighting long-term unemployment and to improve the job chances for vulnerable groups on the labour market. In addition, a proportion of the 10% of the total ESF allocation in policy field e (*'to improve opportunities for women'*) will be earmarked for social inclusion objectives.

The Community Initiative EQUAL, with a total budget in Germany of € 979 million aims at new solutions for the further development of employment and vocational training schemes, actions and practice, focusing on inclusive and preventive actions to combat discrimination, inequality and exclusion in relation to the labour market. Not only gender mainstreaming, but also the fight against racism and xenophobia is regarded as horizontal issues to be integrated in all nine thematic fields.

Despite the existence of the above programmes, the NAP refers only to three measures co-financed by the ESF and to one HORIZON project from the last ESF programming period but does not give an overview on the support from the ESF.

GREECE

Conclusions

Situation and key trends In Greece a safety net of social and welfare provisions based on uniform principles is in the process of gradually evolving. Social policy has been dominated by non-targeted cash benefits, but this is changing as a result of recent steps. As regards facilities and programmes for open social care and protection, there is still room for improvement in relation to planning, implementation structures and delivery services. The harmonised ECHP data show that in 1997, 22% of the Greek population had an income less than 60% of the national median, while the percentage of persons at risk of poverty continuously throughout 1995-97 was 11%.

Despite successfully joining the EMU and continuous good economic performance, Greece continues to exhibit a low employment rate and high levels of unemployment. As a result of the problems in the labour market, and of structural developments - such as the change from a rural to an urban society, the ageing of the population, the weakening of family support mechanisms and the strong immigration flows, poverty and social exclusion continue to represent a serious challenge.

Strategic approach The NAPincl is structured along three strands: General policies, Specialised policies and Administrative interventions. In this context, three policy responses are proposed addressing: a) the needs (i.e. the demand) for social policy raised by existing and emerging problems that are linked to unemployment and the transition to new economic conditions, b) the delivery (i.e. the supply) of social policy through the adaptation of the administrative structures to serve the new role of social policy, and c) new ways of information handling (both statistical indicators and administrative information). This framework, although effectively identifies the key challenges, could benefit from clearer and specific strategic objectives and targets.

Policy measures The Greek NAPincl includes a great number of policy measures, distributed across the four common objectives. Particular emphasis has been put on measures serving Objective 1.1, most of which are already included in the Greek NAPempl, and on a great variety of social assistance schemes ("cash" benefits), which go some way towards meeting the goals of Objective 1.2. The reach of measures under this heading is extended by three new measures to be implemented in January 2002. The measures presented under objectives 2 and 3 appear to be fragmented, while those under Objective 4 focus on establishing the preconditions for involving all actors. The effort to promote e-inclusion is reflected in certain measures of broad scope, which nevertheless should be mainstreamed. Overall, some measures contain innovative elements, while the gender mainstreaming approach does not run through all the measures of the NAPincl, the exception being those under Objective 1.1. Furthermore, the dispersion of policy measures within different policy areas, although reflecting an effort to move towards an integrated approach, requires the development of appropriate mechanisms and the mobilisation of all stakeholders in the social policy area to ensure such an approach is achieved, areas in which the necessity for action is foreseen.

Challenges ahead The major challenge lying ahead is to elaborate and implement specific policies to improve the interventions in the social protection area in favour of all those citizens at risk of social exclusion and poverty, thereby promoting their social inclusion. Other major challenges are to promote the employment prospects of the most vulnerable population groups, given the link between unemployment and situations of poverty and social exclusion, and the need for a major pensions reform to safeguard pensions adequacy and sustainability in the long term.

1. MAJOR CHALLENGES AND TRENDS

According to the data presented in the Greek NAPincl², the risk of poverty rate was 17% in 1988, 18.4% in 1994 and 17.3% in 1999. This suggests that the risk of poverty has been kept stable despite fast structural change in the economy and in society. The ECHP data confirm the constancy over time, though the risk of poverty rate is estimated at 22% both in 1995 and in 1997.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Greece continues to exhibit a low employment rate and high levels of unemployment. Unemployment in Greece is still higher than the EU -15 average (2000: 11,1% versus 8,2%) and it continues to be an issue which particularly affects women and the young people.

The existing forms of public provision of social, welfare and support services in Greece have to be adapted to meet the increasing and multidimensional needs in this field. According to the ESSPROS data from Eurostat, Greece has increased social protection expenditure and spent 24.5% of GDP on social protection in 1998 (EU-15 average of 27.7%). Measured as expenditure per capita in Purchasing Power Standards (PPS), expenditure on social protection in Greece, at 3139 PPS, is below the EU-15 average of 5532 PPS, due to its lower levels of productive capacity. More than half of social expenditures are devoted to old age and survivors pensions (52.6 % in comparison to 45.7% in EU-15), thereby leaving comparatively less resources for funding other social transfers.

- The main challenge lying ahead, especially in the light of the fact that the Greek family's role of solidarity is tending to retreat, is to preserve social cohesion by pursuing specific policies in the social protection area in favour of all those citizens at risk of social exclusion and poverty. This is clearly stated in the Greek NAPincl as being both the major challenge and policy priority.

² Data derived from National Household Expenditure Survey, using disposable income and the poverty line as 60% of the national median.

- Another challenge which is acknowledged by the NAPincl, is to further increase the range and quality of Social Welfare services, which is likely to lead to further increases in their importance as a percentage of GDP.
- The NAPincl places great emphasis on the activating and preventing policy measures already planned or being implemented under the Greek NAP for Employment. Therefore, fighting unemployment and promoting employment is a major challenge of the Greek NAPincl.
- Despite the good economic performance that the country continues to show since 1996, Greece continues to face the challenge of addressing geographical inequalities, in order to reinforce social cohesion.
- Early school-leaving (especially young persons with “physical”, “mental” or “social” disabilities), while it has fallen in recent years, remains a challenge given its strong intra-generational poverty links.
- Improvement of housing conditions of some low income households continues to need special attention.
- Another area of concern, is the need for a major pensions reform. The reorganisation of the social security system is of major importance, as, given both the current financial situation and the future challenges of an ageing population, it is necessary for safeguarding continued pension adequacy in the long term
- Promoting a multicultural society through smooth integration of immigrants is a challenge and a priority of the NAPincl.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The strategic framework in the NAPincl aiming at preserving social cohesion is structured along three strands: General policies, with strong influences on social magnitudes and social relations, Specialised policies, with particular objectives and separate instruments and Administrative interventions so as to broaden the range of choices. In this context, three policy adjustments are proposed: a) to the needs (the demand) for social policy to address mainly new problems which are linked to unemployment, the transition to new economic conditions and to global realignments, b) at the delivery (the supply) of social policy through the adaptation of the administrative structures to serve the new role of the social policy, and c) to obtain new ways of information handling (both statistical indicators and administrative information). Overall, the NAPincl moves along four strategic directions: (1) continued macro economic expansion, (2) employment policy aimed against unemployment and in favour of flexibility in the labour market (aiding women and low income groups), (3) a series of reforms in areas linked to exclusion (Health, Welfare, Education, social security, public administration, decentralisation), (4) and three new targeted initiatives to be introduced in January 2002.

The NAPincl focuses on selected target groups, due to an assessment that, given current constraints, swifter progress towards the goal of a safety net should be achieved in this way. This approach could be aided by a clearer identification of groups at greatest risk of social exclusion (regarding size, composition, employment, housing conditions, etc) and of geographical areas at risk – which is lacking. There is therefore scope for further improvements in this respect.

2.1. The long-term strategic perspective

Although efforts are made to reshape and elaborate policies so as to address emerging problems of poverty and social exclusion, the NAPincl does not provide any quantified objective. The insufficient quantitative information in the NAP undermines the elaboration of a more comprehensive and better-structured action plan. Consequently, there is a strong need for the acquisition of hard evidence through better statistical data and analysis, a need which is acknowledged in chapter IV of the NAPincl. These are essential to ensure the follow up and evaluation of the policy measures of the NAPincl.

Pensions make up the bulk of social transfers. Other social transfers contribute significantly less to the alleviation of relative income poverty. The newly introduced measures of income transfers to poor households (i.e. those living in mountainous areas, with children at school and, the long-term unemployed) may contribute to improve this situation. . Besides, in considering the criteria for the extent of coverage of the various functions of the welfare system, two parameters are considered crucial: the level of the benefits and the number of the beneficiaries. For these reasons, the evaluation of the impact of the measures is essential.

Overall, the NAPincl makes it clear that, Greece has neither adopted an official definition of a poverty line nor a universal minimum guaranteed income. This explains the co-existence of a great variety of income transfer schemes to certain population groups (e.g. persons with disabilities, unemployed people, ex-prisoners, uninsured women, etc.). The unification and application of uniform criteria to the disparate benefits remains a task for the future.

2.2. The innovative content of the NAPincl

The NAPincl contains a few new targeted initiatives to be implemented in January 2002: income support to households living in mountainous and less favoured areas, cash benefits to the long-term unemployed aged 45-65 and benefits to families with children of ages up to 16 years at school. Also certain measures presented mainly under Objectives 2 and 3 are characterised by innovative elements and approaches. One should highlight in particular the drawing up of a map for the supply and demand of social care services at the regional and local levels, which will be linked with the integrated geographical information system to be developed for both health and social care.

2.3. Co-ordinated and integrated approach

The establishment of the mechanisms and arrangements required to ensure co-ordinated and integrated approaches is a priority. The government has made a commitment to set up those mechanisms. In addition, bottom-up and user-oriented approaches and adequate participation in the decision making processes still need to be further developed.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

The Greek NAPincl includes a great number of policy measures, which are distributed across the four common objectives and include various forms such as: actions, legislative acts, planned reforms in various policy areas, extension of existing measures, financial benefits, etc.

3.1. Facilitating participation in employment

Particular emphasis is placed by the NAPincl on measures and actions that serve **Objective 1.1** "Facilitating participation in employment", the vast majority of which are measures included already in the Greek NAPempl 2001. However, while the NAPincl contains a series of targeted actions that can contribute to greater access to the labour market for particular targeted groups given the scale of unemployment problem, a crucial factor for their likely effectiveness would be the progress of the large scale restructuring of OAED which is underway and the establishment of a well organised system of identifying, reporting, and monitoring the flows into and out of unemployment. In addition, particular attention should be paid to measures aiming to provide guidance and social support tailored to individual needs.

3.2. Facilitating access to resources, rights, goods and services for all

Under **Objective 1.2** "Facilitating access to resources, rights, goods and services" the NAPincl also places emphasis on a wide range of social assistance schemes (benefits "in cash"), which serve only partially this objective. In addition, there is no general scheme for long-term unemployment compensation in Greece, while there is a danger that some groups experiencing poverty may not be eligible for income support. As to the rest of this objective's measures (rights, goods and services) these are based mainly on planned general reforms of systems e.g. education, health, social protection, etc. which are designed to improve, inter-alia, equal access. One question is whether these kinds of reforms on their own are able to meet the needs of the disadvantaged persons or population groups. It is worth noting that there are few (or weak) links between policies addressed to Objectives 1.1. and 1.2.

3.3. To prevent the risks of exclusion

As regards the measures presented under **Objective 2**, "To prevent the risks of exclusion", although they cover most population groups at risk, they appear to be fragmented and not linked to any measures presented under the rest of the Objectives. Some of the programmes presented such as the "Social Support and Training Centres for disabled individuals", the "Development and expansion of the "Psychargos" Mental Health programme" and the "Integrated urban development interventions" include innovative elements especially by being based on an integrated approach. As to the actions promoting eInclusion, these are mainly focusing on education and training.

3.4. To help the most vulnerable

Under **Objective 3**, *“To help the most vulnerable”*, a number of measures are proposed, mainly through the provision of support in intercultural educational problems, while there is no evident link between the actions foreseen and the accompanying social support services that are needed for the specific groups. However, structural reforms will also be important if social cohesion is to be prevented. Most of the measures are targeted at specific population groups. Here again, there are some measures which can be characterised as innovative, being underpinned by an integrated approach, such as the Integrated Action Plan for ROM (gypsies) which combines infrastructural investment with investment in human and social capital.

3.5. To mobilise all relevant bodies

The measures presented under **Objective 4** *“To mobilise all relevant bodies”*, include plans necessary for the monitoring and implementation of the NAPincl, as well as measures improving Governance and administrative capacity. Hence the relevance of those measures to this objective is indirect. For some of them there is no immediate link with this objective while some others seem to take a long time before are put into effect. The rest of the measures referring to the strengthening of voluntary activities are under a planning process. The intention to set up a Network of Support Services to vulnerable population groups at the Municipality level is promising.

4. GENDER MAINSTREAMING

While the intention to adopt a gender mainstreaming approach is clearly expressed, the NAPincl lacks a comprehensive strategy based on a systematic analysis of the problems faced by women in Greece as well as a monitoring of the changes that are taking place. In this respect little is added to the gender mainstreaming actions announced in the NAP/empl. Some measures are presented in favour of the most vulnerable groups such as the post-release care programmes for female ex-prisoners.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The European Social Fund and EQUAL contribute substantially to the fulfillment of the goals of the NAP incl. However, the text of the NAP contains only a few explicit references to the Greek CSF 2002-2006. In particular a large number of measures especially those under Nice Objectives 1.1, 2, 3 and less so under Objective 4, implicitly entail an ESF contribution. This shortcoming is due to the amounts being finalised after the submission of the NAP. The ESF is active in Greece in the area of social inclusion mainly through the strengthening of employability and integration of vulnerable groups, including facilitation of access to the education and health systems. The ESF's support is reflected mainly in the co-financing of the Operational Programmes "Employment and Vocational Training", "Education and Initial Training" and "Health and Welfare". Support is also provided by the ERDF for related infrastructure and equipment.

In addition, the EQUAL OP for Greece aimed at promoting and testing new ways of combating the discrimination and inequalities faced by the most disadvantaged in the labour market (young people, women, those without educational qualifications, ethnic minorities, people with disabilities, older workers, refugees, ex-offenders, drugs and alcohol abusers and asylum seekers) relies heavily on the ESF's support.

SPAIN

Conclusions

Situation and key trends The Spanish welfare state has improved very significantly over the past 20 years. The rapid growth of social protection expenditure (at a faster rate than GDP and the total public expenditure) has allowed Spain to build up a social protection system based on access to education, health and social benefits, in particular pensions for the elderly. The traditional tax-paid occupational protection system has moved towards a mixed system that also provides publicly funded social assistance benefits. In the past ten years, social protection has broadened its scope to cover the most vulnerable persons with the progressive implementation of social assistance schemes as a final safety net. The unemployment rate in Spain, despite steady improvements over the last 5 years, remains high at 14,1%. According to the harmonised ECHP data (1997), 19% of the Spanish population lived on an income below 60% of the median income. The recent trends show that homeless people, immigrants, their children and single-parent households are the socially most vulnerable groups, and that the major cause of exclusion is the lack of employment.

Strategic approach The Spanish authorities consider exclusion to be a multidimensional phenomenon, which makes the mobilisation of stakeholders much more difficult and can therefore, make it harder to implement a consistent inclusion policy. In that context, the current Plan presents a catalogue of the different existing measures and planned improvements that are designed to deal with inclusion. The key strategic priority of this Plan is the mobilisation of the public authorities at different levels, the social partners and the NGOs. This achievement should open the way in the future to present a Plan where measures will be much more integrated than in the present Plan.

Policy measures Spain addresses the four Objectives. The Spanish response to the social inclusion challenges focuses mainly on the employment component of social protection, in particular through the pension systems for retired workers and people with disabilities. This is aimed to ensure an acceptable level of protection for the elderly and the most vulnerable groups of the population. The other important strand of social protection concerns the minimum income as the last safety net for those people, in particular young people and older unemployed persons below pension age, who should be integrated into the labour market. Traditionally the Spanish Authorities have a targeted approach based on strong specialised public institutes rather than an integrated approach. Access to new technologies, in order to avoid exclusion from the information society, is also developed in the Plan.

Challenges ahead Co-ordination and co-operation between the different administrative levels will be required to define a minimum standard of measures in order to tackle the inclusion issue in a more homogenous way throughout the national territory. The Central and Autonomous Administrations are committed to all of the Autonomous Communities elaborating their own regional Plans, as is already the case in several regions and in particular in Navarra. Another important challenge is to respond to severe forms of poverty. Relatively recent forms of exclusion such as those experienced by adult and child immigrants, the homeless and the mentally ill deserve special attention. Finally, the improvement of the indicators related to exclusion, and the implementation of regional plans against exclusion, should in the near future be further developed.

1. MAJOR CHALLENGES AND TRENDS

Over the past 20 years, the Spanish social protection system has experienced changes that represent a move from the traditional tax-paid occupational protection system, towards a mixed system that also provides publicly funded social assistance benefits. This social protection system refers mainly to the minimum income benefit, health protection, unemployment and old-age benefits and labour market integration and is tending to become universal in scope. It is important to note that the minimum income guarantee is not based on a homogeneous national scheme as there are different regional systems that provide different levels of benefits.

The Spanish economic situation has improved in 2000 with GDP growing by 4,1%. This has contributed in particular to an increased employment rate and reduced unemployment. Although the employment rate increased from 47,1% in 1996 to 55% in 2000, it remains well below the EU average of 63%. Despite the significant increase in female employment, there is still a 30 percent gender gap. Despite steady improvements over the last 5 years, the unemployment rate is, at 14,1%, still the highest in the EU. Again there is an important gender gap as the female unemployment rate is double the male rate. Other specific issues in Spain are the high youth unemployment rate and the long-term unemployment rate, at 11,4% and 5,9% respectively.

According to the ESSPROS data from Eurostat, Spain spends 21,6% of GDP in social protection compared with the EU 15 average of 27,7% (1998 data). Expenditure per capita in Purchasing Power Standards (PPS) is at 3224 PPS in Spain, compared with the EU15 average of 5532 PPS. According to the harmonised ECHP data (1997), 19% of the Spanish population lived on an income below 60% of the median income (risk of poverty rate). The rate of persons at risk of poverty continuously for the 3 years 1995-1997 was 8% (ECHP data).

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Some of the key challenges are the following:

- To ensure a minimum standardised assistance throughout the whole national territory, as the way social inclusion is dealt with differs significantly across different Autonomous Communities;

- To ensure closer co-ordination between active employment policies and social inclusion policies;
- To focus on the key vulnerable groups such as homeless people, immigrants and single-parent families, as these groups accumulate disadvantageous situations such as unemployment, low educational skills, bad housing conditions, disabilities, etc.
- To respond to the need to provide social protection to retired persons and those with disabilities.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The NAPincl presents the overall picture of poverty and social exclusion and the different existing measures and planned improvements that are designed to deal with this issue. This task required the involvement of a large number of different partners at central, regional and local level. In the institutional context of Spain, the NAPincl is necessarily more an overview of different measures, than a single integrated plan. Still it should be considered as a considerable achievement.

The NAP does not clearly indicate key or quantified objectives. However, it can be deduced from the detailed financial figures presented in the Plan, that pension and minimum income schemes are the major instruments to combat exclusion. The mobilisation of stakeholders is a strategic objective that will allow improving the efficiency of the inclusion policy.

2.1. The long-term strategic perspective

As it is possible to deduce from the financial breakdown, almost 90% of the resources indicated in the NAPincl are aimed at ensuring the minimum pension complement, and 10% to promoting labour-market integration. In that context, the priority is to ensure income support for people that are outside the labour market such as elderly people, and persons with disabilities.

The other 10% is mostly used to tackle issues indirectly related to poverty, such as housing conditions, health, education etc, or to support specific target groups. The measures included in these categories are well defined, as they correspond to actions implemented by specialised public bodies.

The lack of quantified targets is a weak point in the NAP. The improvement of the indicators related to exclusion, which should also cover the gender aspects, is necessary to have a better understanding of the social exclusion process and to encourage the adaptation of social policy to new trends. It is important to note that for each Objective there is a description of a set of initiatives that will be implemented in the next two years, in order to improve policies related to social inclusion.

2.2. The innovative content of the NAPincl

The most innovative content of the NAPincl is the mobilisation of stakeholders as described under Objective 4. Although under the other Objectives there is a description of the initiatives planned for the next two years, these refer in general to the improvement of existing measures. The mobilisation of all stakeholders in the field of social inclusion can be seen as the way to promote awareness of this specific issue as well as to foster systemic changes that will enable building up a more integrated approach.

2.3. Co-ordinated and integrated approach

The decentralised administration of Spain implies that most of the elements described in the Plan fall under the competencies of the Autonomous Communities. The "Ministerio de Presidencia" is responsible for co-ordinating the elaboration, monitoring and evaluation of the Plan. In that context it would be appropriate to assess at the regional level the extent to which the different measures are co-ordinated and integrated. In addition, most of the public bodies in Spain in the field of social affairs are strongly organised around target groups, which means that a holistic approach to social inclusion will only be possible through strong co-operation and co-ordination. It is clear from the actions described under Objective 4 that huge efforts are being undertaken to address this issue.

2.4. Compatibility of the strategic approach in relation to the National Action Plan/empl

The two NAPs are closely linked as regards the employment measures. This is particularly the case in the Objective 1 measures that are designed on one hand to guarantee unemployment benefits to the beneficiaries and on another hand to promote labour market integration through vocational training. This Plan includes the estimated allocation of funds of the NAP employment that are devoted to the most vulnerable persons.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

The main emphasis is given to insertion schemes that combine employment and training as well as employment subsidies. The target group of this objective is the LTU. The Active Income for Insertion involves both the public employment service and the social services. It is designed to ensure a minimum income and to provide assistance in order to foster the integration of beneficiaries into the labour market. As this measure is managed by the central administration it would be interesting to evaluate its synergies with similar schemes for Integration managed at regional level.

3.2. Facilitating access to resources, rights, goods and services for all

The priority is given to ensuring access to minimum resources, which represents **65%** of the expenditure under this Objective and 32% of the whole NAP. The main beneficiaries are mostly the retired or the persons with a disability. The other priorities of this Objective are educational measures especially for those who do not have a minimal educational background, which represents **12%** of this objective. Also representing **12%**, the health measures focus mainly on integrated services, which encompass social, and health services, regional and local administrations tackling the problem of care for chronic illnesses, and on the National Plan against Drugs. Finally, 10% is allocated to social services and housing.

3.3. To prevent the risks of exclusion

One of the strands of this Objective concerns the implementation of Inclusion Plans at regional level. So far only 8 Autonomous Communities have presented a Plan, though by the end of 2003 all the Autonomous Communities, as well as the biggest municipalities will have their own plans. The NAPincl does not specify any financial support for these Plans, nevertheless this should be considered as a starting point. Another strand of this Objective is "family solidarity". These measures focus mainly on dependent persons and childcare, and benefit from a clear financial support.

As regards access to new technologies, the Plan recognises the role new technologies can play in helping NGOs and set out a number of initiatives to provide them with ICT equipment and to stimulate multimedia networks. It is also worth noting the intention to promote new technologies for the development of teleworking in groups with social difficulties. However, one should also note that 9,8 million people are described as having difficulties in accessing new technologies, which means that this issue goes beyond the specific area of social exclusion.

3.4 To help the most vulnerable

The priorities are presented by target groups. The top financial priority is given to "immigrants" and "families with children" which represent around 45% of the expenditure planned under Objective 3. "Elderly people" and "persons with disabilities" represent 40%, while "women" and "youth" represent 10% of the financial allocation. Concerning homelessness, only a small share of less than 1% has been allocated. Most of the measures or specific plans described are of particular interest for combating exclusion, and are closely targeted on specific groups.

3.5 To mobilise all relevant bodies

The most relevant aspect of the NAPincl is the huge effort and commitment on the part of the different Spanish authorities and partners to gather information in order to present this Plan, and which permitted a broad overview of inclusion issues in Spain. The follow-up of the NAPincl will require a significant effort in order to put in place more institutional forms of decision-making, including new discussion *fora*. As far as social inclusion is concerned, the co-operation between the Central administration and the Regions will be similar to that already in place for employment policy. Social partners and NGOs also intend to institutionalise the way they will further contribute to the social inclusion debate. However it would have been appropriate to have some information about the way the Public Administrations of the Autonomous Communities are mobilising the different actors at their level, as it is mostly at the regional level where social inclusion is implemented. In that sense, the Plan against exclusion of Navarra (1998-2005) indicates how an Autonomous Community can mobilise the regional partners to identify challenges and define operational measures.

4. GENDER MAINSTREAMING

The NAPincl intends to apply gender mainstreaming across the four Objectives. Gender issues however are mainly seen from a women's vulnerabilities point of view, as in the wide ranging fourth Spanish Action Plan for Equality between men and women which appears under Objective 3. In the same objective is presented a new National Action Plan against Domestic Violence, which covers support from victims but also measures for the perpetrators and training for the law enforcement staff. In Objectives 1 and 2, gender issues are sometimes raised to combat illiteracy and when measures have specific incidences on family life such as childcare and health care and may facilitate the integration of women into the labour market.

As part of the Ministry of Labour, the Women's Institute has participated in the process of elaboration of the NAPincl, however there is no clear indication about the follow-up and evaluation of the NAPincl from the point of view of gender.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The current CSF Objective 1 and 3 (2000-2006) supports social inclusion mainly through the priority axis "labour integration of persons with special difficulties". Both ESF and national allocations represent for the whole period around € 980 million. The Autonomous Communities and NGOs are the major promoters of the measures related to social inclusion. The EQUAL initiative contributes also to social inclusion, in particular through the priorities related to labour insertion and gender equality.

FRANCE

Conclusions

Situation and key trends: In recent years France has enjoyed sustained economic growth and seen a fall in the unemployment rate and the number of people in a situation of poverty or exclusion. The country continues to suffer from high unemployment, which affects the different social categories and regions in a very unequal manner. In 1997 the risk of poverty rate stood at 17%, putting France slightly below the EU average. Although poverty and exclusion are mainly associated with being out of work, people with a job may also be affected. The main groups vulnerable to poverty and exclusion are children under the age of 15 living in poor households, the long-term unemployed, young people with inadequate qualifications, lone-parent families, large families, people living in run-down districts, and asylum seekers.

Strategic approach: The NAPincl extends and supplements the approach to the fight against exclusion which has been pursued since 1998. It will be implemented with the help of a detailed financial programme. The NAPincl applies a two-pronged medium-term strategy which puts a premium on access to employment, based on the NAPempl, and mobilises the various public and private-sector stakeholders in order to help people in the greatest difficulty to obtain their rights. This mobilisation of the stakeholders makes it necessary to ensure better coordination between the administrative departments concerned, as well as the close involvement of all the relevant partners. The procedure adopted takes account of the multidimensional nature of exclusion and places emphasis on an integrated approach in the various policy fields. The NAPincl also stresses the importance of more targeted action in regions where poverty and exclusion are most marked. Finally, although a considerable effort has been made to define indicators, the absence of quantified objectives or sub-objectives is regrettable.

Policy measures: The measures are divided into four main categories corresponding to the four Nice objectives. Although a large proportion of measures come under “access to employment”, the 2001 NAPincl proposes a wide range of social and cultural measures aimed at clearly defined target groups or regions. The intensity of the proposed policies can only be assessed by taking account of the financial aspects of the “national programme on preventing and tackling poverty and social exclusion”. The across-the-board approach in terms of access to rights helps to promote equal opportunities for men and women under the Plan’s provisions and measures, and this should be consolidated by the gender-specific indicators currently being developed.

Challenges ahead: To tackle insecurity factors in relation to income from employment, housing, health, knowledge and skills and to guarantee effective access to rights are the major challenges facing the French authorities. Special attention will also have to be devoted to the problems arising in sensitive social housing districts or certain geographical areas. Furthermore, in the light of the presentation of the “national programme on preventing and tackling poverty and social exclusion” in July 2001, and to reinforce the integrated nature of the NAPincl, it is essential to ensure a sustained follow-up using appropriate indicators, as well as joint implementation of the NAPincl and all the various programmes and initiatives which the French authorities adopt with regard to social inclusion.

1. MAJOR CHALLENGES AND TRENDS

Since mid-1997 the French economy has been experiencing sustained growth, despite a recent downturn (GDP grew by 3.2% in 2000), and a high rate of job creation (515 000 in 1999 and 580 000 in 2000). The unemployment rate has been falling since 1997 (8.7% at the end of March 2001), particularly benefiting the long-term unemployed, over-50s and young people. Despite these trends, **unemployment** remains very high, and **substantial inequalities persist**. For example, the unemployment rate is 7.7% for men but 10.9% for women, and there are considerable differences between the regions, with the north and south of France having to contend with much higher unemployment than the west or centre of the country.

In terms of the risk of poverty rate, defined as the percentage of the population whose income is less than 60% of the national median, this affected 17% of the population in 1997, putting France slightly below the EU average (according to European Community Household Panel data). In 2000, according to national statistics, some five million people were living below the risk of poverty line (based on a threshold of 50% of the median wage).

However, monetary income is only one of the dimensions of poverty. In order to obtain a complete picture, account should also be taken of other equally relevant aspects, such as access to employment, housing and health care and the degree to which essential needs are satisfied.

Poverty and exclusion are mainly associated with being out of work, but people in employment are not immune. The “working poor” constitute one of the groups most vulnerable to poverty and exclusion (1.3 million people). The other groups are children under 15 living in households at risk of poverty (950000 in 2000), the long-term unemployed, young people with inadequate qualifications, large families, lone-parent families, asylum seekers, and people living in run-down districts or overseas departments.

The return to work of parts of the poorer population groups and their escape from precarious living conditions are recent results of economic recovery. **The insecurity factors in relation to income from employment, housing, health or knowledge/skills represent the main challenge** facing the French authorities. A **second challenge** is that of **excluded people’s access to their rights**. The complexity of administrative procedures to be completed, forms to be filled in and dossiers to be compiled, together with the jumble of rules and regulations, often make access to rights difficult. Attention will also have to be devoted to run-down or sensitive **social housing districts** and to the **geographical areas** particularly **affected by social exclusion**.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The NAPincl applies a two-pronged medium-term strategy which puts a premium on access to employment, based on the NAPempl, and mobilises the various public and private-sector stakeholders in order to help people in the greatest difficulty to obtain their rights. This mobilisation of the stakeholders makes it necessary to ensure better coordination between the administrative departments concerned, as well as the close involvement of all the relevant partners (especially the local and regional authorities). The procedure adopted takes account of the multidimensional nature of exclusion and places emphasis on an integrated approach involving measures in the fields of employment, training, housing and health.

The Plan **does not lay down quantified objectives** (or sub-objectives), a shortcoming which is likely to be detrimental to a proper understanding and perception of poverty and social exclusion situations, particularly in connection with evaluation. The strategy seems to opt for a presentation of "trends"; a long list of indicators is proposed, focusing especially on the formulation of indicators by gender and according to various variables (age bands, groups of socio-professional categories, income, labour market situation and family circumstances). By contrast, the July 2001 programme lays down quantified objectives for most measures, to be achieved by July 2003. **From this point of view, it is important to emphasise the importance of the integrated approach to the implementation of the NAPincl and the July 2001 programme.**

2.1. The long-term strategic perspective

The **strategy** proposed in the NAPincl comprises an **extension of the policies adopted in 1998** and is part of a **medium-term** outlook up to 2003. The financial instrument for implementing the NAPincl is **the national programme of July 2001**. The first results of the 1998 legislation showed that the measures had a real impact on access to employment, but less effect on access to rights (with the exception of access to health care, which was improved by the introduction of universal sickness cover).

The first objective of the NAPincl is to reintegrate jobseekers into the labour market by focusing more sharply on the groups most isolated from the world of work. It includes five main objectives which build upon the 1998 programme and correspond to the recommendations of the Nice summit.

2.2. The innovative content of the NAPincl

The real breakthrough in French policy to combat poverty and exclusion was the Act of 29 July 1998, of which the NAPincl includes only the main principles. However, the NAPincl **emphasises the efforts directed at the population groups most isolated from the employment market**, and extends **the involvement of the various State stakeholders** (Justice, Culture, National Education) **and of businesses** (the development of social responsibility and social dialogue within businesses so as to prevent and avoid the severance of employment relationships - and hence exclusion - constitutes one of the objectives of the draft legislation on "social modernisation"). The 2001 Plan also **emphasises the importance of action focusing on regions where poverty and exclusion are most in evidence**.

2.3. Co-ordinated and integrated approach

The strategic approach is clear and perfectly consistent with the challenges identified. It is based on the multidimensional nature of exclusion and the need to propose diversified responses. The NAPincl clearly identifies the consequences of exclusion, recognises the need to prevent it, and pinpoints the most vulnerable groups and areas. In order to meet the challenges, the NAPincl is simultaneously **following a strategy based on the various policies** (employment, housing, health, etc.) **as well as mobilising the stakeholders**.

Concerning cooperation and coordination between all stakeholders, it is important to note that the development of this strategy was the subject of a major debate in French society between 1995 and 1998. The various associations and social bodies were all very much involved, together with the competent State administrative departments. In extending and building on these actions, the NAPincl does not seem to have given rise to such extensive mobilisation outside the associations directly concerned and the State services. **It would thus seem necessary to establish reinforced coordination mechanisms between the administrative departments concerned and to step up the involvement of the social partners in implementing the arrangements**. In this connection it will be important to secure the close involvement of local and regional government, in particular the general councils (*conseils généraux*) and municipal authorities.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl

There are close links between the NAPincl and the strategy put forward in the 2001 National Action Plan for Employment. The new Plan by necessity takes into account the French employment strategy formalised in the NAPempl, which it reinforces and supplements. France attaches considerable importance to preventive and/or active measures in favour of persons at risk of exclusion, as testified to, for example, by the introduction of the new "personalised action project" scheme, the creation of the "employment premium", and the consolidation of the TRACE programme ("gateway to the labour market"), which targets young people with major difficulties. Other measures provide for aid in direct connection with employment (market and non-market sectors).

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment and access to resources, rights, goods and services for all

The approach adopted does not consist in creating specific rights to which only the most deprived are entitled, but proposes the adaptation of all provisions of general law and the development of follow-up action to ensure their effective enforcement. Action mainly involves guiding the unemployed and the groups most isolated from the labour market into employment, validating occupational skills and qualifications, and establishing social tariffs for public services based on people's real incomes. The new measures include facilitating access to housing, improving the system of access to health care, and above all a major effort concerning the psychological stress incurred. The NAPincl also proposes - albeit on a lesser scale - programmes to assist access to education, justice and culture.

3.2. To prevent risks of exclusion

The proposed **strategy** is **consistent** with the **principle of prevention** adopted at the Nice summit. A whole series of concrete measures are planned, in order to take early targeted action when a breakdown in living conditions seems likely. The main measures are a proposal for social support for families in serious debt, prevention of eviction, creation of education support units to prevent children dropping out of school, prevention of family break-ups by providing increased parenting help, and easier access to new technologies for young people and jobseekers.

Although the Plan does not mention eInclusion as a major challenge, it does list a series of **initiatives on the use of information and communication technologies (ICT)** in education (all schools will be connected to the Internet by the end of the 2001–2002 academic year, Internet and computer user's certificate) and training (Internet initiation module and "Internet navigation certificate" offered to jobseekers undergoing training and young people attending local centres). Public Internet access points will be established (more than 7000 will be open by 2003, 2500 of which will have signed a "public cyberspace charter" with a view to offering general training for anyone in the form of an "Internet and multimedia passport"). Finally, the "Points Cyb" programme will be stepped up.

3.3. To help the most vulnerable

The approach adopted is oriented both towards people and regions. The vulnerable groups are clearly identified, and the proposed activities target the people and regions worst hit by exclusion problems. The measures include extension of the TRACE programme for young people seeking to enter the world of work, and the development of socially beneficial activities in run-down areas. Special attention is devoted to the overseas territories and departments with exclusion problems. Since the early 1980s France has invested considerable efforts in run-down areas, under the motto "a policy for towns and cities", and the 2001 Plan emphasises a more territorial approach by the State, particularly in the field of access to employment for the population groups with the greatest difficulties.

3.4. To mobilise all relevant bodies

The NAPincl recognises and emphasises the fact that effective action to combat exclusion necessitates **effective coordination among all the stakeholders**. This is achieved by reinforcing the local social observation structures and developing local centres housing the various public and social services. Greater involvement and better coordination of decentralised State services will accompany the strengthening of partnerships with associations. The partnership is an essential element of the Plan, in terms of both content and implementation procedures.

4. GENDER MAINSTREAMING

The across-the-board approach adopted to guarantee everyone effective access to the same rights should help to promote equal opportunities for men and women under the arrangements and measures presented. However, this approach seems to be more restricted as regards social protection, where discrepancies are found (especially in family break-up situations), and in fields necessitating the development of statistics broken down by sex, which according to the Plan will be introduced progressively.

The nature of the major challenges highlights the discrepancies between men and women in terms of employment and family situation (85% of lone parents are women). Consequently, the initiatives adopted above all concern access to employment (quantified objectives for the participation of poorly qualified women in the TRACE programme) and improvement of the economic independence of recipients of lone-parent benefit. Men who are particularly marginalised, ex-prisoners, the homeless, delinquents, and migrant workers in hostels also benefit from special attention or measures in connection with various objectives, such as access to employment, housing, health care and the Internet. The development of personalised social support should also lead to more consideration being given to the specific needs of men and women.

One question that remains to be resolved is how to steer the various measures. The Plan promises special attention for the formulation of indicators by gender so that measures can more easily target women, who are often the main victims of exclusion situations. This becomes even more important in that the gender dimension is not particularly visible in the July 2001 programme, unlike in the NAPincl.

5. THE ROLE OF THE ESF

The NAPincl does not specifically mention ESF-cofinanced activities. **However, the links are perceptible** in the policy of prevention that is being pursued. The ESF, under the Objective 3 programme for the period 2000-2006, is providing special support for strengthening the preventive approach. These measures represent 65.5% of the total national ESF budget (approximately € 3 billion in ESF contributions).

In particular, ESF support is granted for activities benefiting the target groups of the "personalised action programme for a new start" and the development of "local integration and employment plans" and "departmental integration plans". The ESF also finances measures to combat exclusion, supporting an approach based on prevention and social integration and seeking to combine approaches aimed at preventing long-term unemployment with measures to tackle exclusion. The ESF also plays a preventive role by giving a second opportunity to young people who leave school without qualifications. Similarly, workers in employment can also benefit from ESF support. Finally, the ESF supports measures to remove obstacles to employment and training access for women and to encourage diversification in their career choices.

IRELAND

Conclusions

Situation & Key Trends The year 2000 was the 7th year of extraordinary economic growth in Ireland. GDP grew at 10.7%, three times the EU average and exceeding the results of the previous years. The impact has been enormous with a reduction in unemployment to 4.2% and in long-term unemployment to 1.7%. Alongside growth in employment, there are growing labour and skills shortages. In terms of poverty the picture is mixed. Using Ireland's 'consistent poverty' definition, adult poverty levels fell from 15% in 1994 to 8% in 1998, whilst child poverty levels over the same period dropped to 12%. But there is a growing income disparity; in 1997 20% of the population had income below 60% of the median using harmonised ECHP data. A thorough examination of social exclusion requires more developed trend information on poverty which in turn requires more information on specific groups such as poverty by geographical areas. Such an examination would also require an analysis of the problem of social exclusion. This analysis would need to address health, rural deprivation, transport and housing issues. It is expected that these issues will be addressed as part of the NAPS review.

Strategic Approach The need to tackle poverty is well recognised: social inclusion policies amount to 10 bn euros, and the National Anti-Poverty Strategy, which underpins the NAPincl, was established in 1997. This Anti-Poverty Strategy (and hence the strategic approach to poverty in Ireland) takes a long term agenda (10 years) and is made up of specific targets covering particular programme areas and groups. Employment and access to jobs for all is seen as key to moving out of social exclusion. An administrative infrastructure and monitoring procedures and mechanisms (many new when introduced) have been put in place to progress the strategy. Of particular significance is that targets and principles have been integrated into national financial and development plans. There is a commitment to revisit and improve the Anti-Poverty Strategy and a wide-ranging review is now underway. However neither the analysis which underpins the National Anti-Poverty Strategy nor any of the recent evaluations of this strategy are adequately reflected in the NAP/incl which lacks a strategic dimension. Gender as a specific issue is not highlighted.

However when completed, the National Anti-Poverty Strategy Review is expected to contain both an analysis and a strategic policy response to the problem of social exclusion. **Policy Measures** Ireland is active under all four objectives, especially facilitating access into employment and raising standards of education. Unemployed and disabled people are targeted, and the value of lifelong learning highlighted. The importance of the family and tackling homelessness are two issues raised. The need for an effective social care infrastructure for children and older people is recognised, and child poverty is a key focus of the NAPincl. The involvement and contribution of stakeholders is valued and they are fully engaged in the review of the National Anti-Poverty Strategy with work plans in hand to involve them further in the Anti-Poverty Strategy. However the involvement of stakeholders in the current NAPincl process was viewed as weak, but should be addressed in future.

Challenges Ahead The NAPincl gives a broad outline of future challenges, and does not identify specific objectives. But it is possible to infer from the NAPincl that any future strategy under the revised NAPS must address a range of issues. Key priorities will be: enhancing investment in the provision of services (health, housing and transport services) for those on low income, tackling rural and urban deprivation and implementing a social care infrastructure (especially for children and elderly). It will also need to concentrate on reducing growing income inequalities, the integration of refugees and migrants, as well as the independence (particularly financial independence) and well-being of women. Targeting employment opportunities and raising educational achievements and literacy levels, will also need to be addressed.

1. MAJOR CHALLENGES AND TRENDS

The year 2000 was the 7th year of extraordinary economic growth in Ireland. GDP grew at 10.7%, three times the EU average and exceeding the results of previous years. These developments also saw growing labour and skills shortages. This impact is significant; most notable is the reduction in unemployment to 4.2% and in long-term unemployment to 1.7% and a growth in employment. The trend is of continued growth but at a slower rate (forecast 6.7% growth in 2001 GDP). In poverty terms the picture is mixed. Using the national 'consistent poverty' definition, adult poverty levels fell from 15% in 1994 to 8% in 1998, whilst child poverty levels over the same period dropped to 12%. Among the immediate consequences of rapid economic growth is a growing income disparity. According to the ECHP data, in 1997 20% of the population had an income below 60% of the median. A point to note is that Ireland spent only 16% of GDP on social protection in 1998 (the lowest percentage in the Union). This is partly attributable to its relatively low proportion of elderly people. However, low income is just one of the dimensions of poverty and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs. This examination will require trend information on poverty which is not adequately provided in the NAP/incl. This information would also need to be broken down to cover issues such as poverty risk by geographical area or poverty risks associated with more vulnerable groups. It is possible to deduce some of the major problems, such as rural deprivation, which appears endemic. Access to health is recognised as unequal but data is not provided. Human rights are tackled primarily through the Equal Status Act, but there is no specific reference to social rights and little reference to citizenship. At this stage of the Review of the National Anti-Poverty Strategy, the NAP/incl identifies future challenges in broad terms rather than specific objectives. The main aim of the Irish Government is of maintaining a sustainable rate of economic and employment growth whilst tackling social exclusion, poverty and inequality. However it can be inferred from the NAP/incl that if social exclusion is to be tackled effectively, policies will need to address: the provision of services (health, housing and transport services) for those on low income; rural and urban deprivation and; the implementation of a social care infrastructure (especially for children and elderly). It will also need to concentrate on: growing income inequalities; the integration of refugees and migrants, and; the independence, particularly financial independence, and well-being of women. Targeting employment opportunities at those excluded, as well as raising educational achievements and levels of literacy, will also need to be addressed. This will require co-ordination at local level and better data, particularly on marginal groups. It is expected that these issues will be addressed as part of the NAPS review.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The need to tackle poverty is long recognised in Ireland through the National Anti-Poverty Strategy, covering policies accounting for some 10 bn euros. Put in place in 1997, the Strategy focuses on employment as a main route out of exclusion. Structural support for the Strategy includes strengthened legislation (especially Equality) and a partnership approach, in particular the National Partnership Agreement. This Strategy is at the heart of the NAPincl and of its strategic approach: it takes a long term agenda (10 years) and is made up of specific targets covering particular programme areas, reinforcing a target group approach. An administrative infrastructure and monitoring procedures and mechanisms (many of which were new when introduced) have been put in place to progress the strategy. Of particular significance is that targets and principles have been integrated into national financial and development plans. There is a commitment to revisit and improve the Anti-Poverty Strategy, and a wide-ranging review is now underway.

The unfortunate timing of the NAPincl and National Anti Poverty Strategy Review means that the NAPincl lacks an explicit analysis of the problem of social inclusion. Health, rural deprivation, housing and transport issues are not fully developed. Target setting is an important part of the review and few have been able to be included in the NAPincl. Further improvement in these areas is expected to be an important outcome of the NAPS review

2.1. The long-term strategic perspective

The National Anti-Poverty Strategy takes a 10 year view. This commitment to the long term perspective is also matched by a willingness to review and change where necessary. The focus on employment as the most important route out of exclusion, particularly for people with disabilities and unemployed people, remains appropriate given the labour market situation. The National Development Plan contribution to social inclusion is consistent with this approach. The timing of the National Anti-Poverty Strategy Review means that the NAPincl is confined largely to descriptions of policy measures already in place. It does not provide a quantitative or qualitative critique, nor any adequate evaluation evidence from the first four years of the Anti-Poverty Strategy.

2.2. The innovative content of the NAPincl

The NAPincl provides useful and interesting examples of good practice although it includes little that is new over and above the National Anti-Poverty Strategy. However it is expected that, as agreed with Social Partners, the NAPS review will provide a new impetus through an examination of 6 themes: Educational Disadvantage; Employment; Rural Poverty; Urban Disadvantage; Housing; and Health. Each Working Group will address the concerns of women, children, older people and ethnic minorities as horizontal issues. A separate Group, the Benchmarking and Indexation Working Group (BIG) will examine the adequacy of welfare payments. The remit of each Working Group also includes targets and indicators. The review is expected to report in November 2001. A commitment has been given that the revised National Strategy will be reshaped using the NAPincl framework.

2.3. Co-ordinated and integrated approach

The National Anti-Poverty Strategy process is built on a cross-Departmental and multi-agency approach. Social partners, NGOs, voluntary and community groups are involved in policy development and strategy with work in hand to strengthen this. The review of the National Anti-Poverty Strategy involves all relevant actors in a positive and significant way. Participation and involvement in the NAPincl process is less clear. Conferences were organised to allow groups to contribute but the view from some stakeholders is that it was less participative than other strategic processes, and their contributions less valued. A commitment to full participation for future NAPincl has been given. A comprehensive approach is attempted through Poverty Proofing. This is a radical attempt to ensure that all Government policies consider the impact on those in poverty. Poverty Proofing aims to provide policy makers with a systematic approach to assessing the impact of their policies, particularly at the design stage, on those in poverty. To date, the concept remains robust, but implementation needs further work. The approach should be further strengthened and extended to the local level following an external review of its impact.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl:

The potential for compatibility between the two is strong and the NAP Employment addresses social inclusion issues. But although the NAPincl does refer to the role of the **NAP Employment**, the links between the two documents are weak and could be improved.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

The inclusion in the labour market of excluded people and eliminating long term unemployment are key challenges. The strategy is to provide incentives and mobilise all sources of labour and to provide the necessary education, training and lifelong learning opportunities. The NAPincl bases its approach on the relevant Employability measures of the NAPempl and targets people with disabilities, unemployed, and to a lesser extent Travellers and refugees. A Lifelong Learning Task Force has been established to identify gaps in provision and make recommendations. Upgrading people with obsolete or low skills is a priority, but there are no targets yet. A number of policy initiatives are already in place to allow access to the Knowledge Based Society. These are either small pilots for particular groups, such as ICT opportunities for disabled people and for supporting the voluntary sector, or are large general approaches such as measures for digital literacy.

3.2. Facilitating access to resources, rights, goods and services for all

Social protection and minimum income issues are raised in The NAPincl. To put the position in context, Ireland spends the lowest proportion of GDP than any other Member State on Social Protection (16.1% compared to EU average of 27.7%, which is partly attributable to its relatively low proportion of elderly people). There are commitments in place supported by the Social Partners to increase all welfare. Substantial progress has been made towards achieving these commitments. More specifically, there is a commitment to increase child benefit, and a minimum IR£ 100 per week lowest welfare payment target exists. Removing the low paid from the tax net has already begun and the development of a threshold for income adequacy is work planned. Regarding health, there is a recognition that access to health is unequal in Ireland. Objectives have been set by the Programme for Prosperity & Fairness, but no targets. In terms of transport, the upgrading of facilities to assist access for the disabled is comprehensive including taxi's as well as buses and trains. Although not highlighted, these changes will benefit others (parents with young children or elderly people). But how the transport needs will be met of other socially excluded people, especially in rural areas, is not specified. Other access issues such as access to justice, recreation and arts are not raised. However there are several initiatives aimed at tackling domestic violence, including the National Steering Committee on Women against Violence, and MOVE and First Contact, two pilots aimed at potential perpetrators of violence.

3.3. To prevent the risks of exclusion

The demand for **housing** is estimated at 500,000 new dwellings over the next 10 years. No targets are set in the NAPincl to achieve this and the impact it will have on social inclusion is not explained. Targets will emerge following the NAPs review. The housing needs of Travellers have been singled out for action, but other socially excluded groups or low-income families have not been identified as a priority in the NAPincl. The NAPincl recognises that homelessness needs to be tackled urgently, and a new Homeless Agency has been established in Dublin. The NAPincl does not include relevant indicators /data. For **families** there are a range of policies supporting all aspects of family life including: the Money Advice and Budgeting Service to tackle **indebtedness** and a strategy to improve **work / life balance** is in hand, but no targets are set. An example of policy on the ground is the **Family Service Pilot Project** targeting problematic families with complex problems such as young lone mothers. Locally based, the project provides an integrated approach, offering a 'package of support services' tailored to meet individual family needs. This includes guidance, counselling and case management. A recent evaluation report has now recommended mainstreaming the project.

3.4. To help the most vulnerable

Interventions tend to be targeted at specific groups rather than universal in approach. **Rural disadvantage** is endemic. Nearly 61% of educationally disadvantaged school children are in rural areas. As with other aspects of rural poverty, no specific targets are set, although there are global targets that will benefit rural inhabitants, such as that to drastically reduce early school leaving and raise qualification levels. Poverty amongst **older people** is identified, particularly the need for effective or improved pension cover. A new development is **The RAPID Programme** which identifies the 25 most disadvantaged areas in Ireland based on: unemployment, income levels, family and social structure, educational disadvantage and high levels of local authority housing. RAPID aims to focus social inclusion measures and National Development Plan investment at the most disadvantaged. It is a localised and targeted approach to social protection. The **Colaiste Ide – City of Dublin Vec** provides quality, flexible education (online and distance learning) to unemployed, lone parents and disabled people. It attracts students from all over Ireland and is involved in outreach.

3.5. To mobilise all relevant bodies

Stakeholders are involved in the social inclusion agenda. The consultative infrastructure is strong, whilst greater delegation of responsibilities to regional and local level is now evident, including some delegation of the National Development Plan and National Anti-Poverty Strategy to the Regional Assemblies, the setting up of the City and County Development Boards and the increasing involvement of Local Authorities. The newly established Equal Opportunities and Social Inclusion Co-ordinating Committee is drawn from a wide range of organisations (including NGOs and Social Partners) and one of its tasks is to identify ways of promoting equality and social inclusion as a central part of Government Policy. A recent White Paper 'Supporting Voluntary Activity' establishes a framework to strengthen the consultative mechanisms planned as part of the National Anti-Poverty Strategy Review. For the NAP/incl, conferences were held to gather views but the process was not satisfactory to some stakeholders.

4. GENDER MAINSTREAMING

There is no gender analysis in the main challenges, but work is in hand to tackle women's poverty, including through the National Anti-Poverty Strategy Review. Structurally, there is the Gender Mainstreaming Unit (GMU) attached to the Department of Justice Equality and Law reform, as well as the planned Education Gender Equality Unit (GEU). The new equality architecture covers 9 forms of equality, replacing the single focus on Gender. The impact of this change is unknown.

Gender is addressed in employment in line with the Employment NAP. It is partially addressed in social protection. For example, earlier state pension improvements have been made, although the current pension reform focuses on occupational and private pensions. However particular attention should be given to the needs of older women, particularly those with low or no employment record. Improvements are evident in some areas, especially in support for carers, where the non-means tested Carers' Benefit is now complemented by the recent introduction of the right for up to 65 weeks Carers' Leave from employment. In addition, credited contributions are granted to maintain pension cover during absence from work to care full time for children or other dependents.

In access to services such as healthcare, housing and transport, gender mainstreaming is not evident.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The national Employment and Human Resource Development OP accounts for more than € 12.5 bn investment. The ESF contribution to this programme is more than € 900m or 85% of all ESF. In addition, ESF contributes to the two Regional OPs where ESF measures are concerned with childcare and to the PEACE II OP in which ESF is used to support social inclusion and employability actions. Although the amount of ESF allocated to the Social Inclusion Policy Field is relatively modest (around 12% of € 1.056m available) there is substantial ESF support through policy fields A and C for groups at risk of exclusion.

ITALY

Conclusions

Situation and key trends: Social exclusion in Italy is concentrated in certain regions of the south, whereas in the north the phenomenon is more limited and the groups affected are more specific. The main reason for social exclusion is monetary poverty, which in 1997, according to the European indicators, stood at 19% (risk of poverty rate, based on a threshold of 60% of the median income). Social exclusion particularly hits large families whose head is unemployed, as well as people with a low level of education and dependent elderly people. The geographical concentration of these risks is very much in the south of the country, where the social system is still centred on financial assistance mechanisms rather than on the availability of services. The family, which remains a pillar of the country's social model and enjoys a range of tax benefits and direct aids, still has to make up for the lack of social services. This phenomenon can have negative effects on female employment in spite of a series of initiatives designed to achieve a balance between family life and work (which is still a distant prospect in Italy).

Strategic approach: The social exclusion strategy is based on a combined approach, which includes universal and preventive policies, as well as remedial policies aimed at target groups. The new planning policy being tested aims to be: **integrated**, with assistance and social services consistent with the principles of universal access, closer partnership, and creation of networks and a monitoring system; extensively **decentralised**, with direct involvement of the regional authorities at all levels; **partnership-based**, the involvement of the various stakeholders being one aspect of the new planning system; and **multisectoral** in that the NAP, with different multiannual plans, is based on a timetable up to 2003, the policy objectives of which are not quantified at national level. However, the spirit of the strategy and policy measures adopted clearly testify to the government's long-term commitment. Two main trends characterise **public spending** priorities up to 2003: the rebalancing (1998-2000) of expenditure on social protection, with a reduction in (invalidity and war) pensions and an increase in transfers and services, and the doubling of appropriations for the Social Policy Fund between 2000 and 2003.

Policy measures: The "National Social Plan" (NSP) adopted in April 2001 constitutes the basis for the preparation of the NAP and refers explicitly to the Nice objectives. It is being implemented through regional plans and provides the framework for the new social inclusion strategy and the recently adopted reform of the assistance system (2000 framework law). The NSP refers to a range of planning instruments (four national and four sectoral plans) supplemented by other more specific forms of assistance (local minimum wage trials, Immigrants' Education Act, family and maternity benefits, Children's Rights Act, etc.). The measures in force correspond to the four common objectives and are presented in a manner consistent with this structure.

Challenges ahead: The main challenge is to develop the south of the country, and this is also a priority of Italy's structural policies. To this end a strategic effort should be made. Care for young people and dependent elderly people also constitutes a major challenge. The problem of poverty, clearly identified in the diagnosis and listed as one of the five objectives of the NSP, also remains a challenge which has not yet been addressed by specific measures, other than the minimum wage scheme (which is still at the experimental stage). At institutional level, the main challenge is the coordination of national planning, both between the various sectoral plans and between the national and regional levels. Monitoring and evaluation (by the Social Policy Observatory) and the ability of the regional authorities to face up to the responsibilities devolved to them are other aspects which must be followed up carefully.

1. MAJOR CHALLENGES AND TRENDS

The NAP analyses **poverty** in a very methodical manner, applying the concepts of **relative** poverty (based on a threshold which takes account of expenditure) and **absolute poverty** (based on consumption of a minimum basket of goods and services). In 1999, according to national data, relative poverty affected nearly 12% of households (approximately 7 508 000 people), 65.9% of them in the south. 4.9% of families (1 038 000 people) were in a situation of absolute poverty (11% in the south compared to 1.4% in the north). In 1997, according to ECHP data on risk of poverty (Eurostat methodology), 19% of the Italian population were living below the threshold of 60% of the median income, of which 34.7% in the south, 9% in the north and 19.1% in the centre. Income distribution is also unequal within these geographical areas, which increases the differences in social cohesion. The **risk of poverty** in terms of income is taken into account, and the main categories of persons subject to this risk are identified (e.g. large families, young people and dependent elderly people). It is noted that poverty increases with the number of minors in the household.

The Italian NAP considers that monetary income is only one of the dimensions of poverty and social exclusion and in order to obtain a complete picture, account should also be taken of other equally relevant aspects, access to employment, housing and health care and the degree to which essential needs are satisfied, as well as other factors, such as for example, the level and quality of school education, access to knowledge (especially new information technologies), and dropping out of school (in the south, the number of young people who leave school without a certificate is eight times higher than in the north).

The groups at risk of social exclusion include **minors** (28% of minors are at risk of poverty in the south compared with 5.2% in the North), the **homeless**, the **disabled** (especially the elderly disabled) and **immigrants**, who find it difficult to gain access to employment and the school system and tend to be in insecure jobs.

The lack of **jobs** remains an important factor in exclusion (which affects 28.7 % of households whose head is unemployed). The situation is even worse in the south owing to the low level of education of unemployed people and the high rate of short-time working.

Especially in the south, the family is still too often forced to act as a social cushion and extended social inclusion and assistance network. The family network's role in caring for minors and other dependent persons constitutes a major challenge to Italian social policy and social inclusion. The focus still tends to be on financial aid rather than on the availability of services.

Insufficient **childcare services** are available; for example only 6% of infants (0-2 years) are accommodated. The need to provide care for children and dependent people has a negative impact on equality of opportunity, in that it can restrict women's chances of employment and economic autonomy. Policies designed to reconcile work and family life should be strengthened if this problem is to be tackled, in particular a greater availability of care services

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The NAPincl provides a broad response to the challenge of ensuring social inclusion. The **gradual rebalancing of public spending** in the field of social assistance (including social security and pensions) is in progress. The main principles of the NAP are the promotion of universal access, minimum income and decentralised services, and the rationalisation of transfers of public resources with clearer identification of the resources earmarked for the fight against poverty and those for other social purposes (e.g. distributing the burden of family responsibilities). The NAP develops the priorities identified in the 2000-2003 National Social Plan (NSP) adopted in April 2001. The initiatives adopted in the NSP by the government suggest a commitment to a long-term strategy with a view to achieving ambitious objectives. In view of the geographical concentration of the problems, another objective would be to enable the south to catch up. The effectiveness of monitoring, steered at central level by a Social Policy Observatory, is a key element in this strategy. Consequently, one of the priorities remains the development of evaluation methods for social policies.

The priority policy objectives of the NAP are respect for children's rights, the fight against poverty, the improvement of household services, the improvement of the conditions for caring for dependent people, and the social inclusion of immigrants. The reform of assistance policy is pursuing the objective of a long-term universal approach. The strategy is both preventive (e.g. certain national and sectoral plans such as the national health plan, the plan for the disabled and the education plan) and remedial. Action in this context includes minimum income trials, as well as legislation covering maternity, dependent people, invalidity, children's rights, etc.

The strategic approach means that the regions must be able to face up to their new responsibilities and introduce the necessary planning tools (plans are currently being drafted, and only three regional plans have been adopted as yet, all in central or northern Italy).

2.1 The long-term strategic perspective

Owing to the organisation and regionalised structure of the Italian social system, the objectives to be achieved are described mainly in qualitative terms, and are rarely quantified - although quantification and timetables are covered by the regional and local plans which are in the process of being adopted.

However, the Italian government is prepared to quantify the national objectives once the regional plans have been adopted.

The monitoring system, work on indicators, the nature of the problems and the approach to multiannual planning demonstrate the consistency between the main challenges and the proposed strategy. The Italian government's response covers a period of two years only.

2.2 Co-ordinated and integrated approach

Chapter 3 of the NAP focuses on the role of the "integrated system of social policies", which is based on eight plans, four of them national (social services, health, employment, education) and four of them sectoral (the disabled, children and young people, drug users, the elderly). One pillar of the NAPincl is the National Social Plan (NSP), a sort of "master plan", which is very innovative for Italy and is characterised by an integrated strategy of universal response to the needs of social inclusion, based on the principles of universal access, closer partnership, and creation of networks and a monitoring system. The NSP provides a framework for regional and local planning and is in fact implemented through regional plans (*piani sociali regionali*) and local plans (*piani di zona*), which directly involve the regional and local authorities in both planning and implementation.

Within this complex system of planning, the principles of coordination and integration are explained, particularly in the NSP. It is not clear how the national and sectoral plans will combine, or to what extent the proposed structure will be able to reduce the gaps between the regions. The involvement of **private stakeholders** is highlighted by the part played by the Foundations and their ability to mobilise financial resources. Their role is mentioned in the National Social Plan for 2001-2003, in which private stakeholders, especially representatives of the third sector and voluntary sector, are referred to as key players.

2.3 The innovative content of the NAPincl

The most innovative aspect of the NAPincl is the actual process of implementing the **framework act on the reform of the social assistance system**. Under the reform, management and coordination tasks are separated; the central authorities will increasingly be required to perform coordination and monitoring tasks, whereas management and implementation will be the responsibility of the Regions.

Another important innovative aspect is the current **minimum income** trial being undertaken by a number of municipalities since 1998. However, the NAP does not give any information on the results achieved or say whether it is intended to give general currency to this measure. A further innovative element concerns the tools introduced to diagnose social exclusion problems; more detailed work is being carried out on **indicators**, which will certainly lead to a significant improvement of the permanent system of analysis and monitoring.

2.4 Compatibility between the NAPincl and the NAPempl

There are no specific references to the policies set out in the NAPempl, which are merely repeated in general terms in the context of the NAPincl.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1 Facilitating participation in employment and access to resources, rights, goods and services for all

Measures are based around two priorities: facilitating access to **employment** and facilitating access to **resources, rights, goods and services**. The employment strand takes in all current policies (school reform, university reform, training, employment centres, etc.), as well as tax and income support measures such as the minimum income trial. Measures to help people meet their family responsibilities and to assist prisoners and immigrants are also included under this objective. The important aspects of the resources, rights, goods and services strand are the consolidation of social services for the people concerned, regionalisation of public health services, measures to reduce the cost of housing, free assistance for the most deprived, and the social services department.

3.2 To prevent the risks of social exclusion

Three types of initiative are listed in this connection: measures to stop young people dropping out of school without qualifications, measures to support the family solidarity network, and adoption of a national plan for the **new economy**, which includes training schemes, the distribution of computers, and encouraging young people to use the Internet. Apart from this plan (which will benefit 600 000 students during the period 2001-2, at a cost of around € 90 million), there are no quantified objectives for the other activities mentioned.

3.3 To help the most vulnerable

The initiatives in this connection are aimed at four target groups. The poor: the government's response is the minimum wage and minimum measures for the homeless. Drug users: therapy programmes are mentioned. Minors, young people and children: a diversified response is offered (socialisation structures, participation of young people in the life of society, centres for young people, psycho-social help, school integration for immigrants, protection of young people against the risk of delinquency). The disabled: a national sectoral plan (2000-2002) and a series of specific financial assistance measures.

3.4 To mobilise all relevant bodies

The very nature of the current reform is based on a partnership approach, which requires the various stakeholders to play an active role at their own levels of responsibility. The active participation of the private sector, as well as associations, NGOs and the social partners, must be organised by the regional authorities. Citizens, as beneficiaries of services and as consumers, must also play a more active role.

Central-level initiatives may give rise to local programmes and also encourage “social pacts” (*patti per il sociale*), a pilot experiment based on a bottom-up approach and necessitating close consultation with the stakeholders in the field.

4. GENDER MAINSTREAMING

Analysis of the major challenges in the analytical part of the plan reveals discrepancies to the detriment of women in relation to employment, unemployment, disabilities and the sharing of family responsibilities and shows that women are more likely to be involved in voluntary work. By contrast, 80% of homeless people are male, half of them immigrants. The Plan provides a wealth of indicators and statistics broken down by sex (including data on households broken down with reference to the head of household (housing, subjective poverty, difficulty in obtaining access to services, etc.). The social situation is analysed from the gender angle. The question of promoting equal opportunities for women and men, although covered by the diagnosis, is not adequately developed with regard to the strategic approach, the emphasis having been placed on reconciling work and family life rather than on reducing the difference in activity rates. A series of measures may be regarded as making a positive contribution in this context (maternity support for women not covered by existing legislation on maternity leave, tax deductions for looking after children and old people at home, better access to care services for children and the elderly). The legislation on domestic violence is also mentioned, as is the development of new national statistical indicators on domestic violence and on reconciling work and family life.

5. THE ROLE OF THE ESF

The NAP mentions ESF assistance. Generally speaking, it is estimated that 6% of the resources for ESF Objectives 1 and 3 are earmarked for measures concerned with social exclusion and services for the individual. However, the role of the ESF in controlling social exclusion goes well beyond the measures specifically mentioned. Other Community initiatives are also referred to, but their impact on social exclusion is not considered. The exception here is EQUAL, which aims to promote integration between the NAPempl and NAPincl and an innovative approach as regards cohesion and social inclusion policies.

LUXEMBOURG

Conclusions

Situation and trends. Luxembourg has a booming economy and a high standard of living. Its social policy is generous, with total spending on social protection coming to 9 258 PPP per inhabitant per year in 1998, putting the country in first place among the EU Member States. The 1996 Eurostat household income survey reported a risk of poverty rate of 12%, based on a national median income of € 2 200 per person per month (after payment of social transfers), attesting to the relative effectiveness of Luxembourg's social protection system in substantially reducing poverty. In spite of the policies undertaken, there are continuing difficulties in respect of unemployed elderly people, low-skilled jobseekers, lone-parent families or "new arrivals" who have fled their region of origin.

Strategic approach. Under the new common strategy, Luxembourg intends to **continue** to follow its determined policy in favour of an **active social state**, while strengthening it wherever it appears necessary. Given that the current system has shown itself to be effective, the Luxembourg authorities do not consider it a priority to undertake major reforms or to introduce many new instruments. The Luxembourg social system sees itself as being **all-embracing**. This first NAPincl reveals three main aims: to provide everyone with sufficient income, to foster integration into the world of work as a means of tackling poverty and social exclusion, and to do more to prevent potential crisis situations. The plan also includes the development of coordination and follow-up with regard to the policies in these fields.

Policy measures. The proposed measures are relevant to the problems faced and constitute a response to the common objectives adopted in Nice. As regards the first of those objectives, the plan submitted pursues the active policy adopted, particularly measures designed to ensure adequate means of support and improved access to employment, training, housing and all public services. As for the second objective, the plan seeks to prevent school failure and illiteracy and to break the vicious circle caused by serious debt. Thirdly, it makes provision for improved protection of young people and better social integration of people who do not speak Luxembourgish. Finally, concerning the fourth objective, the preparation of this plan has had the effect of mobilising all the forces of the political world, society and associations. The government has committed itself to involving, in an organised manner, the various organisations (NGOs) and local authorities in implementing and steering the NAPincl.

Challenges ahead. A number of challenges merit more detailed attention: housing conditions, immigration, the role of the school system in promoting social inclusion, risk groups, and social assistance. Synergy between the NAPincl and the NAPempl must be consolidated, particularly in terms of the generalisation of activation and prevention policies with regard to GMI recipients or other groups with limited work skills. A greater effort must be made to contain the risk of a shortage of housing accessible to people on low incomes, given the state of the housing market. Recent migration flows pose problems in terms of integration into the country's cultural and social life, and especially education. Furthermore, the proportion of women, often with children, who are dependent on social assistance calls for particular attention; the number of elderly people in this situation also calls for particular attention. More detailed consideration should also be given to exclusion as a function of age, origin and gender. Finally, this first NAPincl does not contain any quantified objectives.

1. MAJOR CHALLENGES

Strong economic growth (8.5%), a preventive and active employment policy, and personalised employment services are all factors contributing to the near absence of unemployment (2.4%). Despite an enviable economic situation and a social policy which is both all-embracing and generous (in 1998 total spending on social protection in Luxembourg came to 9 258 PPP³ per inhabitant, putting the country in first place in the European Union), the **1996 Eurostat survey** on household incomes in Europe found that 12% of Luxembourg's population had a net income of less than 60% of the national median income (€ 2 200 per inhabitant per month). According to national data, 5% of the population have a monthly income of less than € 1 000, a percentage which has remained stable overall for a number of years. This testifies to the effectiveness of the social transfers system in substantially reducing the effects of poverty.

However, monetary income is only one of the dimensions of poverty. In order to obtain a complete picture, account should also be taken of other equally relevant aspects, such as access to employment, housing and health care and the degree to which essential needs are satisfied.

The recent rise in inflation (3.1%) affects people on modest incomes. The main factors in this rise were essential **consumption** items such as housing, water, electricity and energy, and food (more than 5%).

The increase in the number of **social housing units** (+7.5%) cannot hide the risk of a shortage of accommodation for rent which is accessible to the low-paid population. Luxembourg has the lowest ratio of housing units per 1000 inhabitants after that of Ireland. This problem could become worse in view of the rapidly expanding property market.

The steady growth in employment has brought unemployment down to 2.4%. This **residual unemployment** often reflects an increase in specific problems and is therefore very much of a social nature. Consequently, there remains a **hard core** which the active employment measures in place are unable to absorb. These are generally people with a low level of education and skills or with multiple and various disabilities (lack of expertise, psycho-social or health problems).

Although the policies pursued have kept the poverty problem under control and even slightly improved matters (1.7% fall in the number of GMI recipients between 1998 and 1999), Luxembourg remains faced with a number of difficulties in reaching a fully satisfactory manner, the whole population among unemployed elderly people, low-skilled jobseekers, lone-parent families, thousands of "new arrivals" in the country (people without papers, refugees, asylum seekers, illegal immigrants, etc.).

³ PPP = Purchasing power parity.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The NAP reflects the government's desire to work towards an **active social state** with the intention of developing responsible solidarity and an open society in which everyone can participate. The Luxembourg social system sees itself as being **all-embracing** and non-discriminatory. Under the new European strategy, Luxembourg intends to **continue** its determined policy in this field so as to allow every citizen to participate fully in economic and social life by making sure that everyone has sufficient means of support, access to fundamental entitlements (housing, health, education, employment, culture, justice and leisure) and the means to exercise their rights as citizens.

2.1. The long-term strategic perspective

Given the challenges faced, the proposed measures respond to the common objectives adopted in Nice, without introducing major reforms, in view of the quality of the instruments already in place. This first NAPincl should be seen from a medium-term perspective. The authorities' intention is to **assess** the effects of existing legislation and to consolidate or even **add** to it. However, Luxembourg pays little attention to the question of drawing up strategic and operational objectives, the choice of monitoring indicators or the adaptation of measures to take account of results. This makes it difficult to predict the eventual impact of the measures proposed or to envisage a timetable for the implementation of the new policies. Luxembourg avoids putting figures to its aims in this field.

2.2. The innovative content of the NAPincl

The NAPincl includes a systematic inventory of initiatives which have proved successful, particularly with regard to economic solidarity, employment of the disabled, and integration of GMI recipients into companies or under active policies promoting the return to work of the most vulnerable. It provides an added value compared with existing policies on social exclusion and poverty, by modernising and improving certain approaches (to serious debt, dependence, access to minimum wage, dropping out of school, etc.). The most innovative aspects of the NAP relate to the generalisation of the social emergency service at national level, alternative vocational training for young people at the Dreibern socio-educational institute, and primary school education for children who do not speak Luxembourgish.

2.3. Coordinated and integrated approach

The NAPincl is based on **broad** consultation of stakeholders in politics, the economy and civil society, with a prior information and awareness-enhancement phase involving the social partners and NGOs in particular. The opportunity afforded by the NAPincl has also been seized upon by the government to develop the link between the various policies and hence also between the large number of administrative bodies involved in the fight against poverty. The NAPincl is a result of the coordinated contributions of policies, without always making clear in the text the connection between them. More attention could have been paid to a fundamental examination of exclusion as a function of age, origin and gender.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl

Employment is an important factor in social inclusion. The aim of an intensified active employment policy and application of the measures announced in the NAPempl is to consolidate access to employment - and hence integration into society - for everyone. The measures provided for under the NAPincl and NAPempl complement each other, in that those under the NAPempl seek to reintegrate jobseekers in general into the labour market while those under the NAPincl are more specifically aimed at reintegrating people who are particularly disadvantaged.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment and access to resources, rights, goods and services for all

The majority of measures are linked to the objective of promoting participation and access for everyone. Social inclusion will be achieved through policies in support of employment, the family, education, training, housing, access to public services and justice, access to the knowledge society, and through targeted measures designed to meet the needs of the most vulnerable. The NAPincl thus includes a list of policies (current or in the process of being revamped), including activities in the fields of job creation and reintegration through economic solidarity. One of the priority instruments is **integration into work** as an ongoing method of tackling poverty and social exclusion.

3.2. To prevent risks of exclusion

In absolute terms, the extent of exclusion may appear marginal. It manifests itself in the form of a rise in long-term unemployment, an increased number of older jobseekers, and a steady number of GMI recipients (9 000, or 2% of the population), young people leaving school without qualifications, people with multiple personal disabilities, disabled persons, and other dependent people.

The recent Act of 8 December 2000 on measures to prevent and deal with **overindebtedness** is part of this policy of prevention, aiming to eliminate this vicious circle. Other very specific measures (both preventive and remedial) with more immediate tangible effects include social and family policy measures (increase in family benefits, reduction of tax on low incomes, increase in supplementary pension allowances, partial exemption from tax of the value of a residence accruing to a GMI recipient in the context of an inheritance), other statutory measures to help those on modest incomes (threshold for seizure of assets, harmonisation of minimum social standards, mediation committee, clearance fund for overindebtedness), the creation of a social emergency service, specific measures for providing training or work integration for GMI recipients, measures to counteract school failure or cultural exclusion, voluntary early education and socialisation at infant school, literacy classes in French, and the establishing of an institution to help young adults and young people who have dropped out of school to make the transition to working life. The plan identifies quite clearly eInclusion as a major challenge to be addressed, without, however, giving substantial detail on the development of necessary responses between now and 2003.

3.3. To help the most vulnerable

This objective was already well covered by Luxembourg's "classic" policy. The measures listed reflect the desire to correct the inequities of a society characterised by a booming economy but with a hard core of exclusion and persistent poverty. Starting with the Act on guaranteed minimum **income** (GMI) forming part of the fight against poverty, with a view to ensuring that **everyone** can enjoy the minimum means of support, the NAPincl extended the horizon to social exclusion in its most global sense, in particular by facilitating access (new instrument in place since March 2000).

The NAPincl lists social cohesion and solidarity policies, such as providing shelter for children in distress (part of draft legislation promoting children's rights and protecting young people), specific measures for GMI recipients, disabled people (draft legislation dated 27 July 2001), integration of people who do not speak Luxembourgish, and the procedure to regularise the status of asylum-seekers without papers, Kosovo refugees, etc. There is also a multiannual action plan on drug abuse and help for the mentally ill.

3.4. To mobilise all stakeholders

This aspect is already firmly anchored in Luxembourg tradition, and the plan therefore includes few really innovative measures. However, the Council's desire for as many stakeholders as possible to be involved in the preparation and implementation of the NAPincl has been complied with. The plan is based on broad consultation and involvement of stakeholders from politics, the economy and civil society. This involved an information and awareness-enhancement phase relating to the conclusions of the Nice Summit, involving the social partners and NGOs in particular. The jointly prepared summary document was submitted to the national parliament which debated it on 17 May 2001, while the plan was subsequently decided on by the government. The various NGOs and local authorities will continue to be involved in implementing and steering the NAPincl.

4. GENDER MAINSTREAMING

The government's intention is to systematically include equality between men and women in all its practices and policies. Furthermore, the NAP proposes the continuation of positive action for the integration of women into work and society, including the development of local accompanying structures to help women reintegrate into the labour market and society. Some measures more specifically concern women, such as the creation of childcare facilities, the sharing of pension rights between women and men, and pension insurance legislation (the "computation" system, under which a parent staying at home to bring up a child is credited with seven years of pension contributions).

However, the relative proportion of women who are dependent on social assistance or who are on the minimum wage demands a more in-depth follow-up of the promotion of gender equality within the various policies.

Consideration of the gender dimension underlines the importance of an integrated approach on the part of many policy mechanisms. It raises also the question of the choice of appropriate monitoring indicators and of a more focused attention on the problems of women and children in difficulty.

5. THE ROLE OF THE ESF

The NAPincl does not mention the role of the ESF, though some of the measures mentioned clearly involve assistance under Objective 3 of the ESF or EQUAL (policies for the inclusion of young people or women returning to work, tailored teaching, integration of people who do not speak Luxembourgish, people suffering discrimination or dependence problems such as drug users, the homeless, migrants, ex-prisoners, etc.).

Luxembourg has been allocated ESF assistance amounting to € 44 million for the period 2000-2006 under Structural Objective 3 and the Community Initiative EQUAL. 36% of total ESF assistance is earmarked for social inclusion, including 25% on measures for the disabled and 11% on other victims of discrimination.

THE NETHERLANDS

Conclusions

Situation and key trends The Dutch demographic situation is characterised by an increasing share of old persons and a growing ethnic minority population. The booming economy of the past years has caused the official unemployment figure to drop under 3%, and labour participation to increase to 73%. However, some categories have a considerably lower employment rate, and the almost 1 million persons in the disability scheme remain of concern. In 1997 the risk of poverty rate stood at 13%, below the EU average. Monetary poverty was reduced in the past 5 years because minimum income increased more than average wages. Furthermore, long-term dependency on minimum income dropped slightly. Income statistics show that women and old persons are usually more vulnerable than other categories. Provisions, such as housing, are mostly affordable and accessible for the less well-off. However, some problems remain that are currently being addressed. Educational quality is suffering from staffing problems and there are also problems of learning disadvantages for children of ethnic origin and there is too much premature school leaving. Access to health care is constrained by waiting lists and there are important health inequalities between persons with a different socio-economic status.

Strategic approach The Dutch strategy to combat poverty and exclusion is based on 4 main principles. The first is to bring people who depend on a benefit back to work or to make them participate in a social activation programme. The second is to offer income security to all those who cannot support themselves. Benefits and minimum wage are indexed to wages. A generic universal minimum income policy in combination with more specific subsidy schemes and local individual income support make sure that the purchasing power of minimum income recipients as well as low income earners is maintained. The poverty trap, which increased between 1995 and 2000, was reduced after the introduction of a new tax system with a larger tax credit. The third is to maintain a well developed system of social services and provisions. And attention is given to improve accessibility for the most vulnerable. The fourth principle is the partnership approach which is to ensure that all stakeholders can participate in policy development and implementation.

Policy measures The 4 EU objectives are broadly addressed in the NAP. Social participation and offering accessible and affordable provisions are two main principles adopted in response to EU objective 1. Preventing the risks of exclusion, EU objective 2, is a major accent in Dutch policies, including concrete measures to promote internet access and to prevent 'digital disadvantage'. Dutch poverty policies have a strong emphasis on the most vulnerable groups and the strong accent on local implementation allows for special action towards deprived neighbourhoods (EU objective 3). The Dutch policy approach is based on the principles of co-operation between central and local authorities and involvement of all stakeholders including the people suffering exclusion (EU Objective 4).

Challenges ahead The main challenge for the Netherlands will be to combine its income policy, which guarantees a relatively high minimum income with an activation policy that financially rewards people who leave the benefit system for a paid job. Another difficult challenge forms the reintegration of people currently receiving an occupational disability benefit but who are able to work. More prevention is also needed to reduce the inflow into the disability scheme. Ageing of the population will increase demand for health care. The current waiting lists problem has to be tackled. The increasing share of people of minority ethnic origin requires adequate implementation of integration programmes. Although figures show that learning disadvantages are decreasing, efforts to tackle disadvantages from the very start need to be sustained.

1. MAJOR CHALLENGES AND TRENDS

From a demographic point of view, Dutch society has changed considerably during the past decades. The population aged and now counts 13.6% of persons over 65, against 7.7% in 1950. This led to an increased number of people with physical disabilities or chronic illnesses. Also important is the higher growth of the population of ethnic origin, a consequence of a high birth rate and immigration. The Netherlands has benefited from the booming economy of the past period, official unemployment fell under 3% and the labour participation level increased from 62% in 1990 to 73% in 2000. However, the employment rate of women, ethnic minorities, older people and low-skilled people is much lower.

Since 1995, the minimum income has increased more than the average wages. The percentage spent on fixed costs of living has been reduced and long-term dependency on a minimum income dropped slightly. Women and older people are generally more long-term dependent on a minimum income than others.

According to ECHP (European Community Household Panel) data, in 1997, 13% of the population lived on an income below 60% of the national median. Only 4% were continuously at risk of poverty throughout 1995-97.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

The Netherlands has the largest share of social rented homes in the EU, which gives even the less well off freedom of choice. Housing benefits have caused the net proportion of income spent on rent to decrease over the past years. In education, children from ethnic minorities, often suffer from a considerable language and developmental disadvantage. Between 1991 and 1999, the number of primary schools with a high concentration of disadvantaged children was reduced from 19% to 8%. Premature school leaving is also tackled with success, leading to a reduction from 26.600 persons in 1998 to 21.800 in 2000. The health and youth care sectors face the problem of waiting lists as supply cannot keep up with demand. Recent studies on socio-economic differences in health status reveal that people with a low educational level spend an average of 12 years less in good health and live an average of 3.5 years less than people with a higher education. Internet access is good but can be improved for the most vulnerable. Compulsory integration programmes are organised for all newcomers. In addition, measures are taken for the many oldcomers who are still in a disadvantaged position. Finally, people with low incomes tend to be concentrated in the same neighbourhoods of large cities, contributing to social and economic segregation.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The strategy consists of 4 main principles. Firstly, *social participation* is promoted in the form of paid employment or social activation for those with a large distance to the labour market. The aim is to increase the activity rate of special target groups. The employment aspect is more broadly elaborated in the NAPempl, which complements the NAPincl. The NAPincl focuses on the social activation programmes, which promote the reintegration long term unemployed through voluntary work or other activities that are of use to the community. This reinstates a work routine and boosts the participants' social skills. Social activation may also be an option for people with an occupational disability benefit.

Second, *income security*, is pursued in three ways: 1/ Through a generic income policy, that indexes minimum wage and social benefit to the average wage increase, assuring that everyone benefits from an increase in prosperity. 2/ There are specific subsidy schemes for groups that face specific costs in the areas of housing, children, disability or chronic illness. 3/ The municipalities may offer specific income support, possibly linked to activation measures, based on individual and local circumstances. This is a successful approach that is to be further pursued. At the same time activation policies have to make sure that wherever dependency is avoidable people leave the benefit system. The poverty trap is tackled by offering financial incentives to those who accept a job or participate in social activation. For those with a long-term dependency on a minimum income who are not able to work or participate in social activation a scheme will be implemented to offer supplementary income support.

Thirdly, poverty and social exclusion are also combated by *offering affordable and accessible services*. Dutch local housing policy allows people to choose and rent a good quality home. In education, the aim is to reduce developmental disadvantages of children and a target is set to halve premature school drop out by 2010. In health care, the strategy for the waiting list problem could be elaborated more in depth, especially in the light of the ageing of the population. Regarding the socio-economic health differences, the government wants to decrease the number of unhealthy years of life of people with a low socio-economic status by 25% in 2020. The Dutch policy mix for ICT is directed at internet access and ICT knowledge and skills. Short-term targets are being set for connection to the internet of schools, public libraries and municipal services. Social inclusion of immigrants is promoted by an integration programme for all newcomers and social activation programmes to unemployed oldcomers.

Fourth is the *partnership approach*, in which national and local public authorities work closely together with all stakeholders, including the beneficiaries themselves.

2.1. The long-term strategic perspective

The strategy of the Netherlands is a mix of income, activation, services and provisions policies. Basically, the strategy aims at maintaining the current system and to reinforce and fine-tune where it is weak (with particular attention to the weakest groups). In general, the strategy described appears adequate to meet the challenges. New challenges like ICT or poverty in deprived neighbourhoods of cities are tackled through new strategies. A few issues like ageing or the labour market potential of persons with an occupational disability benefit, could be elaborated more in depth. The long-term perspective is well developed in the NAPincl. Specific targets and commitments have been included for the next decade. Some targets, like those relating to accessibility of public transport, go even beyond 2010.

2.2. The innovative content of the NAPincl

Important efforts have been made in the last years to modernise and integrate Dutch policies aimed at combating poverty and social exclusion. Moreover, the preparation of NAPincl coincided with the evaluation of national anti-poverty policies of the period 1995-2000, The outcome of this evaluation will continue to provide policy guidance in the coming years. The NAPincl seeks to build on and consolidate the ongoing reform and modernisation efforts.

2.3. Co-ordinated and integrated approach

The Minister of Social Affairs is the co-ordinating Minister in the field of tackling poverty and social exclusion. An interdepartmental working group, comprising all the relevant Ministries, reports annually on the progress made. This working group also compiled this NAP. The Association of Dutch Municipalities (VNG) and the Social and Cultural Planning Office (SCP) provided input and advice to the working group. Consultation and co-operation with all relevant actors and stakeholders is institutionalised in the Netherlands.

2.4. Compatibility of strategic approaches in relation to the National Action Plan/empl

The NAPempl concentrates on the labour market aspects whereas the NAPincl focuses on other social policy aspects. The labour market strategy of the NAPempl is briefly repeated because it is the reintegration and activation pillar of the Dutch strategy against poverty and social exclusion. But the NAPincl has three extra pillars which constitute the bulk of the report. Both NAPempl and NAPincl make an explicit reference to each other.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

Increasing the labour participation is pursued through measures targeted at vulnerable groups (women, ethnic minorities, older persons) and through fiscal incentives. A tax reform introduced in 2001 makes the tax system more employment-friendly. The review of the social security system is aimed at creating a private market for reintegration services. In order to support development and implementation of social activation policy at local level, the government set up a temporary national Information and Service Point for Social Activation (ISSA). The Social Activation Incentive Scheme provides subsidies to municipalities to better entrench social activation in their own structural policies. In the future, performance agreements for municipalities will be established. The political aim is to reach all benefit recipients through a comprehensive approach.

3.2. Facilitating access to resources, rights, goods and services for all

In *housing*, the future rent policy will continue to ensure that rent increases are limited to inflation. Ceilings are set for the annual increase in rents in relation to the quality of the dwelling. The Home Ownership (Promotion) Act of 1 January 2001 provides low incomes with a mortgage subsidy, which may be supplemented with a property transfer tax subsidy. The Netherlands is also promoting the accessibility of *public transport* especially targeted at people with disabilities.

3.3. To prevent the risks of exclusion

The preventive approach can be found in *education*, where learning disadvantages are addressed through early identification, cure and prevention. Premature school leave is another main field of intervention. Educational quality is suffering from staffing problems. Efforts are made to attract teaching personal coming from other jobs. The salaries for teachers have been raised. Students including those from cultural minorities are encouraged to choose for a teacher training. The educational opportunities of disadvantaged pupils are being improved with extra financial resources and support for special educational opportunity schools. The aim is to raise the quality of the education and the performance of pupils. In various municipalities 'broad schools' were created, they aim at combining mainstream school activities with care for children outside school hours, thus allowing for reconciliation of work and family life. The government has set aside extra funds for the 'Compulsory Schooling Action Plan' and the 'Early School-leavers Action Plan'. In the *care sector*, the local authorities have been given a more preventive and co-ordinating role by the amendment of the Public Health (Prevention) Act, which should enable them to more effectively reduce socio-economically induced health differences.

3.4. To help the most vulnerable

Dutch *income policies* focus on the most vulnerable groups. Special national income schemes offer housing benefits, provisions for people with disabilities and chronically ill and study fees. Municipal income support includes instruments like special means tested assistance, exemption from local levies, discounts on cultural activities etc. *ICT policies* are targeting disadvantaged groups in vulnerable regions. Internet access is promoted through projects such as 'Digital playgrounds'. In public libraries in disadvantaged neighbourhoods, residents can have access to Internet at low cost and/or receive training in ICT skills. EUR 9.1 million was set aside for this project in 2000 as part of urban renewal policy. The number of locations is currently around 300. Another measure is 'Knowledge Neighbourhood' where, with financial support from the government, certain Dutch municipalities are experimenting with the introduction of ICT infrastructure and applications in neighbourhoods.

3.5. To mobilise all relevant bodies

All Dutch policy efforts are based on a *partnership approach*. While the national authorities provide legislation, frameworks and financial means, the local authorities play a major role in the development and implementation of measures. The Government tries to involve citizens, businesses and interest groups of vulnerable categories. In 2000 benefit claimant lobby groups, churches, humanist NGOs and trade unions joined forces in an 'Alliance for Social Justice'. Twice a year a government delegation led by the Minister of Social Affairs and Employment holds talks with this Alliance, the Association of Netherlands Municipalities (VNG) and the Association of Provincial Authorities (IPO) on all aspects relating to the fight against poverty and social exclusion.

4. GENDER MAINSTREAMING

There is little attention for gender mainstreaming in this NAPincl except for some limited assessment of gender dimensions in employment, income and homelessness. Some figures confirm the (higher) risk of income poverty among older single women and single parents living on a minimum income. The Shelters Monitor, published for the first time in 2000, will be developed to provide more gender-sensitive data and information, not in the least in respect of the growing group of homeless women.

The NAPincl generally pays attention to gender issues when these relate to the NAPempl and the Longterm Emancipation Policy Plan, for example the general target of 65% women in employment by 2010. The NAPempl comprises specific measures in this respect. When dealing with social activation/participation policy, the NAPincl pays some attention to gender aspects. For example, it stresses the importance of childcare facilities to help single mothers living on benefit to re-enter the labour market. Yet in other vital social inclusion policy domains (e.g. education, health, housing) gender sensitivity is hardly visible in the NAPincl and could be strengthened. The new Emancipation Monitor launched in November 2000 should make this possible.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

ESF objective 3 supports the Dutch efforts for reintegrating long-term unemployed persons into the labour market. A large share of these people are categorised as 'having a large distance to the labour market'. They require a reintegration pathway of at least 2 years and consisting of different components. ESF is also supporting measures in the field of education aiming at the reduction of early school drop out. Equal supports actions aimed at improving the qualifications of vulnerable groups at risk of discrimination.

AUSTRIA

Conclusions

Situation and key trends The main basis of social protection is a comprehensive, federal based social insurance scheme with compulsory membership for all active persons and their non-active dependants (spouses and children). This system provides access to health insurance, unemployment insurance, retirement pension systems and, accident insurance. A second, means tested, security net, the social assistance system (Sozialhilfe) is under the responsibility of the nine Länder. The good economic and employment performance in Austria continued in 2000. Real GDP growth amounted to 3,2%, the unemployment rate fell further to 3,7 %, a situation close to full employment. According to the ECHP (European Household Panel), 13 per cent of the population in Austria were at risk of poverty in 1997. The persistent risk of poverty rate is 5% (1995-1997). Therefore, poverty is not a mass phenomenon in Austria.

In recent decades, labour force participation rates have increased, while unemployment rates have remained comparatively low. Disparities between high and low incomes are lower than the EU 15-average, but income disparities between men and women are considerable. The overall education and qualification level of the population has significantly improved over the last 30 years. The minimum level of old age pensions (Ausgleichszulagenrichtsatz) has increased significantly from 30 to 50 % of the average employment income.

Strategic Approach According to the Austrian Authorities the Austrian policy-framework to combat poverty and social exclusion is based on an integrated economy, employment and welfare policy. The NAPincl outlines a comprehensive catalogue of existing measures, which contributed to a large extent to the favourable situation in Austria. For an overall strategic approach, research in identifying future risk factors leading to poverty and social exclusion are planned to be launched. Quantitative targets based on expected outcomes, monitoring indicators of the effort now presented and time-schedules for implementation are illustrated for some groups (homeless and disabled people). The integration of various measures of education policy which are mentioned in the NAPincl and their specific contribution to each policy goal should be more combined with an integrative overall framework.

Policy Measures Austria is responding to the four objectives with a strong focus on employment and benefit measures for families in general. The NAPincl is basically focused on ongoing measures and a few new policy developments (e.g. old-age insurance for women, disabled persons, family poverty). The problems of some groups facing severe problems of access to the labour market or restricted access to several social benefits (such as non-EU-immigrants) should be addressed more exactly in the NAP.

Challenges ahead The main challenge is to promote a comprehensive and integrated strategy to combat poverty and social exclusion, while building on the existing well-developed social system. This would include the setting up of goals, the definition of clear time-schedules and the promotion of a package of measures addressing the gaps identified. The general commitment for monitoring and evaluation should be translated into operational arrangements in the context of the NAPincl implementation. Efforts will also need to be made to reduce the complexity of the administrative system, which is linked to the responsibilities between the federal state and the provinces, and between various administrative units (e.g. one-stop-shops).

1. MAJOR CHALLENGES AND TRENDS

The good economic and employment performance in Austria continued in 2000. Real GDP growth amounted to 3,2%, the unemployment rate fell further to 3,7 %, a situation close to classical full employment. The employment rate is nearly in line with the Lisbon targets at 68,3% (77% for men, 59,4 % for women).

Altogether, the incidence of poverty risk in Austria is a quarter below the EU-average. The main basis of social protection is a comprehensive social insurance scheme with compulsory membership for all active persons and their non-active dependants (spouses and children). A second means tested security net, the social assistance system (Sozialhilfe), is under the responsibility of the nine Länder and grants social assistance entitlements to EU-citizens, as well as, to a varying extent, to non-EU citizens.

The complexity of the issue is mirrored not only in a division of responsibilities between federal state and provinces but also between various administrative units at these two levels. The dual character of the Austrian social protection system prevents most people from falling into poverty, but not in all cases the system is completely reliable. There is a need of further development of co-ordination and integration of inclusion policies for the most vulnerable groups.

According to ESSPROS data from Eurostat, Austria spends 28,4 % of GDP on social protection compared to the EU-average of 27,7 % (1998 data). Measured as expenditure per capita in Purchasing Power Standards (PPS), the Austrian expenditure on social protection is at 6.297 PPS approximately 15 % above the EU-average of 5532 PPS.

Austria's comprehensive social protection system has contributed to keeping the risk of poverty generally low. According to ECHP (European Household Panel) data for 1997, 13% of the population lived on an income below 60% of the national median. 4.7% were continuously at risk of poverty threshold throughout 1995-97.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such as access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Disparities between high and low incomes are lower than the EU 15-average. However, there are relatively high income disparities between men and women.

- The overall education and qualification level of the population has significantly improved over the last 30 years – the share of individuals with an educational level not higher than primary education have been tremendously reduced.
- The minimum level of old age pensions (Ausgleichszulagenrichtsatz) has increased significantly within this period from about 30% of the average employment income to about 50% of this income.
- There are indications that asylum seekers not covered by the federal minimum guarantee ('Bundesbetreuung') are at high risk of poverty and exclusion.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The Austrian welfare state has established a very comprehensive social security net, which has led to a quite favourable situation concerning poverty in comparison to other Member States. Therefore the NAP puts more emphasis on outlining a catalogue of existing measures, which are intended to be continued and evaluated, rather than on many new actions to be undertaken in the future.

- The NAPincl refers mainly to existing analysis and ongoing debates.
- The translation of the Nice objectives is based on ongoing and some new measures.
- There are few quantified targets, albeit the plan sometimes includes commitments for some measures and *non-quantified* goals. The plan does hardly provide binding time schedules for implementation. Appropriate monitoring mechanisms capable for measuring progress in fighting poverty and social exclusion would be particularly important.

2.1. The long-term strategic perspective

The NAPincl includes a comprehensive list of existing measures that are still to be evaluated or re-assessed against new developments or against new needs. Some long term aspects which could have a significant preventive effect on the reduction of social exclusion and are still being planned and prepared are mentioned in the NAPincl, but remain vague (e.g. the problem of women without a retirement pension is mentioned as an issue which the government intends to tackle in the future). The integration of various measures of education policy which are mentioned in the NAPincl and their specific contribution to each policy goal should be more combined with an integrative overall framework.

2.2. The innovative content of the NAPincl

The working group (Beirat) for the development and implementation of the NAPincl can be mentioned as a process-related innovation. The government's intention to address the problem of women without a retirement pension is important. One concrete step is to calculate a certain number of periods of childcare, which will contribute to the number of years required for a claim to a retirement-pension. Even though the labour market effects of the new childcare allowance ('Kinderbetreuungsgeld') remain to be evaluated, there are some notable and positive elements in it like the inclusion of persons previously not entitled, the considerable rise of additional earnings (Zuverdienstgrenze) or the periods counted as contributory times not only for the eligibility but also for the level of the pension.

2.3. Co-ordinated and integrated approach

Several measures mentioned in the NAP have not been specifically developed to fight poverty, though they have poverty-preventing and poverty-reducing impacts (e.g. some employment measures, the childcare allowance, special funds for people with a disability). Their efficiency and effectiveness in this respect will be analysed.

In Austria the co-ordination of measures at regional level to combat social exclusion including for the social assistance measure (Sozialhilfe) is an important issue. The NAPincl states that a working group will be established to deal with this problem and that nation-wide quality standards will be developed.

2.4. Compatibility of strategic approaches in relation to National Action Plan/empl

The consistency between NAPincl and NAPempl is referred to. There are several measures and objectives repeated in the NAPincl which are laid down in the NAPempl. The NAPempl also has highlighted the disadvantages that immigrants face in relation to the labour market. The integration of immigrants is mentioned as one of the priorities of the NAPincl. Measures or indications on how this objective will be achieved are still insufficiently concrete.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

The NAP emphasises employment targets. To a certain extent the NAPincl refers to elements which have been developed in the NAPempl. This is in line with the Lisbon European Council's conclusions with respect to the goal of facilitating participation in employment. However, some groups which face severe problems with employment are insufficiently mentioned, such as non-EU-immigrants for whom, so far, insufficient measures are being taken to harmonise the residence permit and the employment permit. Some interesting IT-training initiatives directed to women are mentioned. Little is said on how the knowledge-based society and e-learning initiatives will address the problem of the 'learning divide' and which are the specific features foreseen to meet the specific needs of the disadvantaged.

3.2. Facilitating access to resources, rights, goods and services for all

With regard to access by all to resources, rights, goods and services the NAPincl enumerates the various transfers which already exist in the advanced Austrian welfare state and which have positive effects for the achievement of this goal. Access for all to education is given. The proportion of people with an education level not higher than primary education has been tremendously reduced in recent decades. For 15,8 % of the population between 20 and 29 years, the education level corresponds to the primary school (men: 14,4 %; women: 17,1 %).

A number of reforms in the social policy area ('Social Targeting') need to be assessed with respect to their possible effects in the area of access to goods and services.

3.3. To prevent the risks of exclusion

The NAPincl mentions three policy areas which should serve to prevent the risk of exclusion: The use of information technology, measures to support solidarity within families and other primary groups and help in specific situations of need. Beside specific measures for people with disabilities, on regional level (e.g. Vienna) an innovative approach to prevent homelessness is mentioned in the NAPincl. The perspectives for long-term changes and improvements, which would help to solve the existing problems in some remaining areas (e.g. the restricted access of immigrants to certain social benefits measures or the promotion of innovative active labour market policy measures for those who are not employable in the 'first or main' labour market) need to be further examined.

3.4. To help the most vulnerable

There is a comprehensive listing of the most vulnerable groups in the NAPincl. Notable measures are the additional money for people with a disability ('Behindertenmilliarde') and the childcare allowance, which is designed as a universal benefit without insurance necessity. However, the NAPincl does not specify what concrete measures are planned for other special groups in the future. Commitments beyond the two years perspective of the current NAP should be made more explicit (disability, single parents, elderly persons and early school leavers) and a strategic framework for integrated approaches and structural reforms should be more elaborated. The NAPincl is referring to the rural dimension of poverty and several proposals for the improvement of the infrastructure in rural areas are announced.

3.5. To mobilise all relevant bodies

The federal government stated in the NAPincl that consultations have been organised with all relevant stakeholders. Some stakeholders however have voiced concern about the process and wish more recognition of their contributions. References to mobilising gender equality bodies are not included.

Yet the NAPincl provides an institutional basis for establishing the dialogue between the different actors and institutional groups in the framework of the NAPincl implementation and preparation of the next exercise.

4. GENDER MAINSTREAMING

The NAPincl refers to the general objectives for increasing female labour market participation and for reconciling work and family life. A consistent gender mainstreaming approach and indications, how the specific problems disadvantaged women will be addressed, are covered insufficiently and too generally in the NAP and need more attention.

While the 'Kinderbetreuungsgeld' might ease poverty in some cases, further gender impact evaluation will have to assess which impact the 'Kinderbetreuungsgeld' will have on female employment.

The debate on individual rights is focusing on individual pension rights for women.

The maintenance advances (Unterhaltsvorschuss) intends to contribute to the diminution of female poverty.

The 'Protection Against Violence Act' (Gewaltschutzgesetz) enables women and their children to remain in their own apartments and thus contributes to combating social exclusion of persons threatened by violence.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

Out of 1.147 Mio Euro for the objective 3 programme, 219 Mio Euro are dedicated to policy field 2 (social inclusion). In objective 1, Burgenland, 4,5 Mio € are planned for social inclusion. In other policy fields positive effects to combat poverty are expected.

A general reference is made to the effect of the ESF in improving the situation in combating poverty and social exclusion.

The Community Initiative (CI) EQUAL, which is much more focused on people excluded from the labour market, is mentioned in the NAPincl. The total amount of the CI EQUAL for the programming period 2000-2006 is 204 Mio. Euro.

PORTUGAL

Conclusions

Situation and key trends: Despite low unemployment and high employment rates, the risk of poverty rate remains high in Portugal (23%, according to Eurostat data for 1997). Traditional forms of poverty - caused by the limitations of the social protection system and the dominance of activity sectors with intensive but low-qualified and low-productivity labour - coexist with “new poverty” emerging as a result of recent modernisation processes in the Portuguese economy and often linked to immigration and job insecurity. The low level of academic and vocational qualifications of the majority of the Portuguese population and the high school drop-out rate only aggravate the exclusion factors. Against this background the government has started, over the last five years, to develop a “new generation of active social policies” with a view to improving social inclusion, founded on partnership and giving priority to integrated assistance methods.

Strategic approach: The general long-term strategic approach is based on economic development which is compatible with the improvement of social cohesion and the elimination of the structural factors which generate exclusion processes. The NAP makes provision for the mainstreaming of social inclusion in all relevant policies, modernisation of social protection systems, and integrated initiatives targeting particularly vulnerable groups and regions. The partnership approach and mobilisation of stakeholders at national and local levels is also a central feature of the strategy. The NAP lays down quantified objectives with a view to eradicating child poverty, reducing absolute poverty and the poverty rate, and fighting poverty in both urban and rural environments.

Policy measures: The NAP comprehensively covers the four main objectives and the sub-objectives adopted in Nice, but sometimes there is a certain amount of confusion between “priorities” and “goals”, repetition of the same “instruments” under different objectives and sub-objectives, and difficulties as regards priorities. Most of the measures envisaged are not new, and the link between each measure and the objective it serves is not always explicit. On the basis of the measures presented, three aspects should be highlighted: participation in employment is considered from a perspective of prevention, activation and promotion of lifelong learning; the principle of positive discrimination is a cornerstone of the reform of the social protection system (addressing the problem of pensioners in a poverty situation); and an integrated approach to vulnerable groups is proposed on the basis of an extensive “contract system”. The NAP also provides for the development of services and facilities primarily intended for disadvantaged individuals and families and sets out a commitment to promoting equal opportunities (“gender contract”).

Challenges ahead: The main challenges to be faced concern combining the preventive and remedial dimensions of social policies: direct action to combat serious exclusion situations, early intervention and activation to facilitate reintegration into work, and the long-term prevention of possible exclusion risks by improving education and skills levels. The role of social protection is to ensure a more intensive supply of social services and facilities which are geared to the needs of the most deprived, and to improve access to health care, housing, justice, etc. Given the ambitious nature of the quantified objectives that Portugal has set itself in the short, medium and long terms, the system of monitoring of indicators certainly constitutes a substantial challenge. The effective mobilisation of the stakeholders, particularly the social partners and the beneficiaries of measures, should be stepped up.

1. MAJOR CHALLENGES AND TRENDS

In 2000 the rate of economic growth (3.3%) was equal to the EU average. Similarly, productivity increased at the same rate as the Community average (1.6%), but Portugal still has the lowest productivity rate in the EU (65.8% of the Community average).

The employment situation is reflected by an employment rate (68.3%) which is above the Community average, as well as a relatively low unemployment rate (4.2% in 2000). However, despite the generally positive trend of labour market indicators, structural problems persist: long-term unemployment accounts for 40% of total unemployment, only a minority of the population aged between 15 and 64 have completed upper secondary school (11.5% compared with 42.3% in the European Union), and a high proportion of young people drop out of school early (43% of those aged between 18 and 24 leave school with inadequate qualifications).

Risk of poverty remains widespread in Portugal. Defined as the percentage of the population living on an income of less than 60% of the national median, 23% of the population were affected in 1997 (the highest rate in the EU). Persistent poverty also remains high: 15% of the population have lived below the 60% median income line for three consecutive years. However, it is clear that monetary income is only one of the dimensions of poverty, and in order to obtain a complete picture, account should also be taken of other equally relevant aspects, such as access to employment, housing and health care and the degree to which essential needs are satisfied. Portugal spends less than average of its GDP on social protection (23.4% in 1998, compared with a Community average of 27.7%).

Against this background, special attention needs to be devoted to the number of people in a persistent poverty situation, the high proportion of working poor (low incomes from employment and job insecurity), the high proportion of pensioners in a poverty situation (highlighting one of the shortcomings of the social security system), the low level of skills in the workforce, the tendency to drop out of school early, and the question of poverty in rural environments and certain urban areas. The risk of poverty rate for women is higher than for men (25% against 22%), another subject which merits special attention.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The main priorities in tackling poverty and promoting social inclusion are of a general nature and are based on six strategic aims: economic development, social cohesion, equal opportunities, social protection, integration, and a network of social services and facilities.

The principal objectives of the NAP are thus as follows:

- activation of people excluded from the labour market, and lifelong learning in a context of competitive economic development consistent with cohesion needs
- development of social protection systems as specific tools for tackling poverty
- reintegration of individuals and families in exclusion situations into society and work (integrated programmes and social integration contracts)
- integrated development of regions affected by exclusion
- creation of a network of social services and facilities, with the participation of civil society
- promotion of equality between women and men with a view to the implementation of a “gender contract”.

In the NAP, Portugal has set itself certain objectives to be achieved by certain dates:

Quantified objectives: to eradicate child poverty by 2010; to reduce the risk of poverty rate to 17% and cut absolute poverty by half by 2005; to implement, by 2003, 50 “urban social development contracts” (managed in an integrated manner and covering disadvantaged urban communities).

Other objectives: to launch the “rural areas and social development” programme (integrated local development of rural communities); to conclude a “social integration contract” with all the people concerned within one year (three months in the case of children and young people at risk); to set up a national telephone helpline (in conjunction with local social emergency centres).

2.1. The long-term strategic perspective

Concerning the adequacy between the strategy and the objectives pursued, the following aspects must be highlighted:

- application of the principle of the mainstreaming of social inclusion so as to make the fight against exclusion an integral part of sectoral policies other than social policy;
- the various aspects relating to participation in economic life are covered by the NAP, in particular training, vocational skills, education, employment, and lifelong learning in a society of knowledge. Another point to note is the desire to place the eradication of structural exclusion factors at the heart of economic policies;
- the development of social protection systems is a central aspect of the strategy; despite the associated budgetary constraints, the reform of the social security and solidarity system (based on the principles of justice, equity, solidarity and positive discrimination) is continuing;
- the two territorial locations of exclusion (rural communities and run-down urban areas) are covered by an integrated development strategy.

The NAP analyses the problems clearly and in a long-term perspective. The challenges are of a structural nature and refer back to the national economic and social development plan (the ultimate goal of which is to enable the country to catch up on the Community average within one generation). A number of quantified objectives, more specifically child poverty and absolute poverty (concepts which are not further defined), are presented in a perspective going beyond 2003. However, the way in which this two-year plan is integrated in the long term still has to be examined, as the distinction between long-term “priorities” and more immediate “goals” is often difficult to follow.

2.2. The innovative content of the NAPincl

From the strategy point of view, there are two innovations in the national context: the mainstreaming of social inclusion in all current policies and the long-term perspective in tackling exclusion. Another point to note is the strategy to prevent the risk of a new form of exclusion, “info-exclusion”. From the policy point of view, most of the programmes and measures listed are already in place.

However, the innovative nature of certain themes should be highlighted, for example a new dimension of the “contract system”. Side by side with “contracts for integration into society and work” (not unknown in the past, as Portugal is already following the integrated pathways to integration approach, formerly GMI), the NAP mentions a new “gender contract” and “urban social development contracts”.

2.3. Co-ordinated and integrated approach

The roles of the various stakeholders (institutional, non-governmental, public and private) at the various levels of action (especially national and local) are defined in the context of the social dialogue (social consultation committee) and partnership between the State and civil society (cooperation pact for social solidarity, social network for development). The need for coordination is mentioned several times, and despite the efforts developed over the last ten years under the anti-poverty programmes, active partnership must be stepped up.

The NAP makes provision for: joint mobilisation of the national, regional and local authorities (the regional authorities have only a coordinating role); institutional partnerships (inter-ministerial monitoring committee for the combining of the various sectoral policies and mainstreaming of social inclusion, and the Ministry of Labour’s operational committee on NAP preparation and follow-up); adaptation of administrative and social services to the needs of local stakeholders (e.g. solidarity and social security offices); involvement of the social partners (to be improved), NGOs and social services institutions; placing of responsibility on citizens and businesses (e.g. extension of the Portuguese Business Network).

2.4. Compatibility of strategic approaches in relation to the National Action Plan/ empl

The NAPempl constitutes the preferential reference framework, particularly as regards measures under objective 1 of the NAPincl. The main objectives of the NAPempl (transition of young people into working life, integration into society and work, educational and vocational qualifications, monitoring of the sectoral restructuring process, and promotion of quality in employment) are incorporated into the NAPincl either directly or indirectly.

There is also a close relationship between the two Plans in terms of strategy: links between education, training and employment systems; adoption of macroeconomic policies for job creation; innovation and information society; sectoral, regional and local approaches to resolving problems of a social nature; promotion of the social dialogue; linking of social protection, employment and training policies; promotion of equal opportunities to encourage the participation of women in the labour market and the participation of men in family life.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

Given the global approach which should constitute the framework for action to achieve the four common objectives (comprehensively covered by the NAP, but hardly systematically in terms of priorities between the main objectives or between the sub-objectives), a number of examples can be highlighted:

3.1. To facilitate participation in employment and access to resources, rights, goods and services for all

Concerning participation in the labour market, employment policy activities focus on (i) the development of measures to prevent long-term unemployment and achieve activation through pathways to integration into society and work implemented by contract-based plans (placing more responsibility on the individual) and (ii) on the development of the national lifelong learning strategy. Concerning access to resources, rights, goods and services, the aspects to note are the continuation of a policy of “positive discrimination” in terms of retirement pensions, the rehousing of people living in substandard accommodation (taking care to prevent the forming of new exclusion areas), and improvement of the functioning of the national health service and local health centres (especially help for drug users).

3.2. To prevent risks of exclusion

As regards preventing the risk of exclusion, a fundamental aspect is the strategy to avoid the risk of “info-exclusion” (generalised access to information technology, and training leading to the awarding of a “basic skills diploma” to 2 million people by 2006). Concerning solidarity, one innovative aspect seems to be the combining of traditional solidarity with the development of the services market (e.g. remuneration of neighbours for domestic support services).

3.3. To help the most vulnerable

Action to help the most vulnerable groups (clearly identified in the NAP, with special attention to be devoted to immigrants, ex-prisoners and drug users) is based on an integrated approach, with personalised social, institutional and economic inclusion programmes and integration plans for the priority groups founded on the contract system. Specific action in the form of regional inclusion initiatives is also envisaged for problem regions.

3.4. To mobilise all relevant bodies

As regards mobilisation, the practice of involving excluded people is being developed at three levels (individual, collective and organisational), and the role of “mediators” in promoting information for, and active participation by, excluded people is crucial. At institutional level, existing institutional partnerships and sectoral action plans, together with “social security and solidarity offices” (local and community action to find integrated solutions to problems), constitute an attempt to adapt administrative and social services to citizens’ needs. As regards public/private partnership, the encouraging of businesses to take on social responsibility merits a mention.

4. GENDER MAINSTREAMING

This is a concern which is common to all the NAP objectives (often implicitly) and is one of its priority action areas.

As regards objective 1, the priorities are to promote equal opportunities in access to employment and ensure non-discriminatory treatment, to introduce into business culture the idea of reconciling working life and family life as a right of workers of both sexes, an employer’s duty and a business’s social responsibility, and finally to develop a network of support services for children and dependent people in order to facilitate employment, training and occupational inclusion for women. Turning to objective 2, ensuring equality is explicitly covered in terms of access to the information society and information technology. Under objective 3, the NAP specifically refers only to women who are victims of domestic violence. Concerning objective 4, the NAP mentions the importance of systematically taking into account the equality dimension in the partnership context. However, additional efforts are needed in terms of mobilising women’s organisations and/or bodies representing women’s interests.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

As regards the “instruments” contributing to the achievement of the Nice objectives, the operational programmes co-financed by the ESF under Community Support Framework III (2000-6) and the Community Initiative EQUAL are mentioned several times, but the NAP does not give any indication of the sums involved. However, the effective combining of funding from the social security budget and the CSF III is referred to as one of the factors underpinning the development of the Plan. Furthermore, the framework for action provided by the NAP makes it possible to avoid scattering national and Community assistance too widely; instead, assistance is rationalised by concentrating resources and making instruments more specialised.

The Structural Fund resources allocated to Portugal under Objective 1 are substantial: the ESF’s contribution accounts for 22% (€ 4 370 million) of this aid, and approximately 16% of ESF assistance is specifically earmarked for social inclusion (an increase over CSF II). Another element is the indirect contribution of other areas of ESF assistance (active labour market policies and lifelong learning). Other aspects of CSF III worthy of mention include the “Employment, training and social development” programme (the top priority in financial terms being social development), the “Education” programme (measures to prevent young people dropping out of school, improvement of educational qualification levels, adult education), the “Information Society” programme (acquisition of ICT skills, prevention of info-exclusion), and the “Health” programme (one of the priorities being to improve access to quality health care).

FINLAND

Conclusions

Situation and key trends The Finnish social security system rests on the basic principles of universal social welfare and health services and a comprehensive income security system. The aim is to provide the entire population with social welfare and health services that are mainly tax-funded and whose organisational responsibility is decentralised, being assigned to municipalities. The income security system is by nature a risk-based social insurance system, which is supplemented by residence-based benefits. Finland spent 27,2% of GDP on social protection in 1998, slightly less than the EU average. This structure has succeeded in ensuring a low risk of poverty by international standards. In 1997 9% of the Finnish population lived on an income of less than 60% of median income.

Strong economic growth (5,7%) continued in Finland in 2000 led by the burgeoning export sector. It seems likely to remain relatively strong for this year as well (at around 4%). The employment rate amounted to 67,5% in 2000.

Strategic approach The NAPincl strategy in the coming decade is crystallised in four general policies: promoting health and ability to lead an active life; increasing attractiveness of working life; prevention and combating social exclusion; and ensuring effective services and a reasonable level of income security. The starting point is to preserve the basic structure of the Finnish social security system and work within that structure, by putting more emphasis on the primacy of work. The process will be monitored and evaluated systematically by Finnish authorities, but, apart from the risk of poverty rate, the NAPincl does not specify which targets will be used for that purpose.

Policy measures Finland regards the universal system of services and income transfers as an effective policy tool aimed at countering poverty and social exclusion. The system has been supplemented by extra income transfers and services aimed at groups in danger of social exclusion.

The NAPincl responds to all four objectives with a number of measures, most of which aim at improving the universal system. The measures include, for instance, a rise in the level of the national pension, rehabilitative work activities, improvement of mental health services for children and youths, establishment of an ombudsman for issues of discrimination, and activation of elderly people as well as quality recommendations for their care. Budget implications of the measures have been identified, where possible. Finland has annexed to the plan an integrated summary table of all the measures under the four common objectives broken down by identified risk factors.

Challenges ahead The main challenges include: developing the protection system in such a way that accepting work is always financially worthwhile; preventing the accumulation of problems as regards e.g. the long-term unemployed, people with mental or addiction problems, the over-indebted, and families of these; targeting support to people in the most vulnerable positions; improving co-operation between various actors concerned with the prevention of social exclusion and poverty; and addressing regional discrepancies so as to maintain the same standards of social services in the whole country.

1. MAJOR CHALLENGES AND TRENDS

Strong economic growth (5.7%) continued in 2000 led by the burgeoning export sector. National sources project, however, slower growth for this year (2,7%) mainly due to weaker international demand. Employment increased by 1,5% in 2000. The employment rate was 67.5% (70.6% for men and 64.4% for women). In contrast with the favourable economic development in 2000, the unemployment rate declined slowly and remained at 9.8% (9.1% for men, 10.6% for women). Structural problems in the labour market are manifested in disproportionately high unemployment among low-skilled, older workers on the one hand and in increasing recruitment problems in some sectors and growth sectors on the other.

Due to savings decisions made as a consequence of the early 1990's depression and a relatively long period of economic growth after that, the share of GDP spent on social expenditure has come down to less than the EU-average in Finland. According to ESSPROS data from Eurostat Finland spends 27,2% of GDP on social protection compared to the EU15 average of 27,7% (1998 data). Measured at expenditure per capita in Purchasing Power Standards (PPS), the Finnish expenditure on social protection is at 5181 PPS almost equal to the EU15 average of 5379 PPS (1997 data). The harmonised ECHP data reveal that in 1997 9% (EU15 18%) of the Finnish population lived on an income below 60% of the national median. Young adults, the unemployed and "other inactive" and single person households tended to present the highest risk of poverty.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such access to employment, housing, healthcare and the degree of satisfaction of basic needs.

- National sources indicate that the number of people suffering from severe social exclusion ranges from 30 000 to 60 000, i.e. 0.6-1.2% of Finns.
- High unemployment, in particular long-term unemployment (LTU- rate 2,8%), remains Finland's most important social problem.
- The major risk factors leading to the danger of social exclusion include economic or financial exclusion; health problems; exclusion from the labour market, exclusion from the housing market; exclusion from education or a low level of education; and other types of exclusion, such as criminality, addictions, cultural exclusion etc.
- Territorial differences deserve attention.
- Exclusion is often about accumulation of many problems. A key challenge is to prevent simultaneous accumulation of resource deficiencies.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The Finnish social security system rests on the basic principles of universal social welfare and health services and a comprehensive income security system. Residents have normally individual rights to basic services and benefits. There is no basic requirement of employment or income, but employed people get higher benefits based on their income. The schemes have succeeded in ensuring a low level of poverty by international standards.

The NAPincl strategy in the coming decade is crystallised in four general policies: promoting health and ability to lead an active life; increasing attractiveness of working life; prevention and combating social exclusion; and ensuring effective services and a reasonable level of income security.

Finland strives to preserve the basic structure of the existing system and works within that structure by putting more emphasis on the primacy of work. The reform of social security benefits, taxation and service charges is to be continued in order to make work acceptance always financially worthwhile. The aim is to improve not only incentives for households but also institutional incentives for organisations: special attention is to be paid to incentives for employers, legislation regulating the relationship between the State and municipalities, and the State funding of municipal finances.

2.1. The long-term strategic perspective

The plan sets out key strategic objectives and attempts to identify the challenges from the long-term perspective. Finland strives for integrating a number of furtherances to the system in place. The policies and measures aimed at upgrading the universal support and services system can be seen as an endeavour to address problems in a durable manner. The NAPincl recognises, however, that many of the challenges foreseen in the plan necessitate also the use of special targeted actions. All in all there is a broad range of undertakings at different levels to tackle the problems. An important goal is to increase employment and, especially, to try to cut long-term unemployment, through a strategy based on active social policy. This is a special challenge in Finland. While it has been in the centre of the Government's policies for several years, long-term unemployment has not decreased as much as would have been desirable and affects a core of hard-to-place people.

2.2. The innovative content of the NAPincl

Besides the comprehensive set of measures Finland has included in their plan, they present various issues subject to ongoing policy discussion and measures that have been proposed or being dealt with by different working parties. These will be discussed and addressed during the period of the plan. The following are examples of measures being envisaged: reforming the occupational health system to incorporate short-term jobs; promoting the employment of the disabled; development of an action model based on joint responsibility on part of various actors within society and changing the funding responsibilities of benefit systems in order to increase the chances of employment for those who are at the risk of exclusion from the labour market; drawing up integrated housing strategies in municipalities based on the use of the existing housing stock; examination of nationwide development needs and of student welfare at the levels of pre-school instruction, basic schooling and upper secondary schooling; and establishment of a centre working closely with NGOs to study and monitor poverty and social exclusion.

2.3. Co-ordinated and integrated approach

Broad-based policy preparation has a long tradition in Finland. The schemes are normally run by the public administration, mostly at municipal level. The country's policies in the areas of income, taxation, employment and social affairs have been developed through collaboration between the State, the municipalities and the social partners. Such a partnership-based tradition played an important role in the adjustment of Finland's system of social policies to changed circumstances in the 1990s. Third Sector actors and the churches, the public and private sectors have recently increased co-operation aimed at preventing social exclusion.

2.4. Compatibility of strategic approaches and objectives in relation to National Action Plan/empl

The NAPincl measures classified under the title "exclusion from the labour market" in the plan have been reported in NAPempl and they are compatible. Both plans have been checked by an inter-ministerial group responsible for coordination of EU-related matters in the field of social affairs. Furthermore, the social partners, who play an important role in social and employment policy in Finland, have participated in the preparation of both NAPs.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

Changes in the labour market have meant that market demand is mainly focused on highly educated and skilled persons. It is important to ensure an adequate supply of labour. Obstacles to employment have been removed by eliminating disincentives embodied in the tax-benefit system. New types of services and various kind of subsidised work have been developed to promote employment of less highly educated and skilled persons. Rehabilitation for work, and any associated supporting measures aimed at increasing a person's control of his or her life, are key methods identified by NAPincl in putting an end to social exclusion.

There are also measures to improve the work capacity of ageing persons, as well as to enhance the employability of immigrants. As regards the reconciliation of work and family life, parents with children of pre-school age have a subjective right to day care regardless of their employment status. The NAPincl foresees the development of afternoon activities for schoolchildren. Life-long learning is being promoted by reforming income security during adult vocational training.

3.2. Facilitating access to resources, rights, goods and services for all

The danger of social exclusion is countered by using the universal system of services and income transfers that covers all people living in Finland. The social safety net and the wide consensus around it saved Finland from major social unrest in the early 1990's. Policies aimed at combating exclusion will continue to rely first and foremost on the development of the universal system, which can, however, be supplemented with specially targeted measures where necessary.

The plan refers to a number of measures to improve the social protection system: co-ordination of subsistence allowance and earnings to encourage people to take on part-time or short-term jobs; extension of the allowance period for the rehabilitation of youths with disabilities in order to support them to take on work without immediately losing their benefits; raising the maximum rent acceptable for the general housing allowance; and improving mental health services for children and young adults.

3.3. To prevent the risks of exclusion

Vigorous efforts have been made in a number of policy areas with the aim of preventing crisis situations leading to social exclusion. Income redistribution reduces relative poverty in Finland very effectively. The NAPincl lists the following measures under the prevention objective: raising the national pension level; raising child supplements associated with labour-market support; reform aimed at increasing the effectiveness of preventive subsistence allowance; making compliance with job-seeking schemes a prerequisite for receiving unemployment allowances; free pre-school instruction for children in the six-year-age group; and establishment of an equalisation fund to ensure that child protection is not dependent on the financial situation of a municipality.

3.4. To help the most vulnerable

Social exclusion risks are addressed first and foremost by the services and income security provided under the principle of universality, but the existence of social exclusion problems means that specially targeted measures are required in addition. Finland presents various kinds of rehabilitation measures aimed at increasing an individual's control over his or her life. Innovative workshops at vocational training institutes to counter exclusion from education, as well as workshops for young unemployed, both co-funded by ESF, are also referred to. The Government is proposing the establishment of an Ombudsman for issues of discrimination and promotion of good inter-ethnic relations. Moreover, ordinary people's ability to cope with information society is to be developed.

3.5. To mobilise all relevant bodies

In the Finnish structure, the participation and mobilisation of all stakeholders is part of the normal administration, where the relations to bodies outside the administration itself are regulated in the legislation and in daily practice. However, the NAPincl puts forward new initiatives in this regard, such as: the development of co-operation between municipal authorities in the field of active social policy; the 'Suburbs 2000' housing estate programme; the development of open services for persons who have been treated for mental health problems; and establishment of regional partnership centres by the NGOs.

4. GENDER MAINSTREAMING

The structure of the social policy system is mainly based on the individual and individualised rights and duties have proved to enhance gender equality in society. The NAPincl shows awareness of gender differences as such and the importance of promoting gender equality. The individual-based systems are supported by a comprehensive system of services that facilitates the reconciliation of working and family life and facilitates the participation of women in the workforce.

5. THE ROLE OF ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

Under Finland's Objective 3 programme almost 140 M€ of ESF and national public funding is foreseen for specific measures aimed to reintegrate the most vulnerable and disadvantaged groups, representing 13% of the total public expenditure for the programme. Social inclusion measures are also funded through Finnish regional programmes. Furthermore, the Community initiative EQUAL aims to combat all forms of discrimination and inequalities as well as to prevent social exclusion. ESF and national public funding for Finland's EQUAL programme amounts to 145 M€.

SWEDEN

Conclusions

Situation and key trends The Swedish social and health system is universal and comprehensive. Social security benefits are largely based on the principle of compensation for loss of income with individual rights to basic benefits for all people resident in the country regardless of their social or professional affiliation, marital status or sex.

Steady economic growth (over 3% during the last 3 years) with a high employment rate of 73%, and relatively low unemployment form a solid basis for strengthening policies for social inclusion and for the fight against poverty. Sweden spent 33% of its GDP on social welfare in 1998, the highest share in the Union. The rate of risk of poverty is low, 12% in 1997.

Strategic approach The Swedish welfare system is based on a policy of full employment for both men and women and on a universal social security system. The Government commits itself in the NAPincl to further increase employment (target: employment rate of 80 % by 2004) and to strengthen social justice (target: halving the number of welfare dependent people by 2004). A vigorous employment policy is the key to fighting poverty. By opting for a universal system with income-related benefits rather than a system of minimum benefit levels, Sweden ensures an integrated and inclusive approach . Gender mainstreaming is embodied in the structure of the welfare system. The universal schemes giving individual rights enhance equality between men and women.

Policy measures The NAPincl responds to the four common objectives by increasing investment in the welfare system, and by adjusting the social protection schemes so that they address more effectively the existing pockets of poverty. The NAPincl includes a broad range of general reforms and specific measures in all areas with a comprehensive approach for social inclusion. Inclusive labour market measures mean that the unemployed are offered training or work experience if no work is available. The Primacy of Work principle urges effective measures to give people the opportunity to find a job and support themselves. Pension reforms seek to enhance social inclusion. The NAPincl includes investment in all levels of education, a reform of vocational training and adult education, as well as enhancement of skills and accessibility to information technology.

Challenges ahead The major challenge ahead is to continue to strengthen the welfare system including the full employment policy and universal social security system. Only by increasing employment can health care, social services and pensions of the ageing population be adequately financed and the need for benefits and other social security allowances reduced. Further challenges have been identified to ensure that those whose standard of living deteriorated substantially during the economic crises are not socially excluded, to strengthen protection for those at risk of social exclusion on account of disabilities, ethnic origin, short or incomplete education, lack of integration into labour market or residence in disadvantaged areas/regions, and to improve support for the most vulnerable (those with misuse of alcohol and drugs, homeless people, children at risk and the intellectually disabled).

1. MAJOR CHALLENGES

The Swedish social and health system is universal and comprehensive and the social security system is largely based on the principle of compensation for loss of income including individual rights to basic benefits for all people resident in the country regardless of their social or professional affiliation, marital status or sex. There is no basic requirement of employment or of income in order to get social security, even though the employed get higher benefits based on their incomes. During the last three years **GDP growth** has been over 3 % per year, 3,6 % in 2000, but it is expected to slow down to 2 % in the current year. The **employment rate** in 2000 was 73 % (71 % for women and 74,8 % for men), one of the highest in the Union. The unemployment level continues to fall and was 5,9 % (5,8 % for women and 6 % for men) in 2000 compared with 7,2 % in 1999. The long-term unemployment rate remains low, at 1,1% for women and 1,4 % for men in 2000.

According to ESSPROS data from Eurostat, Sweden spent 33.3% of its GDP on **social protection** in 1998, the highest share among the EU Member States (EU average of 27,7%). The 2001 Spring Budget Bill indicates that the percentage of relatively poor persons (those living on an income below 50% of average income) have increased on a trend basis from 7.2% to 9.1% between 1991 and 1998⁴. On the basis of the harmonised ECHP data, the risk of poverty rate (estimated at 60% of the national median) was 12% in 1997.

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such access to employment, housing, healthcare and the degree of satisfaction of basic needs.

After the economic recovery social policy has been reformed and resources increased. However, the following challenges can be observed:

- The expansion of the social welfare allowance system meant **rising costs**, due to the **longer periods of welfare dependency** and **the increasing number of households** depending on these allowances for long periods (young people and households containing refugees and immigrants). To counteract this, the policy was to make the system less generous and more restrictive, especially through tighter eligibility criteria and putting ceilings on benefit levels. The restoring of the social system ensures its sustainability and stability.

⁴ Measured by the households' disposable income per consumption unit, using national data, the relative poverty rate fell to 3,9 % during the same period.

- Even though the Swedish social security system was able to face the challenge of the economic recession and to prevent it turning into a welfare crisis, some groups such as **young people, immigrants and single parents** were affected harder than others. The challenge is how to compensate these groups.
- A challenge is also to improve the situation for the **most vulnerable**. Despite the lack of data available there are indications that the situation of the most vulnerable has deteriorated in several respects, i.e. for children at risk, those misusing alcohol and drugs, the homeless and overcrowded, criminals and prostitutes. Further attention should also be given to the needs of the long-term unemployed, the disabled, the elderly, and people born outside Sweden.
- Even though there are only minor regional differences in disposable income, the process of **socio-economic and ethnic segregation** has continued during the 1990s. However, the trend is neither dramatic, nor clear-cut in all respects. Ethnic segregation is particularly high.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The Swedish welfare system is based on a policy of full employment for both men and women and on a universal social security system. The Government is committed to increased employment and social justice. The employment target is that 80% of the population aged between 20 and 64 shall be in regular employment by 2004. The target of social justice is to halve welfare dependency between 1999 and 2004.

A vigorous employment policy is the key to fight poverty. The purpose of the Swedish employment policy is to reduce unemployment and create a high rate of employment for both men and women regardless of their background or origin.

The objectives of the Government to increase social justice include: 1) to ensure that the groups whose standard of living deteriorated substantially during the economic crisis are not socially excluded – mainly young people, single parents and some immigrant and refugee groups; 2) to strengthen protection for groups at risk of social exclusion on account of disabilities, ethnic origin, short or incomplete education, lack of integration into the labour market, or residence in disadvantaged areas/regions; and 3) to improve support for the most vulnerable groups. Measures need to be taken to prevent and treat the misuse of alcohol and drugs, reduce the number of homeless people and strengthen protection for children at risk and the mentally disabled.

By opting for a universal social security system with income-related benefits rather than a system of minimum benefit levels, according to the Swedish authorities, administration is cheaper than in a system of means-tested benefits, and, the most disadvantaged groups are better off.

2.1. The long-term strategic perspective

Given a policy of full employment with a universal social system supplemented by income based schemes, the strategic approaches and key objectives are targeted correctly. When no clear poverty or social exclusion can be identified, it is sensible to strengthen the welfare of all people. If economic growth continues as foreseen, the long-term objectives will be reached. By strengthening the social welfare policy framework, the possible problems caused by lower growth will be met.

How this underlying strategy of the welfare system diminishes effectively poverty and social exclusion is not really discussed in the Swedish NAP/incl, neither has the importance and the potential of the universal schemes been assessed. Moreover, it is not clear how the different measures set out in the NAP/incl will contribute to the central target of halving the number of welfare dependent people. Progress will, however, be measured by 2004.

2.2. The innovative content of the NAP/incl

The thrust of Swedish policies against poverty and social exclusion is the universal social system as described above. The system provides a solid basis for abolishing the main sources of poverty and social exclusion. However, specific measures addressed to special cases or groups of people are still needed. Such measures are in fact an important part of the Swedish welfare system. There will also in the future be scope for further innovations in order to help and support the most vulnerable. Some Offices of Ombudsman (the Disabled, Children) are mentioned in the NAP/incl. Having a long tradition of Ombudsmen in different fields, this typical Swedish institution to combat poverty and social exclusion could be mentioned as an innovation, on which more information would be welcome.

2.3. Co-ordinated and integrated approach

In the framework of the welfare system, the co-ordinated and integrated approach to policies is mainly regulated by legislation and administrative rules. The bodies outside the administration can give their opinions. Taking this as granted, the general welfare policy takes into account all the relevant aspects of poverty and social exclusion. Even if not clearly spelled out, there seems to be a clear balance between employment related policies and the measures to strengthen social schemes, and clearly defined key objectives for both areas (see also point 3.4. below). References are made in the NAP to the efforts which the Government and a large range of different bodies and interest groups at all levels have put in, although it is not possible to assess to what extent the participation of the bodies outside the normal administration has resulted in actual contributions to the NAP/incl.

2.4. Compatibility of the strategic approaches in relation to the National Action Plan/empl

Sweden solved the compatibility and co-ordination of the NAP/empl by attaching it as Annex 1 to the NAPincl. Even though there seems to be co-ordination in policy level between these two aspects of the Swedish welfare state, this is not clearly spelled out in the NAPincl.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

The policy of full employment being a cornerstone of the Swedish welfare system, the NAPincl stresses the role of employment policy in the fight against poverty. To facilitate participation in employment Sweden has opted for the principle of activation and skill enhancement. The Primacy of Work principle means effective measures to give people the opportunity to find a job and support themselves. To strengthen the incentive to work, the rules of the unemployment insurance scheme have been changed to this effect. Furthermore, an activity guarantee scheme was introduced last year. Educational reforms also enhance access to labour market, such as qualified vocational training, new post-secondary education, and a new bill on the development of adult education. To make it easier for both parents to enter and stay in the labour market, parental benefits are to be extended by 30 days, totalling 480, if both parents make use of at least 60 days each.

3.2. Facilitating access by all to resources, rights, goods and services

The universal welfare system means individual rights and access by all to social benefits, to education, to health and to care services and to housing. Everyone has a right to reasonable financial resources in case of loss of income. To facilitate access by all, Sweden has launched several reforms and measures. For instance, the economic situation of the elderly has been improved and the old age pension has been reformed based on lifelong earnings and including a basic cover in the form of a guaranteed pension for those who have a low or no income. To facilitate access to education, investment in all levels has been made. Housing policy has been reformed; for instance local authorities are required to plan their housing supply to ensure decent housing for everybody. A National Action Plan for the Development of the Health Services is to improve health care. A new Social Service Act is to extend the individual's right to assistance. The Office of the Disability Ombudsman will set up a national accessibility centre.

3.3. To prevent the risks of exclusion

One of the main objectives of the Government is to strengthen the protection of the groups at risk of social exclusion for whatever reason. The situation is to be analysed annually to allow strengthening of specific measures. The NAPincl presents numerous plans and measures to this effect such as the national action plan against racism, xenophobia, homophobia and discrimination, which was recently presented to enhance possibilities for general legislation against discrimination. The measures for e-Inclusion focus on new initiatives such as ICT potential for disabled people, while existing initiatives for digital literacy for disadvantaged groups or for ICT access of elderly people are not presented.

3.4. To help the most vulnerable

To improve support to the most vulnerable is also one of the strategic policy approaches of the Government to be analysed annually. Measures and plans introduced cover the most vulnerable such as children at risk, misuse of alcohol and drugs, homeless and with overcrowding, crime and prostitution as well as the long-term unemployed, the disabled, the elderly and immigrants. To improve social integration, a special investigator has been appointed to submit proposals for implementation of the two EU directives against discrimination. Government has committed funds for 1999-2003 to address social, ethnic and discriminatory segregation in the metropolitan regions and to promote equal and gender-equal living conditions for the inhabitants of these regions.

3.5. To mobilise all relevant bodies

As Sweden has a strong tradition of voluntary organisations, the government allocates grants every year to support about 100 organisations in the social sector. In order to increase the knowledge base and develop the work of these organisations, a secretariat was set up in the National Board of Health and Welfare in 2001. To mainstream the fight against exclusion, all government agencies are to prepare action plans for the promotion of ethnic diversity among their employees. To enhance the possibilities for asylum-seekers, refugees and other newly arrived immigrants, an agreement to improve co-ordination has been made between a broad range of public authorities. The social responsibility of business has been enhanced by different measures.

4. GENDER MAINSTREAMING

The universal schemes, giving individual rights to all, enhance equality as such, also between men and women. There is gender mainstreaming in the structure itself. This might be why there are rather few specific references to gender issues. Even though Sweden has a good tradition on equal opportunities and has obtained good results in the field, gender mainstreaming as such is not discussed at all to make gender perspective visible in targets, actions and evaluation process.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

The total ESF co-funding for 2000-2006 under objective 3 is €2,78 billion, objective 1 €44 million and EQUAL €172,4 million, including ESF and national public and private funding. 14,5% of both the Objective 3 and 1 programmes is allocated to equal opportunities. EQUAL is wholly contributing to the fight against discrimination. Despite of these programmes, the role of ESF is practically non-existent in the NAP incl. It is mentioned only in references to the NAPempl and there to the chapter which describes what ESF does in Sweden. No discussion on how ESF programmes could assist Swedish social welfare policy is found.

UNITED KINGDOM

Conclusions

Situation and Key Trends Healthy economic performance has led to record high levels of employment and low levels of unemployment and long term unemployment. Despite this the UK has experienced continued income inequalities. The UK had a risk of poverty rate of 22% in 1997⁵ (income below 60% of the national median). One in three children live in households below this threshold. Almost 2 million children live in households with no one at work. Worklessness is concentrated in particular social groups and geographical areas. There are a number of groups particularly vulnerable to social exclusion: children in care, rough sleepers, lone and teenage parents, certain ethnic minorities, the mentally ill, and the disabled. Women constitute a higher proportion of adults at risk of poverty. The persistence of monetary poverty means many pensioners were unable to build up a decent second pension. A major challenge is the concentration of poverty risk within geographical areas (inner cities, social housing estates and some rural areas) suffering from interlinked problems of social exclusion.

Strategic approach The UK approach tackles issues in relation to the life cycle with intervention tailored to the needs of different age groups. This operates in the context of the UK's universal social protection system. There is a strong commitment to employment as the route out of poverty, but also as a significant preventative element. Particular focus is given to children living in poverty with a key commitment to eradicate child poverty within 20 years. Given the complex nature of the problem, the strategy takes a long-term approach. The NAPincl only reports on an existing set of policies, and does not announce any new policies. There is emphasis on setting long-term targets (2020) with both sub-targets for specific groups or areas. A range of innovative indicators monitor progress. The NAPincl contains little detail on the gender mainstreaming of policies. The Devolved Administrations are responsible for many of the policies impacting on poverty and exclusion and each is responsible for developing its own strategy for tackling problems. The UK government and the devolved administrations share a common goal of eradicating poverty and promoting inclusion and there are similarities in their strategic approaches.

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

Policy Measures The UK responds to all four objectives. There are a range of policies, and recent reforms, designed to increase opportunities and incentives to work and tackle low pay and low skills. The NAP/incl provides a narrow range of examples from the UK's approach to ensuring access to services. Preventing exclusion places particular focus on policies helping children from an early age. Pension reform should help prevent more people from moving into pensioner poverty. The NAP also discusses national strategies to reduce poverty risks for carers and lone parents. The NAPincl identifies a number of vulnerable groups requiring additional intervention to meet their needs. Particular attention is given to children in or leaving care, pregnant teenagers, and those suffering from problems with drug abuse, homelessness or poor mental health. Local Partnership is a strong theme in the UK approach, with a range of relevant actors closely involved in the delivery of policies. They are often given flexibility to "bend" programmes to meet specific local circumstances. However, at the national level NGOs and the two main Social Partners are less closely involved.

Challenges Ahead The UK's major challenge remains tackling the numbers of children living in poverty. The fight against exclusion must also address continued income inequalities and concentration of unemployment and inactivity amongst key groups and areas. It is important that the UK continues to develop properly co-ordinated arrangements for targeted policies to ensure access for all to good quality services, particularly health, housing and education. This is especially important within deprived neighbourhoods. Devolution and the focus on local delivery mean that the UK needs to ensure existing co-ordination methods continue to work effectively to maintain the strategy behind the range of local, regional and national policies. Tackling poor basic skills is important because of the link to low paid jobs and periodic spells of unemployment. Given that women are more likely to be in, and remain in, poverty future NAPs need to systematically mainstream gender in all the policies. A further challenge is tackle the large numbers of individuals (especially women) who are unable to build up decent pension entitlements and thus reduce the number of pensioners living in poverty.

1. CHALLENGES AND TRENDS

Despite healthy economic performance leading to record high levels of employment and low levels of unemployment and long term unemployment, increases over the past 20 years in income inequalities and the number of people at risk of poverty present a range of challenges. 22% of the population were at risk of poverty in 1997. Before social transfers, the rate was 43% in 1997, which is a measure of the income correcting effect of the social protection system. The UK spent with social protection 26.8% of GDP in 1998, marginally less than the EU average (27.7%).

However, low income is just one of the dimensions of poverty, and in order to measure and analyse this phenomenon more precisely, it is necessary to take into account other equally relevant aspects such access to employment, housing, healthcare and the degree of satisfaction of basic needs.

Women constitute a higher proportion of adults at risk of poverty. One of the most important challenges is the number of children at risk of poverty. The problem is not only of sheer numbers but has the potential to be compounded across generations as children grow up in persistent poverty. Approximately one in three children lived in a household with income below 60% of the national median in 1998/9. Part of the explanation is the number of children living in families where no one works. The number of "workless" households has doubled since 1979. Almost 2 million children lived in such households in 2000 (nearly 16% of all children) with 800,000 growing up in families where all parents have been claiming out-of-work benefits for more than 5 years.

The problem of worklessness can be exacerbated by a lack of incentive to work caused by the relationship between low wages and loss of benefits. The recent introduction of in work tax credits to help the low paid should help alleviate this situation. Worklessness is concentrated in particular social groups, geographical areas and households. 16-18 year olds neither in education or work, lone parents (the highest number in the EU), certain ethnic minorities, the disabled, and those with no qualifications are more at risk of poverty and exclusion. Particularly vulnerable to exclusion are children in care, teenage mothers , and those suffering from problems with drug abuse, homelessness and mental health problems.. One in four older people lived in a low-income household in 1998/9. The persistence of monetary poverty means that many were unable to build up decent second pensions. A further challenge facing the UK is the concentration of poverty risk within geographical areas (inner cities, social housing estates and some rural areas). These areas suffer from multiple, interlinked problems of high unemployment and mortality rates, ethnic divisions, high levels of crime, and poor access to quality services (housing, education and health care).

The key future trends are likely to continue to be: growing concentration of unemployment amongst key groups and areas; persistently high levels of economic inactivity, especially among older men (there are 2.3 million economically inactive men of working age); poor basic skills and its link to periodic spells of unemployment; and the high levels of child poverty. Projected patterns of job growth are likely to exacerbate this with growth concentrated in high qualification occupations and low unemployment localities.

2. STRATEGIC APPROACH AND MAIN OBJECTIVES

The UK has a universal social protection system based on minimum standards for all. The approach is to tackle issues in relation to the lifecycle. Intervention is tailored to the needs of different age groups to ensure disadvantage is not compounded across generations. This approach has a strong commitment to employment as the primary route out of social exclusion. Strategic objectives are identified in relation to children and young people, people in working age and older people. Further objectives relate to disadvantaged communities. Measures to address social exclusion combine changes to mainstream programmes such as the tax and benefit systems with targeted initiatives addressing specific issues or groups. Such initiatives have proliferated recently and need to be well integrated to ensure coherence.

The key commitment is to eradicate child poverty within 20 years. Policies to address this have a strong preventative element. There are similar objectives across all the devolved administrations. For people in working age the aim is to create a more inclusive society through a welfare state that provides support and opportunities to everyone who can work, and ensures the most vulnerable can participate fully in society. Tackling pensioner poverty concentrates on alleviating immediate problems faced by today's poorest pensioners and a long-term objective to provide older people with security and independence in retirement. There are a range of innovative policies to narrow the gap between the poorest neighbourhoods and the rest of the country. Central to this is ensuring that core public services address the special needs of deprived areas.

2.1. The long-term strategic perspective

There is a range of objectives consistent with tackling the UK's major challenges. Given the complex and multi-dimensional nature of the problem, the strategy necessarily takes a long-term approach. Targets range from the long term (2020) target on child poverty to a series of sub-targets for specific groups or areas, and intermediate targets to monitor progress.

The innovative content of the NAPincl

The NAPincl reports exclusively on an existing set of policies, and does not announce any new policies in the fight against social exclusion. The range of innovative indicators measure progress, not just nationally, but also at the local level, with a focus on improving standards in areas with the worst performance. "Floor targets" set minimum standards below which provision can not fall. A crucial element of the UK approach is the focus on objectives. This gives emphasis to and significant investment in, developing the "evidence base" through systematic monitoring of progress and the use of robust evaluation.

2.2. Co-ordinated and integrated approach

Devolution has important implications in the UK. Scotland, Wales and Northern Ireland are responsible for many of the policies impacting on poverty and exclusion and each is responsible for developing its own strategy for tackling problems. The UK government and the devolved administrations share a common goal of eradicating poverty and promoting inclusion and there are close similarities in their approaches. A Joint Ministerial Committee on Poverty, including Ministers from the UK and the Devolved Administrations, has been set up to develop a joint policy. Both devolution, and the focus on local delivery, makes the need for co-ordination a priority in order to maintain the strategy behind the vast range of local, regional and national policies. Partnership in the delivery of policies at a local level, is a very strong theme in the UK approach. The Government and the devolved administrations recognise that they alone can not achieve success without the active involvement of all relevant actors. The multi-agency and cross-departmental approach is essential given the scale of the problem. It is important that the UK continues to develop properly co-ordinated arrangements for targeted policies to ensure access for all to good quality services. Consultation in developing the next NAPincl at all levels should improve with a less tight timetable.

2.3. Compatibility of strategic approaches in relation to National Action Plan/empl

Given the UK's employment led approach, there is a strong relationship between policies covered in the NAPincl and the NAPempl. However this linkage is not well drawn out in the NAPincl.

3. MAJOR POLICY MEASURES UNDER THE FOUR COMMON OBJECTIVES

3.1. Facilitating participation in employment

Policies encouraging access to employment include active labour market policies, tax and benefit reform (tax credits for the low paid), and improvements in the work focused "service" for the unemployed and inactive. The New Deal regime is the keystone of this approach. The regime offers intensive support and training to a wide client group: young people (compulsory at 6 months); over 25 year olds (compulsory at 18 months); and voluntary programmes (lone parents, the disabled, the over 50's and partners of the unemployed). Evaluation has been relatively positive on the effects of the New Deals, especially the New Deal for Young People, leading to improvements in all of the programmes. To tackle disincentives to work, and address the problem of low levels of pay amongst a significant part of the workforce, the UK increasingly uses targeted tax credits to provide a minimum in work income. This will be extended in 2003 with the introduction of an employment tax credit for people on low incomes , with or without children. To complement this, the National Minimum Wage provides a floor for wages. To improve the service offered to the unemployed and the economically inactive, the new "Jobcentre plus", will become operational in October 2001. This agency, merging the Public Employment Service and the Benefit Agency, will provide a more work-focused approach to the payment of all benefits for people of working age in Great Britain.

3.2. Facilitating access by all to resources, rights, goods and services

A range of policies tackle variations in quality and access to these services. However the NAP/incl provides a narrow range of examples from the UK's approach to ensuring access to services, with no discussion of access to legal services, sport or culture. Innovative life long learning services aim to attract people traditionally unable or unwilling to take up learning. Policies for E-inclusion are not well illustrated in the plan, with notable exceptions. "UK online" centres aim to help develop ICT skills and tackle the risk of exclusion of groups on the wrong side of the digital divide. "*learnndirect*" offers web-based learning and over 1,000 centre across UK to make learning accessible to all. Access to decent housing is a particular concern in the UK. In 1996 40% of social sector and 29% of private sector homes in England failed to meet set standards of decency. The recent green paper "The Way Forward for Housing" sets out the strategy to improve the quality of the housing in England, backed up by an additional investment of £1.8 billion. In Wales the National Assembly recently consulted on proposals for a National Housing Strategy "*Better Homes for People in Wales*". In Scotland the recent Housing Act give local authorities stronger powers to tackle housing needs and help alleviate homelessness. The UK offers universal access to healthcare services through the NHS. The 10-year NHS plan sets out reforms to improve health services and ensure they tackle health inequalities in England.

3.3. To prevent the risks of exclusion

The life cycle approach places emphasis on preventing the risks of exclusion amongst children. Policies, backed by significant investment, aim to tackle the key risk factors occurring during childhood: poor early development, health, school attendance, teenage parenthood, and non-participation in education, training or employment between the ages of 16-18. "*Sure Start*" is the key policy in this fight. The scheme is directed at neighbourhoods where a high proportion of children live in poverty, working with parents-to-be, parents and children to break the cycle of disadvantage. It aims to improve services at the local level, spread good practice, and work towards local and national targets which vary according to local needs. Recent education reform is helping to raise standards, as evidenced by progress towards meeting the various National Targets. Support through policies like *Early Education Centres*, *Excellence in Cities*, and *New Community Schools* in Scotland are designed to prevent the risks of exclusion amongst the most vulnerable groups of children. Northern Ireland has set a target to reduce the number of pupils identified as persistent non-attendees (2003). To prevent exclusion in old age the UK has introduced measures both to target help on existing pensioners and to protect tomorrow's pensioners from the risks of social exclusion. Currently steps have been taken to help the poorest pensioners through the Minimum Income Guarantee. In the longer term the most important cause of poverty in old age is the lack of a decent second pension to supplement the basic state pension. Thus important reforms to the pensions system are designed to address this with the new State second pension targeting groups particularly at risk such as those on low incomes or those with a broken work record or unable to remain in paid work due to caring responsibilities, illness or disability. The impact of these new developments will need to be carefully monitored.

3.4. To help the most vulnerable

The NAPincl identifies a number of vulnerable groups requiring specific intervention to meet their needs. Particular attention is given to children in or leaving care, an issue identified as one of the key risks for social exclusion. "*Quality Protects*" (England) aims to modernise the services provided for children in care so they can make a successful transition into adulthood. Targets have been set to improve outcomes for vulnerable children, including educational attainment for those leaving care. Given that the UK has one of the highest rates of teenage pregnancy in Western Europe, reducing this rate gets special attention. In England the Government has set up a Teenage Pregnancy Unit to co-ordinate initiatives aimed at halving the rate of teenage conceptions among under-18s by 2010. In Wales "*Children First*" sets out a five year programme to improve social services for children in need, backed up by local targets.

The primary focus of initiatives for the working age is getting them into work. Additional support is targeted towards those suffering from problems with drug abuse, homelessness or mental health. As regards support to vulnerable older people the aim is to provide a decent minimum income, and improve the access and quality of services, in particular health and social care, housing, and tackling the fear of crime. The NAP discusses policies targeted at neighbourhoods in Objective 4, to illustrate the partnership led approach of these policies. However, the UK has a strong territorial approach to tackling exclusion. In Wales, *Communities First* will provide targeted support to the most deprived communities. The *National Strategy for Neighbourhood Renewal* sets out the Government's intention of narrowing the gap between deprived areas and the rest of the England. Policies are often locally delivered, and designed to tackle significant, inter-linked problems of deprived areas. The ambitious aim is that within 10-20 years no one should be seriously disadvantaged by where they live. A major focus of the strategy is to "bend" mainstream programmes to focus on the most deprived areas. The *Neighbourhood Renewal Fund* provides extra resources for 88 of the most deprived local authority areas. 26 *Health Action Zones* across England aim to reduce health inequalities in deprived areas. Similar approaches are followed by the Devolved Administrations. In Scotland, the *Social Inclusion Partnership* programme promotes inclusion in neighbourhoods suffering multiple deprivation.

3.5. To mobilise all relevant bodies

Territorial based policies of the UK Government and the Devolved Administrations heavily rely on partnership in their delivery at a local level. Local Partners are often given flexibility to bend programmes and tailor them to local needs. Local Strategic Partnerships bring together the public, private, voluntary and community sectors to identify the root causes of neighbourhood decline and develop ideas on how to improve things. Many Local Authorities have been set Local Public Service Agreements (PSAs) whereby they have to meet targets agreed with local people and partners. At an England-wide level the Social Exclusion Unit has a remit to improve Government action by promoting "joined up solutions". The unit draws heavily upon the involvement of partners in its work. Wider consultation at the national level is less frequent with the involvement of NGOs and (especially) the UK's two major national Social Partners restricted to specific issues.

4. GENDER MAINSTREAMING

The UK NAPincl acknowledges that "women constitute a higher proportion of adults in poverty and are more likely to be persistently poor" but its treatment of gender mainstreaming is patchy. The Scottish sections of the plan show nevertheless a more consistent identification of the challenges and reference is made to Northern Ireland statutory commitment to promote equality of opportunity including between men and women. The coverage of gender issues under the four objectives is variable. It is strong under the first objective, where policies encourage women to play a full and active part in the labour market. Examples include the New Deal for Lone Parents and the national childcare strategies which aim at a large increases in the number and quality of childcare places. Future female pensioners with current broken work records should particularly benefit from the ongoing State Pension reforms. Under Objective 3 teenage mothers and boys leaving care home are identified as particularly vulnerable groups. Few of the indicators in the NAP/incl were broken down by gender although this could easily have been done for many of the indicators and targets. Scotland shows a fuller breakdown of its indicators.

5. THE ROLE OF THE ESF IN FIGHTING POVERTY AND SOCIAL EXCLUSION

Structural Funds have a considerable role to play in tackling social exclusion in the UK. Social Inclusion is a key theme for ESF. Under funding for 2000-2006, Objective 3 contains three Operational Programmes (England, Scotland, Wales) providing a closer national focus and allowing each programme to vary funding to address exclusion according to national priorities. In Scotland 40% of the Objective 3 budget is aimed directly at Social Exclusion. ESF will tackle a range of problems directly linked to fighting exclusion across all priority fields. Most important is priority 2, which targets individuals or areas of deprivation suffering from multiple disadvantage. However action under all other four priorities also make important contributions. Under Objectives 1 and 2 ESF will work alongside ERDF in using areas based approach to bring forward Community Economic Development. EQUAL will play a major role in targeting socially excluded groups, but is not mentioned in the plan.

