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Draft Joint Report on Social Inclusion – Frequently Asked Questions (See also IP/03/1749)

What is the extent of poverty and social exclusion?

The most recent data available across all Member States dates back to 2001. This shows that over 55 million or 15% of the population of the Union are on low incomes which put them at risk of poverty and social exclusion and more than half of these are living persistently on low income. However, there is wide variation among Member States, with those countries with low levels at risk (Sweden 10% and Denmark 11%) contrasting strongly with those with the highest levels (Ireland 21%, Portugal 20%).

Are things getting better or worse?

Up until 2001 there has generally been an improvement in the overall situation. However, while we don't have up to date figures available, the slowdown in economic growth and some increase in unemployment in some Member States is likely to have led to some slowing down in the rate of improvement.

Who are most at risk?

The risk of poverty tends to be significantly higher for particular groups such as the unemployed, especially long-term unemployed, single parents (mainly women), older people living alone (also mainly women) and families with numerous children. A particular risk of poverty and social exclusion is faced by young people deprived of sufficiently solid skills to get a firm grip on the labour market. In 2002, almost 19% of the people aged between 18 and 24 had exited the school system too early and were not following any training. Children are also in a vulnerable situation. They tend to experience levels of income poverty that are higher than those of adults (19% in 2001), and material deprivation in early years may affect negatively their development and future opportunities. A particular concern arises when children are living in jobless households, almost without any links to the world of work (10% of all children in the Union, in 2002).

People who face multiple risks of exclusion are especially vulnerable. These include people with disabilities, those depending on long term care, the homeless, asylum seekers, refugees and migrants and people living in urban or rural areas of multiple disadvantage.

Why do some Member States appear to be more successful than others at preventing and reducing poverty and social exclusion?

Member States start from very different stages of economic and social development and have very different welfare traditions. Thus it is difficult to generalise as to the reasons for their different levels of success. However, in broad terms, those countries that invest the most, that is the highest proportion of GDP, on social

protection systems, as well as having successful economic and employment policies, achieve the lowest levels of poverty and social exclusion. Investment in good quality services that are accessible to all maximises people's involvement in society in general and in the labour market in particular. For most people a decent job is the best protection from and the best route out of poverty. However, many factors go into enabling people to take up jobs. These include things such as good quality education and training, good health, affordable housing, access to transport, child care support and so on. Also, for many, such as the elderly or sick, a job is not a realistic solution and in these cases a guarantee of an adequate income and access to services and opportunities to participate in society is vital.

Preventing poverty means intervening early to ensure that children do not grow up in poverty and have their development curtailed. Thus strong support to children and their families is one of the best ways of preventing the intergenerational inheritance of poverty. In the long-term this will have beneficial effects for the economy.

What difference will enlargement make?

With enlargement, the Union will have to face new and comparatively greater challenges in promoting social inclusion. It is possible to infer from comparative social indicators based on national data, as well as studies, that large sections of the populations in the applicant countries live on low income and lack access to some basic services and facilities. In most applicant countries unemployment is high and social protection systems are not sufficiently developed in order to provide secure income to elderly, sick or disabled people. In some, the social situation of ethnic minorities, of children and of mentally ill persons raises serious concerns. In several countries the position of the Roma is particularly worrying. On the other hand, income inequality is generally lower and lifelong learning performance is better than in many present Member States.

Are the second generation of NAPs/inclusion better than the first?

In general the second round of NAPs/inclusion are a significant step forward. They are better focussed and more strategic and most have adopted a more multi-dimensional approach. More effort has been made to link the social inclusion process to national policy making and there has been much more involvement of regional and local authorities in the process. There is also much more involvement of civil society, especially NGOs. The majority of Member States have now set concrete targets for poverty reduction. However, more still needs to be done. In particular institutional arrangements to include issues of poverty and social exclusion in relevant policy domains need to be deepened and social inclusion goals need to be borne in mind in setting overall expenditure priorities. Targets need to become more ambitious and increasingly specific and quantified. More needs to be done to ensure that economic, employment and social policies are mutually reinforcing.

Which were the best NAPs/inclusion of 2003?

The purpose of the Joint Report is not to establish a ranking of the NAPs/inclusion but rather to inform policy making in old and new Member States, by drawing the attention to what can be highlighted as examples of good practice and better performance on the basis of common indicators. Of course, the NAPs/inclusion themselves also provide pertinent indications about how the Member States were able to incorporate in their strategies aspects such as the mainstreaming of social inclusion, multidimensionality, consistency between analysis and policy objectives,

target setting or gender mainstreaming. The Joint Report does highlight examples of NAPs/inclusion which have been particularly successful in each of these dimensions.

For instance:

On multidimensionality: Belgium, France, Ireland, UK, Portugal.

On coherence and quality of planning: Netherlands, Sweden, Denmark, Finland.

On target setting: Greece, Spain, Ireland, Portugal, UK.

What are the most urgent priorities?

Over the next two years six priorities stand out if the momentum on tackling poverty and social exclusion is to be maintained. These are:

- promoting investment in and tailoring of active labour market measures to meet the needs of those who have the greatest difficulties in accessing employment;
- ensuring that social protection schemes are adequate and accessible for all and that they provide effective work incentives for those who can work;
- increasing the access of the most vulnerable and those most at risk of social exclusion to decent housing, quality health and lifelong learning opportunities;
- implementing a concerted effort to prevent early school leaving and to promote smooth transition from school to work;
- developing a focus on ending child poverty as a key step to stop the intergenerational inheritance of poverty;
- initiating a drive to reduce poverty and social exclusion of immigrants and ethnic minorities.

In pursuing these key priorities it will be important for Member States to develop integrated and co-ordinated strategies at local and regional levels, especially in communities facing multiple disadvantages. The involvement of those experiencing poverty and social exclusion and the NGOs representing them in the delivery and monitoring of these policies will be very important.

Is the Open Method of Co-ordination working?

The Open Method of Co-ordination on poverty and social exclusion is making an important contribution. It has increased the attention being given to promoting social inclusion by Member States and is encouraging greater ambition in policy making. The comparisons that can now be made between policies in Member States are providing an important mechanism for encouraging better policy making. The process is also leading to increased understanding about the main factors underlying poverty and social exclusion. This is leading to more holistic and integrated approaches. The process is also encouraging the involvement of all relevant actors and more attention is now being paid by policy makers to the experience and expertise of NGOs and social partners. However, much more still needs to be done. At the end of the day the Open Method is only a voluntary process and it is up to Member States to decide on the priority they give to and the level of investment they make in building an inclusive society.

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