



EUROPEAN STRATEGY IN THE FIELD OF POVERTY AND SOCIAL EXCLUSION

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FOREWORD

The « Europe » project is in full swing. Since 1 January 2002, Europe has been close at hand - quite literally: the euro has settled down rapidly as a fiduciary currency. In the meantime, the Convention whose role is to lend substance to Europe in the future has begun its work. What is more, Europe remains one of the world's most prosperous regions. Yet there is another side to the euro coin: there are also 65 million individuals in Europe (18%) who live on less than 60% of median income and who are therefore at-risk-of-poverty. More than 14 million people, or 8% of the working population, are jobless.

Let us be quite clear: as long as such a large group of people is excluded, we cannot regard the « Europe » project as completed.

For this reason we have always been directly supportive of the Lisbon process and the strategy to combat social exclusion. Poverty is to be eradicated by the year 2010, as was affirmed most emphatically in the conclusions of the Lisbon European Council. The objectives and methods have been specified in more detail at successive European Councils. At the heart of the strategy is the Open Method of Co-ordination which comprises various instruments: common objectives, to begin with, biennial National Action Plans on Social Inclusion, setting out actions to implement the objectives, indicators to measure progress, exchanges of experience on the basis of peer review and the exchange of « good practice » , and lastly a Joint Report from the Commission and Council. All this is complemented by the five-year Community programme of action against poverty.

Even though this constitutes a « soft » form of convergence, its added value should not be underestimated. The action plans are focal points for the concentration of efforts to combat social exclusion, first and foremost within the Member States themselves. The indicators make it possible to gauge progress. But the principal driving force behind the Open Method of Co-ordination is the ongoing process of exchange and dialogue among all the stakeholders, all of whom must be mobilised. The objective cannot be misunderstood. Professional networks play a key role in this connection. But the target group, i.e. the persons concerned, must likewise be actively involved.

Under the Belgian presidency a number of efforts were made to firm up the Open Method of Co-ordination: the Community programme of action was put in place, a list of indicators was drawn up and jointly approved, and the first Joint Report was adopted. In addition, so as to

further emphasise the idea of dialogue, I organised in Brussels an first European meeting of people living in poverty.

In the same spirit I gave my support to the initiative taken by the European Social Network, the Associations of CPAS secretaries and the Observatoire social européen to hold a two-day conference and to explain the European strategy on poverty and social exclusion in an annexed publication.

We are in fact only at the start of a long journey. We agree on our destination. However, practices differ from one Member State to another. Therefore we should learn from other countries' experience, compare notes, discuss approaches, learn from good examples and define what is possible and what is not, in order to avoid failure. To do so, there is a need for active networks which will collect information, feed in their own practical experiences and commit themselves wholeheartedly. It is an ambitious undertaking. But we have no choice: our overriding aim must be - and must remain - to devote attention to all of Europe's inhabitants, not least the most vulnerable of them. Otherwise we shall jeopardise the European project itself.

Johan VANDE LANOTTE

INTRODUCTION AND SUMMARY

The European Union generally considers that part of its historical inheritance is a specific social model built during the 19th and 20th centuries which has enabled the Member States to avoid the « American » experience of poverty. Even if it is true that the European systems of social security are among the most developed in the world, one is nonetheless forced to recognise that poverty has not been eradicated from our countries. Today still, more than 65 million people - that is 18% of the population of the European Union - live with less than 60% of the median national income; they are living below the defined levels of low income in terms of the standards of the population as a whole. This has prompted some people to say that a state bigger than France, the State of Poverty, constitutes the 16th member of the Union. The people who live in this state have many difficulties in fully participating in social life. Does the small amount of progress made to rectify this situation that we have seen in the last few years not put into question the notion of Europe being a champion of social justice and solidarity?

What does Europe do?

European policy in combating social exclusion has long remained confined to a few targeted actions aimed at particular groups having specific needs, i.e. elderly and disabled people etc. Among those peripheral actions, a so-called « poverty » programme - poorly financed - was set up at the end of the 70s, as well as, subsequently, was an Observatory to monitor policy designed to combat exclusion. Up to that point, Europe had been an institution predicated on economics; thus, the legal framework was missing to enable the Commission to take more ambitious initiatives in this new field. In 1998, the Court of Justice of the European Communities underlined that the Commission did not have the right (through such lack of legal basis) to agree the financing of actions to combat poverty. In addition, some Member States had already expressed their opposition to allowing the European Union to take action in this area, arguing that it was a matter for individual countries.

However, following the decision of the Court of Justice, but also due to the changes of political landscape that occurred notably in Germany, the United Kingdom and France, the opinion gradually gained ground that the European Union had a contribution to make in fighting social exclusion. This is why the treaties of Amsterdam and, later, Nice have given the Union the mandate to support and to complement the action of the Member States in combating social exclusion.

It is in the continuing effect of these treaties that, currently, new methods of work at a European level are being « tested » . This is not about giving the Union exclusive political powers but about trying to co-ordinate the actions undertaken by the Member States and to bring its own expertise and offer common landmarks.

In the treaty of the European Community, it is article 136 that fixes the general objectives as regards social policies. Those deal with the promotion of employment, the improvement of life and working conditions, adequate social protection, social dialogue, the development of human resources and **action against the various discriminations**.

Although this text recognises the fight against exclusion as a European Objective (which is, as we saw, progress in itself), it however excludes any possible harmonisation of legal measures or regulations in this area. In other words, Europe can fight against social exclusion, but not by directives, minimum prescriptions or constraining legal acts. The only instruments left at its disposal are « measures meant to encourage the cooperation between Member States by the way of initiatives intended to improve knowledge, to develop the exchange of information and better practice, to promote innovative approaches and to evaluate experiences ». The same thing is true of the other questions linked to the modernisation of the social protection systems.

Open method of co-ordination

It is within the limits of this context that, since 2000, an Open Method of Co-ordination in the area of social exclusion has been gradually introduced. This initiative is still at its early stages. As a first step, a series of very general common objectives have been defined and were approved by the Member States in December 2000 at the European Council of Nice.

These objectives have guided the member states in the elaboration of « national action plans for inclusion » . Each member state presented its first action plan in June 2001. These documents were examined by the Commission in the light of the objectives which had been defined jointly. A first set of common indicators which is based on evaluation, was agreed at the Council of Laeken in December 2001.

Furthermore, in relation to the Open Method of Co-ordination, a five year action programme has been proposed by the Commission and agreed by the European Parliament and the Council. Contrary to the objectives of the previous « poverty » programmes, it is no longer a matter of financing a few pilot schemes with uncertain dissemination effects. Three objectives have now been defined for the four-year programme: improving the understanding of social exclusion, developing the capacity of those involved to tackle social exclusion efficiently and to organise cooperation and an exchange of information in the context of the national action plans. This programme was agreed by the Council and the European Parliament in September 2001; it will be provided with a budget of 75 million euros.

Global evaluation

If we remember that only a few years ago, some countries of the EU refused to spend a single euro in the seemingly-hopeless pan-European battle against poverty, one is forced to recognise that important progress has been made in a short space of time. A legal framework has been established by the treaties of Amsterdam (1997) then Nice (2001) – though this document still awaits final ratification. The arrival of the Open Method of Co-ordination reopened this debate when many thought the discussions had come to an end. In 2000 and 2001, the process has progressed relatively quickly. The questions that remained open were mainly about the relevance of the indicators that will be adopted. And, more widely, on the ability of governments to reduce monetary poverty in a globalised world where social and geographical inequalities tend to increase rather than to reduce – and all the more since the question of the cost of reducing poverty is not always tackled head-on.

In the following sections, we will further the analysis through the following themes:

- Section 1: The Open Method of Co-ordination in the area of social exclusion
- Section 2: Common definitions
- Section 3: Common objectives
- Section 4: Common indicators
- Section 5: Structural indicators of social cohesion
- Section 6: Which Indicators of poverty and social exclusion?
- Section 7: National Action Plans
- Section 8: The Belgian Plan
- Section 9: The community action programme 2002-2006
- Section 10: The role of social services in combating poverty

Appendix 1: Combat against poverty and discrimination: legal basis and important steps

Appendix 2: Constraints linked to level 1 European indicators

SECTION 1 : THE OPEN METHOD OF CO-ORDINATION IN THE AREA OF SOCIAL EXCLUSION

The setting up of an Open Method of Co-ordination (OMC) in the fight against social exclusion was agreed by the Lisbon Summit as an additional tool to the traditional instruments of community action (legal, social dialogue, social fund). This method has rapidly given new impetus to the European social process by developing a dialogue and a convergence of the common objectives in an area which has long been regarded as the exclusive responsibility of Member States. The OMC has in fact as its first objective to ensure an exchange of good practice and a better co-ordination and convergence of the policies of the Member States in accordance with the common objectives of the Union. But what does it consist of exactly?

If we take the specifications of the OMC as they were decided by the Council of Lisbon, we can establish four complementary steps in this co-ordination process:

1. the definition of guidelines (that is, common objectives) for the Union, accompanied by a timetabled action plan set by the Member States covering the short, medium and long term;
2. the translation of these common objectives into national and regional policies (national action plans) by setting specific objectives and by adopting measures that take into account the national and regional diversities;
3. the definition of quantity and quality indicators as well as evaluation criteria in relation to the best world-wide performances, criteria adapted to the needs of the Member States and the various sectors in order to enable the comparison of best practice;
4. and, finally, the follow up - the evaluation and the examination by the peers so that each stakeholder can learn from it.

We see again in this process nearly the same steps that were put in place in the area of employment (European strategy for employment). However, the famed « guidelines for employment » are replaced here by « common objectives », which appear to be more flexible and less rigid and to which each member state is also free to decide what level of priority it gives to these common objectives. Another nuance compared with the strategy for employment is that less emphasis is put on the section « improvement of performances » and the comparison of those than on « improvement of the situation » within the Union.

In December 2000, the European Council of Nice approved the common objectives to fight poverty and social exclusion (see section n.3). In June 2001, the fifteen Member States handed in their National Action Plans (see section n.6). The Commission published in

October 2001 a draft evaluation of those plans which after discussion with the Member States, led to the production of a Joint report. On the basis of these contributions, among others, at the Council of Laeken, the Belgian Presidency of the European Union and the Social protection Committee agreed these indicators, or at least the basis on which these indicators which will be used for peer evaluation of progress in meeting objectives.

The Open Method of Co-ordination's object is to encourage the involvement of a large number of stakeholders. In the context of poverty and social exclusion, the Social Protection Committee audits, when it considers it necessary, the organisations representing the poor and the excluded people. Indeed, these organisations have suggested a certain number of indicators. It is agreed that future indicators should be produced as part of a dialogue with the poorest and their organisations. Local public actors must be allowed to participate in this dialogue. However, it is also important to follow the initiatives taken by national governments. As an example, below we show Portugal's commitments in figures. These commitments are not only national; it will be possible to check their effectiveness at a European level.

Action plans: the commitments of Portugal *(Commitments taken by the Portuguese government in its NAP)*

In order to reach its strategic objectives, the Plan must face the following **important challenges**:

- eradicate **child poverty** before 2010;
- reduce the **poverty rate** of 23% in 1995 to 17% before 2005 in order to equal the European average;
- reduce by 50% **absolute poverty** before 2005;
- set up in the next two years fifty « **Contracts of Urban Social Development** » intended to create inclusive towns based on the convergence of the means and instruments necessary to the urban communities and managed in an integrated manner with the contribution of the various national, regional, local, public and private sectors;
- launch the « **Rural Life and Social Development** » programme, including the various instruments and initiatives of integrated local development of the peripheral rural communities;
- ensure that, within a year, every person who is in a situation of social exclusion will be individually approached by local social services with a view to bringing them closer in order to sign a **social inclusion contract** adapted to their specific situation and involving, depending on the case, measures in the area of education and training, employment, housing, health, social protection, income and access to services;
- reduce to three months the previously above deadline in the case of **children and young people**, always involving specific measures with the aim of having them return to school or their vocational training;
- set up an **emergency telephone line** properly linked with the **Social Emergency District Centres**, staffed continuously, which would ensure immediate help for anyone in an emergency situation – notably the homeless, victims of violence and children in danger, which points them towards primary care and drop in services.

SECTION 2 : COMMON DEFINITIONS

It may be surprising, but the decision to coordinate actions in the fight against poverty and social exclusion has led to a complex political debate on the definitions of poverty and social exclusion, as well as on the most relevant objectives to follow together. Poverty is not perceived – nor experienced – in the same way in Lisbon as in Stockholm; the objectives to follow are not « spontaneously » the same in Athens or London... The setting up of a method of co-ordination between the Fifteen EU Member States requires, therefore, a large amount of work to harmonise the definitions, objectives and evaluation indicators.

If poverty can be considered through the mechanism of levels of income, the question of social exclusion is said, then, to be multi-dimensional, in the sense that it refers to a series of interlinked aspects. It is not possible to establish a mechanical relation between deficiencies or negative characteristics of those dimensions and social exclusion. At the best we can say that the sum of the various degrees of these negative aspects places individuals in a situation of a higher risk of exclusion. To the notions of poverty and exclusion, it is also necessary to add the one of precariousness. Precariousness refers to a sort of intermediary state, a world made of uncertainties where a simple professional rupture (such as loss of job) or a personal tragedy (such as divorce or an accident) can knock off balance a person into a state of poverty or exclusion.

At a European level, the understanding of poverty and social exclusion is made even more complex by the lack of a consensus on the role and relative importance of the various dimensions linked to social exclusion. Those divergences are in large measure due to different traditions in the societies and cultures of the Member States. Thus, we have an Anglo-Saxon tradition that deals with social exclusion from the aspect of individuals exclusively, and, in contrast, a « continental » tradition envisaging social exclusion rather in terms of social groups. As a consequence, there isn't a concept common to Europeans of what social exclusion is. However, with the passing years, a consensus was more or less established in the areas important to consider when talking about social exclusion (housing, health, education and training ...).

There is a definition of poverty that can be considered as common since it emanates from the European Union. The « official » definition of poverty, adopted in the wake of the programmes against poverty, and which is actually retained as a reference at a European level by the Commission, officially appears for the first time in a decision of the Council of 19 December 1984:

« by poor we mean people, families or groups of people of whom the resources (material, cultural and social) are so limited that they are excluded from the minimal standards of living recognised as acceptable in the member state where they live. »

We can recognise here the definition known as relative poverty. According to this definition, poverty implies several dimensions linked to the types of resources taken into account; it can concern either people or groups and it depends on the prevailing level of development of each member state.

This definition has been made operational by Eurostat (the statistics office of the European Communities) for use in a European context by relating it to the notion of income as a reference threshold: *a household is considered to be poor when its income places it underneath a certain level, known as the poverty line, and which stands at 60% of the net median income standardised by unit of consumption* (1). The line of 60% of the median income has been used as a reference by Eurostat since 1999, but other thresholds can be and are taken into consideration, notably at national levels, which sometimes induces a certain confusion.

Poverty rate (60 % of the median income)

	Around 20 %					Around 15 %					Around 10 %				
	<i>P</i>	<i>EL</i>	<i>I</i>	<i>IRL</i>	<i>E</i>	<i>F</i>	<i>B</i>	<i>D</i>	<i>A</i>	<i>UK</i>	<i>NL</i>	<i>L</i>	<i>S</i>	<i>DK</i>	<i>FIN</i>
1995	23	22	20	19	20	16	17	15	13	22	11	12	-	12	-
1996	22	21	20	19	19	17	16	14	14	18	12	12	-	10	8
1997	23	22	19	20	19	-	15	-	13	-	14	-	12	10	9

Source : Eurostat, ECHP.

This definition links in concrete terms the identification of poverty with low income. Poverty is therefore defined on the basis of the income distribution, which has the apparent advantage of simplicity of use and comparison. But this distribution is not known exactly and it is estimated on the basis of sample groups or surveys, and this divergence in definitions and methods leads to values noticeably different. Other approaches to poverty also exist, and they make their assessments based on subjective or administrative measures or issues linked to the living conditions or to the accumulation of social disadvantages in various areas of integration to society (2).

Only poverty, unlike precariousness and exclusion, has been subject to a definition in figures. While a poverty rate can be established quantitatively, it is thought impossible to be so precise about a rate of exclusion. We can only try to identify the number of people suffering from each of the particular dimensions of exclusion (poor education and/or training, bad quality housing, poor health...) but we cannot measure the combination of these dimensions for the individuals. The political approach of exclusion on the basis of indicators can, therefore, only be indirect.

(1) The income is standardised on the basis of an equivalence scale (modified OECD) which takes into account the economy of scale in the consumption from which the additional members of the household benefit (units of consumption) and it is expressed at a European level in purchasing power standards. We use the purchasing power parities (PPP) to convert each monetary unit of a member state into a common currency, the SBP (standard of purchasing power) of which each unit buys the same quantity of goods and services in the various Member States during a given year.

(2) For more information on the various methods of understanding of poverty and social exclusion, see the report of the Observatoire Social Européen: "Monetary and non-monetary indicators of poverty and social exclusion in European perspective", available on the OSE website: <http://www.ose.be>.

SECTION 3 : COMMON OBJECTIVES

In December 2001, the European Council of Nice approved the common objectives of the Union in tackling poverty and social exclusion, thereby giving the real starting point of the OMC process in this area. The setting up of common objectives represents the first stage of the OMC. These objectives have been developed within the framework of the work of the current « Social Protection Committee » .

The objectives so defined attempt to take into account the multidimensional character of poverty and social exclusion as well as the complexity of the forms that these conditions can take. This multi-dimensionality means that it is necessary to implement a wide range of policies in order to realise the objectives in the framework of this strategy, while recognising the pre-eminence of employment and social protection within those policies. Each member state has the scope to put forward various dimensions according to its national conditions. It is therefore a flexible approach with little restriction. These common objectives are regrouped in four generic objectives:

1. to promote participation in employment and in the accessing by all of resources, rights, goods and services for everyone:

Chapter A: Employment

- by encouraging access to sustainable and quality employment
- by setting up for vulnerable people courses to assist them into employment and by implementing training policies
- by promoting a healthy balance between professional and family life
- by using the opportunities for inclusion in the social economy
- by preventing professional breakdown through the development of the capacity for professional integration

Chapter B: Resources, rights, goods and services

- by organising the social protection systems so that they:
 - ensure for everyone the necessary resources to live according to human dignity
 - help to overcome the obstacles to employment through ensuring that access to employment is accompanied by increased income and by promoting the capacity for professional integration
- by setting up policies of access for everyone to a decent house, health services, education, justice...

2. to prevent the risks of exclusion:

- by ensuring all people have access to the benefits of the new technologies of information and communication

- by implementing policies intended to avoid breakdowns in living conditions that can lead to situations of exclusion
- by preserving family solidarity whatever its form

3. take action for the more vulnerable:

- by promoting the social integration of women and men at risk, in particular because of their handicap or their belonging to a social group experiencing particular difficulties of participation, to find themselves confronted with situations of persistent poverty;
- by eliminating social exclusion situations affecting children and giving them the best possible chance of integration;
- by developing global actions directed at the territories confronted by exclusion.

4. to mobilise all of the stakeholders:

- by promoting, according to national practices, the participation and expression of the people excluded about their situation and the policies and actions directed towards them
- by ensuring integration of the fight against exclusion in all policies through the joint mobilisation of the political authorities at a national, regional and local level
- by developing appropriate co-ordination processes and structures
- **by adapting administrative and social services to the needs of the people who are in a situation of exclusion and by making the grassroots forces aware of these needs**
- by promoting the dialogue and partnership of all of the public and private sectors (social partners, NGOs, social services)
- by encouraging the responsibility and action of all citizens in the fight against poverty and social exclusion
- by promoting the social responsibility of companies

The Member States, invited to implement the policies involved in the realisation of these objectives at national and regional levels, therefore handed in National Action Plans against poverty and social exclusion in June 2001.

As we can note, social services are clearly concerned by the objective 4 because they must take part in the process and dialogue as social agencies and therefore they must structure themselves as such. Moreover, a specific role is given to them as they must improve their adaptation to the specific needs of the poor and excluded people. Social services are key players in this regard: they are at the junction between the demand and the supply of such services and therefore they are the most able to identify the problems. This improvement entails, among other things, an increase in ease with which the poor and excluded people can access the services, notably by the reduction of the « obstacles », administrative and others, and by the effective application of rights as well as the reduction of waiting lists that can have serious consequences for people - these services being often « the last safety net of social protection ». The dimension corresponding to the awareness of the staff on the ground to the specific problems of the people in a situation of poverty and social exclusion also involves an extra effort, in terms of training in particular. The progression in the framework of this objective depends on the social services themselves but also of course of the political dimension since the improvement of services or of specific training largely depends on the financial and human means that will be dedicated to it.

SECTION 4 : **COMMON INDICATORS**

The definition of the indicators needed to support the comparison between the Member States' key dimensions of poverty and social exclusion is a central question in the OMC process. It is also the indispensable link for the realisation of the last stage of the OMC and an essential element in OMC reaching its final objective: the eradication, or at least the appreciable reduction of, poverty and social exclusion within the European Union.

The reasons for the use of indicators as well as the regular examination of the structural performances are rooted in a double necessity: firstly, we want to be able to follow the progress accomplished in terms of achieving of the objectives and implementation of policies; secondly, we need to be able to evaluate the efficiency of these policies. It is therefore indispensable to have at one's disposal structural indicators of reference enabling the benchmarking of the relative performances in the framework of the co-ordination process and follow up of the policies at the European level. Yet, to be able to take advantage of these instruments, it is necessary to have at own's disposal reliable indicators, comparable in time and space, for all the Member States, for the whole of the Union and for the countries chosen as a reference, which is sometimes far from being an easy task.

Moreover, if assessing quantitatively the progress in the achievement of the objectives and implementing the policies is relatively easy to realise, even if it requires a substantial statistical work, evaluating the efficiency of the policies is even more difficult, notably because it demands a clear perception of the link that can exist between the actions used to activate the policies and the quantifiable results representing the end product of these actions. Yet this evaluation can only fully be realised after these actions are completed, when the final data are available. This is why the indicators proposed in the first place will be performance indicators oriented towards evaluating the progress achieved rather than the efficiency of the policies adopted.

Furthermore, indicators can be divided into three levels of hierarchy, linked to the nature of their use:

- The **first level** concerns a **limited number of « pan-European » indicators** considered as essential and for which a consensus exists between the Member States for their comparative use.
- The **second level** is made up of a larger number of indicators that each member state considers necessary in order to give information on an **important dimension at the national level**. These indicators are national but some of them can possibly be placed in level 1 if there is general assent.
- The third level contains a much higher number of indicators which are **purely national** and which inform the follow up of specific policy measures or of dimensions very particular to one country.

As regards social and local stakeholders, it is, of course, level 3 indicators, that is national or sub-national, which must be targeted. These indicate the perceptions and what is at stake in relation to a particular context. They can however also be used as indicating emerging problems. In that case, it is necessary to check if this new problem is only local, regional or European.

A certain number of technical constraints are linked to the use of these indicators (see Appendix 2) We can say that the definition of relevant indicators appears to be a lot more complex in the area of combating poverty and social exclusion than in the area of employment. Given the highly multi-dimensional character of the question of poverty and exclusion, it is clearly more difficult to establish a limited number of indicators reflecting satisfactorily the key points of the question, as the employment rate can do in the employment framework. If it is possible to have at own's disposal a global indicator for poverty bringing it back to its essential dimension - that of income – and, consequently, to set up a monetary « poverty rate » , it is, however, impossible to specify a « social exclusion rate » , given the large number of dimensions, distinctive and cumulative, that this concept can cover for individuals.

The administrative and social services, by their privileged contact with the people at risk of poverty and exclusion, are an important element in the chain of collation of information. They therefore have a role to play in improving the information available on access to rights and services.

SECTION 5 : ***STRUCTURAL INDICATORS OF SOCIAL COHESION***

In March 2000, the Lisbon European Council established the global strategic objective for the European Union from then until 2010, namely, « to become the most competitive and dynamic knowledge economy in the world, capable of sustainable growth accompanied by a quantitative and qualitative improvement in employment and greater social cohesion. » (3) In order to be able to meet this objective using the structural indicators commonly defined, the Council invited the Commission to produce an annual synthesis of progress achieved in the four key strategic areas: employment, innovation, economic reform and social cohesion. To these four key areas was added the area of *general economic context*

Having established a first list of indicators in September 2000, the Commission submitted a second document in October 2001 concerning 36 indicators of which 6 are in the area of social cohesion. A fifth key area concerned the environment (environmental aspects of sustainable development) was introduced.

This first tranche of six reference indicators, which concern social cohesion, are based on the following indicators:

1. ***the distribution of income (ratio of the quintile of incomes)*** which is the ratio between the accumulated income of the 20% richest and that of the 20% poorest. It measures national inequality in the distribution of income ;
2. ***poverty rates before and after social transfers*** which measure the percentage of a population below the poverty line (60% of the available median income). This double indicator therefore provides a measure of the extent of poverty and of the impact of social transfers (except pensions);
3. ***the persistence of poverty*** that is the proportion of population continuously below the poverty line over a period of three years or more, which gives an idea of the seriousness of the problem of poverty and its dynamic;
4. ***regional cohesion*** measured by the coefficient of variation of regional differences per individual, in the unemployment rates which gives an idea of the regional disparities;
5. ***the long-term unemployment rate*** as the reflection of the structural problems affecting the job market and of the risk of erosion of the skills it involves, thereby having an effect on employability and the risk of social exclusion;
6. ***the number of young people who leave school early without going on to study or any form of training*** which is an indicator of the investment in human resources, relying on the necessity for the young leaving school having a good level of basic education to reinforce their employability and ensure their social integration.

(3) Conclusions of the Portuguese Presidency, Lisbon, March 2000.

One can't help but notice from reading the previous list that a number of indicators have been taken as key indicators from the area of poverty and social exclusion.

If these indicators can therefore be used in both processes, one should be careful to avoid a certain lack of coherence which could occur in the definition and content of these indicators. Logically, according to the Commission's document, the Social Protection Committee is responsible for developing social indicators. It nevertheless, has some difficulty in imposing its will faced with economic interests such as the Economic and Finance Council (ECOFIN) which has its hand firmly on the definition of structural indicators. This explains why, for example, indicator 4 regarding regional cohesion, emphasises the PIB/per individual, when that idea had been quickly abandoned in the context of the Social Indicator Working Group of the Social Protection Committee in favour of the regional variation of unemployment then later that of the rate of employment. This element was raised again at the last Employment and Social Affairs Council on the 3rd December (4) which took note that « (...) as regards social cohesion indicators, differences exist between the work of the Social Protection Council and the Commission's own document and highlights the necessity of making sure there is coherence between the sectoral and structural indicators of the EU. » The Council therefore commits the Commission to take into account the work of the Social Protection Committee on these different points (5) and to add a seventh structural social cohesion indicator which relates to health in order to better reflect the multidimensional character of social exclusion. The need to rectify the imbalance between separate stakeholders involved in the process of defining structural indicators is underlined in the last point in the concluding chapter of the Council who, « ask the Employment Committee and the Social Protection Committee to continue to co-ordinate their work in this area and to take care to ensure efficient co-ordination with the same kind of work which might be led by the Commission, other committees or groups of experts, such as the Policy and Economics Committee. »

The Council also underlines the importance of discussions taking place within the Employment Committee and the Social Protection Committee for these also offer the possibility of involving the social partners and if not, then at least the NGOs. We return here to the necessity of promoting the participation of the largest range of stakeholders in the OMC as regards poverty and social exclusion (see following chart), indicators which are of priority interest for us in this report.

Whereas these six indicators used to follow up the Lisbon strategy constitute a starting point, it is nevertheless necessary to envisage having a considerably larger number, ones relating to a variety of spheres, so as to move towards a somewhat fuller picture of the complex phenomena of poverty and social exclusion. Some initial work along these lines has been done by the Social Protection Committee, whose task is to define more precisely the indicators to be used in the context of the OMC on poverty and social exclusion (see next sheet), these being the indicators of greatest interest to us in respect of this document.

(4) 2392th session of the Employment and Social Policy committee, Brussels 3rd December 2001, document 14762/01.

(5) Use the definitions of the Social Protection Council for the indicators "poverty levels" and "regional cohesion"; use the terminology of the Social Protection committee which speaks not of poverty but of "risk of poverty" : also to be systematically underlined that the threshold of 60% of median revenue is only one of the threshold indicators of low income, amongst others (40-50-70%) so that this does not become identified as the poverty level.

SECTION 6 : WHICH INDICATORS FOR POVERTY AND SOCIAL EXCLUSION?

The Social Protection Committee, a new body which appeared at the beginning of this year, is made up of representatives of the Member States and its main aim is to consider questions relating to social protection in order to support the decisions of the European Council. Most notably, it has been charged with defining which indicators to use for the follow up of the Open Method of Co-ordination on poverty and social exclusion and to deliver to the Council of Laeken propositions on indicators. To this end, it established an Indicators Sub-Group which recently handed in a first list of indicators to use for the follow through of the OMC, indicators which were agreed in December 2001 at the Council of Laeken. They are:

Indicators of level 1

- 1A rate of low income after social transfers according to age and gender
- 1B rate of low income after social transfers according to the most frequent activity
- 1C rate of low income after social transfers according to the type of household
- 1D rate of low income after social transfers according to the statute relating to housing (owner or tenant)
- 1E levels of low income (illustrative values in PPS, Euros and national currency)
- 2. disparities in the distribution of income (income of the 20% richest compared with the 20% poorest)
- 3. persistence in low income (2 years or more under the threshold of low income)
- 4. relative median difference of low income compared to the level of low income (60%)
- 5. regional cohesion: coefficient of regional variation of the employment rates
- 6. long term unemployment rates
- 7. people living in jobless households
- 8. young people leaving school prematurely
- 9. life expectancy at birth
- 10. state of health perceived according to the level of income

Indicators of level 2

- 11. dispersion around the threshold of low income (40-50-70% median income)
- 12. low income rate relative to time
- 13. Low income rate before social transfer
- 14. Gini coefficient of income disparity
- 15. persistence in very low incomes (inferior to 50% of the median income)
- 16. relative size in long term unemployment

17. very long term (2 years and over) unemployment rate
18. people who are poorly educated

This list of indicators is a starting point but the work of the indicators group is to continue. This necessity to consider indicators relating to multiple dimensions has been reiterated by the European Anti Poverty Network (EAPN) which has recently made proposals regarding the indicators it would like to be used. This proposition also illustrates the role and implication of stakeholders in the process of the OMC.

For EAPN, the best indicators are those which enable the measurement of the changes in everyday life for people living in poverty or social exclusion. Such indicators can only be determined by a participative method, involving the persons concerned with rigorous research programmes. Moreover, the indicators which will be chosen next December must be closely linked with the objectives adopted in Nice. They must, therefore, reflect the results of public policies in implementing access to rights, resources and services such as income, work, education and training, housing, healthcare and family life. These are the indicators proposed:

Poverty

1. Rate and intensity of poverty before and after taxes and social transfers
2. Persistence of poverty
3. Percentage of households facing a number of difficulties of living conditions on a list to be elaborated
4. Percentage of children living in poor households after taxes and social transfers
5. Percentage of children who have been placed in care coming from those households compared to the percentage of children placed in care coming from all the households
These data should differentiate the different types of households (single parent families, etc...)

Employment

6. Long term unemployment rate (one year and over)
7. Very long term unemployment rate (three years and over)
8. Indicators of precarious employment:
 - sustainable employment rate (job stable for 6 months)
 - constrained temporary or part-time rate

Education/Training

9. Young leaving school prematurely and not going on to study or any form of training
10. Young leaving school without any basic qualification
11. Illiteracy rate

Health

12. Number of people that were denied access to healthcare, due to a lack of means (that is, the lack of financial means or because of inadequate accessibility) during the past year
13. Number of people having experienced periods of hunger during the past year

Housing

14. Number of people living without a home, whether they are on the streets, lodged with parents or friends or housed in centres
15. Number of people living in housing unfit for habitation or crowded
16. Number of people having gone without water or electricity for a month or more.

SECTION 7 : NATIONAL ACTION PLANS

National Action Plans against poverty and social exclusion (NAPs) represent the second phase in the OMC poverty. They are the effective practical expression by the Member States of the common objectives. On the basis of the common objectives agreed in Nice, Member States designed two-year national plans (2001-2003) enabling the implementation at national and regional levels of the common objectives.

The development of such global plans on poverty and social exclusion has been a new concept for a large number of Member States and has required the energetic implementation, notably in the countries which are highly decentralised where the multiple political agencies concerned with the great number of dimensions associated with exclusion are distributed between different levels of power. The time granted for handing in these plans has also been very brief – there were less than six months between the agreeing of the objectives and the handing in of concrete plans. As a result, the plans handed in 2001 contain a certain lack of cohesion and strategic vision. They essentially describe the existing measures and programmes rather than new approaches and political measures. Let us assume that the next national action plans in 2003 will be the result of a more global reflection and of a deeper consultation process of the various stakeholders such as the social partners or civil society.

The Commission has proceeded to a first analysis and has published a preliminary report in October 2001 describing the principle approach of these plans. This report was then discussed with the various Member States and led to the production of a Joint Report (6) which was formally agreed by the Social Affairs Council on 3rd December 2001 in Brussels. This report will also serve to provide a more solid basis to the global report which the Commission will produce every year (the Spring Report) in order to measure progress by the Union in the global strategy established at the Lisbon Council (7), of which the fight against poverty and social exclusion is only one part. This report comprises three parts: a general analysis, an analysis of the national plans and a statistical index. It is impossible within the framework of our report to do justice to this voluminous document, which is truly « a first » at a European level. At the same time, certain key points of convergence in the understanding of and the fight against poverty and social exclusion deserve to be underlined. It is a question of measuring *risk factors* of poverty and social exclusion, structural changes which can aggravate the situation as well as the major challenges which must be tackled by

(6) European Commission, 2001, Joint Report on the National Action Plans against poverty and social exclusion (http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/index_en.htm).

(7) See Section on the structural indicators.

the social policy of the Member States in order to significantly reduce poverty and social exclusion and also the different political approaches to the question at a European level.

Risk Factors

The various plans identify a certain number of factors which contribute to creating the conditions of risk with regard to poverty and social exclusion, above all where there is an accumulation of such risks. These factors are:

- Insufficient/inadequate income
- Long term unemployment
- Poor quality employment and/or no professional experience
- Poor level of education and illiteracy
- Belonging to a family at risk
- Handicap
- Poor health
- Living in a multiply disadvantaged area
- Homelessness and being at risk of homelessness
- Immigration, a minority, racism and discrimination
- Growth and the multiplication of various factors: the need to break the spiral of recurrent poverty and social exclusion so that it is not passed on from one generation to another.

Structural Changes

Various structural changes add new risks of exclusion to the most vulnerable. These are described in several plans as is the need to find new solutions. These structural changes are principally:

- The extensive and structural transformation of the employment market as a consequence of accelerating economic change and globalisation.
- The rapid development of the knowledge society and new information and communication technologies.
- The raising of the scale of demographic dependency as a result increased life expectancy and the falling birth rate
- The trend towards a greater ethnic, cultural and religious diversity, following flows of migration and greater mobility within the Union.
- The increased participation of women in the workplace and changes in the structure of households.

Major Issues for Social Policy

The Joint Report underlines the essential challenge for social policy in the Member States, that of ensuring opportunities and resources are provided for the most at risk and that they are guaranteed effective fundamental rights. Eight major issues are outlined here:

- To develop an inclusive employment market and to make employment an opportunity and a right for all
- To guarantee sufficient resources and income to live a decent life
- To Fight against educational inequality
- To preserve family cohesion and to protect children's rights
- To provide everyone with decent housing
- To regenerate the multiply disadvantaged areas

- To guarantee equal access to quality services (health, transport, security, recreation, social services, culture and law);
- To improve the practice and provision of services, including social services

Amongst the key issues going out of the National Action Plans, we should underline that of the role of social services. According to the Commission, the provision and practice of social services does not only relate to the Social Affairs Ministry but involves a whole range of other stakeholders, public and private, local and national. According to the National Action Plans, 4 issues should be considered that could improve the work of social services:

- Finding solutions for the problems of fragmentation and isolation of decisionmaking and implementation of policy at national and local level, particularly by better integrating the various areas of policy responsibility and putting the national plans together using an integrated approach between local and national levels.
- Discussing the question of linking local, regional and national levels, especially in Member States with a strong regional structure,
- Improving policy and programmes which seem too opaque and rigid and to reduce the gap between the poorest and excluded and the democratic process and
- Engage all stakeholders and build public support for policy and programmes which emphasise a more inclusive society.

Different policy approaches

The action plans reflect differences between social systems at the heart of the Union and how these questions are tackled. Two elements may however to explain these different approaches.

The first is to look at the difference in substance between the social protection systems in the Member States. Indeed how the question of poverty and social exclusion is raised, is itself differentiated so whereas some emphasise policies which encourage accessibility, comprehension, adaptation and achievability in order to promote universality in terms of national cover, others emphasis equality of opportunity and seek to tackle those obstacles and/or handicaps which can be overcome by the implementation of appropriate measures. Others still, are more focused on the concept of solidarity and seek to compensate those with profound handicaps or difficulties.

The second element is present in the political structure of countries, such as Germany, Italy, Austria, the United Kingdom and Spain which have strongly decentralised structures with all or a part of their various areas of responsibility for policy or implementation (health, education, social assistance...) equally shared between regional and local authorities. The advantage is that strategies can be better adapted to different regional and local needs as well as one would assume greater involvement of various stakeholders (8). At the same time, however, this provides a challenge to integrate regional, local and national policies and objectives.

(8) This need to incorporate the local and regional dimensions is however recognised by most of the Member States, which agree on the need to complement the National Plans with integrated approaches at the regional and local levels.

The implementation of policy and objectives

The main issue common to all the plans, isn't just to develop better policy, but above all, to improve its implementation. Improving the efficiency of services depends in part on evaluating the effectiveness of these current policies. It is at this point that what should be the final objective of the Open Method of Co-ordination takes place, that is peer performance evaluation, but above all, identifying and exchanging good practice in order to move forward using the experience of others. This development is however at an early stage and short time scale for producing the plans following the agreement of common objectives in December 2000, has meant that identifying good practice, but also putting numbers alongside objectives which might verify performance, is one of the weak points of the process at present. The Commission also underlined that, » It has not been possible to identify examples of good practice to the extent that , at the present time, policy and practice in the Member States is not generally subject to rigorous evaluation, (...) An important challenge for the next step in the process of social inclusion, will be to be reassured that the Member States analyse in much greater detail, the efficiency of their policy and practice in fighting poverty and social exclusion, including its costs. (p. 4)

If it has proved complicated to clearly identify good practice, some such elements can be put forward with regard to improving services (policy and community services, global approach, transparent decision making and complaints procedures: the quality of service reception, partnership between different stakeholders etc.).

The speed with which the plans had to be submitted resulted in a limited dialogue between the various social stakeholders as regard the constitution of the plans. If the shape and intensity of the dialogue can vary in terms of the four characteristics, described earlier, concerning the manner in which the strategies were presented in the plans, notably the degree of (de)centralisation, it nevertheless seems that this should be an important point to develop in the next plans. The involvement of all stakeholders in real dialogue is the fundamental basis for success in the policy of fighting poverty and social exclusion. This implies putting into place and/or improving the involvement of the current structures for participation.

This essential point, a European priority, is evidently one of the main planks of future development to be followed by Belgium in its next plan. Social services, as facilitators of this indispensable dialogue, therefore have a role to play to improve the next national action plan. It is therefore also necessary that a new internal dialogue be established among the social services, dialogue which integrates this enlargement of the national framework, so that everyone contributes to combating poverty and social exclusion. Improving the practice and the provision of social services, which is recognised as one of the principal issues at a European level, will also come about through an improvement in the involvement of all stakeholders, above all the social services themselves.

SECTION 8 : THE BELGIAN PLAN

Background of the plan

The National Action Plan for inclusion (9) is not the first initiative taken in the area of combating poverty and social exclusion in Belgium.

The General Report on Poverty (**Rapport Général sur la Pauvreté** or RGP) released in 1994 constituted an important step because it brought to prominence the existence of a number of social casualties in our country despite the existence of a sophisticated network of social security and social allowances. This report also facilitated the establishment of a dialogue with the people living in poverty and the associations representing them. The result was a list of shortcomings and dysfunction relating to their rights in all the policy areas. The follow through of the actions undertaken in the framework of this RGP was planned. The last report (March 2001) is actually given in the appendix of the National Plan of Social Inclusion.

Combating poverty and social exclusion implies an integrated approach in the various areas of life and politics. In the federal structure which characterises Belgium, where responsibilities are distributed across different political levels, an active cooperation and co-ordination between the federal authority, the Communities and Regions and the local authorities is required.

In Belgium, the co-ordination of policies in the fight against poverty and social exclusion is ensured by three agencies:

- the federal Ministry of social integration which is responsible for policy co-ordination
- the inter-ministerial Conference of social integration where the relevant ministers of the different governments meet up
- the department against poverty, precariousness and social exclusion, which is jointly managed. This gives a platform where associations representing the poor, politicians, civil servants and members of the academic world discuss and debate.

This co-ordination was formalised in the Agreement of cooperation between the Federal state, the Communities and Regions relative to the continuity of the policies in the area of poverty (*Accord de coopération entre l'Etat fédéral, les Communautés et les Régions relatif à la continuité de la politique en matière de pauvreté*), which was signed in 1998.

(9) The reader will find the Belgian action plan on Internet at the following addresses:

PANinc in French:

http://europa.eu.int/comm/employment_social/news/2001/jun/napincl2001be_fr.pdf

PANinc in Dutch:

http://europa.eu.int/comm/employment_social/news/2001/jun/napincl2001be_nl.pdf

Following the Lisbon summit which launched the OMC against poverty and social exclusion, an intergovernmental Conference (Intergovernmental Conference or IGC) was set up. This IGC gathers all the governments of Belgium around the same table. Thus, the Belgian plan will have required the concerted efforts of no less than six regional governments and 30 ministers. Inside the IGC, six work groups have responsibility for the European resolutions: society of information, scientific policies, employment, education, economy, finances and social affairs. The Action Programme for social inclusion was written by the commission for the follow up of social affairs.

This first NAPinc deals mainly with the basic areas taken up in Lisbon: employment, education and training, housing and income. The next plan should tackle other areas like culture and justice.

Diagnosis of poverty and social exclusion in Belgium

The Belgian plan contains a detailed section regarding indicators. Belgium insisted in firmly placing its approach in the European context and has therefore highlighted the choice of indicators coming from sources comparable at the Union level. Those concern mainly the areas of income, employment, housing, health, education and social integration. A certain number of indicators are recognised as needing development in many areas. We refer the interested reader to the plan itself for a full description of the Belgian situation. However, certain interesting results regarding poverty and income are worth considering.

The diagnosis of the plan reveals the efficiency of the social protection system in Belgium. In 1997, without the transfers coming from the social security and social benefits, nearly one in two Belgians (47%) would have had a low income and would have risked poverty. Thanks to pensions, though, this percentage is brought back to 29% and 15% when taking into account other welfare transfers. Which means that 15% of the population finds itself under the line of 60% of the median income (10). This value is close to the European average.

Though a line of 60% of the median income is used for comparisons across the whole Union, other thresholds exist and are being used in some Member States. The line of 60% was adopted as a first reference by the Commission, for comparison among Member States. The existence of several thresholds is due to the relative measure of poverty and to the a priori arbitrary character of the choice of the threshold separating the population of the poor from the non-poor. That is why we prefer to talk about a line of low income rather than of a line of poverty, as well as of a population at risk of poverty rather than poor. We won't reconsider here the technical reasons that justify the choice of one line or the other. These thresholds must be considered jointly. And as monetary values are often more eloquent, we have taken up in the following table the amount for the different values of this line. Alongside are the various corresponding low-income rates.

(10) We remember that the median income is the value dividing the population in two equal parts, as many people having an income inferior to this amount as superior to it.

Monthly amounts of the various lines of low income in 1997

	Isolated		Couple with 2 children		« Poverty » rate
	€	FB	€	FB	
Line of 70% of the median income	798	32,201	1,676	67,260	23%
Line of 60% of the median income	684	27,602	1,437	57,965	15%
Line of 50% of the median income	570	23,000	1,197	48,300	10%
Line of 40% of the median income	456	18,401	958	38,642	06%

source: Belgian PANinc, OSE calculations for a couple with children

Depending on which threshold is used, the situation in terms of poverty appears very different, starting from 6% and rising to 23% of the population. It is interesting to compare these monthly thresholds with the amount of income support (revenu minimum d'intégration or minimex) in order to assess to which extent this constitutes a protection against poverty.

In 2001, the monthly amount of minimex for a given single person is 550 € (22,196 BF), this amount rising to 734 € (29,595 BF) for a « family ». We are conscious that even by considering the most recent amount of minimex compared to the values of the threshold of low income in 1997, we must go at the lowest of the lines of poverty for a single person (40%: 456 €) to find an amount which would be inferior to the minimex. This disparity is even more marked for families since even the lowest line (40%: 958 €) is clearly superior to the income support. Nevertheless, we must not forget that this comparison cannot be absolute because we must take into consideration the fact that the families (and in some cases, the single people) can receive other social allowances (family allowances for example) or fiscal compensations.

If those who benefit from the social minima are therefore not safe from poverty, one could believe that the people who have a job run little risk of poverty. This statement must be balanced by the level of salaries received. The guaranteed gross minimal monthly income of a salaried worker in 2001 is 1,117 € (45,060 BF). If you take out the taxes and social contributions, the difference between that and the threshold of low income is not very great. Moreover, in 1997 in Belgium, 2.3% of the salaried workers belonged to households in which income was inferior to the threshold of 60% of the median income (the poor workers).

Finally, the Belgian plan insists quite rightly on the issue of persistence of low income, which is the symptom of undeniable poverty. In 1997, the number of people suffering a low income for a long period (the last three years) was to 7.7%. As specified in the plan, « *we consider this percentage as representing the portion of monetary poor. For half of the population with a low income, the risk of poverty and exclusion is a periodical or temporary event. The real situations of poverty and exclusion concentrate on the groups that must live on a low income for a longer period. In the framework of its policies against poverty and social exclusion, Belgium intends to pay most attention to those groups* » .

Actions foreseen/planned in the plan

The plan gives an idea of the actions that the different governments will achieve in the envisaged period, on top of the already existing measures, notably those put in place following the RGP. The actions are grouped according to the scheme of Nice objectives but mostly concern four fundamental axes.

a) improvement of the incomes

Having a sufficiently high income is the best protection against poverty and social exclusion. A job and a high level of social protection thanks to social allowances are the best instruments against poverty. They are far from being sufficient however as we have mentioned above. A clear link is established with the NAP Employment for the measures of return to employment. Four types of measures can be identified:

- *To improve the return to work of the groups at risk:* the first jobs for the young, the spring programme for the return to work of those who benefit from the minimum for existence and social aid, the specific training and integration careers organised by the regions, the commitments of the federate entities in creating crèches
- *Making work more attractive:* reduction of the personal contribution to social security for low income workers, temporary maintenance of the family allowance increased for the unemployed person who accepts a job, taxation with a reduction of professional costs
- *Increase the lowest allowances:* for the unemployed, the disabled workers, the oldest pensioners, the disabled, the minimum for existence and social aid
- *Modernise the allowances:* by creating a guaranteed income for the elderly and by modernising the law on the living minimum income/minimum welfare payment/income support.

b) better quality and more accessible housing

As well as the bad quality of housing that the people having a low income occupy, they also face an insufficient choice of social housing, aggravated by the increasing inaccessibility of private sector housing in which rents have risen substantially in recent years. The measures introduced in the Belgian plan concern therefore the improvement of choice, quality and accessibility of housing. The measures are shared between the federal and regional levels.

Federal level

- *adapt the law to ensure a better quality-price ratio in house letting*
- *consider setting up mediation services in order to sort out the conflicts relating to renting problems without the need for tribunals or courts*

Regional level

- *develop the social property and develop its quality*
- *support the initiatives of the social renting agencies (renovation and refurbishment of houses and public housing) renting of housing at a « moderate » price*
- *Introduction of a « renting licence » , providing quality guarantees before the housing can be offered for rent*

c) limit healthcare costs

Poverty increases the risk of health problems, and health problems – mostly in the case of chronic diseases or among low income categories – increase the risk of poverty. In other words, poverty makes people sick and illness makes people poor. The poorest always face too high a cost of healthcare, which often obliges them to delay the recourse to healthcare for financial reasons. The Belgian plan foresees few measures in this area, in particular for the financial accessibility of healthcare. The regions are implementing a network of frontline healthcare accessible to all. They intervene in the costs and ensure the access to healthcare for specific groups (the homeless for example). On the federal side, the main concern is to produce a structural protection to offset the increased household expenses relating to healthcare. From 2001, an upper limit system of these expenses, based on the household income, will gradually be introduced (healthcare maximum billing).

d) Improve access to education

In a society of knowledge, education represents an important means of getting out of poverty. Children whose parents are little educated have reduced chances, because of the financial obstacles and because they are less equipped culturally and socially. The measures proposed at the Communities level target mostly the reduction of the teaching costs and the improvement of the transition period from school to employment.

Reduction of the costs

- Reduce the costs of studying (by increasing the student loans and by making them more accessible)
- Increase the contributions to running costs of schools
- Supporting specific schools frequented by many children of the low income groups

Transition from school to the labour market

- A better harmonisation of the technical education and the labour market
 - By adapting the system of school courses combined with work experience (in alternate training)
 - Increase of the funds for the equipment of schools
 - Creation of technological centres in partnership with the job centres

Efforts will also be reinforced regarding training for the young who leave school without a diploma.

Follow through of the plan

The way the follow through of the plan will be achieved is essential to enable the implementation of efficient and effective policies in the area of social inclusion.

All the stakeholders will be united in a participative process which should accompany the follow through.

Once a year and therefore for the first time in May 2002, a progress report will be written which will evaluate the state of advancement of the execution of the plan and which will formulate recommendations for the future.

SECTION 9 : THE COMMUNITY ACTION PROGRAMME 2002-2006

The community action programme to combat poverty and social exclusion will have been the subject of an intense discussion between the Commission, the European Parliament and the Ministries of the Member States within the Council. The initial proposition of the Commission dates back to June 2000 and it was only in September 2001 that a final compromise was found by the Belgian Presidency of the EU. Discussions were essentially about the amount of the budget allocated as well as the financing of the social NGOs participating in the plan. Finally, the programme will have a duration of five years (2002-2006), its budget will be 75 million euros and it will enable the co-financing of the social NGOs up to 90% but only when « exceptional circumstances » justify it.

The community programme consists of encouraging the cooperation between Member States, social partners and NGOs, as well as the poor themselves, being based on the Open Method of Co-ordination, to possibly reinforce the efficiency and the output of the policies against poverty and social exclusion. It will clearly provide a framework at the European level for the efforts undertaken at the national level by the Member States through the current OMC on fighting poverty and social exclusion.

The suggested actions in the framework of this programme must refer to three main dimensions:

- **improve the understanding of social exclusion** : analysis of the characteristics, causes, processes and evolutions of social exclusion, including the collection of comparable statistics, the elaboration of common methodologies and thematic research;
- **organise a cooperation and mutual teaching in the context of the national action plans**: cooperation and exchange of information and of « better practices » in organising workshops and seminars for example, in order to contribute to the elaboration of indicators and evaluation criteria, quantitative and qualitative, and to the follow through and evaluation by peers of the achievement of the common objectives, assessment which will be led on a periodical basis by the Commission's production of an annual report on the progresses made;
- **develop the stakeholders' capacity to tackle social exclusion with efficiency**: promotion of a dialogue involving the various players and support the networks at the European level comprising NGOs active in combating poverty and social exclusion.

The first two dimensions concern mainly the facilitation of the OMC process through the improvement of the knowledge of poverty and social exclusion and of the structuring of the exchange of good practice.

The last point is important because it concerns the will of the EU to promote and finance the actions based on the participation of the social agencies and, notably, thanks to the constitution of networks enabling it to have, at the European level, a participation of social services in the dialogue and on the poverty and social exclusion OMC through an intermediary. It is about an additional encouragement to involving the stakeholders in the realisation of the fundamental objective of combating poverty and social exclusion.

SECTION 10 : THE ROLE OF SOCIAL SERVICES IN COMBATING POVERTY

We have noted in the previous sections the place that social services and the CPASs (Centres Publics d'Aide Sociale) had to take in the context of participation in the dialogue about defining the national plans' objectives as well as the indicators. However, the fundamental role played by social services is mainly linked to the application of measures taken to fight poverty. We have already mentioned that these services were occupying a privileged position because they are the subject of meetings between people suffering from poverty and exclusion – at least some of them – and the « apparatus » of social protection.

This more and more active role of social services in the implementation of policies has been asserted during recent years. The Belgian situation is, in this respect, been exemplary. If, for a long time, the role of the CPASs has mostly consisted of dispensing out social aid, various measures recently taken in the context of the active social state have given to social services a function of integration of the persons in difficulties. The extension to the category of those on minimum incomes of the access to the subsidised jobs allowance and of the integration and activation measures aimed at the *de facto* unemployed has imputed an integration function to the CPASs. This function has been formalised and reinforced recently through a number of political measures.

In March 2000, approval was given to what was called the « Spring Programme » . This programme's objective is to reduce to a third in five years the number of those who benefit from the minimum income, as well as double the number of people being put to work. A series of measures were put in place to achieve this objective. We will in particular underline the raising of some social allowances (as, for example, the increase of the waiting allowance for the young from 21 to 25 or that of the minimal pension) but also the appearance of the « temp agency for integration » . Conventions (11) have been signed with 28 companies of temp work for them to participate to in the putting to work of those currently receiving a minimum income. Three thousand people are affected.

It is the CPASs that often serve as an intermediary for the signature of those conventions of integration. Training sessions and a financing were put in place to enable the CPASs to

(11) Temporary employment agencies undertake to provide full-time jobs for at least 2 years, as well as training and supervision; the periods during which labour is provided are remunerated according to the pay scale in the sector concerned; the work is within the regular economy. In return, the temporary employment agencies receive for 2 years a subsidy of FB 20,000 to reduce labour costs plus a subsidy of FB 10,000 to cover the training and supervision.

achieve this mission. A first assessment based on a survey on the Spring Plan effect after a year shows that the number of those receiving the minimum income has decreased by 12.5% and that the number of those put into work has risen to 60%.

But the real innovation is the recent legal bill on the minimum means of living. From now on, we will have to talk about the law on integration income. This bill affirms the right of inclusion of the people benefiting from the integration income while confirming and formalising the role of the CPASs as agents of this integration. This bill comprises several chapters.

The first one concerns the particular emphasis put on integration of the young under 25. Social inclusion of the young is encouraged through the help they get on entering the labour market, the guarantee of an integration income and the active accompaniment of the CPASs in the framework of « integration projects ». CPASs are supposed to do anything to help a young find his/her first job; they must use, to this end, the traditional ways of putting people to work. It is also stated that this employment must be of quality, which means offering sustainable prospects and a full social cover. The bill also foresees the right for the young needing education or additional training to benefit from the integration income for the duration of these. The CPASs must also provide an active accompaniment to the young victims of a serious problem (traumatic experiences, dependency and drug addiction, excessive debt...). The procedures and the routes to take are the subject of an « integration project » where the commitments of the young and the CPAS are laid out.

The second chapter relates to concerns the over 25s who have a right to the integration income and also to the implementation of an integration route.

The third chapter comprises the raising of the minimum allowances. The amount of the integration income was raised by 4% on the 1st January and a 10% rise is also anticipated in the framework of the budget.

The fourth chapter refers to the reorganisation of the administrative categories of beneficiaries of the Integration income. The old category « family » is replaced by a single amount for all the co-habitants, putting, therefore, on an equal level co-habitants and married people. A specific category of single persons has been introduced. It comprises people who have to meet the cost of special diet for housing children alternatively with the other parent in case of a divorce. These people will have an allowance increased compared to the other single people.

The fifth chapter of the bill on integration income concerns the rights of users. The guarantees in the Charter of the people paying social security contributions (Charte de l'Assuré social) are taken up and incorporated in the bill. It refers in particular to the explicit obligation of the CPASs to answer all the requests and to inform in an active way the users of all that concerns their rights and the follow through of their file.

Finally, the bill states that a consequent financial investment will have to be made to enable the CPASs to honour the new activities that are requested of them. It is about investing as much in training than in recruiting the necessary staff to assume these activities.

Very recently, also adopted was a pilot study regarding the setting up of services of debt mediation within each CPAS. The excess of debt is an impoverishing factor whose extent has been rising in recent years. These mediation services will have to guide the persons facing excess debt by helping them negotiate reimbursement plans, by intervening financially for

unpaid invoices... A budget was allocated to enable the commitment of the necessary staff and finance the covering of the unpaid invoices.

The setting up of this new legal framework in Belgium shows the increasingly active role that social services are called to play in the process of fighting poverty and social exclusion. If we refer to the common European objectives of Nice (section 3), we see that social services are concerned as much for the integration into the labour market of the people who have to live with a minimal income as for the objective relating to the prevention of personal ruptures, of which the fight against excess debt is a chapter. But the place of the social services in this process does not end here. They are also the privileged contact point with victims of poverty or social exclusion, or at least some of them. As a consequence, they have an additional function of informing people as well as collecting the necessary information for the understanding the problems and informing political decisions.

APPENDIX 1

Combat against poverty and discrimination: legal bases and important steps

Like the whole of social policy, poverty and social exclusion has for a long time been the subject of little intervention by the European Commission. Community programmes (Poverty I and II) existed until the beginning of the 90s. Questions as regards their legal legitimacy and the Community's right to intervene in an area considered as belonging exclusively to national jurisdiction, have led to their being stopped.

In 1992, the Maastricht Treaty included in its appendices a Protocol on social policies which took note of the will of eleven Member States (the twelve of the time without the United Kingdom) to proceed to significant advancement in the area of social policies. This Protocol authorised them, through an Agreement on social policies, « to have recourse to the institutions, procedure and mechanisms of the treaty, in order to take between them and according to the extent to which they are concerned, the actions and decisions necessary to implementing the agreement aimed at above » .

An additional stage was passed in 1997 in the framework of the Amsterdam Treaty, which came into effect on the 1st of May 1999, after ratification by the fifteen Member States. It marks an important step by enabling first of all consolidation of the mechanisms set up by the Treaty of Maastricht, giving thus a better legal foundation to the discussions on social matters at the community level. It integrates in the body of the treaty the Agreement on social politics appended to the Maastricht Treaty. Moreover, it puts forward a series of priority social orientations on the community level, notably in the area of employment, but also social inclusion. Two new articles of this treaty are particularly important for social policies:

- Article 136 notes that social politics is a matter of shared responsibility between the European Community and the Member States and it refers to the social objectives set in the European Social Charter (1961) and in the Community Charter of Fundamental Social Rights of Workers (1989). Those cover the promotion of employment, the improvement of the living and working conditions, an adequate social protection, a social dialogue, the development of human resources enabling a high and sustainable employment level and the *fight against the exclusions*.
- Article 137 establishes that the European Council, which unites the chiefs of Governments of the Union, will be able to intervene or reinforce its action for the adoption of directives(12) in a certain number of areas(13). It also states that following the same procedure, inciting measures will equally be possibly adopted in order to fight social exclusion. Combating poverty and social exclusion is therefore part of the area of action of the European Council without taking any constraining character(14).

The Amsterdam Treaty also confirms the acknowledgement, already introduced by the Single Act, of the fundamental role of the social partners. This recognition operates at two levels: at

(12) Decided on a qualified majority, in codecision with the European Parliament and after consultation of the Economic and Social Committee and the Committee of the Regions.

(13) Workers' health and security; working conditions; integration of the people excluded from the labour market; workers' information and consultation; equality between men and women regarding their opportunities on the labour market and regarding treatment at work.

(14) Unlike the other mentioned areas, which are covered by directives. Directives (with regulations) are one constraining legal means of the EU once they are translated into national law.

the national level since the Member States can entrust the social partners with the implementation of those directives; at a community level since the Commission's task is to promote the consultation of the social partners and to take all necessary measures to facilitate the dialogue being mindful of a balanced support of the parties.

The European Council of Lisbon in March 2000 will equally represent another decisive step for the integration of the question of combating poverty and social exclusion in the framework of European politics. In Lisbon is being defined a new ambitious strategic objective for the European Union: to become before 2010 « *the economy of the most competitive and dynamic knowledge of the world, capable of a sustainable economic growth accompanied by an improvement, in quantity and quality, of employment and of a higher social cohesion* » . We refer further down in the document to this objective as the Lisbon Strategy.

Drawing the first conclusions of the implementation of the European strategy for employment and concerned to integrate in it questions linked to social policies, this strategy of change attempts to define a common vision of the economic and social evolution of the European Union, in the scope of an economy of globalised knowledge and social stakes which will appear in the future, notably those related to the ageing of populations and to the pensions problem which are likely to ensue. This strategy's objective is to enable the Union to best promote full employment while reinforcing social cohesion between Europeans.

The achievement of this objective is part of a global strategy relying on three fundamental pillars of which one is the modernisation of the European social model through investment in human resources (education and training), by creating an active social state (modernisation of social protection) as well as by promoting social integration through combating poverty and social exclusion, and by setting up policies for the most vulnerable to exclusion and/or discrimination. Another ambitious objective fixed in Lisbon relates to the hoped for eradication of poverty by 2010. It is also in Lisbon that it was decided to set up an Open Method of Co-ordination (see section 1) in the area of combat against poverty and social exclusion.

Implementation of the strategy

During last year, the various elements of what can be called the European Strategy of combat against poverty and social exclusion have been put in place. This strategy consists of two elements, the Open Method of Co-ordination (see section) and the community supervision programme (see section). The Commission has played its institutional role of incitation by proposing a social political Agenda and community supervising programme of the strategy against poverty. It has also published a Communication on the structural indicators to use in the synthesis report which the Commission must produce as part of the follow through of Lisbon, constituting the reference basis of the indicators that will be used in the framework of the poverty OMC. A high profile group of civil servants of the Member States has been charged with developing for co-ordination the common objectives in fighting poverty and social exclusion as well as the indicators to use in the follow through of the social aspects of the European policies. In January 2001, this group became the social protection Committee. It equipped itself with an « indicators group » in charge of thinking more specifically about the problem of the indicators to use.

The European Council of Nice sanctioned in December 2000 two other important steps in this coordinated method promoting inclusion. First of all, by adopting the common objectives of the fight against poverty and social exclusion (see section), it established the first founding

step for the OMC. Then, the Member States were asked to translate those common objectives into national action plan to be handed in June 2001 (see section).

The Nice council also adopted the Commission's social political Agenda while better setting up the fight against exclusion in the Agenda compared to the initial proposal to the Commission and insisting on the necessity to integrate it to the other policies. The strategy proposed in the social Agenda aims at modernising and improving the European social model by the means of various objectives, like building an active social State, increasing employment in quantity and quality, consolidating social cohesion by fighting social exclusion, and investment in human capital.

As we can see, the promotion of social integration in fighting exclusion appears to be an important area of action for the years to come, notably in the perspective of the European Union. The Belgian Presidency has set this point in good position among the multiple priorities that it has retained. The first conclusions of the evaluation between the Member States of the action plans as well as agreement about indicators and common approaches to be used, were approved at the Laeken Council in December 2001.

APPENDIX 2

Constraints linked to level 1 European indicators

Even if social stakeholders are more concerned by national and local indicators, it is important to see which are the general constraints in building indicators. The use in the European geographical and political context of level 1 indicator involves a certain number of constraints which it is necessary to consider in order to show the characteristics of the most relevant indicators.

Constraints linked to comparability

1. indicators must be *comparable in space* and therefore use the conventional and cultural norms commonly accepted within the Union. This comparability must also be extended, as much as possible, to the United States and to the OECD countries, but it must also be considered in the perspective of the enlargement of the Union;
2. indicators should ideally be measured at the regional level in order to reflect the territorial and local dimensions which could show where there is poor quality of employment. This point is often problematical: the regional dimension involves a level of break up which is too high for the sample groups used in the various European surveys;
3. indicators must be *comparable in time* but they must also enable a certain flexibility of conception in order to improve them – many of them remain perfectible – without leading to the possible break up of the temporal series;
4. a consequence of the previous points is that the chosen indicators must be statistically robust and not be the object of for example uncertain fluctuations.

Constraints linked to political use

5. the chosen indicators must encourage consensus: like the indicators used in European politics, some of them should be used as benchmarks, which involves the necessity of political assent by all for their use. The consensus must exist also on the level of the conceptual content of the indicator which has to be clear and transparent in order to underline clearly the link between the measure and the information expected. The consensus must also appear on the meaning of the change of the indicator (a rise of the indicator must be recognised as a positive improvement by all). These indicators must, like structural indicators, serve as a basis in order to establish quantifiable national and European objectives. Finally, the consensus must also be relevant to European citizens and the media. Here appears again the necessity to use as much as possible simple, transparent and eloquent indicators, the « marketing » success of an indicator being often important for its use;
6. in the framework of their political use, indicators should reflect preferably results rather than means. From a political point of view, the indicator must give information on the social consequence and not on the means to get there, on the success of the political objective (reduce poverty) and not on the means implemented;
7. indicators must preferably be available quickly and in a short time frame to facilitate political assessment. This point can currently be a problem for European sources but the situation should be improved by the introduction of new sources (like EU-SILC, EU Statistics on Income and Living Conditions, which is going to replace the European Panel) and the increased possibilities of cross-checking and of increase of

information enabled by new technologies (the regulated exchange of information between national administrative sources and European sources);

8. a last point concerns the dual character of these indicators which can serve *at a European as much as national level*. If some of these indicators are used in the context of the European politics on the basis of a political and conceptual common assent in order to compare the situation between Member States on certain points, it is certain that Member States have national sources which are more reliable or more elaborate or with a better frequency enabling those states to have better indicators. Moreover, some Member States may wish to give more importance to certain dimensions than others. The important thing is that national and European indicators indicate a convergence of the observed tendencies and development. In case of divergence, Eurostat can for example examine the reasons for this disparity and attempt to put it right. This process should enable a mutual enrichment of sources and avoid the increasing need and demand for information at the European level being a burden for the Member States.

As we can see, an indicator has itself to meet a large number of conditions, at least to answer the constraints of comparability and political use in the framework of an OMC process. There remains the question of its informative power and of its relevance to evaluate the diverse dimensions of the problem to which it refers.