

# Active Inclusion

## MAKING IT HAPPEN



## EAPN Booklet: Policy into Practice

Produced by EAPN Working Groups (Social Inclusion, Employment and Structural Funds)



EUROPEAN ANTI POVERTY NETWORK



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The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

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- providing analysis and policy advice on PROGRESS policy areas;
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- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large.

For more information see: <http://ec.europa.eu/progress>

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# Contents

1/	Introduction: what is Active Inclusion?	7
2/	Minimum Income as a foundation for Active Inclusion	13
3/	Access to quality services	25
4/	Employment: Supporting people into decent jobs	41
5/	Using Structural Funds to support an integrated approach	53
6/	Putting into place integrated Active Inclusion approaches	65
7/	Conclusion	75
8/	Bibliography and useful documents	77



# Introduction: What is Active Inclusion?



01



## What is Active Inclusion?

Active Inclusion is a strategy developed by the European Commission, designed to support people who currently experience social exclusion to live a life in dignity and help them move towards a decent job or to get more confidence and skills to participate more actively in their communities. The strategy aims to *“facilitate the integration into sustainable quality of employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation for those who cannot.”*<sup>1</sup>

Active Inclusion’s strength lies in being an integrated strategy, built on three interconnected, but independent, strands: adequate income support (adequate minimum income), access to quality services and support into quality jobs through inclusive labour markets. This integrated, comprehensive strategy is rooted in fundamental rights and offers an integrated pathway approach that could make a real difference in developing effective means to counter the persistence of poverty, exclusion and long-term unemployment.

## An answer to rising poverty and exclusion?

In 2000, the Lisbon Council made a commitment to make a *“decisive impact on the eradication of poverty.”* But little significant progress has been made. In 2008, 16.5% of the population, or 81 million people across the EU (27 Member States) were at risk of poverty,<sup>2</sup> representing no significant improvement on poverty rates since 2000. 1 person in 5 is living in substandard housing, 20% of children live in poverty and early school leavers stand at 15%. In many countries, poverty has actually increased. The EU’s response, since 2005, has been to refocus on ‘growth and jobs’, with the assumption that increasing economic growth and employment would automatically lead to less poverty or exclusion. However, this has not happened in reality.

In 2010, the EU launched the ‘Europe 2020 Strategy’, as a continuation of the Lisbon Strategy, with the aim of creating smart, green and inclusive growth. For the first time, a specific target has been set to reduce the number of people at risk of poverty and social exclusion by at least 20 million by 2020, based on three indicators (at risk of poverty, severe material deprivation and jobless households or low work intensity).<sup>3</sup>

In this context, the Active Inclusion Strategy should be seen as a vital instrument to meet the poverty-reduction target and provide a more effective, integrated approach to preventing as well as alleviating poverty and social exclusion and contributing to a fairer Europe that can bring prosperity to all.

## The road to Active Inclusion

Respect for human dignity is a founding principle of the European Union, reflected in its aims to promote full employment and social progress, to combat social exclusion and discrimination and promote social justice and social protection. The Treaty also gives the EU a key role to play in supporting and complementing the activities of Member States in how they integrate people who are currently excluded from the labour market. However, progress on combating exclusion in the EU has in reality been slow.

In 1992, the Council of Ministers, in the Council Recommendation 92/441/EEC of 24 June 1992, agreed on the need to guarantee sufficient resources and social assistance to everybody in the EU. As a result, the majority of Member States implemented statutory national minimum-income schemes (except Italy, Greece and Hungary in the EU, and Norway). However, although the schemes reduce hardship, most do not effectively take people out of poverty.

Since 2000, through the Social Open Method of Coordination,<sup>4</sup> Member States have agreed Common Objectives and a full set of indicators, and

1. EC Communication (C(2008)5737) on the Active Inclusion of people excluded from the labour market, 3 October 2008.
2. At risk of poverty rate defined as below 60% of the national median disposable household income.
3. See European Council Conclusions, 17 June 2010.
4. The Social OMC is the abbreviation for the EU soft-governance method known as the Open Method of Coordination on Social Protection and Social Inclusion. The future of a strengthened Social OMC is currently being debated, in the context of the Europe 2020 Strategy and the European Platform Against Poverty. An Adhoc group of the SPC was established and an SPC opinion was adopted on 12 May 2011, for endorsement in the June EPSCO Council. A European Commission Report will review proposals in the Autumn of 2011.

have developed National Action Plans (Inclusion) and Strategic Reports on Social Protection and Social Inclusion, to promote access to rights, resources and services. However, insufficient progress has been made.

In 2005, the Commission, in its New Social Agenda (2005–2010), outlined its intention to develop a “Community initiative on Minimum Income schemes and the integration of people excluded from the labour market” (EC 2005). In 2006, the Commission<sup>5</sup> presented its initial ideas on active inclusion as a mix of three core elements based on providing guarantees of adequate income support, access to quality services, particularly social services, and creating pathways to employment. In 2007, the European Commission carried out a consultation on the effectiveness of this new approach. A large number of responses were received from a wide range of stakeholders, including EAPN and other anti-poverty organisations, at EU and national levels. Building on these results, the European Commission adopted the Recommendation on the Active Inclusion of People Excluded from the Labour Market (C(2008)5737), which was endorsed by the EU’s social ministers in December 2008.<sup>6</sup>

The European Parliament also made an important contribution, through the report and resolution supporting Active Inclusion which was approved in May 2009 (rapporteur: MEP Jean Lambert (Greens/EFA)).<sup>7</sup> When the strategy was launched, most NGOs and grass-roots organisations hailed it as an important step forward in the fight against poverty, based on human rights.

## Active Inclusion and Europe 2020

Since 2009, the EU has taken its first steps towards implementing the Active Inclusion Strategy with the European Commission taking on the role to monitor its application in Member States. A major step forward came in 2010 with the launch of the EU Year for Combating Poverty and Social Exclusion. In the opening conference of the Year, in Madrid in January 2010, President Barroso strongly

backed the role of active inclusion in the future post-Lisbon strategy. The Europe 2020 Strategy,<sup>8</sup> as agreed by the June Council in June 2010, has made the reduction of poverty and social exclusion 1 of 5 top priorities and agreed a poverty target to reduce people at risk of poverty by at least 20 million by 2020 (based on 3 indicators: at risk of poverty, material deprivation and jobless or households with low work intensity).

The strategy confirmed the key role of Active Inclusion, particularly in the European Platform against Poverty,<sup>9</sup> where it is highlighted as one of the priority thematic areas to be followed up, with the commitment to deliver a Communication assessing its implementation in 2012. The strong backing by the SPC and the EPSCO to reinvigorate the Social OMC as the “visible face of Social Europe” in their opinion in May 2011,<sup>10</sup> picking up key demands from EAPN,<sup>11</sup> should help to give visibility and drive implementation on Active Inclusion as one of the key areas of the Common Objectives.

## The value-added of Active Inclusion

*“I have a friend who is fifty years old. She had been unemployed for ten years. She was depressed and felt very bad. One day two people from the unemployment agency came to visit her. They helped her to write a job request. They told her how to present herself to an employer. After a while the woman broke down. She said “I have listened to this for 10 years. I can’t take it any longer. I feel totally crushed.””*

*(S. from Sweden)*

Most people experiencing poverty would like to work. Getting a decent job with a living wage could make all the difference – providing them with a stable income and the means to give their families a decent life, as well as providing a bridge towards inclusion and a chance to make friends and build social networks. But this is not the reality for large numbers of people, who want to work but cannot find a decent job, or are trapped in insecure jobs that do not pay them a living wage.

5. EC Communication (COM(2007)620) Modernising social protection for greater social justice and economic cohesion: taking forward the Active Inclusion of people furthest from the labour market.

6. EC Communication (COM(2008)5737) on the Active Inclusion of people excluded from the labour market, 3 October 2008.

7. EP Resolution (2008/2355/INI), Active Inclusion of people excluded from the labour market, 6 May 2009.

8. EC Communication (COM (2010) 2020 final: Europe 2020: A strategy for smart, sustainable and inclusive growth, 3 March 2010.

9. EC Communication (COM (2010) 0758 final: European Flagship Platform Against Poverty and Social Cohesion, 16 December 2010.

10. The future of a strengthened Social OMC is currently being debated, in the context of the Europe 2020 Strategy and the European Platform Against Poverty. An Adhoc group of the SPC was established and an SPC opinion was adopted on the 12 May 2011, for endorsement in the June EPSCO Council. A European Commission Report will review proposals in the Autumn of 2011.

11. EAPN Input on the role of the Social OMC in Europe 2020, April 2011.

8% of the EU working population lived below the poverty line in 2008, before the current crisis had its impact. Others face serious obstacles and a lack of flanking services when trying to get a job, e.g. poor housing, lack of affordable childcare or transport, or they face discrimination when applying for a job. For others, a job may simply not be a viable solution – particularly for older or retired people, for people with severe health problems or physical disabilities, for children and for people with significant care responsibilities. Getting a job is also not a straightforward step for people who have been out of work for a long time. Loss of confidence and hope, mental health problems, as well as loss of social skills, are all obstacles to be overcome, even if quality jobs are available.

**Whilst decent work can provide an important route out of poverty, it cannot replace the right to a dignified life, regardless of people's employment situation.** The Commission's Recommendation confirms *"the individual's basic right to resources and social assistance sufficient to lead a life that is compatible with human dignity."*

When minimum-income levels are too low or are insecure, hardship and a sense of hopelessness are increased, making it more difficult to participate or to look for a job. Poverty is also not just about money. It is about the lack of access to decent services – to affordable decent housing, education and health care, as well as the chance to participate in the social, cultural and political life of our communities.

More than this – it is about the right to be **treated as a human being, a person with rights, with inherent value, potential and capabilities, rather than as just an instrument of the economy.**

## Implementing Active Inclusion

At EU level, some important progress has been made, including work on the development of indicators to monitor integrated approaches. In 2009, five Local Authority Observatories on Active Inclusion (LAOs), were established by the Eurocities network, through their Cities and Active Inclusion project, which has promoted mutual learning and analysis of the links between local, national and European policies on Active Inclusion.<sup>12</sup>

Several Peer Reviews involving mutual exchange and learning through the EU Social OMC process have been carried out on Active Inclusion, focussing on specific target groups or key obstacles.<sup>13</sup> A major European Commission Communication is planned on the implementation of the Active Inclusion Strategy in 2012, as part of the European Platform against Poverty and Social Exclusion.

Progress has also been made at the EU level in the services and minimum-income pillar (see chapters 3 and 4). However, progress is much more limited at national level.<sup>14</sup> Whilst the limited knowledge and visibility of the concept is a clear obstacle, the **lack of political commitment** by the EU and Member States to implement appears to be the dominant factor. The 2009 Joint Report on Social Protection and Social Inclusion noted that whilst most Member States have highlighted active inclusion amongst their priorities, inclusive labour markets, access to quality services and adequate income are mainly dealt with separately.<sup>15</sup>

## Active Inclusion as a response to the crisis

Meanwhile, the impact of the current economic and financial crisis is further exacerbating poverty and hardship. According to the Eurobarometer Flash survey<sup>16</sup> in May 2010, 75% of people across the EU said poverty had increased in the last year within their own country. 20% had difficulties paying bills, with 30% having problems paying for health care. Unemployment is set to rise to 10%, with long-term unemployment standing at 3%.<sup>17</sup>

These levels look set to increase, as most Member States implement austerity packages, prioritising cuts in public expenditure through reducing benefits and public services. EAPN's 2010 Report on the social impact of the crisis highlights the devastating impact of this approach<sup>18</sup> (see also Chapter 5).

With the onset of the crisis and in the context of the new poverty target in the Europe 2020 Strategy, Active Inclusion appears to offer an effective policy solution to tackle growing unemployment, poverty and social exclusion.

12. See Report/Case studies and seminar on Eurocities Website: [www.eurocities-nlao.eu](http://www.eurocities-nlao.eu)

13. See the European Commission Peer Review Website: [www.peer-review-social-inclusion.eu](http://www.peer-review-social-inclusion.eu)

14. See EAPN assessment: *Building Hope, Giving security: EAPN assessment of 2008–11 National Action Plans*, 2008.

15. European Commission: Joint Report on social protection and social inclusion, 2009.

16. Gallup Organisation/European Commission: Eurobarometer Flash (284) – May 2010.

17. EAPN, *Is the European Project Moving Backwards? The social impact of the crisis and government recovery policies in 2010*, February 2011.

18. Ibid EAPN, 2011.



However, many Governments seem reluctant to use it, preferring to fall back on traditional supply-side activation approaches – hardening activation and increasing sanctions which penalize the unemployed, when there are few decent jobs to go to. Austerity measures, which will further cut social benefits and services, are only likely to increase poverty and exclusion. This represents an attack on the most vulnerable people and a missed opportunity to use Active Inclusion as the bedrock of an inclusive growth policy.

### EAPN's approach to Active Inclusion

The European Anti-Poverty Network has lobbied since 1990 for integrated approaches that tackle the multidimensional aspects and impact of poverty and their causes. EAPN played a key role in pressing for the Social Open Method of Coordination (SP&SI) to deliver such strategies in 2000. From 2000 to 2010, EAPN members from National Networks and European Organisations actively engaged in the development of National Action Plans for Inclusion and from 2005, in the National Strategic Reports on Social Protection and Social Inclusion (SP&SI),

pressing for effective, multidimensional, rights-based approaches.<sup>19</sup>

At EU level, EAPN and other social NGOs have been active in campaigning for a follow up to the '92 Recommendation on minimum income, highlighting the limitations of activation-only approaches. EAPN welcomed the initial consultation carried out by the Commission on Active Inclusion and responded actively, developing positions and inputs to the consultation. A seminar was held in May 2008 in Paris, where core principles were agreed by EAPN members.<sup>20</sup> In the same year, EAPN launched its campaign for an adequate minimum income (see [www.adequateincome.eu](http://www.adequateincome.eu)), in particular arguing for an EU Framework Directive as a necessary EU instrument to guarantee equal access to an adequate income across the EU (see Chapter 2 on Minimum Income).

19. EP Report: *Active Inclusion of People excluded from the labour market*, 6 May 2009.

20. *EAPN's Report of Active Inclusion Seminar and Key Principles*, May 2008.



In October 2008, EAPN presented important key messages on Active Inclusion to the Round Table on Poverty and Social Exclusion, and lobbied strongly to ensure that a Commission Recommendation was finally agreed and endorsed by the Social Ministers in December 2008. In 2009, EAPN worked closely with the European Parliament on the development of the Active Inclusion Report and Resolution, which backed this comprehensive approach.

In 2010, EAPN has continued to press for a Road Map for implementation on Active Inclusion, now as part of the new Europe 2020 Strategy and the European Flagship Platform against Poverty,<sup>21</sup> including the need for an EU framework to guarantee an adequate minimum income as a cornerstone of the strategy.

These proposals have been further developed during a major EU conference<sup>22</sup> held in Brussels in September 2010 where a working paper on developing a framework directive was debated<sup>23</sup> (see [www.eapn.eu](http://www.eapn.eu) and EAPN campaign for an adequate minimum income for all: see [www.adequateincome.eu](http://www.adequateincome.eu)). EAPN also contributed actively to the European Parliament's own report: *The role of Minimum Income in combating poverty and promoting an inclusive society*.<sup>24</sup>

For EAPN, Active Inclusion becomes even more important as a response to the crisis. In EAPN's first and second surveys on the social impact of the crisis,<sup>25</sup> Active Inclusion approaches were highlighted as a key means to support people, through personalised pathway approaches into decent jobs, at the same time, guaranteeing adequate income and access to quality services.

Adequate minimum income schemes are essential in order to provide a firm foundation for integration, support social inclusion and the active participation of people, as well as acting as an automatic stabiliser and social floor for the economy. They also play a role in promoting a fairer, more socially just society.<sup>26</sup>

## What this booklet does

This publication aims to explore the reality of the Active Inclusion Strategy in practice:

- to show progress on implementation so far,
- highlight good and bad practices,
- signpost key elements to making the strategy work at national and EU levels.

It has been developed by EAPN Working Groups on Social Inclusion, Employment and Structural Funds with support from the EAPN Brussels secretariat. It draws on national case studies proposed by EAPN national and European members, with the draft versions debated in the Working Groups' meetings during 2010.

By disseminating our members' experiences and insights, EAPN hopes to help stakeholders and governments recognize the value of active inclusion strategies, and put Active Inclusion at the heart of new strategies to reduce poverty and social exclusion within the new Europe 2020 Strategy and to provide a fairer, more sustainable response to the crisis.

21. EAPN's Proposals on the European Platform against Poverty, 30 June 2010 and

22. EAPN, *Laying the Foundations for a fairer Europe: Ensuring Adequate Minimum Income for all*, 24 September 2010.

23. Anne Van Lancker, *EAPN Working Document on a Framework Directive on Minimum Income*, September 2010.

24. EP Report (2010/2039/(INI) adopted October 2010.

25. EAPN, *Social Cohesion at Stake: EAPN assessment of the social impact of the crisis* (2009) and EAPN, *Is the European Project moving backwards? The social impact of the crisis and government recovery policies in 2010*, February 2011.

26. EAPN, *Wealth, Inequality and Social Polarisation in the EU – Explainer #3*, May 2011.

# Minimum Income as a foundation for Active Inclusion



02 |

## What is minimum income?

'Minimum income' refers to social assistance benefits which are paid to people who are not in employment. These benefits are usually non-contributive, which means that they are paid to people of working age who have not worked sufficiently or consistently enough to get unemployment benefits. They are often referred to as 'basic safety nets'. **This 'income of last resort' or social assistance is a social right, and one of the cornerstones of the welfare state.** It is one of the key rights referenced in the Charter of Fundamental Rights, and provides the foundation to guarantee our right to a dignified life.

## Who lives on minimum income?

People who live on minimum income are people who have **no other resources to live on. In most countries these are:**

- *Parents, particularly single parents*, who cannot find a job or one that takes them out of poverty, or where no affordable childcare facilities are available,
- *Older people*, who have been made redundant, or who have been carers all their lives,
- *Younger people* who have not found a job, or a sustainable one (in many countries they are

not even able to access minimum income until they are 25 or because of residence restrictions), *People with disabilities*, or those who suffer from severe mental health problems who can't find decent jobs adapted to their needs,

- *Ethnic minorities or migrants* who often meet discrimination from employers when applying for jobs, or because they fail to get help from back-up services or are forced into undeclared work,
- *People of working age who have been out of work* so long, they lose their rights to unemployment benefits.

Most people living on minimum income already feel stigmatized, demoralized, and hopeless about the future. The low levels and difficulties over access merely add to this sense of exclusion.

## Why is an adequate minimum income important?

The right to an **adequate** minimum income is a key demand from the European anti-poverty movement across Europe - to ensure an acceptable and dignified standard of living for all, based on fundamental rights.<sup>27</sup> However, this right not only benefits the person themselves but helps to build healthy, socially cohesive and more sustainable societies where prosperity is more fairly shared.

## The reality of living on minimum income<sup>28</sup>

### When minimum income is not enough for a dignified life:

*"Minimum income allows you to survive, not to live."*

*"I can't be sociable. My self-confidence is ruined, because every day I must worry about the next day."<sup>29</sup>*

### When it is not enough to meet basic needs:

*"I can afford only cheap food; fruit and vegetables to feed children are too expensive; 'healthy food' is too expensive for me."*

*"With only a minimum income, you can't pay the rent."*

*"We see rises in food price, in electricity prices, rises in general in the cost of living, but no substantial adjustment in social benefits or pensions."*

*"Living on minimum income is worse than survival. If you do not ask for money from people around you, you cannot go till the end of the month."*

Providing an adequate minimum income is not only a social right, but an investment in people, families, communities and towards building a social and sustainable economy.

27. EAPN, *Adequacy of minimum income in the EU* - Explainer #2, 2010.

28. Quotes taken from the European Meetings of People Experiencing Poverty - 2001–2009.

29. This quote is from EAPN, *Voices from the poverty line*, 2006.

## Benefits for the person

- I can pay my electricity and other bills, without worrying about being cut off, going into debt or falling prey to loan sharks.
- I can plan ahead and put energy into finding a job, or register for training without worrying about how I will make ends meet.
- It helps me feel less stressed, making it easier to manage life and relationships and helping me to remain healthy.
- I can provide a better life for my children and help to ensure that they do not grow up in poverty.
- I can think about going out and meeting people, making friends, new social contacts and networks.
- It allows me to participate in local activities and contribute to my local community.

### 7 REASONS FOR PROGRESS NOW!

1. Member States have already committed themselves at EU level to ensure adequate minimum income for all, but the implementation has been weak.
2. Minimum Income schemes are a key instrument in preventing poverty and social exclusion as long as levels are adequate, and a key tool for delivering on the new poverty-reduction target in Europe 2020.
3. They give vulnerable people the long-term security they need to engage in pathways to employment, greater social participation or other routes to inclusion.
4. They ensure the social inclusion of people for whom employment is not an option, whether because of disability, long-term sickness or mental health problems, age or family commitments, or where quality jobs are not available.
5. If they are adequate, they can be a catalyst for fair wages, if wage levels are set above minimum income in a positive hierarchy.
6. They provide a solid foundation for a socially cohesive society, built on solidarity.
7. In the current economic crisis, they not only prevent hardship for those without jobs, but provide an essential floor to consumer spending and, as an automatic stabiliser, support a sustainable economy.

## Benefits for society - building a social, sustainable economy

- An adequate minimum income means people can establish a more secure lifestyle and plan ahead, avoiding a downward spiral of hopelessness and further exclusion.
- Income-poverty can be prevented/alleviated as one of the key social determinants of ill-health. Enabling people to stay healthier reduces the long-term social and economic costs.
- An adequate minimum income provides a better base for searching for decent work which could ensure a more sustainable, long-term solution to poverty.
- People on minimum income are in a better position to provide stable, supportive care for their children and develop positive family relationships.
- Confidence in a stable income means people can continue to spend and consume goods and services – supporting a more sustainable economy.
- An adequate minimum income prevents people being forced into undeclared work.
- Adequate income builds security and strengthens social capital helping to create a more socially cohesive society with less social unrest.



## Important progress but insufficient to take people out of poverty

Since 1992, the EU has agreed on the importance of ensuring “sufficient resources for a dignified life.”<sup>30</sup> This agreement was reinforced in the Commission’s Active Inclusion Recommendation in October 2008. Currently, national schemes exist in most EU countries (except Hungary, Italy and Greece) and EFTA countries (except Norway).<sup>31</sup>

However, most of these schemes are far from adequate, according to a recent study by the EU’s network of independent experts on social inclusion.<sup>32</sup> As the 2010 Joint Report on Social Protection and Social Inclusion highlighted: “Social assistance benefits alone are not sufficient to lift people out of poverty risk, but they do reduce the intensity of poverty.”<sup>33</sup>

Before the crisis started to unwind, there were some signs that countries were responding to the EU Recommendation on Active Inclusion and attempting to strengthen the adequacy of minimum-income schemes, providing a more needs-

based approach, for example in countries like Bulgaria, Austria and Belgium. There was also an improvement in the design of benefit and employment policies to reduce poverty traps between work and benefit systems. In February 2009, the European Commission’s assessment of the tax-benefit reforms showed that, between 2001 and 2007, the largest improvements in terms of reducing unemployment traps were achieved by France, Slovakia, Finland, Sweden, Belgium and Denmark for all household types. These included measures to reduce the tax wedge

on low wages, and increase allowances for earnings thus helping to reduce financial disincentives. Inactivity traps were also reduced.

## Gaps on upgrading, coverage and take-up

Low levels of benefits are not the only problem. The Independent Experts’ synthesis report (EC 2009) highlighted the lack of **effective upgrading** noting a “tendency towards deterioration of benefit adequacy with respect to general living standards, with benefits ‘losing ground’ relative to wage increases over time.” **Coverage** was also cited as weak or discriminatory: Not all groups could access the benefits equally, because of unequal geographical coverage or specific restrictions for specific target groups. Other key problems include the **lack of take-up of benefits** by people experiencing poverty, even when they have a right to them.

This is due to multiple causes: the growing complexity of benefit systems, poor information and

30. Council Recommendation 92/441/CEE – 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems.

31. See EAPN, *Adequacy of minimum income in the EU* - Explainer #2, 2010.

32. See Independent Experts Synthesis Report on Minimum Income, 2008.

33. EC/SPC Joint Report on social protection and social inclusion, 2010.

advice services, but also the reluctance of people to claim benefits that they have a right to, because of stigmatization. As a result, most countries have a 40–80% take-up rate, according to the OECD, with almost 50% non-take up in countries like Austria. Low take-up rates of minimum-income benefits is not only a waste of public resources, but undermines the effectiveness of minimum-income schemes in preventing and alleviating poverty and social exclusion.

## Insufficient to pay for basic services

Assessing how far minimum-income benefits are adequate depends on the price and accessibility of local goods and services. Housing costs are a major expenditure. Many Member States therefore provide targeted housing benefits in addition to basic social assistance. But for many people experiencing poverty life is a continuous battle to cover basic costs: rising food prices, electricity and heating bills, a bus trip to apply for a job, medical and medicine costs, childcare to do a course or start to look for work. With the crisis and the impact of austerity measures targeting public services, many of these costs are set to rise further.

## Stigma and discrimination

The stigmatization of minimum-income recipients is a key cause of mental illness and hardship. Labelled as ‘scroungers’, many meet discrimination when applying for jobs, trying to get a flat, getting medical or other services. The negative attitude of some social-security staff is also a continual source of distress, often confirming a sense of worthlessness and humiliation. Changing eligibility rules, tightening sanctions and conditionality lead to sometimes unbearable pressure; endlessly applying for jobs with little chance of success, seeing their benefits cut or reduced, often with little notice. Loss of self-esteem, humiliation and feelings of rejection, exacerbate the plight of people on minimum income benefits and undermine their chances of finding a way to get work, or to engage more in their communities.

*“I felt ashamed of being a beneficiary of the guaranteed minimum income. I always wanted to work and I like to feel useful.”*

## Impact of the crisis and austerity measures

With the initial onset of the crisis, most countries appeared to recognize the need to increase minimum income benefits as temporary measures in order to boost demand. Indeed, the EU was quick to recognize their value as ‘automatic stabilizers’, as part of comprehensive social-protection systems. As the 2010 Joint Report highlights, between 15% and 35% of economic fluctuations are smoothed by automatic stabilizers, depending on the Member State.

The same report highlighted a clear trend of Member States tightening eligibility, and increasing conditionality. Sanctions have been increasingly being applied, where assessments have been made that people have failed to comply with the requirement to be available for work or have made insufficient effort to find work, leading to reductions or restrictions in benefits.

By the summer of 2010, most countries had introduced drastic austerity measures, many cutting minimum-income schemes and benefits or restricting eligibility,<sup>34</sup> under pressure from the EU’s Economic Governance package and Stability and Growth Pact demands. Such actions are only likely to increase hardship, widen the gap between the rich and the poor and threaten social cohesion. They are also likely to undermine the economic recovery, as demand dwindles, increasing family debt, as stricken families struggle to cope. The short-term savings on expenditure will be completely outstripped by the long-term increase in demands on public health and social services.

## Common principles on minimum income

The Commission’s Recommendation confirmed the individual’s basic right to resources and social assistance *“sufficient to lead a life compatible with human dignity”* based on the Council Recommendation 92/441/EEC.

EAPN proposes further criteria to ensure effective and adequate income to support inclusion as part of an integrated active inclusion approach.<sup>35</sup>

34. EAPN 2010 Crisis Report: *Is the European Project moving backwards? The social impact of the crisis and the recovery policies in 2010*, February 2011.

35. EAPN Principles for Active Inclusion: Report of the EAPN Active Inclusion Seminar, May 2008.

36. Hugh Frazer and Eric Marlier, EU Network of Independent experts on Social Exclusion, *Synthesis report on Minimum Income Schemes across the EU Member States*, October 2009.

37. See approach proposed by the EAPN Ireland Social Standards project: [www.eapn.ie](http://www.eapn.ie). The project proposed a detailed process involving regional focus groups involving people experiencing poverty and with reasonable incomes, to establish adequacy in terms of key criteria for sufficient income to cover agreed basic services and products, adapted to the national/regional context ( Food, Housing, Basic Utilities, Transport, Education, Health, Clothes, Social and Cultural Life and participation, etc).

## EAPN PRINCIPLES FOR ADEQUATE MINIMUM INCOME

1. Adequacy for a dignified life
2. Irrespective of employment status
3. Easily understood, transparent and effective
4. Continuous and sustainable
5. A positive hierarchy between adequate income and decent wages

### 1. Adequacy for a dignified life

The '92 Recommendation requires Member States to provide “sufficient resources and social assistance to live in a manner compatible with human dignity.” However, no agreement has been reached on key criteria or principles, or the methodology necessary to arrive at an appropriate amount. Different methods have been proposed to establish adequacy, but these always need to be related to the relative standards in a particular country or region.

**One method of establishing this level is through agreeing a relative standard**, ie ensuring that the

minimum-income benefit paid is “at least at the level of the at-risk of poverty threshold” (60% of median household income), as proposed in the Independent Experts Synthesis report.<sup>36</sup> However, this method does not respond to the needs of different households and specific groups – for example, ensuring that low-income parents, particularly lone parents have adequate income to cover childcare/transport costs, as well as school-related costs, including trips/excursions; that migrants have sufficient income to cover the costs of language classes/training; that people with disabilities or the long-term sick have sufficient income to cover adaptations, support or health services, transport etc.

**Another method is through calculating levels linked to real costs of goods and services.** This *budget standard approach* (see box below) can be devised by modelling, or calculation of real costs, through expert analysis and/or focus groups. However, the legitimacy of a budget standard often depends on the establishment of an **adequate participatory governance process** to get consensus on agreeing the particular budget standard in the national or sub-national context.<sup>37</sup> This standard can be calculated for different groups/household types, involving people experiencing poverty, across the life-cycle, as well as those from other socio-economic groups. Such a method could also be used to ensure regular updating.

## Reference budgets and consensualized Minimum Income Budget Standards

Reference budgets are expenditure patterns (or budgets) which are developed for different types of households, to bring them up to an agreed standard of living. They can be based on empirical data or constructed by budget experts. Reference budgets have been developed in various countries across Europe and are used for a variety of aims, including money and debt advice, poverty measurement, budget information, credit scores and purchasing power calculations. A project related to Reference Budgets was funded by the European Community Programme for Employment and Social Solidarity – Progress (2007–13), to exchange approaches on reference budget development.<sup>38</sup>

In November 2010, an **Adhoc Peer Review on Reference Budgets** was carried out under the Belgian Presidency, which focused on a Belgian Good Practice of reference budgets used as a reference for adequacy of minimum income.<sup>39</sup>

In the UK, a **Minimum Income Standard (MIS)** was developed combining methods developed by the Centre for Research in Social Policy and the Family Budget Unit funded by the Joseph Rowntree Foundation. The Minimum Income Standard was defined as a household budget for a minimum socially acceptable standard, decided by members of the public with expert support. “A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.” The standard is developed through a 7 stage process, involving focus groups and expert verification (see: [www.asb-gmbh.at/budgets/images/conference09/uk\\_poster-mis.pdf](http://www.asb-gmbh.at/budgets/images/conference09/uk_poster-mis.pdf)).

38. The Reference Budget project was coordinated by Dachorganisation ASB in cooperation with ECDN (European Consumer Debt Network), including the publication of a handbook. See: [www.referencebudgets.eu](http://www.referencebudgets.eu) and [www.asb-gmbh.at/ecdn](http://www.asb-gmbh.at/ecdn)

39. See Peer Review website: [www.peer-review-social-inclusion.eu/peer-reviews/2010/using-reference-budgets-for-drawing-up-the-requirements-of-a-minimum-income-scheme-and-assessing-adequacy](http://www.peer-review-social-inclusion.eu/peer-reviews/2010/using-reference-budgets-for-drawing-up-the-requirements-of-a-minimum-income-scheme-and-assessing-adequacy)

## 2. Irrespective of employment status

If the right to adequate income is to be sustainable, it needs to be de-coupled from the obligation to accept any job, regardless of its low quality, particularly inadequate wages or poor working conditions. Most social welfare systems assume that seeking work is both a right and a responsibility. However, the right to an **adequate income**

cannot **depend** only on this. A more effective, rights-based approach starts from the basis of providing an adequate income as a human right (combined with the right to a decent job and quality services), and assumes that most people **need and want to work**. A more organic and optimistic approach about human nature is more socially just and is likely to be more effective.



### AUSTRIA – NEW MEANS-TESTED MINIMUM INCOME

In Austria, a new national minimum-income scheme is planned, which synchronizes existing federal schemes. Its core objectives are the implementation of minimum standards and better access to social transfers, including improving the take-up rate, which in Austria is calculated by social researchers to be at 50%. It will standardize regulations for minimum income across Austria (requirements, recuperation regulation, one common minimum-income level and procedural law). All recipients will be included in health insurance. The level of the benefit is intended to cover housing and living costs, and to cover costs for medical treatment. A single person would be entitled to 744 Euros (12 times a year), around 200 Euros below the poverty line.

Although the new proposal does establish the criteria for adequacy, it does not include a sufficient amount to cover rent and energy costs, nor to cover specific special needs. It will be paid to households rather than individuals and is still well below the poverty line. Receipt of the benefit is dependent on availability for work. In practice, this means that the minimum income can be reduced to 50% if it is considered that the person is not 'willing to work'.

The new proposal should improve the level of minimum income, but does little to counter the severe lack of information with regard to the eligibility criteria, or to counter severe stigmatization associated with the receipt of the benefit.

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### 3. Easily understood, transparent and effective

Most Member States have major problems in guaranteeing **take-up** of existing benefits, due to the opaqueness and complexity of the entangled mesh of different types of income support schemes, as well as the stigmatization that tends to accompany the receipt of non-contributory benefits. Any effective social welfare system needs to give priority to simplifying access to schemes, making the process and outcomes transparent and taking steps to ensure that the strategy is effective at reaching those in need and in taking them out of poverty. In the view of many EAPN networks, universal benefits such as non means-tested child benefits are often the most successful in reaching those who need them, as they target the main carer. The assertion of the subjective right to benefits also reduces stigma and increases take-up, improving the effectiveness of the benefit system in reducing poverty.

Implementing the right to benefits, however, relies on pro-active information services. Public social security and employment services need to increase the effectiveness of their services by providing better advice and information, helping to increase take-up of benefits and promoting a more multidimensional approach ensuring horizontal coordination with other services (housing, education, health, etc).

The recognition of rights needs to underpin the relationship with the person concerned and provide a basis of mutual trust and collaboration.

Credibility will also be enhanced by ensuring a more transparent, independent monitoring and evaluation mechanism of the effectiveness of the services in delivering adequate income to those who need it and assessing how far they have impacted on poverty, based on regular feedback from the users.



#### **FINLAND: INDEPENDENT ASSESSMENT OF PENSIONS AND BENEFITS SYSTEM**

Finland instigated a comprehensive review and reform of its pensions and benefit system through the independent SATA committee, with the idea of making accepting a job more attractive, reducing poverty and ensuring an adequate minimum income throughout the life-cycle.

Finland's Constitution establishes that everybody has the right to essential subsistence and care and income security in the event of unemployment, illness or disability and during old age, as well as upon the birth of a child or loss of a family provider. However, the concept of adequacy is not defined.

Two Recommendations have already been adopted: the introduction of a reasonable standard for minimum pensions (685 euros a month) from March 2011 and a decision to link basic social security benefits (minimum allowance, child benefit, home care subsidy, private day care) to the consumer price index. However, the failure to raise the level of basic security benefits is likely to increase relative poverty and social exclusion.

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#### 4. Continuous and sustainable

A major problem for most people in poverty is the unpredictability of income support. This may be due to the implementation of sanctions and other levers, but also because of the realities of a precarious labour market where they may be moving in and out of low-paid, insecure work, often losing in-kind benefits, or waiting for 'benefits' to be (re-)started. This leads to untold hardship, debt and discouragement. People in poverty need to be able to effectively plan their expenditure, and their lives. Steps should be taken to ensure that

no abrupt changes (particularly reductions) are made to their income levels, without sufficient warning, or chance of redress. Particular attention has to be given to 'transitions' from different types of benefit, (e.g. from social assistance to working credit and insurance-based contributory income-replacement schemes) to ensure that 'poverty traps' are avoided. A bottom-up approach that affirms people's rights to adequate benefits, based on people's needs, and which analyses real pathways to inclusion together with those affected, would more effectively tackle the pitfalls and gaps.



#### A RIGHT TO A MINIMUM INCOME GUARANTEE – THE BASQUE MODEL

The Basque Country was responsible for developing the first comprehensive plan to combat poverty in Spain, in the 1980s. In 1989, the first Minimum Income Guarantee was established, consequently underpinned by the Exclusion Act, which established the right to a minimum income, based on subjective rights.

The Minimum Income Guarantee aims to cover basic expenses and multiple needs, especially the access and maintenance costs of housing, and access to adequate housing facilities.

The introduction of an Employment Incentives Policy ensured that access to employment constitutes a positive economic aspect for benefit-holders, while avoiding the automatic deduction of salaries earned from the benefits.

Minimum income in the Basque Country accounts for 38.4% of minimum income in Spain, despite the fact that only 2.5% of the Basque population live under the poverty threshold. It has contributed to reducing poverty rates in a particularly difficult context, marked by the increased immigration from third countries and the financial crisis. The Basque Government sees the guarantee as *“fully compatible with the improvement of living conditions of the rest of society.”*

Until 2008 it was also compatible with strong employment growth, and represented a decisive breakthrough of the Basque society to new heights of wellbeing. However, the major contribution is in strengthening resilience to the recent economic crisis.

A comparison of the unemployment rate in Euskadi and Spain demonstrates the link between a more developed safety net and prevention of unemployment.

In early 2010, the Basque unemployment rate was 9.1 points lower than the Spanish average rate (10.9% and 20% respectively), despite experiencing higher unemployment from 1978 until the early 90s.

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Information was provided by Luis Sanzo, from the Basque Government.

## 5. A positive hierarchy between adequate income and wages

A core element of the strategy to 'make work pay' has been to use the reduction or sanctioning of benefits to create an 'incentive' to accept often low-paid, low-quality jobs. The use of benefits as a 'carrot and stick' is de-humanising, a violation of human rights, causing untold hardship and suffering. It is also **counterproductive and is unlikely to encourage people to plan or positively approach a search for a sustainable job**. A more effective approach is to use adequate social income, including minimum income, as a positive instrument to provide the necessary secure base for inclusion. Wage levels need to be sufficient to compensate for a loss of in-kind benefits – like housing or child-

care allowances - enabling people to live in dignity and be compensated for work. The calculation of benefits to compensate for this situation should reflect a positive incentive to face the extra costs and risk when resuming a job after unemployment. The link between adequate income and minimum wage needs to be rights-focused and create a **progressive hierarchy between minimum income and minimum wages**, starting from the provision of an adequate minimum income, and ensuring that the Minimum Wage is set higher, in real terms, and regularly updated. Such an approach would ensure the incentive to work is preserved, substantially reducing in-work poverty whilst reducing poverty risk, as well as providing a buoyant income base for the economy.

### REVENU DE SOLIDARITÉ ACTIVE (RSA) IN FRANCE – CREATING A POSITIVE HIERARCHY/REDUCING POVERTY TRAPS BETWEEN WORK AND BENEFITS

RMI – combined income support and job-seekers allowance - was provided in France for 20 years until 2009. It aimed to provide everyone over 25 with a basic income, but did not help sufficiently to integrate people into society and employment. The new policy tool (RSA) creates a stronger link between benefit and employment, to ensure that benefits do not act as a disincentive, by allowing people likely to suffer from in-work poverty to partially add their benefits to their wages, topping them up and providing an additional income.

Since October 2009, the RSA has been made available to young people under 25, provided that they have worked at least 2 years during the past 3 years. People experiencing poverty took part in the pilot scheme for RSA, as part of a comprehensive governance mechanism involving key stakeholders.

A drawback of the scheme is that adequacy is not addressed. The main consideration is to ensure a 'fair' reward for work. NGOs had called for a 25% increase in RMI over 5 years to keep pace with the increase in incomes for people with disabilities and the elderly, but this was not agreed. RSA has also not improved the plight of those who are furthest from the labour market. The conditionality introduced also penalizes claimants who fail to abide by their integration contract or refuse two job offers that match their job profile, regardless of the quality of the job.

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## EAPN Campaign on Minimum Income – Towards a Framework Directive

EAPN has campaigned on minimum income, as a basic human right. The current campaign aims to raise awareness of the reality of what living on an inadequate income is like. While coordinated from Brussels, the campaign has been implemented by most EAPN members at a national level. EAPN has lobbied actively since 2000 for progress on minimum income, particularly in relation to the development of the Active Inclusion Strategy and playing a key role in getting endorsement of the Commission Recommendation. Since 2008, a publicity campaign was launched including leaflets, posters and postcards, to raise awareness on the situation of minimum-income schemes in Europe, taking into account elements such as adequacy, accessibility, coverage, take-up, stigma and discrimination.

In 2009, an appeal was translated into 21 languages, and adapted to 23 different national realities. This appeal has been signed by prominent names, such as ETUC former Secretary General John Monks, Social Platform President Conny Reuter, former European Commission President Jacques Delors, Nobel Prize winner Dario Fo, former SPC Chair Elise Williams, opinion-shapers, etc. The appeal and its signatories have been published in European and national media, while an on-line petition was also open to the general public.

A number of background documents have been produced, including *What EAPN wants*, an overview of minimum income schemes in Member States, an EAPN Explainer on the Adequacy of Minimum Income, and a paper on Myths and Realities concerning Minimum Income, written by Professor John Veitdert. In 2010, EAPN members undertook a wide number of activities, from writing open letters to Ministers to inviting MPs or MEPs to spend a day on minimum income, in the presence of the media. In September 2010, EAPN organised a major conference to launch its independent expert opinion on developing an EU Framework Directive in order to guarantee an adequate minimum income on an equal basis across the EU. This proposal was further backed by a hearing organised by the Greens in the Parliament in September 2010. New support for progress towards this initiative has come from trade unions as well as in the EP report on Minimum Income (2010), and more recently in the Committee of the Regions report on the European Platform against Poverty,<sup>40</sup> and in the European Economic and Social Committee (EESC).

To find out more about EAPN activities and read our documentation, please access [www.adequateincome.eu](http://www.adequateincome.eu).



launched at policy makers and translated into 23 different national realities. This appeal has been signed by prominent names, such as ETUC former Secretary General John Monks, Social Platform President Conny Reuter, former European Commission President Jacques Delors, Nobel Prize winner Dario Fo, former SPC Chair Elise Williams, opinion-shapers, etc. The appeal and its signatories have been published in European and national media, while an on-line petition was also open to the general public.

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40. Committee of the Regions Report (ECOS-V-012), *The European Platform Against Poverty*, April 2011.

## Recommendations

### At EU level

In the Framework of Europe 2020, the European Platform Against Poverty and the Social OMC (SP&SI):

- Develop Commission Recommendations to Member States who have not fulfilled their obligations to establish an adequate minimum income, above the poverty threshold according to the '92 Council Recommendation.
- Use the Social OMC (SP&SI) to improve the comparability of data and carry out studies to evaluate the effectiveness and efficiency of minimum income.
- Take steps towards developing a European Framework Directive which would guarantee the right to an adequate income, building on the advice of the Committee of the Regions, the European Parliament and the EESC through:
  - Establishing a common definition of adequacy, common criteria and principles,
  - A common methodology for establishing a national minimum income budget standard, based on Consensual Budget Standard methods,
  - Equivalent coverage of all groups and in all geographical areas,

- Right of recourse, in the case of failure to provide,
- Regular Monitoring and Evaluation of Progress through the Social OMC in the context of Europe 2020 and the Flagship Platform against Poverty,
- Guarantee, as an interim measure, levels of minimum income in all MS at least at the risk of poverty threshold (60% of the median income).

### At national level

- Raise awareness of the value of adequate income to promote social cohesion and a fairer and more sustainable economy:.
- Ensure an adequate minimum income for all, at least at the poverty threshold, to enable people to live a dignified life, by implementing the '92 Council Recommendation and the 2008 Commission Recommendation on Active Inclusion. Develop an independent consensual budget standard methodology involving people experiencing poverty, to calculate an acceptable standard to provide an adequate basis for a dignified life, drawing on EU good practice.
- Monitor and evaluate the positive impact of minimum income standards on social cohesion, social capital and the economy.



# Access to quality services



03 |

## Introduction

Quality public services (particularly health, housing, transport, schools, childcare and training) have long been recognised by the Social Open Method of Coordination (SP&SI) for their key role in guaranteeing fundamental rights and preventing poverty.

The development of the Active Inclusion Strategy gave new importance to public services as pre-requisites for helping people into work, or social participation. The Active Inclusion Recommendation highlighted the importance of a coordinated response between health and social services, education/training and employment services to help people move towards the labour market.

Whilst for those who could not work, quality services was acknowledged as essential to provide a foundation for participation and to ensure they could still lead a dignified life. However, until recently it has been the least developed of the three pillars of active inclusion.

The difficulties around implementation have been exacerbated by the increasing pressure for liberalisation and privatisation from the EU, without sufficient safeguards to ensure the defence of rights to quality services, particularly with regard to access, affordability and quality.

This chapter explores the EU context and debate on services in the context of active inclusion strategies, highlights EAPN core principles for achieving quality services and national examples of good practice, then examines the scope for progress for core basic services at EU and national levels.

## EU Context: understanding the debate

The term 'services' covers very different realities across the EU (from commercial services such as gambling to public services, e.g. health). Many of these services are now no longer 'public services', in the sense that they are no longer provided only by the state, even if they are financed through the public purse, and have been subject to a process of liberalisation and privatisation, actively supported by EU law.

The EU differentiates between services considered as serving the general interest and other services.<sup>41</sup>

**Services of General Interest** can be defined as the *"basic services that are essential to the lives of the majority of the general public and where the state has an obligation to ensure public standards"*. These cover a wide range of activities linked to big network industries (energy, telecommunications, transport, postal services) but also include vital services at the heart of the EU social protection system (education, health, housing, social services, water and waste management).

At EU level, these have been further divided into **Services of General Economic Interest (SGEI)** and **Services of General Interest (SGI)**. SGEIs are defined as *"essential services where state regulation is deemed necessary to ensure adequate delivery, but which are considered to have an economic nature (most linked to the existence of a market such as electricity, gas telecommunication)"*.

The question of how far a Service of General Interest is economic or not is hotly disputed, and is not fixed, depending on how markets are created (e.g. prison services have moved from being considered as a SGI to a SGEI, as some governments have handed over responsibility for delivering prison services to the private sector).

**Social Services of General Interest (SSGI)** are further defined as *"essential basic services which are provided in the public interest, but are essentially social in their character, and are often linked to national social welfare and social protection rights"*. The European Commission has distinguished two types of social SSGIs: 1) statutory social security schemes linked to main life risks (ageing, health, unemployment, retirement, disability), 2) personal services such as social assistance, employment and training services, social housing, long-term care. A Social Service of General Interest can be considered to be economic in nature or not, depending on whether they are supplied through the market.

41. EAPN, *Services of General Interest: Glossary and terms explained*, November 2007.

42. EC Recommendation on the Active Inclusion of People excluded from the Labour Market, 3 October 2008.

43. Aiming at moving forward on the access to quality social services and their legal certainty regarding the internal market and competition rules, this Forum was held in 2007 during the Portuguese EU Presidency and in 2008 during the French EU Presidency. The third Forum has been hosted by the Belgian EU Presidency last October 2010 and discussed the European Commission Biennial Report on SSGI.

## Active Inclusion and Services – Recent EU Developments

In the Active Inclusion Strategy, access to affordable quality services, particularly social services, is recognized as essential to guarantee fundamental rights as well as to support people into work or more active social participation. The services which are seen as particularly important are employment, training and counselling services, housing support and social housing, childcare, long-term care services and health services (...)<sup>42</sup>

The common principles established in the Active Inclusion Recommendation for providing services include:

1. Territorial availability, physical accessibility and affordability
2. Solidarity, equal opportunities and account taken of diversity of users
3. Investment in human capital, working conditions and adequate physical infrastructure
4. Comprehensive and coordinated services, delivered in an integrated manner
5. User's involvement and personalised approaches to meet the multiple needs of people
6. Monitoring and performance evaluation and sharing of best practice.

Although this pillar has been a central focus since the setting up of the social Open Method of Coordination (OMC), little progress has been made guaranteeing these rights and principles.<sup>43</sup> This threatens the effective implementation of active inclusion approaches as people who are the furthest from the labour market depend upon a 'wrap-around' approach providing quality, accessible, integrated and coordinated services particularly in housing, health, income, education, employment, social services.<sup>44</sup>

Since 2008, there have been two positive developments linked to the Social OMC at EU level. Firstly, with the development of a regular forum on Social Services of General Interest and an EU report that assesses the current state of play in Member States together with national and EU actors and highlights

key concerns. The second is the development of a voluntary EU Quality Framework for SSGI through the Social OMC by the European Commission and the Social Protection Committee (SPC) which it is hoped will help to improve the quality of these services and to put in place the respect for the rights and participation of users as cross-cutting principles.<sup>45</sup> These two areas are now key priorities under the European Platform against Poverty in the Europe 2020 Strategy.

### Putting EAPN principles into practice

In 2008, EAPN developed together with its members a common approach on active inclusion agreeing core principles which needed to underpin affordable and quality services.<sup>46</sup> These principles build on those highlighted in the Commission Recommendation, giving more emphasis to the bottom-up perspective.

#### **EAPN PRINCIPLES FOR AFFORDABLE AND QUALITY SERVICES:**

1. Respectful of human dignity, security and fundamental rights
2. Affordable, accessible and reaching the target group
3. Personalised, holistic and sustainable
4. Participative and empowering
5. Accountable, transparent and close to the community
6. Investing in quality employment conditions for social services

In this section, we illustrate some examples of good practices, proposed by EAPN members, which go some way to meeting these principles:

44. As outlined by Hugh Frazer, Eric Marlier and Ides Nicaise, "public services and especially social services supporting people furthest from the labour market play (or at least should play) a key role in helping people to move towards the labour market or, for those for whom this is not a realistic option, to have a dignified life through transfer in-kind and alternative forms of participation in society".

45. SPC proposal for a Quality Framework on SSGI.

46. EAPN, *EAPN Principles for Active Inclusion: Report of Active Inclusion Seminar*, May 2008.

## 1. Respectful of human dignity, security and fundamental rights

All Services of General Interest need to be delivered in such a way that the person is treated with respect and their right to access equal services honoured. They should reflect the rights outlined in the EU Charter of Fundamental Rights and the European Convention of Human Rights and Fundamental Freedoms for the Council of Europe. In particular, they should respect user's preferences, provided without discrimination on grounds of age, disability, gender, sexual orientation, race, religious belief and social origin. Their right to a safe and secure environment is a further key need, particularly in relation to care services provided to children, disabled and older people.

People's right to such services needs to be transparent and made publicly known. Confidentiality should be respected and an independent complaints procedure adopted which is easily understandable. In the case of personal social and health services, a more personalised, on-going systematic relationship would be expected to be established between the provider and user, which is capable of building trust and good communication based on respect.



## 2. Affordable, accessible and reaching the target group

Access to SSGI must be universal, independent of wealth or income, and not only for vulnerable users. They must ensure accessibility and affordability and guarantee access for the most socio-economically disadvantaged. Quality services need to fulfil their social objectives and respect Public Service Obligations as reflected in the EU Reform Treaty. However, the expansion of the internal market and the impact of the current EU competition and state aids framework, is leading to increased privatisation of services, often without respect for rights or respect of these obligations.

Increased pressure to reduce public deficits and spending on social protection poses an additional threat to the universal provision of services meaning reduced or lower-quality services. Unless Public Service Obligations are carefully monitored, these services run the risk of substantially reducing the access of people on low incomes or socially excluded groups, who do not fulfil the criteria and where the provision to such groups is unprofitable.

A key group that is in danger of exclusion from services is migrants, particularly undocumented migrants and asylum seekers. A key principle of quality must therefore be that the services reach all the intended target audience, particularly those in most need – and that any obstacles of price, or geographical, physical or other obstacles to access are clearly identified and removed.

A clearer definition must be given to *what is affordable* and for whom, for example in the provision of low-cost quality childcare for low-income single parents who wish to return to work or to education, or transport for those living in remote areas which can create an insuperable barrier to returning to work. Failure to ensure accessibility and affordability will restrict the users of the service and will undermine any quality framework whose main objective is to provide quality services to promote social inclusion.

## HUNGARIAN INTERCHURCH AID, MEMBER OF EURODIACONIA - VELUX FOUNDATION - HUNGARY, ENSURING ACCESS TO QUALITY SERVICES FOR CHILDREN AND THEIR FAMILIES

The project's intervention strategy reflects a complex and integrated approach that is directed at the sustainable development of the target group, to solving their short-term needs and enabling their long-term social reintegration: This strategy is based on two specific objectives: 1) providing effective crisis treatment to the most vulnerable children, youth and their families and 2) supporting the reintegration of children, youth and their parent into school, vocational training and the labour market, and enable them to access state services.



It is a 4-year project with three main centres (drop-in centres, temporary shelters and halfway homes) drawing a continuous process of social integration. The following services are provided in the programme: educational support and crisis intervention, reintegration and motivation of children, employment support and job finding services, reintegration through halfway houses.

On 31 December 2009, a total of 4,073 persons were involved in all services of the programme from the beginning of the project which involves

10,027 cases. Temporary accommodation was provided for 711 individuals, material assistance to 1,210 individuals. Regarding the project's impact on children's lives to date, 69% of children have less or no problems with school attendance and 66% of children changed positively in terms of behaviour towards and at school.

As a result of the two-year long activities, the Ministry of Social Affairs and Labour not only started to include drop-in centres and halfway house services in their own ministry and to support other organisations to implement similar services, but also mandated HIA to set up and operate the National Family Temporary Shelter Methodology Centre in Miskolc (one of the project's location) for five years with the aim of linking Hungary's total 110 family temporary shelters, collecting experiences and results, creating common protocol and best practises, and communicating and advocating recommendations about legal act changes related to the shelters' activities.

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### 3. Personalised, holistic and sustainable

People experiencing poverty want to be treated as human beings with individual needs. This can only be achieved through a strong commitment to personalised services which create a pact between the user and the provider and which make a commitment to on-going, long-term support. The user has the right to decide on the specific elements of the services provided and to curtail them when they wish. The services need to reflect their changing needs – either because of changing personal

circumstances (geographical, health, disability, or through the life course).

The services also need to take a holistic approach and deal with the whole person. This means a multidimensional approach which looks at the interrelationship between different needs and an integrated response – e.g. looking at housing, employment, training, childcare and health support needs. This requires that the service is planned and coordinated together with other services, in an integrated, team approach.

#### **THE OSW TRANSITIONAL SPACES PROJECT, UNITED KINGDOM, TACKLING WORKLESSNESS, HOMELESSNESS AND FINANCIAL EXCLUSION**

The project is an innovative three-year pilot helping 300 hostel and supported-housing residents in London and Tyneside to find work, and then move into independent accommodation. It is a work-first model of resettlement and is funded from the UK Government's Invest to Save programme, London Housing Foundation and sponsorship from communities and local government. The project prioritises people who are close to the labour market and provides personalised accompanied support to access work and housing.

The project follows 4 phases:

1. Financial inclusion work: including savings information, budgeting guidance, debt management advice and support, bank account opening, participation in relevant training including the financial inclusion workshop Money Matters, including a bank start grant of 50 pounds at the end of this stage.
2. Employability work – giving job search advice, 'better-off' calculations, interview tips, referral to employers, training and job application support, including a job start grant of 250 pounds.
3. Tenancy work – help with house-hunting, benefits advice including ensuring that the clients gets full access to their housing benefit entitlement and 6-month resettlement support. A home start grant of 1000 pounds is also awarded.
4. Ongoing support – both in terms of career development and support in their tenancy – involving action planning, floating support and outreach, ongoing financial support and money management. At the end of this stage, people receive a new home, a job and a graduation grant of 500 pounds.

The project has achieved important results, following an independent evaluation – showing a strong correlation between work and housing, with 38 people moving into private rented accommodation or living with family or friends, and 32 people finding housing and a job. According to OSW's own monitoring tool, 30% are ex-offenders. Around a quarter have secured full-time sustainable jobs and moved into the private rented sector.



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To see a video of the OSW project [www.crisis.org.uk/pages/osw-film.html](http://www.crisis.org.uk/pages/osw-film.html)

#### 4. Participative and empowering

In all Social Services of General Interest (SSGI), the user needs to be actively involved in the development and delivery of the service, ensuring that real on-going and changing needs are met. For example, in regards to energy or fuel services it is vital that people on low incomes, who are currently in danger of losing services because they cannot afford them or are too much in debt, are actively consulted on the development and impact of the services so as to ensure that providers are able to meet their Universal Service Obligations. The regulating bodies both at national and EU level should see the participation of low-income users as a key element to ensuring effective delivery. In terms of SSGI, the on-going personalised relationship, fundamental to providing support, requires a more structured on-going involvement. Personal social services should include as a key objective the achievement of autonomy and the empowerment of the user which could involve helping the user in his or her personal development, for example by helping the person to take on a volunteer position in the same service. This implies that

the service should actively support the person to participate in the services and in the community, and acquire increased confidence in their own powers of self-representation and action. It also implies the development of an active participative governance structure in the management of the service – involving users as a group able to represent the demands and needs of the service.



#### NORTHERN IRELAND - TOYBOX

The Toybox Project was established by the Early Years organisation and funded by the Executive Fund and Save the Children originally for 3 years in 2003 recognising the inequalities in health, education and wellbeing which exist between Travellers and the rest of the population in Northern Ireland. Travellers are a distinct ethnic group and one of the most marginalised and disadvantaged within Irish society. After 2008, this project received funding from the Department of Education and it is now core funded. The Toybox Project is a rights-based service development model which aims to significantly reduce social and education inequalities experienced by young Traveller children through an outreach play-based early intervention service provided in partnership with children and parents. It works on enhancing the social, emotional, physical, language and cognitive development of Traveller children aged 0 – 4, as well as strengthening the capacity of Traveller parents to support their children's well-being and eagerness to learn through home visits, empowering Traveller parents to become involved in the education process.

A team of nine outreach staff work in eight geographical areas across Northern Ireland. They establish a relationship with each family and develop a working partnership. They provide toys and materials for play activities that challenge each child's ability and supports their emerging interests and skills using the High Scope Model and a positive role model for the parents. They support parents to enroll their children in pre-school/nursery and the 2-Year Old Programme and provide social, emotional and learning support to children in their early school-life.

This project has been highlighted as a model of good practice. It works in partnership with the Department of Education and a wide range of agencies. The project is producing a Good Practice Manual which will highlight all the good practice being delivered within the Toybox Project. Recently a DVD has been produced by Early Years: *Toybox*. It captures the many positive experiences Traveller parents and children have had in relation to Early Years Education. It has been designed as a tool to map the education journey from birth to primary year 1.

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### PERSONAL TESTIMONY EXIGO, SWEDEN

EXIGO is a project run in collaboration with the parish of Eriksfält, which offers three-pronged support to refugees. This particular group faces multiple and complex obstacles to social and professional participation, as S., a refugee in the city of Malmö from Bosnia Herzegovina, explains: *“As we arrived in Sweden we were all terrified due to our experiences during the war. Then we had to jump into reality, just like nothing has happened. Integrated services are needed to overcome these barriers.”*

EXIGO participants receive guaranteed income support through social allowances, aside from the money they receive for rent. Based on a holistic perspective taking into account the individual needs of people, EXIGO offers an integrated service.

Access to psychological help is facilitated for refugees with traumatic stress disorder, who usually have to wait up to 1.5 years to receive psychological help. Through EXIGO, working together with the Red Cross, the waiting time is reduced to about 3 months.

EXIGO also helps the refugees with defining their needs in order to identify the appropriate services. Work training is facilitated for the participants, who thus gain professional experience and skills, improve their level of Swedish, their self-confidence, as well as their social skills.

They also benefit from social activities and a health promotion programme (Yoga, Tao Chi, ...) to make them feel more relaxed. In parallel, discussion groups allow people to share their experiences, difficulties and how to overcome them. Afterwards, many of them obtain employment on the open labour market, able to fully participate in society.

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## 5. Accountable, transparent and close to the community

Key social services like housing and personalised care services cannot be developed separately from the community in which they serve. The objective must be to promote more socially cohesive communities through a bottom-up community development approach which aims to engage the communities in the development and delivery of new and existing services. In reality, this means an active partnership approach, involving all key actors, including users (existing, prospective or currently excluded users), local authorities, tenant's associations, employers and trade unions in an active community management approach. The management of all Services of General Interest



needs to be carried out in an open and transparent fashion, with clearly defined, transparent guidelines and methods of operating, and the rights of the users to information, complaint and engagement in the delivery of services directly stipulated. In terms of social services, accountability is owed not only to the individuals that use the service, but also to the local community who funds the service.

Access to records and data is particularly crucial, for example as to the operating mechanisms, costs, profits, in assessing the effectiveness and efficiency in delivering services. Regular monitoring and evaluation should be done, not only by the users/providers/workers and board but by independent groups and a community board, and should ensure a qualitative as well as a quantitative assessment of outcomes, taking on board the views of all.

## PERSONALISED, CASE MANAGEMENT BASED ON STREET WORK IN KARVINA, CZECH REPUBLIC

In the urban area of Karvina there was a lack of services for adult citizens in difficult social situations (indebtedness, at risk of housing loss, long-term unemployment), and poor support orientation in the system of social benefits. A community programme was started and has been funded by the ESF since 2009.

The aim of the project is to enable users to manage money, get rid of their debt, find a permanent place to live (with a legal contract), and to get a regular income.

The community programme operates through regular social field work. Activities include social counselling and socio-therapeutic activities (PC mini courses, aesthetic and decorative work, sewing, cooking, baking, and dining).

The street workers provide regular support to users within the street work programme and through the realization of street work (seeing users in their flats in socially excluded areas), they seek to reduce the threat of poverty and social exclusion.



**Results:** Throughout the project since 2009, the field social workers made 962 interventions (social work consultations with the users lasting 30 minutes and more) and 1674 contacts (meeting the user for 10 minutes).

Through this regular work, the field social workers succeeded in enabling users to achieve nearly 50% of their 253 personal goals.

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## 6. Investing in quality employment conditions for social services

In many community organisations, the line between paid and unpaid staff is often unclear. A constant feature, however, is the low value placed on the 'caring' work itself, primarily carried out by women, and often by migrant (including undocumented migrant) workers. Whilst up-skilling and increasing lifelong learning and training for all workers and helpers is vital, more needs to be done to value existing competences and to invest in quality employment conditions and wages for these services as essential supports to professional care services, underpinning the future of a socially cohesive society.

### What progress has been made?

#### EU drive for liberalisation

A key driver in the EU's overall approach to services has been the EU's Internal Market policy, and the liberalisation of sectors having a clear European-wide dimension (energy, telecommunications...). The European Commission felt further efforts were needed to remove cross-border barriers to services, which led to the adoption of the much debated Services Directive in 2006.<sup>47</sup> It does not apply to non-economic services of General Interest (e.g. formal education). Health Services and some Social Services were expressly excluded from its scope but the wording of the exclusion of social services also has left doubts over how completely they can be excluded.<sup>48</sup>

Priority has been given to the expansion of the internal market in services, actively promoting liberalisation and privatisation of even basic key services, often at the expense of social rights. Social services are particularly vulnerable. These sectors are facing a growing competition with the entrance of private companies, and multinationals into local and neighbourhood services, leading to a growing segmentation of social services. These trends are impacting negatively on the level of subsidies as well as the quality of the services provided.

#### Impact of the economic crisis

In EAPN's assessment of the National Strategic Reports in 2008, EAPN members highlighted that when it comes to the question of services, there is little focus or no clear link to the Active Inclusion Strategy.<sup>49</sup> Some progress was being made in improving access to, for example, energy services or housing and health services, but there was inadequate funding to meet the targets and a lack of coherence to the development of services, especially social services. In that regard, Members stressed the importance of inter-agency working, which is crucial to ensure integrated services to tackle the multidimensional service needs of people experiencing poverty.

The cuts in public budgets as part of the austerity measures following the economic crisis has been leading to severe cuts in public services. Many EAPN members insisted that prices of basic services remain high or even continue to increase, especially energy, health and utility prices.<sup>50</sup> Public authorities are responsible for these increases, either because of their lack of regulation of privatized services, or because they have directly raised the rates of their own services.

#### New windows of opportunity at EU level

The Lisbon Treaty and the EU2020 Strategy offer two windows of opportunity for guaranteeing access to quality social services as an essential factor in ensuring a more secure, cohesive and integrated society.

The Lisbon Treaty should be seen as a clear mandate for the EU institutions to come up with a more comprehensive framework on SGIs which should give priority to social rights over the internal market, guaranteeing the right for all to access affordable, quality key public services which are essential to live in dignity, including health, education and life-long learning, housing/accommodation, care services<sup>51</sup> and allowing Member States to impose obligations.

47. *Looking back and looking ahead, the implication of the Services Directive for EAPN*, 2008.

48. Member States had to transpose it in national law by the 28th of December 2009. Since the beginning of 2010, a process of "mutual evaluation process" has been engaged with the Member States on the reviewed national measures followed by a stakeholders Consultation.

49. EAPN, *Building Security, Giving Hope - EAPN Assessment of the National Strategic Reports on Social Protection and Social Inclusion (2008-10)*, 30 November 2008.

50. EAPN, *The Social Impact of the Crisis and of the Recovery Package*, December 2009.

51. Article 14TFEU offers a new legislative competence of the European Parliament, regarding public services, through the setting up of principles and conditions guaranteeing the good accomplishment of public service missions in the EU (article 14 TFEU). The protocol on SGI (N°26) has a strong users' perspective because it gives what can be seen as a definition of public service obligation (yet without naming it as such): "high level of quality, safety and affordability, equal treatment and the promotion of universal access and of users' rights".

In Europe 2020, in the pillar on inclusive growth, the promotion of social innovation for the most vulnerable and the proposals to promote a better access to health care systems provide positive references which should balance the drive to accomplish “an open single market”. Member States have indicated that access for all to high quality services is a priority area, especially in the fields of health care and long-term care and housing ensuring the sustainable financing of social services and the quality of intervention.

## Promoting Active Inclusion through key basic services<sup>52</sup>

- ✓ Housing
- ✓ Health
- ✓ Financial Inclusion
- ✓ Energy

### The right to housing

*“To get a house, I need a job - But I don’t have a job.”*

*“There are not enough houses, and the cost of rent can force people into homelessness.”*

*“Rents are really too high and there isn’t enough social housing.”*

Access to adequate housing should be seen as a prerequisite for the exercise of many fundamental rights. Getting a secure, affordable and quality house is crucial for a decent life and for participating fully and actively in society as well as providing a base for people to realize their potential in the labour market.

The right to housing has been defended as a fundamental right by a growing number of international



and EU legal instruments. At EU level, the right to housing assistance has been included in the Charter of Fundamental Rights.<sup>53</sup>

Before the crisis, the rapid rise of housing costs, and the percentage of people’s disposal income needed to pay for housing, has put increasing pressure on the financial and personal situation of the people with the lowest incomes, but also those with higher incomes. The crisis has aggravated poverty and notably housing exclusion.<sup>54</sup> Most countries are developing measures to tackle homelessness with an increasingly comprehensive approach. Nevertheless, the lack of common data<sup>55</sup> and a working definition of homelessness<sup>56</sup> make it difficult to assess their true impact and effective measures are still lacking to prevent homelessness.

In Austria, affordable housing and assistance to homeless people are among the key measures in the Austrian National Strategic Report. This includes measures to prevent eviction: “to tackle homelessness at the source”. The primary objective of assistance to homeless people is to stabilise the social situation of homeless persons and to allow them to return to independent living as soon as possible. A varied range of services – from street work, easy-access day centres, emergency hostels and transitional housing to socially assisted forms of living – is made available by the regions (Länder).

52. All quotes in this section are from People experiencing poverty.

53. The new article 34–3 of the Charter of Fundamental Rights states: “In order to combat social exclusion and poverty, the Union recognizes and respects the right to social and housing assistance as to ensure a decent existence for all those who lack of sufficient resources, in accordance with the procedures laid down by Community law and national laws and practices.”

54. As stated by the Joint Report on Social Protection 2010, “tackling housing exclusion and homelessness therefore requires integrated policies combining financial support to individuals, effective regulation and quality social services, including housing, employment, health and welfare services” and also to challenge the current trend to privatize the housing stock.

55. The setting up of common indicators agreed since 2009 concerning housing costs, overcrowded households and housing quality will help to make progress in this area.

56. The European typology of HHE called “ETHOS” developed by FEANTSA classifies people according to their living situation. There are four conceptual categories: rooflessness (without a shelter of any kind, sleeping rough); houselessness (with a place to sleep but temporary in institutions or shelter); living in insecure housing (threatened with severe exclusion due to insecure tenancies, eviction, domestic violence); and living in inadequate housing (in caravans on illegal campsites, in unfit housing, in extreme overcrowding).

## Access to health care – tackling the health inequalities

*“Health care costs a fortune. Poverty makes people ill.”*

*“There are great hospitals in towns, but you have to pay the doctor cash to get treated.”*

Socio-economic factors such as living conditions, education, occupation and income are key factors worsening health inequalities. The Commission highlighted in its Communication on reducing health inequalities<sup>57</sup> how differences in living and working conditions and in access to public services result in a clear social gradient in health status across our societies which endangers the economic growth and social cohesion of the EU.

Nonetheless, the budgetary consolidation undertaken by Member States in the framework of the economic crisis is putting intense pressure on health budgets. Following the SPC Opinion (2010),<sup>58</sup> successful health policies should aim at ensuring access for all to affordable and high quality health care services regardless of their socio-economic background. They should also aim at developing specific targeted policies to improve health outcomes for people experiencing poverty and social exclusion, through a comprehensive and holistic approach focusing on upstream factors (general living conditions, income policy) and on downstream factors



(exposure to specific risks factors and risky lifestyles) as key social determinants of health.

At Member States level, there is insufficient emphasis put on decreasing health inequalities including dental care, in terms of affordability, particularly in terms of charges at the point of entry, but also decreasing discrimination in access and quality of services for specific target groups. So far, national actions to reduce health inequalities are lacking in most EU Member States.

**In Romania:** The National Strategy Report includes an analysis of the national strategy for health and long-term care, supporting informal care, modernizing the infrastructure and involving beneficiaries in the development and implementation of community programmes as a medium-term priority. These plans should ensure accessible and quality health services and the sustainability of the health sector which is endangered by the trend of shifting from a direct investment in care or health provision to financing users.



57. COM 567 final, *Solidarity in health: reducing health inequalities in the EU*, 20 October 2009.

58. SPC/2010/5/4 Final, SPC Opinion, *Solidarity in health: reducing health inequalities in the EU*, 4 May 2010.

## Financial Inclusion

*“Financial exclusion is a global problem! We want inclusion.”*

*“As long as there is financial exclusion, there will be no dignity.”*

*“If you don’t have a bank account, there’s no way you can rent a house.”*

Some 100 million people in Europe are estimated to suffer some degree of financial exclusion. In practice, such a situation leads to major difficulties to access not only jobs but also key public services (social assistance, energy and housing) that are essential to live a life in dignity. In the European Commission’s Communication on financial exclusion, it was shown that to tackle financial exclusion, the access to a basic bank account is crucial.<sup>59</sup> Mario Monti has proposed in the recent EESC Report that: *“a new Regulation should be taken on the basis of the new article 14 TFEU ensuring that all citizens are entitled to a number of basic banking services.”*<sup>60</sup> But the EU should go beyond that by ensuring fairer credit and lending practices and tackling over-indebtedness.<sup>61</sup> A first step taken by some Member States (such as Hungary and Malta) is to carry out a study to identify the extent of the problem and what assistance can be most effective to tackle the issue of bad lending, extortion and indebtedness. It is essential to build on the experience of social economy or non-profit initiatives (such as credit unions, ethical banks) that were developed in a number of Member States (UK, Austria, the Netherlands), filling the gaps left by mainstream financial service providers. This proved particularly crucial for the development of bottom-up, participatory approaches based on the needs of people facing social exclusion (i.e. leading to stronger financial education and the avoidance of over-indebtedness).

## Access to energy for all

*“Energy prices are still high. Energy is a need not an advantage.”*

*“We have often to choose between heating and eating.”*

*“Access to energy for all will be guaranteed when the public social welfare and energy authorities start working together.”*

*“There are lots of renewable energies available – solar power, water power, etc. – but they are very expensive and governments don’t want to play their part.”*

*“The children have no heating in winter, they live in unhealthy conditions.”*

Although figures are not available across the EU, it is thought that between 50 and 125 million of people are estimated to suffer from energy poverty. It should be seen as a fundamental attack on basic human rights to a decent life preventing people from being socially and economically integrated. In terms of some basic services like Energy, some countries have calculated what is considered to be affordable energy prices, drawing on a definition of energy poverty where it is judged unaffordable when people have to spend more than 10% of disposable income on heating and lighting a home to an acceptable level (for example in the UK). The Third Energy Package adopted in June 2009 gave Member States the clear responsibility for reducing energy poverty by setting up national Energy Action Plans containing measures to combat energy poverty. However, currently these are not being implemented. Successful strategies should embrace the 3 key factors (low household income, high and rising costs of fuel, and high consumption due to energy inefficiency).<sup>62</sup>

In Belgium, an important development has been the recognition of the need to ensure access to energy for all – within the analysis of housing needs. This reflects the solid work carried out by the Energy and Poverty Campaign over the last 10 years, which has won important concessions including minimum guarantees of services, restriction on fuel cut-offs, rights to pre-payment meters on equivalent cost.

59. EAPN Response to the European Commission Consultation, *Ensuring Access to a Basic Bank Account*, 6 April 2009, based on European Commission, *Financial inclusion: ensuring access to a basic bank account*, Consultation Document 6 February 2010.

60. Mario Monti, *A new Strategy for the Single Market: at the Service of Europe’s Economy and Society*, Report to the President of the European Commission José Manuel Barroso, 15 May 2010.

61. Joint Response RFA, ECDN, EAPN and others to the European Commission *Responsible Borrowing and Lending in the EU*, based on European Commission Consultation Paper *Responsible Borrowing and Lending in the EU*, 15 September 2010.

62. See EAPN recommendations in *EAPN Working Paper on Energy Poverty*, 19 March 2010.

## WORKING GROUP ON ENERGY AND POVERTY IN FLANDERS (BELGIUM)

The Working Group (WG) started in 1999 out of profound indignation over cut-offs of electricity and gas (heating) of families living in poverty. On the basis of experiences of people living in poverty, a synthesis note was made for the attention of the Flemish regional government. Every month there is a meeting of 40 to 50 people, mostly made up of people experiencing poverty coming from local anti-poverty associations in Flanders. The WG wants concrete solutions for energy problems. Therefore, most of the actions are addressed to policy makers and competent public administration. Regular actions inform the general public about the issue. People experiencing poverty are present and take an active role at all stages of the initiatives and meetings. For example, the WG organised a training programme on the perverse side-effects of the legislation. The training is given by professionals but always together with people experiencing poverty who are members of the WG.

When the liberalisation of the energy market was announced in 2001, the Flemish Government held a hearing with the WG. The recommendations that were proposed were largely incorporated into law. Social tariffs were increased and implemented automatically for the categories involved. The WG obtained an agreement that the social maximum tariff be set at half the tariff of the cheapest distributor on the market. A federal ombudsman was installed to treat all complaints. The winter period, with a prohibition of electricity and gas disconnections, was extended. The capacity of budget meters was increased from 6 to 10 amperes. In 2007, with the adoption of the decree, the notion of 'unwillingness' in relation to the inability to pay energy bills was scrapped from the law and Energy Companies' power to cut household's electricity and gas was limited to 9 specific and well-described situations.

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## Recommendations

### At EU level

- Develop a Regulation on Services of General Interest (based on article 14 TFEU), and sectoral directives on social and health services, to guarantee the right for all to access affordable, quality key public services: health, education and lifelong learning, housing/accommodation, care services as well as water, gas, electricity.
- Carry out an independent social impact assessment of liberalisation on public service obligations (including national stakeholder assessments through participative forums) which should be assessed by the SPC, and European Platform against Poverty and its conclusions endorsed by the EPSCO.
- Monitor and make recommendations on improving equality of access to all key services of general interest through the National Action Plans for Inclusion in the Social OMC and the Flagship Platform against Poverty.
- Recognize Financial Inclusion as a SGI notably by setting up a legislative framework to guarantee the right to an affordable bank account and fair banking and credit services.
- Making health inequalities a priority theme for the Social OMC and in the Flagship Platform against Poverty so as to make progress on data, indicators and policies ensuring access for all to affordable and high-quality healthcare services, particularly at the point of entry, regardless of socio-economic background. Ensure specific targeted policies to improve health outcomes for people experiencing poverty and social exclusion.
- Implement the National Action Plans to reduce energy poverty following up the Energy Package requirements on energy poverty to ensure affordable access to energy for all and to reduce energy poverty through an integrated approach tackling income, affordable pricing and reducing consumption through energy efficiency.
- Work towards a common EU definition of energy poverty and a common strategy linked to an enforceable Charter for Energy Consumer's Rights.

### On SSGIs

- Move towards establishing an effective EU quality-standard framework for social services based on quality principles with a strong users' rights perspective.



# Employment: Supporting people into decent jobs



04 |

## Introduction

The third of the three mutually reinforcing pillars of the Active Inclusion Strategy is called “Inclusive labour markets”, and its aim is to encourage the provision of pathways, personalised approaches for people wishing to integrate into the labour market, so that anyone can be adequately supported in accessing decent, and sustainable employment. This strategy was designed to temper aggressive activation programmes that emphasized “work first” and operated mainly through increased sanctions and conditionality for benefits, offering low-quality, precarious jobs with little regard to people’s complex personal situations and individual barriers to employment and to social participation.

Active inclusion approaches emphasize social participation, either through quality employment, in accordance with people’s personal circumstances and training, for those who can work, or through providing means to contribute to their local communities for those who can’t work – through adequate income support and access to quality and affordable services. A job cannot be defined only in terms of productivity and competitiveness, but also as a means of achieving inclusion and integration in the community, a way to fulfil personal dreams and expectations, an opportunity to contribute and to participate in society.

There is mounting evidence from the ground of increased pressure and negative conditionality imposed on people already in poverty, in a context of a shrinking job supply.<sup>63</sup> Activation policies have been strongly developed in recent years, aiming to ‘prod’ the unemployed into work, through training and counselling, but also via compulsion and benefits sanctions. EAPN has repeatedly denounced excesses of such punitive approaches, especially in the context of scarce employment.<sup>64</sup>

Recent employment-related measures do not fully take into account key issues such as quality of jobs, the role and accessibility of flanking services like childcare and the need for personalised approaches toward the labour market. This is illustrated in the approach displayed in the Joint Employment Report in the context of the new Europe 2020 Strategy and in the recent Annual Growth Survey.

Employment strategies in Member States are still underpinned by “make work pay” approaches, instead of providing integrated, personalised support and counselling services, underpinned by thorough needs assessments, carried out on a case-by-case basis. Too often, “one size fits all” is the main approach of Public Employment Services.



Although several important steps have been taken to raise visibility and mutual learning to promote the Active Inclusion Recommendation, there is still an insufficiently coherent roadmap to ensure effective implementation at EU and national levels, as an analysis of employment policies at both levels indicates. The following section explores more in-depth the state of play on the ground.

## From policy to implementation

The Active Inclusion principles on developing an inclusive labour market do not appear to have been mainstreamed into employment policies at EU or national level. The Active Inclusion Strategy, featuring pathway approaches to employment and placing an emphasis on quality jobs, (as well as ensuring adequate income support and access to services) has been given very little visibility in the latest European Commission proposals in the area of employment.

The Economic Recovery Package, launched in November 2008, makes no reference to the Active Inclusion Strategy. Instead, active labour-market policies are promoted as a response to rising unemployment. The European Commission’s Communication entitled *A Shared Commitment*

63. EAPN – *Is the European Project Moving Backwards? The Social Impact of the Crisis and of the Recovery policies in 2010*, February 2011.

64. See *EAPN’s Response to the Draft Joint Employment Report 2010*, 20 February 2011 - and *EAPN’s Response to the Flagship Initiative Agenda for New Skills and Jobs*, 11 May 2011.

65. <http://ec.europa.eu/eu2020/pdf/Brochure%20Integrated%20Guidelines.pdf>. Guideline 7 is “Increasing labour market participation and reducing structural unemployment” and Guideline 8 is “Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning”.

for Employment, and released in June 2009, after the Employment summit, stresses that the need to implement the integrated approaches foreseen by the Strategy is “stronger than ever”, but the principles are not mainstreamed through the text in a comprehensive way.

In more recent documents, the Commission’s proposal for the Europe 2020 Strategy does not include references to Active Inclusion or inclusive labour markets. This is also the case for the Annual Growth Survey and its annex, the Progress Report on Europe 2020.

Active Inclusion is clearly supported in the Joint Employment Report, but it is confined to policies aimed at combating poverty and social exclusion, without being adequately mainstreamed into employment and labour-market policies as well. More specific recommendations are needed to guarantee targeted efforts to support specific groups into quality, sustainable employment, thus promoting pathways to inclusion. Integrated active-inclusion approaches must also be more strongly mainstreamed in Guidelines 7 and 8.<sup>65</sup>

Quality of jobs and employment is severely threatened by recent developments affecting wages. The Annual Growth Survey explicitly suggests recovering public deficits by cutting down wages. More recently, Heads of States and Governments have agreed on the Reform of the Stability and Growth Pact and the Euro Plus Pact, which also advocates for wage restraint, by linking unit labour costs with productivity and encouraging decoupling wages from inflation. These provisions undermine the respect for national collective bargaining mechanisms, and result in an increase in in-work poverty, through cuts in real wage levels. EAPN has expressed very clearly its concerns about this to both the EPSCO and the Spring Council.<sup>66</sup>

At the national level, EAPN members report that many Governments continue to implement narrow activation strategies, instead of investing in integrated Active Inclusion approaches and the creation of inclusive labour markets, open to all and providing sustainable opportunities for everyone to contribute. The potential of social participation approaches is also not being exploited.

EAPN’s report on the National Reform Programmes of 2008<sup>67</sup> highlights the lack of commitments made by Governments to effectively mainstream the Active Inclusion principles. The report also underlines the lack of rigorous assessment of the real impact of increased conditionality and sanctions on people experiencing poverty and social inclusion. Support into work is often a piecemeal venture, not a comprehensive one, often not reaching those furthest from the labour market and not showing enough concern for the quality of the jobs proposed.

The situation is similar in the National Strategic Reports for 2008.<sup>68</sup> Boosting the employment rate of specific groups takes priority over providing inclusive labour markets and personalised support, and serious concerns are being raised by EAPN members about the creaming effect, which targets those closest to the labour market, as well as again, about the quality of jobs proposed. Members are also concerned that a real understanding and willingness to provide the resources to overcome the barriers to employment for multiply-disadvantaged people is missing.

Finally, the current crisis highlights new challenges, many related to the shrinking supply of jobs. According to evidence gathered from EAPN members,<sup>69</sup> most Member States are taking urgent steps through the economic recovery plans to defend existing jobs and promote access to new areas of employment.

However, too many of the jobs created are short-term, with poor working conditions and often in unsustainable industries. The jobs defended often come with reduced wages, not always adequately topped up by social security. The emphasis continues to be on placing responsibility on the individual and on taking people off benefits, rather than supporting them into quality jobs, which would effectively remove them from poverty. There is a notable downgrading of working conditions, as well as an increased tendency to cut wages.

Moreover, several members indicate an increased flexibility and precariousness in labour markets, where firing and hiring are made easy for companies, unmatched by social security mechanisms and much-needed adequate safety nets.

66. See EAPN’s letter to the EPSCO 7 March, 4 March 2011 - and EAPN’s letter to the Spring Council 24-25 March, 22 March 2011.

67. EAPN, *Social Inclusion Scoreboard - EAPN Response to the National Implementation Reports 2007 of the revised Lisbon Strategy. Main Report*, 15 January 2008.

68. EAPN, *Building Security, Giving Hope - EAPN Assessment of the National Strategic Reports on Social Protection and Social Inclusion (2008-10)*, 30 November 2008.

69. EAPN, *Is the European Project Moving Backwards? The Social Impact of the Crisis and of the Recovery Package in 2010*, February 2011.

This worrying panorama at both the EU and the national level indicates that the implementation of the Active Inclusion Strategy in terms of access to quality employment still has a long way to go. In order to contribute to this debate, EAPN has developed its own criteria, which build on the principles established by the European Commission in the Active Inclusion Strategy.

### **EAPN PRINCIPLES ON DECENT WORK AND FULL PARTICIPATION IN SOCIETY**

1. Positive social activation based on human rights
2. Individualised, tailored and multi-dimensional approaches
3. Long-term support to sustainable, quality employment
4. Sustainable and adapted work respectful of people's needs
5. Supporting life-long learning for life and not just work
6. Joined-up integrated, non-discriminatory delivery based on partnership

### **1) Positive social activation based on human rights**

The baseline for ethical policy-making, in employment as in any other field, has to be the respect for human dignity. This right is enshrined in the EU Treaty, in the Universal Declaration of Human Rights, and is now made legally binding under the Lisbon Treaty through the EU Charter of Fundamental Rights. This assumption should lead to policy approaches that treat people as valuable human beings and never just from an instrumentalist perspective, only for their usefulness for the economy.

An effective social activation strategy should focus on people's individual needs, desires and capabilities. This approach would recognize a person's changing needs throughout their lives and tackle the specific obstacles faced by key groups – migrants and ethnic minorities including Roma, women, lone parents, people with disabilities or health difficulties, but also those who suffer long-term unemployment and poverty, and people with multiple problems such as the homeless.

Positive Activation needs to be built on a hopeful vision of people and the society in which we want to live. The focus of activation policies should be to develop a pathway to social inclusion and to full participation in society.

The ultimate aim of activation is social inclusion and professional mobility, by empowering people to improve their competencies and skills, physical

### **WORKING METHODOLOGY OF TOTAL REHAB (NORWAY)**

Tim is a young man who has been suffering from depression and anxiety for years, whose only escape was playing his guitar. The only support he received was in the form of medication. Through meeting a volunteer worker of the organisation Total Rehab, he finally managed to benefit from personalised counseling and support. The volunteer understood his passion for music and negotiated on his behalf with the Social Services, so that he would receive income support while attempting to find a job in the field of his choice. He received social security benefits, together with the deposit for a house and rent-money, as well as car costs, since his condition prevented him from using public transport. Today, Tim has his own company, giving guitar lessons, and he works in a music studio. This would have never been achieved had he not been provided with personalised support to realise his own dreams. The personal involvement of the volunteer has been a key aspect of his overcoming his fears and his psychological condition. The role of the volunteer as a 'bridge builder' between Tim and the Norwegian Labour and Welfare Service was a crucial factor for success, as the Welfare Service could not fill this role. His success story inspired the methodology of the Norwegian Government's qualification programme. However, EAPN Norway reports that the absence of minimum-income schemes in the country still represents a challenge to the efficiency of this programme.



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and mental health, to establish social contacts, improve their participation and active citizenship. Such an approach to activation is an investment in human, social, psychological and cultural resources, and sees labour market integration as one element to promoting social integration in a wider sense.

This approach is urgently needed to counter the current strategies aimed at creaming applicants who are seen as being the easiest to place. Otherwise, these strategies will generate deep-seated segregation and a two-tier society, distinguishing between employable and unemployable, discarding people deemed to be no use to society.

## 2) Individualised, tailored and multidimensional approaches

The absence of references to ensuring personalised support for job seekers, as well as inclusive labour markets, open to all, is very worrying in the current narrative, particularly in the context of the crisis and the recession, where job opportunities are shrinking and more and more people see themselves excluded from the labour market. At the same time, recent years have seen a sharp increase in conditionality associated to benefits, as well as increasing pressure put on the individual to adapt to labour market needs.

The right to work needs to be reinforced, rather than the obligation. What is needed is a social vision that starts from the assumption that people want to work, to be useful and to contribute to their families and their communities.



The approach needs to be broad, taking the complexity of problems into consideration and offering tailored, but multidimensional intervention for individual needs and expectations. Such a social-activation approach can therefore be the most effective for engaging with the most excluded groups with the most serious problems, who are furthest away from the job market, such as people fighting an alcohol or drug-misuse problem, people with disabilities, health or psychological problems, single mothers with little support, immigrants with poor language skills and others. The holistic approach calls for comprehensive tackling of issues such as difficulties over income, housing,

### STEP 2 JOB (AUSTRIA)

Step 2 Job is a Counselling and Consultation Centre for people who receive social welfare and are furthest from the labour market, running from September 2009 until March 2011 and funded by the Austrian Employment Service and the ESF. It is a pilot project in two districts of Vienna, preparing the introduction of a means-tested minimum income in Austria in September 2010. The project features a strong link between Social Welfare institutions and the Employment Service. Step 2 Job combines individual coaching, psycho-social support, empowerment, counselling, professional training, as well as support and advice on issues like debt, housing, health issues, second chance to education. A comprehensive case management approach aims for a sustainable reintegration in the labour market. Participants can attend the project for 12 months (with 3 months of follow-up counselling after having found a job). Usually, people who receive Social Assistance do not get any help in finding a job. Participants of the project report that they receive support for the first time in their lives. Counselling for migrants is also offered in their mother tongue. EAPN Austria underlines however that participation is not voluntary, and, even if sanctions are not executed, these measures should not come with conditionality. There is also some concern that the quality will be watered down if the measures are mainstreamed.

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debt, loneliness, health conditions, low social skills, communication, language, training qualifications, access to services etc.

The social-activation approach builds on people's strengths, reinforcing existing competences and helping the person work to overcome weaker points. Always at the fore must be the determination to respect the person and their sensibilities, and the aim to design a strategy which reflects their own preferences, wishes and priorities.

Pathway approaches to employment need to start from the individual and their specific aspirations, interests, necessities and difficulties, designing tailored responses to concrete needs, rather than focussing on reducing unemployment statistics at all costs. For this reason, Public Employment Services need to be strengthened, as well as their mission enriched, to serve not only as job-placing agencies, but working in cooperation with service providers, NGOs, the social partners and public authorities to provide integrated services and support towards social and professional inclusion.

### 3) Long-term support to sustainable, quality employment

Work must ensure a route out of poverty and represent a progressive step on the road to greater personal and professional development, as well as a pathway to integration in society. This means implementing much stricter criteria of what constitutes a reasonable offer of quality work, guaranteeing social standards at EU and national levels, and encompassing decent wages, job security, working time flexibility to allow for a proper work-life balance, as well as high levels of social protection and access to relevant services.

The approach needs to be flexible and recognize changing needs as a person builds confidence, or experiences significant changes or difficulties in his/her personal or family situation, in his/her health situation or in the state of his/her disabilities, or in relation to difficulties over legal restrictions on migration, income difficulties, work difficulties etc.

Strategies aimed at integrating people into the labour market will not work if not complemented with appropriate job-creation efforts. In this sense, the relationship between industrial and enterprise

#### THE LIVING WAGE CAMPAIGNS (UNITED KINGDOM)

*"I definitely think that everyone deserves it [the living wage]. It's got to be better than the minimum wage. Who can actually say that people can live on the minimum – I'm pretty sure the people who came up with the figures aren't living off it",* says a female catering worker, aged 28 from Glasgow. As low pay still is a very real problem in Scotland, the Living Wage campaigns decided to take demands directly to employers and try to make a difference, building on the earlier success of such campaigns in London and elsewhere. The campaigns are based on a dual approach, combining lobbying employers, with the help of trade unions, with supporting grassroots organisations to put pressure on local employers to take ownership of the campaign. Living Wage campaigns have proved remarkably successful, also due to the magnitude of the problem, as low pay and in-work poverty are widespread in Scotland. To date, three important institutions have become Living Wage employers: The Glasgow City Council, Scottish Enterprise (the agency responsible for business development in Scotland) and Employers in Voluntary Housing. The Glasgow City Council also started their own Glasgow Living Wage Campaign, signing up more than 130 employers as 'living wage' employers. The Living Wage has also been debated twice in the Scottish Parliament. As the target were employers and not the State, thus placing on the former the responsibility to fight poverty, it was easier to garner political support. The campaigns also helped **forge new links between local community organisations, trade unions, faith-based organisations and other civil-society organisations. However, EAPN members indicate that the lack of resources has prevented it so far from reaching a larger scale and achieving more results on the ground.**

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policies, on the one hand, and employment policies on the other, needs to be further explored. Too often, the responsibility is placed solely on the individual, who is labelled as ‘lazy’ if he or she fails to find a job, while the labour market does not offer enough decent work opportunities.

There are new opportunities for job creation in the services sector, which would answer a double need for service provision and creating work places, provided that working conditions and wages are improved for this sector. Moreover, the social economy, particularly Work Integration Social Enterprises (WISEs), has a great potential, if adequately supported, to facilitate the entry of excluded groups into the labour market.

Defending employment cannot mean making compromises when it comes to job security and quality of work, especially as 8% of people in work already suffered from in-work poverty before the crisis. Although some welcome new measures are being advanced to tackle in-work poverty, these are often understood as tax credits or top-up schemes, rather than improving minimum wage levels and working conditions. Often, employment proposed to job seekers comes with a hidden poverty trap,

where the wages paid are inferior to the benefits received, coupled with a loss of free services such as transport, childcare, rent support etc.

Recently, quality in jobs has been increasingly defined as improving working conditions and health and safety at work, without taking into account crucial elements, such as the vital provision of living wages and improved employment security. This also means addressing the persisting gender pay gap.

Once in work, strategies also need to be in place to ensure progression and transition to better employment, and maintaining people’s position in decent jobs. This means focusing on groups that are most vulnerable to losing their jobs, through redundancy or restructuring, or who are in precarious, insecure or temporary employment. A more progressive and less punitive approach must also be employed to support people currently working in the informal labour market, which is often a survival strategy and the only possibility of a decent income for specific excluded groups. Employers who take advantage of the undeclared labour force, and not workers who are trying to make ends meet, should be penalised.

### NEW FUTURES (IRELAND)

New Futures is a programme designed to support lone parents on social welfare to progress to education, training or employment. It is evidence-based and has been built up over many years’ experience. It features a personalised approach, including an individual action plan, thorough needs assessment, tailored support, access to training, and wrap-around family support services (including counselling and parent support). Participants are identified through local promotion, screening and recruitment. *New Futures* was created to respond to the concern that the Government activation policy for lone parents would push them into jobs without providing key support services. The project aims at helping to remove structural barriers such as the lack of childcare, after-school care, part-time education and training and a lack of flexible-friendly employment. It is designed to meet that service and support gap that exists for many parents who are distant from the labour market, who have low education levels, low self confidence, complex family issues and challenges in parenting alone.

It is a cost-effective initiative with proven results, supporting people into sustainable employment. A participant testifies: *“Before the course I was raw, fragile, with no goals and lacking motivation. I had isolated myself and now I am highly motivated, clear, positive, energetic and happy. I would have left the course if it has not been for the Key Worker and the support that she gave me.”*

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Raising the quality of employment should be a key priority, coupled with a stronger focus on well-functioning labour markets and improving access, is vital in order to improve both social cohesion and employment performance.

#### 4) Sustainable and adapted work respectful of people's needs

There still seems to be a lack of a clear analysis of the strategic function of 'flanking services', which play a key role in removing obstacles to sustainable work. Positive activation measures are often marred by punitive conditionality – resulting in reduced or cut benefits when people fail to get or take up jobs offered.

Many approaches fail to recognize the complex, multiple barriers that people on the edges of the labour market face or to take pro-active measures to support the demand side, either in the creation of jobs or in challenging discrimination by employers in access processes. Particularly women need to be afforded equal opportunities in enjoying employment opportunities, by guaranteeing af-

fordable access to high-quality care facilities, by encouraging flexible hours and tele-working for people with care responsibilities, and by bridging the pay gap.

The approach needs to be oriented towards providing solutions, particularly in the shape of vital flanking services – like affordable childcare, help with transport, specific training and personalised counselling services. Tailored, but multidimensional intervention for individual needs and expectations needs to be provided, and the capacity of Public Employment Services needs to be stepped-up in this sense, as well as more investment made in public services.

For many people returning to work after a long period of unemployment or with specific difficulties – such as long-term sickness, mental illness or disabilities – specific adaptations to the working environment and conditions are necessary if work is to be sustainable. Equally for parents, particularly for those women who are the main carer – a supportive environment is needed, in order to help them develop a proper balance between their



#### VOCATIONAL REHABILITATION AND EMPLOYMENT SUPPORT SERVICES FOR PEOPLE WITH DISABILITIES (LITHUANIA)

*“When I came to the vocational rehabilitation program, I was scared to communicate with others. In 6 months, I made new friends, learned new skills and how to use a computer. I am much more self confident now”,* says Ausra, one of beneficiaries of the Vocational Rehabilitation Services, provided together with Employment Support Services for people with disabilities since 2005. It is partly financed by Structural Funds. Services provided include skills assessment, vocational guidance and counseling, training for new skills and employment support. For people with mental health problems, the only institution providing vocational rehabilitation services is the Vilnius Centre for Psychosocial Rehabilitation, which also provides training and employment services since 2009, together with the job mediation organisation SOPA. Ausra is a 37 year old woman who had done a lot of professional training, but who had almost no work-experience. When she started the program, she had been long-term unemployed, not very active in looking for a job, had no computer skills and was afraid to use public transport. Personalised support helped her gain self-confidence, begin to look for a job and ultimately find one. Ausra is now working in the Vilnius Centre as a cleaner under a temporary contract. Her work placement is partly subsidised from the State budget. Ausra made the decision to work temporarily to gain general working skills and self-confidence. Soft skills training were even more important than the vocational training she had already received. Individual guidance and regular support from the case manager and job intermediary played a crucial role in the activation process.

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private and their professional life, through flexible working hours, as well as providing much-needed childcare support. Policies need to aim equally for a fairer distribution of caring and household responsibilities between men and women, shifting the burden and allowing more women to participate.

This, however, should not be viewed as a cost to employers or the State, but as an investment in the future - a key element of preventing unemployment and further social exclusion. The creation of decent jobs, which can meet the real needs of those furthest from the labour market, requires the involvement and commitment of communities, as well as more responsible and ethical responses from companies. Corporate Social Responsibility can play a key role in ensuring that the work environment, including reductions in working time, are respectful of people's personal circumstances and responsibilities.

## 5) Supporting life-long learning for life and not just work

The responsibility for retraining and upgrading skills does not lie exclusively with the employee or job-seeker, but there should be incentives for employers, as well as Public Employment Services, to provide such services. Furthermore, access to training is not smooth for all groups, so targeted approaches for vulnerable groups need to be devised, to make sure that especially the low-skilled, young people, people in poverty, migrants and minority groups (including the Roma), people with disabilities and other disadvantaged categories can access skills upgrading. Increased attention should be paid also to the flanking services, which are necessary to enable some unemployed people to access suitable learning experiences.

People must be equipped with those skills that ensure that they are able to access quality jobs, which effectively lift them out of poverty. Also, in view of exploring new sectors for job creation, such as the green economy and social services, adequate skills need to be in place so that people, especially

### A PARTNERSHIP FOR EMPLOYMENT (FINLAND)

Paltamo, a community located in NE Finland, is an important example of how the inhabitants and the municipality have joined forces to solve the unemployment problem. There are currently about 300 unemployed people in the small town. They are included in the payroll of a new employment agency, run by the Paltamo employee association, which brings together stakeholders, municipality, local entrepreneurs and trade unions. The ESF is also involved in supporting this 4-year project. The employment agency offers its services to outsourcing enterprises and associations, functioning like a temporary work agency and thus obtaining work places for the Paltamo residents. The wages are topped up with regular wage subsidies from the Employment and Economic Development Office (Työ- ja elinkeinotoimisto). The municipality decided to involve itself in the project on the basis of calculations which indicated that providing employment was less expensive than handing out passive unemployment benefits. This is also a good example of public investment in creating quality jobs, linked to concrete community needs and following a needs assessment. The main aim is to prevent social exclusion among unemployed people, and to create paths to quality, sustainable employment. Working hours include training, information sessions, a full health evaluation, or rehabilitation services if needed, in a comprehensive, holistic approach. Paltamo's model turns around the traditional thinking, where individual citizens are seeking work that is suitable for them, as it is the municipality's goal to seek suitable work for its people. If someone refuses all work offers, the last option is receiving minimum welfare benefit. Before this initiative, the unemployed inhabitants were paid benefits of 392 euros. Now they have a minimum wage of 800 euros.

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those currently furthest or excluded from the labour market, can be prepared to take up these new jobs. Once in work, skills development is crucial to help particularly relatively unskilled workers progress to better jobs, but it needs to reinforce and build on competences which will serve them in their future jobs and lives, following a broader life-long learning approach, particularly in the context of flexible working and insecure contracts.

EAPN stresses that life-long learning is, first and foremost, part of an individual's personal and social development. Training and skills upgrading, while an essential component in ensuring better access to employment opportunities, needs to focus on more than just labour-market needs, aiming to also improve personal, social and vocational skills and competencies, enabling further social integration and participation in their communities, as well as support towards the labour market. Empowerment skills and life-coaching constitute an essential step in supporting people, particularly vulnerable groups, to effectively seize existing opportunities.

Recognition of existing competences is also vital, including non-formal skills, rather than a rigid focus on formal qualifications, which many excluded people have not been able to acquire.

The priority is to build confidence, gradually reinforce competences and move on from a place of security and achievement to more targeted vocational training and education.

## **6) Joined up integrated, non-discriminatory delivery based on partnership**

An inclusive society is mirrored by an inclusive labour market. Two European Community Directives, the Racial Equality Directive and the Employment Framework Directive, define a set of principles that offer everyone in the EU a common minimum level of legal protection against discrimination on grounds of race and ethnic origin, religion or belief, disability, age or sexual orientation, primarily in the workplace. This comes in addition to the numerous laws adopted in the past 30 years to fight gender discrimination and to allow for equal treatment between women and men in the workplace.

However, more investment must be made to counter discrimination and promote diversity in the labour market. Migrants, specifically undocumented migrants and ethnic minorities, particularly the Roma, face ever-increasing difficulties both in accessing jobs and in the workplace, due to racism and xenophobia.

The growing problem of the gender and ethnic pay gap needs to be tackled. Governments should be ensuring implementation of current and new EU legal instruments in this field, and strategies must be drawn up, together with stakeholders, focusing on the specific difficulties that each of these groups face in both accessing the workplace and progressing within the labour market.

Many groups see their access to the labour market and to social participation blocked because of their particular, vulnerable situation, such as suffering from long-term sickness or disability, people experiencing poverty, or having had substance or alcohol misuse problems in the past.

Social economy and third-sector initiatives, particularly Work Integration Social Enterprises (WISE), have proven to be very successful instruments for supporting such excluded groups into work, particularly in areas of new social and sustainable services. Their potential needs to be thoroughly explored and adequately resourced.

Care must be taken to ensure that new forms of employment aimed at the integration of disadvantaged people in the labour market, are fully covered by labour laws and social protection systems.

EAPN has been involved in drafting comprehensive recommendations for policy-makers on how to better support WISEs,<sup>70</sup> as well as in studying the interplay between employment and social policies,<sup>71</sup> looking particularly at the social economy sector.

The most effective strategies to promote sustainable inclusive labour markets and promote social participation will involve a wide range of networking with all relevant actors and at all levels. This must clearly include the traditional actors on the labour market – employers, job placement agencies, Public Employment Services, trade unions,

70. PROGRESS/WISE project, carried out in 8 European countries to compare different forms of Work Integration Social Enterprises and what is needed to support them.

71. PROGRESS/Bridges for Inclusion project, featuring mutual learning about how to 'bridge' Employment and Inclusion strategies, actors and actions through local social economy experiences.

service providers (housing, education, healthcare), as well as local communities, job seekers, people experiencing poverty and social exclusion and their civil society organisations.

An integrated plan and approach involving joined up planning and delivery is essential. The model that the EU is promoting, based on the participatory democracy clauses of the Lisbon Treaty, as well as on renewed commitments to good governance in the Europe 2020 Strategy, continually confirms the importance of the active participation of all stakeholders in the governance process.

However, more emphasis must be given to the recognition that an integrated Active Inclusion approach will only be successful if the people most affected are directly engaged in the process of developing the measures, and particularly in the implementation, monitoring and evaluation.

As key service-providers on the ground, NGOs are in a unique position to develop outreach programmes, reaching even the groups furthest from the labour market. Social NGOs also provide a wealth of expertise collected from direct experience working with stakeholders, as well as an opportunity for involving people themselves in the design, and implementation of policies that affect them.

Putting individual rights and needs at the centre means also putting participation and empowerment of people experiencing poverty and social exclusion and the NGOs in which they participate, at the centre of the strategy. Continuous involvement of jobseekers and people experiencing poverty, directly as well as through the NGOs representing them, in the drafting, implementation and monitoring of the European Employment Strategy, through the NRP process, remains key to the success of the strategies and should be a key principle of the Europe 2020 Strategy.

## Recommendations

### At EU level

- Mainstream the Active Inclusion principles into the European Employment Strategy, as part of the Europe 2020 Strategy.
- Make sure that the principles apply not only to Guideline 10 and the poverty target, but also to Guidelines 7 and 8 and the employment target, as well as employment-related policies under Europe 2020.
- Use the upcoming revision of the 'quality work' concept to ensure living wages, employment security, on-the-job training, employment rights, adequate social protection, reconciliation of private and professional lives, career progression and job satisfaction, along with improved health and safety, and working conditions.
- Place real job quality, not just working conditions, at the heart of the European Employment Strategy, provide guidelines for implementation and monitoring results; make quality jobs a key topic for European Council debates.
- Monitor the impact of the implementation of inclusive labour market principles in National Reform Programmes, Country Recommendations, and the Joint Employment Report.
- Conduct thematic peer reviews in the framework of the Employment OMC and support the exchange, follow-up and mainstreaming of best practices regarding the implementation of the Employment pillar of the Strategy.
- Adopt and implement a strengthened Anti-Discrimination Directive, to cover all discrimination grounds and to ensure unhindered access to the labour market for migrants, ethnic minorities including the Roma, and other discriminated groups.
- Combat labour-market segmentation by promoting more security in employment, and devise a European Strategy to fight in-work poverty through the provision of decent, living wages and sustainable jobs.
- Fight wage deterioration and its decoupling from inflation in order to link it with productivity indicators, and support dignified lives.

- Promote better reconciliation between private and professional lives and improve equal access to the labour market, by providing crucial flanking services (especially childcare and other types of care), flexible working schemes, and by combating the gender pay gap.
- Embed Recital 16 in the Employment Guidelines to ensure that relevant stakeholders, including people experiencing poverty, unemployed people, and the NGOs that support them, are included in structured dialogue to deliver the NRP and the priorities and targets.

### At national level

- Propose ambitious national employment and poverty targets, which mutually reinforce each other and ensure decent, quality, sustainable employment which constitutes a real route out of poverty and social exclusion.
- Use active inclusion principles to promote inclusive labour markets, as well as positive activation practices, in line with human dignity and promoting personalised pathways towards inclusion.
- Establish positive hierarchies between minimum income (set at least at the level of the poverty line) and minimum wage, to ensure that everybody has access to a life in dignity; don't decouple wages from inflation in an effort to link them to productivity.
- Build the capacity of Public Employment Services as well as welfare offices to deal with complex and delicate personal situations, promoting personalised, pathway approaches based on individual needs assessment.
- Set in place comprehensive criteria for job quality, in accordance with European and international standards.
- Combat discrimination of employers and of society at large by implementing anti-discrimination legislation and promoting pro-active measures to foster diversity, and guarantee job places to people excluded from the labour market.
- Set an explicit road-map to eliminate the gender and ethnic pay gap within the public and private sectors, and monitor progress against



performance indicators; combat discrimination of workers over 45 years old.

- Increase the investment in the provision of essential flanking services, such as children and other dependents care provisions, ensuring affordability, quality, and equal coverage.
- Invest and increase financial and other resources for the development of social economy, particularly Work Integration Social Enterprises.
- Ensure that while fulfilling the EU2020 target of reducing the number of people living in poverty, measures are taken to lift also those experiencing its most severe forms – material deprivation – such as homeless people, out of poverty.
- Set up mechanisms for regular consultation and structured dialogue with job seekers, the unemployed, people experiencing poverty, and the organisations representing them, linked to the national input to the European Employment Strategy and National Reform Programmes, and the National Action Plans on social inclusion, through the Social OMC.

# Using Structural Funds



05 |

## Introduction

The European Commission in its Active Inclusion Recommendation gives a clear role to Structural Funds, in delivering active inclusion: *“Guarantee the relevant resources and benefits under the social protection arrangements; use the provisions and resources of the Structural Funds, in particular the European Social Fund, to support active inclusion measures.”*<sup>72</sup>

The Commission proposes that ESF programmes can support Active Inclusion in three ways:

- Developing and testing integrated pathways to active social and economic inclusion;
- Mainstreaming innovative integration approaches that have a clear advantage over current practices;
- Disseminating and transferring good practice in promoting social inclusion across all Member States.

These three strands should be fulfilled by the EU’s territorial cohesion objective now recognised by the Lisbon Treaty (article 157 TFUE), taking into account local and regional circumstances and improving territorial cohesion. This would give an equal importance to social equality and to using Structural Funds to tackle social disparities. It would also recognise the spatial diversity of poverty - with significant problems of low incomes, unemployment, under-employment and lack of opportunities in rural areas.

Despite this commitment to use Structural Funds for social objectives, only 12,4% of ESF expenditure is earmarked for social inclusion projects within the overall Lisbon budget of 349 billion euro for the programming period 2007–2013. The European Commission acknowledged in its Cohesion Policy Strategic Report 2010<sup>73</sup> that *“progress on delivery of the priority of social inclusion is relatively slow and not spread evenly across the funds and programmes.”* Although Active Inclusion has not been identified so far by the Member States as a high priority, some Member States have already used Structural Funds to support Active Inclusion measures in their Operational Programs, with-

out explicitly naming them as such. The UK even dedicated a transnational programme to Active Inclusion thanks to the pressure brought by the NGO sector. It has been prioritised as such in eight of the nine English regions. Nevertheless, the use of Structural Funds to support active inclusion measures could be much improved by going beyond the current focus on activation measures within Operational Programmes.

The Europe 2020 Strategy provides a unique window of opportunity to use Structural Funds to promote active inclusion approaches as an instrument in the fight against poverty and social inclusion. The broad social objectives (employment target and the poverty-reduction target) outlined in the inclusive growth pillar and their implementation through the employment guidelines (especially Guidelines 7 and 10) give a clear mandate to Member States to mobilize Structural Funds to reduce poverty, and increase the number of people in quality employment. In line with the Budget Review<sup>74</sup> and the Conclusions of the 5<sup>th</sup> Cohesion Report,<sup>75</sup> the use of EU Funds should be directed towards the headline targets of the Europe 2020 Strategy, supporting the increased use of Structural Funds to reduce poverty and social exclusion. To do this, the link between EU fund and national policy priorities should be better reflected in the National Reform Programmes, and a better link made with national strategies for combating poverty...<sup>76</sup> In that regard, both the ERDF and the ESF have a key role to play to foster the investment in quality social and healthcare infrastructures, and facilities and services to ensure a successful pathway to inclusion and quality job for the most vulnerable groups of people.

It is crucial, especially in the current time of economic crisis, to redirect ESF measures towards the most vulnerable groups of people to prevent them from being excluded further, both from the labour market and from society, with less opportunities for accessing their rights and leading a dignified life free of poverty. According to the Social Protection Committee (SPC), Member States are already making an intensive use of the European Social Fund to support the policies mobilised in the context of Europe 2020, notably in the areas of labour market participation, active inclusion and prevention, etc.<sup>77</sup>

72. EC Recommendation on the Active Inclusion of People excluded from the Labour Market (3 October 2008).

73. COM (2010) 100 Final, *Cohesion Policy: Strategic Report 2010 on the implementation of the programmes 2007 – 2013* (31.03.2010).

74. COM (2010) 700 final, *The EU Budget Review* (19.10.2010).

75. COM (2010) 642 final, *Conclusions in Investing on Europe’s future, Fifth Report on economic, social and territorial cohesion*, 9 November 2010.

76. The Progress report on Europe 2020 (Annex 1 of the Annual Growth Survey) states that *“budgetary implications of reforms – including where appropriate clearer indications of national progress in and plans to use the Structural Funds to support growth friendly investment.”*

However, contrary to what has been presented by the European Commission in its Joint Report on Social Protection and Social Inclusion 2010, the changes in Member States' Operational Programmes have had a mixed effect regarding the social inclusion of the most vulnerable groups.<sup>78</sup> EAPN members have noticed negative changes due to a growing emphasis on maintaining employment at the expense of those furthest from the labour market and away from broader active inclusion policies that reinforce access to rights, services and benefits.<sup>79</sup>

For instance, in the UK, the economic downturn has already led to a partial refocus on people who are closer to the labour market. Half of the additional funds (79 out of 158 million pounds) has been allocated to additional work-related training and careers advice for people who are close to the labour market (at risk of losing their jobs or who have very recently lost their jobs).<sup>80</sup>

**TO MAKE ACTIVE INCLUSION AN OVERARCHING PRINCIPLE OF STRUCTURAL FUNDS, EAPN PROPOSES FIVE GUIDING PRINCIPLES**

1. Integrated pathways and ensuring access to services for those furthest from the labour market, to support them on a pathway to inclusion and quality employment
2. Using soft indicators to measure progress
3. Making it happen: a social-inclusion friendly environment in the Structural Funds Regulation is needed (partnership principle, technical assistance and global grants)
4. Mainstreaming of active inclusion throughout Structural Funds (successful innovative integration approaches)
5. Promoting the transnational dimension of active inclusion

**1. Integrated pathways and ensuring access to services for those furthest from the labour market, to support them on a pathway to inclusion and quality employment**

Integrated active inclusion approaches should be aimed at tackling the broader obstacles to accessing quality employment, and/or supporting people into social participation, enforcing their rights to resources and services and to a life in dignity. This should entail:

- **Joined up measures designed to support individualised pathway approaches into work and/or social participation and empowerment.** Structural Funds should be used to finance projects supporting people along the road to quality jobs (See below: Case Study 1) or to social participation and inclusion (Case Study 2). These joined up pathways need to link vocational education, training, counselling, development of soft skills, language courses, frontline services like childcare or transport and relevant community and social support services (CS 1). They also need to tackle barriers to inclusion by encouraging local development approaches, and improving the empowerment, skills and capacity-building of excluded people in the context of community development. Tailored, pathway approaches also should not focus exclusively on getting people into a job, but moving people along the road to inclusion: building confidence, getting new skills and the capacity to engage in projects in their local community (CS 2).



77. SPC Assessment of the social dimension of the Europe 2020 Strategy (2011), Full Report (18 February 2011).

78. The European Commission stated in the Joint Report on Social Protection and Social Inclusion 2010 that "the EU has taken significant steps to re-channel Structural Funds in response to the crisis, mainly towards stimulating growth and maintaining employment."

79. EAPN Report, *Is the European project moving backwards? The Social Impact of the Crisis and of the Recovery Policies in 2010*, February 2011.

80. These figures have been taken from Evidence review of the impact of the ESF on those furthest from the labour market 2007–2013, produced for the Third Sector European Network by the Centre for Regional Economic and Social Research (October 2009).

- **Developing integrated approaches which ensure access to an adequate income, and quality and affordable services** as a pre-requisite for ensuring a successful pathway to inclusion and accompanying people into quality jobs. In this regard, a particular emphasis should be put on ensuring access to quality services (social and other) through capacity-building for social NGOs providing social services infrastructures (in particular in the convergence areas), for example along the line of the Local Social Capital programme developed under the previous programme. The ERDF regulation includes, in convergence areas, neighbourhood services (§4.3), health, social and local infrastructure (§4.11) and in urban programmes, community development (§8). An integrated approach to combining ERDF and ESF should be promoted in order to ensure the provision of quality social infrastructures and services for the most vulnerable groups of people.

## 2. Using soft indicators

### How to really measure progress for people who are furthest from the labour market?

**Social inclusion indicators** should measure to what extent and how far social inclusion objectives are being achieved. They usually fall into three types: target (which group or area is targeted), location (targeting the poorest districts) and outcome (measuring the effect of the intervention some time afterwards - also called progression). As highlighted by the European Commission, these kinds of indicators are all the more important because the new inclusive growth pillar of Europe 2020 will need better social inclusion indicators to monitor and assess progress towards the achievement of the poverty-reduction target and the employment target.

However, there are currently several weaknesses in the measurement of social inclusion in Structural

### CASE STUDY 1: EAPN SWEDEN, PROJECT "HOLISTIC WORK TRAINING"

The goal of this two-year project (August 2009 to August 2011) is to offer training to employees in the Church and to provide a coordinated support (rehabilitation and training) to groups of people who are facing discrimination and who are the furthest from the labour market. Unemployed people as well as employees of the public sector take part in rehabilitation programmes. The programme consists of courses (Cognitive Behaviour Therapy, Rehabilitation Science and practical skills: cleaning, painting, gardening...), and practical development of methods in three regions set up both internally within the parishes and externally through the collaboration between the public sector and the Church and social enterprises using a holistic and long-term coordinated approach between different authorities. The parish communities are used as positive environments to build up long-term relationships enabling the rehabilitation and training of the people. The project has benefitted over 100 people, targeting employees of the Lutheran Church in Skåne.

Through the support of the Structural Funds, a holistic approach to active inclusion can be developed based on an integrated and sustainable social work approach to work training and rehabilitation, adapted to the particular needs of vulnerable groups of people. The skills of the employees of the Church and the commitment of the church communities to take on excluded people for work training are strengthened. **The negative social and economic context (e.g. lack of jobs and too short rehabilitation periods) prevent the full social inclusion of people however. Other factors can include the lack of collaboration from the church employees (to receive people for work training and rehabilitation) and from the parishes, and between the public sector and the Church.**

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Funds. The indicators used are **few in number** and only limited to small parts of the ESF. They are primarily **hard indicators** which are focused on counting (input, throughput, output) but which do not tell us anything about the **quality** of the programme nor its outcome in terms of promoting social inclusion. A mix of **hard and soft** indicators would provide a more effective means to measure progress in reducing poverty, particularly through promoting active inclusion and participation as well as quality, sustainable employment.

**Soft outcome indicators** focus on the intermediary stages and can measure the distance travelled, i.e. the progress that a beneficiary makes towards employability or towards social participation and inclusion as a result of the project intervention. Rather than a narrow focus on transitions into any job, they can better measure developmental progress – i.e. confidence-building, acquiring new

capacities for self-development, social skills and the achievement of personal goals, increasing participation and engagement in the project and in their local communities. All of which serve to help them move towards sustainable employment, where feasible, or towards greater participation, but which also reflect more closely the broader objectives related to broader inclusion/active inclusion goals.

These indicators are also crucial because they often represent the main results achieved by people who are furthest from the labour market in ESF projects, and are helpful for demonstrating to the beneficiaries themselves the progress they have made. These soft indicators can also help to measure and improve the long-term development of projects and better demonstrate the progress achieved to external partners and funders.



### **CASE STUDY 2: BAPN (EAPN BELGIUM), PARTIS (PARCOURS TERRITORIAUX D'INCLUSION SOCIALE)**

This project is coordinated by the *Chapître XII - Intégra Plus* association together with 5 other associations operating in rural areas in the provinces of Liege and Namur, and works through a broad partnership in complementary sectors (accessing and maintaining employment, empowerment, setting up enterprises and activities, etc.). The project has **developed different and complementary initiatives (collective vegetable garden, professional pathway, learning/training, valorization and consolidation of the quality of houses, services and jobs)**. There are a **wide range of entry points facilitating progressive and tailor-made professional pathways taking into account the territory, the diversity of the population and their needs** (mobility, social links, cultural discovery, housing, self-confidence, etc.) **leading to active inclusion. The participative and bottom-up process also gives the beneficiaries space to bring their testimonies, thoughts and analysis to the field of employment and inclusion, helping to better adapt the local framework to the living conditions and territorial and socio-economic realities that beneficiaries are experiencing.**

In 2009, almost 400 people who are the furthest from the labour market have benefitted from this project. **The structural links with public authorities by the Association coordinating the project (via CPAS – Public Centre of Social Aid) have strengthened the dialogue between the grass-roots level and the public sector in the territory. Through this wide landscape of entry points, active inclusion can be achieved through 3 elements: accessing work, voluntary investment in terms of social participation in the local community, job maintenance and improvement of working conditions.**

#### **Key challenges:**

- The length of time taken to develop the project with the public authorities due to administrative hurdles. The bureaucratic administrative requirements also tend to undermine more innovative and creative approaches which are particularly necessary for supporting groups of vulnerable people.
- The very late payment leads inevitably to indebtedness. This makes Structural Funds inaccessible for small grass-root NGOs.
- The global administrative, monitoring and accounting framework is imposed without any distinction being made between small and big organisations and institutions. New innovative procedures promoting active inclusion for small organisations should be set up to enable them to access Structural Funds.

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## EXAMPLES OF SOFT INDICATORS

For instance for ESF projects, outcomes and progression could be measured by:

- % completing intervention
- % progressing to further training/ education/qualification/life-long learning
- % progressing to quality work (nature of contract, part/full time)
- % with later employment well above/ at/below/well below minimum wages
- % whose social situation had improved one year/ two years later...
- % who increased social and other skills, confidence-building, empowerment etc
- % who engaged in social participation activities/community development.

For ERDF Projects, there are many issues where active inclusion issues are relevant and where an active inclusion test, applied through an indicator, may be relevant:

- on childcare facilities: % located in disadvantaged districts (location), % used by parents from disadvantaged groups (targeting), % parents progressing to training, work, employment, social participation (outcome);
- on health projects: % beneficiaries from groups living in poverty (targeting), % of targeted groups with improved health (outcomes).

Soft indicators should be community-based and developed together with anti-poverty NGOs and other key stakeholders, recognizing the skills and detailed local knowledge of NGOs in relation to the capacities and barriers that people excluded from the labour market are facing and how best to overcome them.

The soft indicators should also be more based on needs and capabilities (measuring the level of skills, experience...) and measure how successful a project has been in adapting services to the target audience, developing an effective, personalised pathway which achieves its goal of helping people progress along the road to inclusion, participation and/or a quality job.



## COMBINING ESF AND ERDF TO DELIVER SOCIAL INCLUSION: INTERVENTIONS IN LOWER SAXONY, GERMANY

Thanks to the involvement of the social NGOs in the drafting of the new ESF and ERDF programmes for the programming period 2007–2013, social inclusion has been mainstreamed across the programme. In the area of the ERDF, a new programme called *Reconditioning and development of urban areas* has been developed with the aim of promoting sustainable urban development. A section is dedicated to *Improving social and cultural infrastructure*. Financing can be given to projects which support the:

- Building and extension of services and organisations working with children and young people, women and girls, elderly people and persons with a disability,
- Building, renovation and extension of services in the field of culture, sports and recreation: meeting points, health centres, education and training centres and district offices,
- Provision of integrated local development approaches involving the participation of citizens,
- Prevention measures against urban delinquency.
- Priority is given to projects which combine ERDF and ESF interventions. For instance, Junior-Railway station is situated in the Convergence region in the North (Dannenberg). The old railway station was bought by local government and is being converted with the support of ERDF. The jobs created in renovation and reconstruction are providing employment opportunities for unemployed and disadvantaged people, with the support of social NGOs, and the Service Agency of the Protestant Church in particular. The objective is to manage the railway station via projects and measures targeting these groups, focusing on the participation of disadvantaged young people.

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### 3. Making it happen: a social inclusion-friendly environment in the Structural Funds Regulation is needed (partnership principle and technical assistance, global grants)

The full implementation of Active Inclusion is only possible if a social inclusion-friendly environment is provided. In reality, anti-poverty NGOs have a sound knowledge of the needs of the most vulnerable groups of people and their cultural and socio-economic difficulties in a given territory, because they run projects for/with them on the ground, at local level. As highlighted by Fabrizio Barca in his report on the future of Cohesion Policy: a place-based strategy giving more importance to involving local actors, social interests and NGOs is needed.<sup>81</sup>

This social inclusion-friendly environment depends on the promotion of the following elements:

#### 3.1 Supporting Social NGOs in project delivery

Social NGOs, by working directly for and with people experiencing poverty and social exclusion, know their needs and the social-economic situation of a territory. They are in a good position to identify what works and to adapt services to the specific group's needs, ensuring their participation through a participative approach. They are also in close contact with different kind of actors at the local level (local authorities, service providers...), which puts them in a good position to lead effective projects promoting active inclusion.

However, the financial and administrative barriers arising from the very complex Structural Funds Regulation currently prevent many anti-poverty NGOs from accessing Structural Funds to develop active inclusion projects. The trend of massification, where contracts are won by big private organisations targeting people close to the labour

market to reach hard quantitative objectives, is also damaging the implementation of integrated approaches targeting the most vulnerable groups. The promotion of a bottom-up approach, combining community development and participation, is therefore critical. Despite a proven success rate in engaging the hardest-to-reach, Global Grants<sup>82</sup> and Technical Assistance<sup>83</sup> are largely underused by Member States.

The success of these measures is due to 2 key design features:

- supporting the accessibility and flexibility of provision, with many organisations already known and trusted by their target communities, and
- a focus on social inclusion and progression towards the labour market rather than on only hard outcomes.<sup>84</sup>

In Spain, the Operational Programme Against Discrimination in 2000-6 was delivered through a **global grant** managed by the Fundación Luis Vives, possibly the largest global grant allocated at the time.



In Britain, managing authorities have provided national and regional **Technical Assistance** for social NGOs through the ESF and ERDF continuously since

81. "More involvement of bodies representing social interests at EU and national levels, including NGOs in particular, in line with the mandate of the 2002 European Council to mobilize all the relevant bodies. But this should be only an intermediate step toward the ultimate goal of mobilizing the potential beneficiaries of policy and the local branches of these bodies in every place in which intervention occurs" Fabrizio Barca: 'An agenda for a reformed cohesion policy - a place based context approach to meeting European Union challenges and expectations.' European Commission, Brussels, 2009, p.151.

82. Article 42 of the Structural Funds Regulation defines the Global Grants mechanisms whereby the "Member State of the Managing Authority may entrust the management and implementation of a part of an operational programme to one or more intermediate bodies." The use of global grants to achieve the objectives of the European Social Fund is also encouraged by article 11 of the European Social Fund Draft Regulation.

83. As defined in the article 45 of the Structural Funds Regulation, "technical assistance is designed to support the smooth running and management of Structural Funds' operation, for instance by covering studies concerning the operation of the Funds, the exchange of information and experience, evaluation and computerized information systems, but also reaching out to final beneficiaries."

84. Evidence review of the impact of the ESF on those furthest from the labour market 2007-2013, produced for the Third Sector European Network by the Centre for Regional Economic and Social Research (October 2009).

1993 (e.g. through the London Voluntary Sector Training Consortium (LVSTC)). Recently, LVSTC led a two-year partnership with eight other organisations to deliver a regional capacity-building project to support 3,100 street-level micro-projects. This has now been set back by the European Commission which has intervened to stop the levy system which helps delivery agencies raise matching funding for technical assistance.<sup>85</sup>

### 3.2 Promoting effective governance based on the partnership principle

This means making full use of the partnership principle at all stages of the Structural Funds process (preparation, implementation, monitoring and evaluation of the Operational Programmes). Under Article 11 of the Structural Funds Regulation, Member States are indeed expected to work in partnership with NGOs and civil society. This means that anti-poverty NGOs, as with NGOs in other key

areas of Structural Funds policy (e.g. environment), should be involved in the design and delivery of the Structural Funds, especially their operating institutions and methods (e.g. monitoring committees, evaluation, indicators). For EAPN Members, the use of the partnership principle remains virtual.<sup>86</sup> Its full implementation requires the involvement of a wide range of civil-society organisations representing the target groups, including anti-poverty NGOs and people experiencing poverty. NGOs should be selected through a transparent selection process and participate as full members in all the decision-making process in all monitoring committees (ESF and ERDF) with full voting rights.

Technical Assistance funds should also be made available to NGOs across the EU through more flexible co-financing regimes to allow the fulfilment of their essential roles as partners within monitoring committees.

### 3.3 Testing how far Structural Funds management systems support local development

#### **EAPN BULGARIA, ACTION PROJECT: 'SUSTAINABLE DEVELOPMENT OF LOCAL ECONOMIES AND COMMUNITIES THROUGH SOCIAL ECONOMY, IMPROVEMENT OF SOCIAL SERVICES AND EFFECTIVE USAGE OF STRUCTURAL FUNDS'**

This pilot action/research project, funded by the ESF, aims at assessing the effectiveness of the national Structural Funds management system. Do Structural Funds really support local development and to what extent do the priorities of Structural Funds correspond to the priorities of a small municipality? The project involves two Universities (Sofia and Blagoevgrad), the Institute of Sociology at the Bulgarian Academy of Sciences, the municipality of Sapareva Banya, a local NGO (Women's Association: From the Spring) and the National Federation of Employers of People with Disabilities. 54 students from the two Universities worked together with academics, local people and local authorities to make a participatory action research project and elaborate 'projects of hopes' in different fields (eco-farm, cultural festival, local communication strategy, capacity building of local NGOs working with the disabled, regional association for agricultural producers, development of tourism services and activities for children).

Elaborated within the Transnational EU PROGRESS project 'Bridges for Inclusion', this project activated local initiative groups and local capital through participatory action, research and social methodologies for public participation. Many different stakeholders (especially young people) worked together to foster local development and the job of 'local development expert' was developed with a master program.

**Some of the key findings of the project were that the current SF's framework was too business-oriented, and little adapted to local development needs, whilst the management of the project was weakened by administrative burdens and financial obstacles:**

- "Young people share a lot of new ideas. But local people here are not interested enough in local development, while in the ministries, the staff do not have the competence to deal with this type of activity." (A local authority representative).
- "Local authorities are only interested in big business and tourism. They do little or nothing for the local people. We would like to participate and help." (NGO representative).
- "There is neither information for the tourists nor concern about local development and the local people." (Student from the University).

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#### 4. Mainstreaming Active Inclusion throughout Structural Funds (successful innovative integration approaches)

From the start, the mainstreaming potential of Active Inclusion throughout Structural Funds will depend on the identification of adequate policy links and the establishment of a mechanism to engage key institutional actors. The mainstreaming strategies should be elaborated through a strong involvement of civil-society organisations. They should aim to get the commitment of relevant policy makers from national ministries, local and regional authorities, social partners as well as sectoral organisations, to promote Active Inclusion, prioritise the development of innovative projects and then implement them.

For effective mainstreaming at national level, a closer link also needs to be made between **Structural Funds and the Open Method of Coordination for Social Protection and Social Inclusion** (OMC SP&SI), as well as the European Platform Against Poverty. According to EAPN Members, references to the EU Social Inclusion strategy in relation to Structural Funds are currently scarce.<sup>87</sup>

In the framework of the Europe 2020 Strategy, the role of the Social OMC is currently under discussion in relation to the Flagship Platform against Poverty, although it now appears that the OMC will be reinforced and seems likely that some kind of national reporting on national social protection and social inclusion strategies will continue.

In this case, it is clear that the link between national strategies for Cohesion Policy and the National Reform Programmes, already proposed by the Budget Review paper<sup>88</sup> and the 5<sup>th</sup> Cohesion Report,<sup>89</sup> should be underpinned by the priorities from the National Action Plans on Inclusion and National Strategies for Social Protection and Social Inclusion, particularly in guiding the contribution of Structural Funds to delivery on the poverty-reduction target.

This means that a broader, more positive and comprehensive vision of cohesion and activation is needed: putting less emphasis on immediate growth-enhancing areas (innovation and knowledge, infrastructures, entrepreneurship, energy efficiency) for the ERDF and having a too-narrow vision of labour-market activation for ESF with too little focus on social participation measures, community building and integrated local development, and developing social services.

The National Action Plans for Inclusion, as well as other elements of the Social OMC are valuable instruments which can help Structural Funds better meet their social-cohesion and social-inclusion objectives. These include agreed EU Common Objectives that promote access for all to rights, resources and services, important tools (including a full range of social-inclusion/social-protection indicators), and useful methodologies - including a stronger focus on promoting stakeholder participation at national and EU level.

The European Commission could play a key role by addressing country-specific recommendations (following Member States' annual reports on Structural Funds and in the National Reform Programmes), on how to implement Active Inclusion in the fight against poverty and social exclusion.

Finally, mainstreaming would be further complemented by the development of mechanisms to ensure effective coordination on the delivery of active inclusion through Structural Funds at regional, national and EU levels including templates for guidelines, indicators and benchmarks.

In this regard, the establishment of platforms at regional, national and transnational levels embracing people experiencing poverty and the NGOs that support them, as well as local observatories would play a key role in fostering the mainstreaming of active inclusion in Structural Funds.

Many of these elements appear to have been taken up in the new proposals in the Europe 2020 Strategy, particularly within the Flagship Platform against Poverty.

85. These two examples were taken from Brian Harvey, *EAPN Structural Funds manual 2009–2011*, Third edition (December 2009).

86. EAPN, *EAPN mid-term Assessment of the current programming period and perspective for Post-2013, The contribution of Cohesion Policy to social inclusion, What role for social NGOs?*

87. EAPN *Social Inclusion Scoreboard on the National Reform Programmes (2008–10) Full Report, Will the Economic Crisis force a stronger social pillar in Lisbon?*, February 2009.

88. Commission Communication, *The EU Budget Review*, 19 October 2010.

89. European Commission, COM (2010) 642 final, *Investing on Europe's future, Fifth Report on economic, social and territorial cohesion*, 9 November 2010.

## 5. Promoting the transnational dimension of active inclusion

The transnational dimension of ESF projects is key for spreading the Active Inclusion concept at national, regional and local levels. In the previous programming period, the EQUAL initiative was the ESF's vehicle for supporting transnational and innovative actions. EQUAL was important, not just in providing access to Structural Funds for NGOs that carried out important work in the area of social inclusion, but because of its key features: promoting empowerment, the bottom-up approach and transnationality.

There is no EQUAL programme in 2007–2013, but its concepts were supposed to be mainstreamed. The Preamble of the ESF Regulation paragraph 6 highlighted:

*“New lessons have been learnt from the Community initiative EQUAL [which] should be integrated into ESF support. Particular attention should be paid to the participation of target groups, the integration of migrants including those seeking asylum, the identification of policy issues and their subsequent mainstreaming, innovation and experimentation techniques, methodologies for transnational cooperation, outreach to groups marginalized in relation to the labour market, the impact of social issues on the internal market and access to and management of projects taken on by nongovernmental organisations.”*

In practice, only a few Member States have developed transnational projects. Some countries are very open about the themes that can be funded, while others are more specific (e.g. labour-market re-integration). The level of transnationality can vary from being a minor theme in a project (e.g. transfer of a product) to a project that is largely transnational in nature.

**In France**, the first country to invite proposals, there is a transnational strand to the ESF Innovative transnational and interregional actions managed by the intermediary organisation Racine. Projects last for one year only, with a subsidy rate of 55% under three axis: innovative and experimental projects, innovation partnerships and transnational

cooperation. Innovative and experimental projects cover the struggle against discrimination and life-long learning through new tools and methods. Innovation partnerships cover youth employment, helping those furthest from the workforce, the recognition of qualifications and new entrepreneurial activities through the dissemination of good practice, the development of tools and meetings. Transnational cooperation supports the most vulnerable people towards the labour market and inclusion through mobility actions and exchanges of know-how and work practices for professionals and apprentices, as well as the mutual recognition of qualifications.

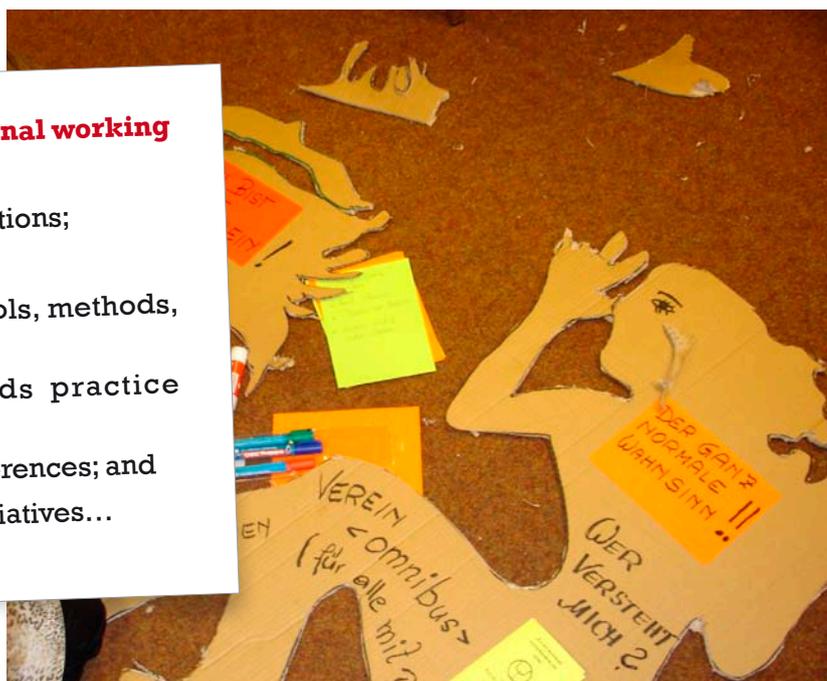
The transnational side of projects could support active inclusion by:

- Bringing real benefits to innovative projects developing integrated active inclusion approaches and complying with the requirements of the Community Strategic Guidelines for partnership, gender mainstreaming, innovation and transnationality by *“learning from, adapting or mainstreaming approaches, and where appropriate transferring good practice to other Member States.”*
- Allowing the exchange of knowledge, experience and best practice targeting people experiencing poverty and social exclusion, their needs and the barriers to exclusion and developing thematic priorities for ensuring successful pathways to inclusion and quality jobs.
- Supporting the participation of social inclusion NGOs in project delivery by launching open and regular calls for proposals and making them accessible to small and community-based projects.
- Implementing the partnership principle at all stages of SF projects so as to bring the expertise of local initiatives, addressing the needs of the most vulnerable groups, into the different platforms being developed by managing authorities.
- Ensuring a wide dissemination of good practices conducted through transnational activities at EU and national levels.

*Transnational partners do not have to be in receipt of ESF funding in their own Member State.*

**Some examples of transnational working include:**

- thematic workshops/exhibitions;
- study visits;
- piloting or testing new tools, methods, approaches etc.;
- work shadowing towards practice development;
- events, seminars and conferences; and
- new joint development initiatives...



**An example of a transnational ESF project on Active Inclusion**

**EAPN UK, NEW PATHWAYS INTO WORK IN WEST LONDON**

The purpose of this project, funded by the ESF's Innovation, Transnationality and Mainstreaming Strand in the UK, is to help people facing multiple barriers to enter the labour market through holistic approaches and integrated frontline services, targeting out-of-work residents, particularly those facing a range of barriers to employment, social and temporary housing tenants and people with mental-health needs.

The innovative activities embrace the linked frontline services in a range of sectors from employment support, the development of online resources and tools, the work with public service employers to develop and test employment pathways for disadvantaged residents and the linking between mental health and employment services. It involves West London Local Authorities, West London Working Partnership, the CNWL Mental Health Trust, Twinning Enterprise, Catalyst Housing and London Councils.

The transnational dimension is found in a partnership with the Regional Agency for Employment Policies in the Veneto Region in Italy. A research project on national frameworks for supporting disadvantaged groups into employment is being carried out as well as the identification of good and transferable practice in the integration of employment, housing, health and other services.

The frontline staff has been trained to signpost 1000 residents to employment and training services. Pilot pathways into public service employment have been put into place. A model for integrating mental health and employment support has been developed. Networks have been established bringing together key services to provide more integrated support to disadvantaged jobseekers.

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## Recommendations

### At EU level

- Clearly identify **Active Inclusion** as a priority focus theme in the new Structural Funds Regulation, linked to the Europe 2020 headline target on poverty reduction and the National Reform Programmes.
- Develop a pro-active role for the Commission in Active Inclusion that goes beyond monitoring, by supporting social experimentation and social innovation that can support bottom-up initiatives including social NGOs, and restoring such a role to the Structural Funds.
- Ensure that the Commission actively supports the setting up of new transnational projects on Active Inclusion, as part of the 'mainstreaming of EQUAL' into the new European Social Fund, by: developing Commission guidelines for the support of grass-roots initiatives on Active Inclusion and introducing a specific community of practice on Active Inclusion.
- Provide Member States with specific guidance and targeted information on the opportunities raised by such programmes.
- Actively involve civil society in this process.

### At national level

- Encourage Member States through the ESF guidelines to build social inclusion networks at regional, national and transnational levels, with a thematic focus which links directly to the social OMC and National Action Plan processes, as well as to the National Reform Programmes.

# Putting into place integrated approaches



06 |

## Introduction

The big challenge for national governments is how to develop long-term “integrated Active Inclusion approaches”, which can incorporate all 3 elements effectively (adequate income support, inclusive labour markets and access to quality services). In the 2008 Recommendation, the European Commission highlighted important key principles and criteria necessary for an effective approach. However, such approaches are not so easily put into practice, particularly in the context of the crisis.

Whilst Active Inclusion would appear even more relevant, with its emphasis on personalised activation support, adequate income as an automatic stabilizer as well as a social right, quality and affordable services, the pressure to reduce unemployment and cut public budgets is resulting in a hardening of activation approaches and sanctions rather than an increase in integrated approaches.

This is contributing to increased hardship for the most vulnerable people, and will result in greater poverty and inequality, when there are few sustainable jobs to go to, and will undermine the EU attempts to reduce poverty and social exclusion in line with the Europe 2020 target. The pressure on governments to produce immediate results, in terms of getting people into any job, is undermining the commitment to softer, more time-consuming, sustainable approaches, which require a longer-term investment in people and local communities.

According to EAPN’s 2011 survey on the social impact of the crisis (EAPN 2011), minimum income benefits are being cut, and eligibility and access to affordable services reduced. A key opportunity to use Active Inclusion approaches to reduce poverty and social exclusion and build a firm foundation for sustainable recovery based on people’s needs, is therefore being missed.

## Active Inclusion - EU Principles and Criteria

The Commission’s 2008 Recommendation on Active Inclusion required Member States to “*design and implement an integrated comprehensive strategy for the Active Inclusion of people excluded*

*from the labour market, combining adequate income support, inclusive labour markets and access to quality services.”*

### The Recommendation provided important key principles and criteria for judging effectiveness

- a) **Comprehensive policy design**, getting the right mix of the three strands.
- b) **Integrated and coordinated implementation** across the three strands of the Active Inclusion Strategy, to tackle the multifaceted causes of poverty and social exclusion.
- c) **Vertical policy coordination** between the different levels of Government competence: local, regional, national and EU authorities.
- d) **Active participation of all other relevant actors**, including those affected by poverty and social exclusion, the social partners, non-governmental organisations and service providers, in the development, implementation and evaluation of strategies.

The Recommendation further highlighted that Active Inclusion policies should: support the implementation of fundamental rights; promote gender equality and equal opportunities for all; take account of the complexities of multiple disadvantages and needs of specific vulnerable groups; recognize local and regional circumstances, whilst improving territorial cohesion, and support a life-cycle approach to social and employment policies, featuring intergenerational solidarity.

## What progress has been made?

Implementation of Active Inclusion principles has not proven simple. The EAPN 2008 Report on National Strategic Reports on Social Protection and Social Inclusion: *Building Security, Bringing Hope*<sup>90</sup> highlighted that, while few Member States were implementing a deliberate integrated approach across the three pillars, a number of Member States were starting to exploit the synergies better and widen the scope of their existing policies, to provide more integrated approaches to support inclusion and change their approach to labour-market integration. However, the crisis and the decision of most governments to reduce public

90. Examples from *EAPN Report: Building Security, Giving Hope: EAPN assessment of the National Strategic Reports on Social Protection and Social Inclusion (2008-10)*, November 2008.

deficits through cuts in public spending is drastically undermining these positive steps. This despite the commitments made in the new Europe 2020 Strategy to inclusive growth and the important new EU target to reduce the number of people at risk of poverty and social exclusion by at least 20 million by 2020 (see Introduction for more details).

## Some progress, but insufficient attention to integrated approaches

### Some progress...

EAPN Ireland: *“The development of active case-management approaches, which recognize the need for personalised support linked to income, are seen to be a positive step forward to an integrated approach – e.g. the social and economic participation programme, based in social welfare offices.”*

EAPN Austria: *“A clearer commitment is noted to a more integrated approach with central focus given to minimum income with a new minimum-income scheme, improved access to social services and access to the labour market for those furthest away.”*

### Examples of weakly integrated approaches

EAPN Belgium: *“Active Inclusion is developed through the strategy relating to activation and diversity, which focuses on and gives target for specific groups – women, school drop-outs, disabled people; tackling unemployment and life-long learning. However, income and services are taken little into consideration.”*

EAPN Romania: *“Active Inclusion is only defined through support for active participation in the labour market, without clear correlation with the first two pillars.”*

EAPN Bulgaria: *“Three elements of Active Inclusion are focused on – ensuring adequate income, increase in employability and access to quality services, but there is no mention of decent work.”<sup>91</sup>*

## Key weaknesses highlighted by EAPN networks in the implementation of Active Inclusion:

- The lack of a rights-based approach or a clear commitment to tackling discrimination.
- Developing ‘integration’ from a top-down, administrative perspective, rather than starting from the person’s needs.
- A tendency to promote a narrow punitive activation approach rather than Active Inclusion, with little attention to income and services.
- The difficulties in coordinating policies between different government levels, and different agencies with very different cultures.
- The failure to recognize the fundamental role of NGOs as key agency, intermediary and ‘social glue’, as well as important partners in selling ownership.
- The weak participation and governance, with limited involvement of users and grass-roots NGOs in the development, delivery and evaluation of the strategy.
- The limited mainstreaming of positive integrated Active Inclusion projects into national economic, employment and social policies.
- The lack of sustainable financing for demonstration projects and infrastructure particularly for the NGO and third sector.



91. Ibid.

## Way Forward: Embedding human rights in a people-centred approach

In 2008, EAPN developed, together with its members, a common position on Active Inclusion, agreeing core principles which needed to underpin an effective integrated approach.<sup>92</sup>

### PRINCIPLES FOR INTEGRATED APPROACHES:

1. Respect for human dignity
2. Freedom from discrimination
3. Personalised and based on need
4. Holistic, multidimensional and integrated
5. Participatory and inclusive

EAPN's principles build on those proposed by the Commission in the 2008 Recommendation and endorsed by the EPSCO.

#### 1. Respect for human dignity

The starting point is the respect for human dignity which is enshrined in the EU's Lisbon Treaty and in the Universal Declaration of Human Rights. This must be based on the recognition that all human beings are "*intrinsically worthy*" and deserve "*unconditional respect*", regardless of age, gender, social background or ethnic origin, religion or sexual orientation. This respect is owed to every individual by the mere fact that he or she is a "*member of the human family*" (Universal Declaration of Human Rights, 1948, Preamble). This intrinsic worthiness is widely recognized by international law as the source of human rights. A respect for human dignity means a recognition that people should never be treated as means, but as ends in themselves. People should not be *instrumentalized* nor viewed only in terms of their *economic value*. These rights are now made legally binding under the EU Lisbon Treaty through the EU Charter of Fundamental Rights, as well as through the European Convention for the Protection of

Human Rights and Fundamental Freedoms of the Council of Europe, and in the international covenants drawn up by the United Nations. The right to live a life free of poverty is a key fundamental right. Poverty therefore represents a violation of human rights.<sup>93</sup>

#### 2. Freedom from discrimination

Any denial of fundamental human rights to a dignified life is essentially discrimination. Two European Community Directives, the Racial Equality Directive and the Employment Framework Directive, define a set of principles that offer everyone in the EU a common minimum level of legal protection against discrimination based on a much more narrow interpretation. The directives prevent people in the European Union from being discriminated against on grounds of race and ethnic origin, religion or belief, disability, age or sexual orientation, primarily in the workplace. This comes in addition to the numerous laws adopted in the past 30 years to fight discrimination based on sex and to allow for equal treatment between women and men in the workplace. The current proposal over the extension of these rights to other groups and to access to goods and services is currently being debated. However, more action is needed – namely the commitment to the EU to embed the fundamental right of freedom from discrimination in accessing *all* human rights, for *all* groups, in *all* policies, thus delivering its commitments to the international conventions and charters it has signed up to.

#### Tackling discrimination against the Roma community

On 5 April 2011, as part of the new Europe 2020 Strategy, the European Commission launched an important new European Framework for National Integration Strategies for Roma<sup>94</sup> recognizing that 10-12 million Roma across Europe are one of the largest and most discriminated ethnic minority communities and one at most risk of poverty and social exclusion. Integrated Active Inclusion approaches offer a key means to support the inclusion of Roma groups.

92. EAPN, *EAPN Principles on Active Inclusion/Report of Active Inclusion seminar*, May 2008.

93. United Nations Declaration of Human Rights, 1948.

94. COM (2011) 173 final: *EU framework for National Roma Integration Strategies up to 2011*, 5 April 2011.



## CZECH REPUBLIC: THE IQ ROMA SERVICE

### Summary

The IQ Roma Service works with socially excluded people, mainly Roma. They provide integrated, comprehensive social and education services for the whole family through a long-term, case-management method. The approach is supported by ESF as well as central and local government financing. A case manager coordinates multidimensional support for the client involving experts (child-tion, debts, unemployment-prevention, etc). The fields have to cooperate. Thanks to this complex the workers are able to most efficient way. "We troubles at school, pursues or debt, altogether up with a solution." The each client's abilities or



nates multidimensional through a mini team care, housing, education, drug addiction workers from different ate as part of a team. work with the family, help the family in the discuss the children's ents' unemployment is- and then try to come case manager knows disabilities, his or her

**concrete needs, etc and cooperates with other social services providers and institutions such as schools, self-governmental officers, etc.**

### Results

In a recent case: "The counselling expert helped active family members to find well-paid work, which was highly appreciated by the family as they were facing some housing and debt issues. The family would have not been able to keep a flat without an income. Meanwhile, the educational programme workers gave the family advice about their son who was truanting, providing extra lessons and encouraging his motivation. This prevented potential care proceedings against the family for child neglect."



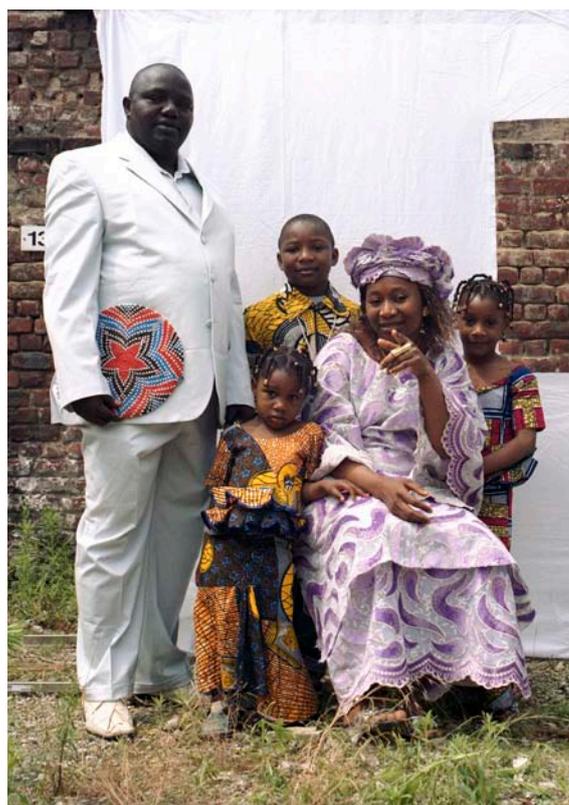
**The main aim of the case-management method is to help the person to act on his/her own without further help, to become independent and self-reliant encouraging social inclusion.**

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### 3. Personalised and based on need

Starting from a rights-based approach, an effective strategy should focus on people's individual needs and preferences, rather than prioritising an *instrumentalist* approach focusing on people's usefulness for the economy. It should recognize specific obstacles to the implementation of these individual human rights – particularly the right to an adequate income, quality services adapted to their needs and decent employment, underpinned by their right to participate as an equal and respected individual in society. This approach should recognize people as individuals with different and changing needs throughout the life-cycle and recognize the specific obstacles faced by different groups.



#### FRANCE: SOCIAL INTEGRATION AND EMPLOYMENT: JARDINS DE COCAIGNE – JULIENNE JAVEL ORGANISATION, BESANÇON (FEANTSA)

##### Summary

The French housing and social support organisation Julienne Javel based in Besançon, has developed an integrated approach to supporting unemployed people back into work through the Gardens of Plenty project. These are not-for profit social-inclusion workshops which run organic gardens, involving excluded people. The organic produce is sold via a weekly shopping basket in direct sales. The employees have a fixed contract of 24 months, working between 20–30 hours a week and paid the minimum hourly wage, and receive legal employment rights and training. The people access the scheme through social and employment services and people will often first go through the first type of support (AVA) where they learn life skills. The Government subsidises the organisation for each wage, financed by the European Social Fund. The sales only cover 20% of the costs, as the project has a high support ratio of 15% between support staff and employees. The support workers provided an integrated approach dealing with all the key obstacles to employment and inclusion (dealing with health difficulties, housing, personal motivation, mobility and administrative problems). Most of the employees are on RMI – i.e. minimum income and have been unemployed for a long time.

##### Results

At the end of the contract, 35% get a job, 18% go into training, 27% leave without prospects (2008). Although the fixed time period is supposed to ensure that there is a limit to 'supported employment', the organisation sees a need for "*longer-lasting tools for social integration that come from social support instead of labour law*", and hope that such social-economy projects might fall outside the internal market rules, and enable a longer-term form of subsidy and support.

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#### 4. Holistic, multidimensional and integrated

Poverty and social exclusion are multi-dimensional phenomena. A person's needs cannot be separated out according to administrative divisions. People have a right to a decent house, a quality job, effective health and education services as well as sufficient income to eat healthily, heat and light their homes adequately, provide support for their families, have a social life and participate fully in their local communities. This is the particular added value of the Active Inclusion approach.

However, it will only represent progress if the pillars are viewed as an integrated package, and interpreted broadly. For EAPN, a key pre-requisite

is to view the 3 pillars as a triangle, with access to adequate income and quality services at the base, providing the *essential pre-conditions* for effective social-activation approaches which support people into inclusion and decent employment and/or to participate more fully in their communities. Without a guaranteed income which can cover basic costs and access to key services like housing, health and education, as well as flanking support services like childcare and dependent services, work can often not be a realistic option, without causing great hardship. Providing people with security – based on a predictable income and access to quality and affordable services, will enable people to make long-term plans for the future, including employment.



#### OVERFØRSTERGÅRDEN PROJECT, DENMARK – INTEGRATED APPROACH TO HOMELESSNESS

##### Summary

**The Overførstergården** is a homeless shelter near Copenhagen, which has developed a 3-year integrated Active Inclusion project, together with the local authority, financed by the Social Ministry (2007–10), as a response to the “*forgotten core of people living below the 60% threshold line for long periods*”.

The approach has 4 key steps:

- 1) Assessing together with the homeless person the problems leading to exclusion. 2) Making holistic, individual action plans, in cooperation with the relevant partners (local authority, but also social housing companies, enterprises, health-care institutions etc).
- 3) Implementing the plan in a coherent fashion, providing adjustments and follow up until the homeless person is well established in a sustainable job, home and has a functioning social network.
- 4) Mainstreaming methods into the organisation of the shelter and the local authority. The project has succeeded in helping homeless people to have easier, faster access to housing and proper healthcare; get their rights to benefits and services, become more respected, and get better access to jobs and training. The local authority also gives homeless people a higher priority and better support. However, better access is not the same as lasting solutions. More investment must be made in long-term solutions, which recognize the complexity of the obstacles faced by homeless people to inclusion. *“Problems of substance abuse are especially difficult to solve. Most homeless people have been socially excluded for years, many from birth. For them it is not easy to adapt to a normal life. It takes time. When they experience conflicts, shame, etc., they tend to fall back to substance abuse and their former life style. Long-term follow-up and fast emergency support when they relapse is vital.”*

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*Testimonies from homeless people in the project: “I have an apartment now that I can afford, and where my son can visit me.” (58-year old man). “I have been sober for more than 6 months and am in job training. I’ve been promised an apartment, so I can take care of my boy.” (38-year old woman).*

## 5. Participative and inclusive

The model that the EU is promoting, based on the participatory democracy clauses of the Lisbon Treaty, as well on the specific Common Objective related to promoting good governance in the Open Method of Coordination on Social Protection and Social Inclusion, continually confirms the importance of active participation of all stakeholders in the governance process. This partnership approach, including specifying the involvement of civil-society organisations, is confirmed in Recital 16 of the Integrated Guidelines of the Europe 2020 Strategy.

But an integrated Active Inclusion approach will only be successful if the people most affected are directly engaged in the process of developing the measures, and in the implementation, monitoring and evaluation. This means prioritising participation and empowerment of people experiencing poverty and social exclusion, as well as the NGOs that support them. Participation, in this sense, is not an 'add-on', but an essential part of effective empowerment of people experiencing poverty, as well as developing sustainable and effective policy solutions and key to delivering on the poverty target for Europe 2020.

### New law for integrated approaches to social participation



#### WMO- WET MAATSCHAPPELIJKE ONDERSTEUNING – SOCIAL SUPPORT ACT SUMMARY (NETHERLANDS)

EAPN Netherlands highlights a new national law being implemented at local level. The law aims to oblige local authorities to socially support their citizens, by empowering them to become active and get involved in city life. This provides a new element to the Dutch integrated approach, promoting participation and empowerment of socially excluded people in providing local services. The Local Authority has to give the framework and integrated support in the following fields:

- 1) provide the ability to make a living and ensure social cohesion within local communities;
- 2) provide information, advice and support;
- 3) support voluntary work and voluntary care-takers for family, friends and neighbours;
- 4) promote participation into society and autonomy for people with mental and physical disabilities;
- 5) deliver provisions for homeless people and people with mental or social problems, to help with their social participation and integration;
- 6) provide preventive measures for young people with problems and parents with educational difficulties;
- 7) provide care for women affected by domestic violence;
- 8) promote anti-addiction policies, and
- 9) promote public mental healthcare.

In the Netherlands, minimum income is provided and there has always been a strong activation approach, however, this new law recognizes the value of social activation and the key role of helping people to get experience in voluntary work in their local communities, providing vital services. In most municipalities, an advisory council of citizens work closely with the authorities and the people concerned. *“Of course, not every municipality works well, but this law can be used as a small step forward to enable people to participate.”* (EAPN Netherlands).

#### Personal Testimony

*“For me, this is an opportunity and encouragement to work on improving pavements, improving access to shops and buildings for people with physical disabilities. It will make it much easier for us to participate.”* Mrs S., (a 50-year old woman disabled and confined to a wheel chair, living on minimum income).

*“We are involved in developing youth policy with the advisory council. I know how to develop this now and I will do it in my school and for my friends.”* Colin and Rouan (aged 15 and 16).

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## Building effective integrated Active Inclusion approaches

For Active Inclusion to be successful, it needs to start from human rights, take a person-centred approach, then build integrated pathways to inclusion together with the person concerned. Delivering this approach successfully, however, depends on strong coordination at local level between services and stakeholders, and the active participation of the user. In the current economic climate, with austerity measures planned in response to the crisis, the mainstreaming of Active Inclusion approaches is essential. Getting visibility for Active Inclusion strategies depends on how effectively stakeholders are engaged in the development, monitoring and evaluation of the integrated services, including people experiencing poverty and the NGOs that support them. Integrated Active Inclusion has a key role to play in delivering the commitments to poverty reduction in the Europe 2020 Strategy and in ensuring a socially just and sustainable recovery from the crisis.

### KEY SUCCESS ELEMENTS

1. Explicit EU and national political commitment to an integrated Active Inclusion approach in Europe 2020 and in response to the crisis.
2. A rights-based approach – which promotes human dignity, and tackles discrimination in access to benefits, services and work.
3. Genuinely integrated approaches that incorporate effectively the 3 elements – adequate minimum income, access to quality services and inclusive labour market. Adequate income and services are essential pre-requisites and ensure a stable base to support people into work or social participation.
4. Personalised, multidimensional methods which start from people's needs and tackle the multidimensional problems/obstacles in an integrated fashion, recognizing the need for long-term follow-up, adjusting the planning according to any set-backs.
5. Effective vertical and horizontal coordination between the different Government levels and departments and recognition of the value of NGO services, as trusted intermediaries and service providers.
6. Participation and empowerment of the user and people in poverty in the development, monitoring and evaluation of the programmes, policies and strategies.
7. Effective funding for the grass-roots level to develop local integrated approaches, involving NGOs, local authorities and other key stakeholders.
8. Mainstreaming successful project approaches and lessons learnt into economic, employment and social policy fields and decision-making processes.
9. High profile visibility of the strategy, its successes and set-backs, drawing on people's stories as well as quantitative and qualitative evaluation.



## Recommendations

### At EU level

#### **Implement the Active Inclusion Recommendation through Europe 2020, the Social OMC and the Flagship Platform against Poverty:**

- Make recommendations on the delivery of Integrated Active Inclusion approaches through National Strategies (SP&SI) and Action Plans for Social Inclusion as well as in the National Reform Programmes, as a key element to deliver on the agreed Poverty Target in Europe 2020 and the Integrated Guidelines (10).
- Establish a clear road-map for the implementation of Active Inclusion with a specific time-line, and multi-annual programming in the period up to 2020.
- Develop indicators to monitor integrated approaches, as well as for the three pillars in the delivery of Europe 2020 and the Social OMC.
- Monitor and give Commission Recommendations on progress on delivery, producing a scoreboard of well-performing and weak-performing countries; evaluate results and the impact on poverty, social exclusion and inequality.
- Promote more effective mutual learning through EU thematic clusters in the European Platform Against Poverty and Social OMC, linked to the national level, and involving stakeholders including people experiencing poverty and NGOs: mutual learning instruments of peer reviews, thematic reviews, studies and conferences.
- Provide funding through PROGRESS and Structural Funds to pilot demonstration or social experimentation/innovation projects providing integrated approaches, based on the agreed principles, and facilitate the access to NGOs to develop grass-roots projects, with support through global grants and technical assistance.
- Ensure mainstreaming and monitoring of Active Inclusion principles throughout Europe 2020, particularly through better horizontal coordination with other policy fields (and other DGs), to support implementation of integrated strategies –economic, employment, internal market strategies in particular.

### At national level

- Include Active Inclusion as a core policy objective in national anti-poverty strategies, to deliver on the poverty target and as a key element in an equitable and inclusive response to the crisis and devise a road-map for implementation.
- Give visibility and raise awareness of the Active Inclusion Strategy and the effectiveness of integrated approaches.
- Promote mutual learning and exchange on concrete best practices.
- Promote active participation and governance in strategies to deliver Active Inclusion, involving NGOs and people experiencing poverty in regular structured partnership and dialogue.
- Target national funding, including Structural Funds, to pilot Active Inclusion approaches, involving NGOs.
- Monitor and evaluate results, and ensure mainstreaming and rolling out of effective approaches.

# Conclusions

2010 was a crucial year for the fight against poverty with the EU Year for combating poverty and social exclusion and the launch of the new post-Lisbon Strategy. However, for many, it will be remembered as the year when poverty and social exclusion increased due to the crisis and austerity measures.

2010 could however mark a significant turning point. The year when the new Europe 2020 Strategy committed itself to *inclusive growth*, taking firm steps towards the eradication of poverty, and implementing the target to reduce the number of people at risk of poverty and social exclusion by at least 20 million by 2020.

Such a target can only be achieved if the EU ensures that all policies contribute towards the reduction of poverty and social exclusion, and prevents economic and other policies from undermining this goal, particularly in the current context of deepening austerity measures.

The Active Inclusion Strategy developed through the EU's Open Method of Coordination on Social Protection and Social Inclusion, provides a crucial integrated instrument that can help to realize these goals in a humane way, based on human rights.

Ensuring adequate minimum income, access to quality, affordable services whilst accompanying people into quality work or social participation, provides people with a real chance for a decent life and an effective pathway to inclusion – helping to surmount all the obstacles and difficulties. It also makes economic sense.

Putting Active Inclusion at the heart of the Europe 2020 Strategy and crisis recovery packages would not only contribute to reducing poverty and social exclusion. It would help ensure a sustainable recovery, and a secure foundation for inclusive growth. It would also demonstrate that the EU **puts people first and is serious about its commitment to a Social Europe.**

In this book, we have tried to demonstrate the value-added of integrated Active Inclusion approaches, chart the progress made and give examples and hints how to do it. But words alone are not enough. We now need implementation. This means giving visibility to the Strategy and good practices, mainstreaming it throughout all policy areas, particularly throughout the Europe 2020 Strategy, setting out a road-map for delivery at EU and national levels and ensuring targeted EU funding. Only in this way can Active Inclusion realize its potential as a 'key to inclusion'.



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- Case studies and seminar on Eurocities Website: [www.eurocities-nlao.eu](http://www.eurocities-nlao.eu)
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- *Gallup Organisation / European Commission: Eurobarometer Flash (284)* – May 2010.
- EAPN Ireland, Social Standards project, [www.eapn.ie](http://www.eapn.ie).
- Reference Budget project, coordinated by Dachorganisation asb in cooperation with ECDN (European Consumer Debt Network) See: [www.referencebudgets.eu](http://www.referencebudgets.eu) and [www.asb-gmbh.at/ecdn](http://www.asb-gmbh.at/ecdn) (PROGRESS).
- WISE project, carried out in 8 European countries to compare different forms of Work Integration Social Enterprises and what is needed to support them [www.wiseproject.eu/index.php?option=com\\_docman&task=catview&gid=24&&Itemid=27](http://www.wiseproject.eu/index.php?option=com_docman&task=catview&gid=24&&Itemid=27) (PROGRESS).
- Bridges for Inclusion project, featuring mutual learning about how to "bridge" Employment and Inclusion strategies, actors and actions through social economy experiences. [www.bridgesforinclusion.reapn.org/documents.php](http://www.bridgesforinclusion.reapn.org/documents.php) (PROGRESS).
- *Evidence review of the impact of the ESF on those furthest from the labour market 2007–2013*, produced for the Third Sector European Network by the Centre for Regional Economic and Social Research, October 2009.
- *United Nations Declaration of Human Rights, 1948*.

## Photo acknowledgements

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Projects mentioned in photo acknowledgements:

**Gabarage Upcycling Design - social enterprise and labour market training project, transferring waste material into design products**

Residual and waste material from industrial and commercial companies is used for the development of innovative design products: canvas covers are transformed into shoulder bags, disused traffic signs into shelves, film strips into light bulbs etc. Gabarage is run as a social enterprise and prepares unemployed people with a history of illegal substance dependency for re-entry into the job market. A qualification programme that has been designed specifically for Gabarage ensures training in a variety of skills and gets verified by a final certificate accredited by an external consultancy.

**Fourteen families under one roof**

The Brussels' housing crisis is making it ever more difficult to find an affordable home, let alone to buy one. However, a way out of this crisis is being looked at in Molenbeek via an innovative project. Together with the Bonnevie Community Centre, Cire and the Brussels Woningfonds, 14 families with limited means, united under the name 'l'Espoir', have been building on a joint plot of land their owner-occupied properties in one building. Unlike the traditional social housing projects, the homes have been designed in close consultation with the future owners.





**The European Anti Poverty Network (EAPN) is an independent network of non-governmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.**

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