

THE EU WE WANT

**VIEWS FROM THOSE FIGHTING POVERTY
AND SOCIAL EXCLUSION ON THE FUTURE
DEVELOPMENT OF THE EU**



EUROPEAN ANTI POVERTY NETWORK

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This publication is in three parts:

- An overview of the reality of poverty and social exclusion in the EU including the development of EU anti-poverty and social inclusion policies.
- Essays on key areas which need to be addressed if we are to reach the type of EU where all people have access to all their fundamental rights including their economic, social and cultural rights.
- Portraits of people who live in EU Member States and who face poverty and social exclusion.

Acknowledgements:

Produced and published with financial support from the Commission of the European Union

The opinions put forward in this publication are those of the authors and are not necessarily shared by EAPN or by the Commission of the European Union

Published in English and French

To check if other language versions are available consult the EAPN web site at www.eapn.org

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EAPN, October 2005

ISBN: 2-930252-35-9

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Efficiency must be balanced with the concern for Equity

The process of European integration has been one of the most successful experiences in eliminating war and promoting human rights for its peoples – including social, economic and cultural rights. At this crucial moment, the EU faces the challenge of continuing to play its dynamic role to improve the life of its inhabitants and provide guidance and a decisive contribution to the well-being of the rest of the world.

One of the most critical tasks facing the European Union today is to convince its citizens and residents that cooperation through the EU institutions is the most efficient way to maintain a Europe where values such as human dignity, social justice and equality – what one chapter in this book refers to as ‘a good life for all’ – can be fully observed. To attain such an outcome requires the EU to demonstrate how it can play a part to ensure socially responsible “globalisation” where social justice within the EU is not practised at the expense of poverty and environmental destruction in the so-called ‘developing world’.

The ‘EU We Want’ based on the experience of those fighting poverty and social exclusion is a unique contribution to the current debate about the future of the European Union. Responding to the ideals proposed in this book can be a timely and relevant way to promote confidence in the future of the EU. This publication demands that the EU place the question of equity in society at the very centre of its priorities, giving this concern at least as much attention as it gives the question of efficiency in the economy.

This book describes the present reality of the struggle against poverty and social exclusion in the EU while at the same time illustrating, through personal stories, the experience which lies behind the shocking reality: that at least 68 million people in the EU Member States are facing poverty. The questions raised by the contributors are not just how to be competitive in a globalised economy, but rather what type of development model can be pursued which does not rely on creating enormous inequalities in our societies. These are questions that go to the very heart of what type of society we want to build and defend. Finding answers to these questions requires the active participation of people experiencing poverty and social exclusion, as the chapter in this book on “participation” suggests.

It is therefore with pleasure that I recommend this book to all those who are concerned about the future development of the EU. I hope that it will provide inspiration for much needed reflection and debate and that it will receive the attention it rightly deserves. I hope that it can indeed contribute, as the title suggests, to the development of the ‘EU We Want’.

Federico Mayor

*Director
Foundation for a Culture of Peace*

General Introduction

The EU We Want is EAPN's third book and is aimed at making a contribution to the debate and policies needed to eradicate poverty and social exclusion in the EU. *Combating poverty and social exclusion: A new momentum in the European Union?* (2000) was the first book produced by EAPN. It examined the move to develop specific national policies to tackle poverty and social exclusion in some EU Member States. This book addressed the question of how these emerging national policies related to proposed Community action in this field under the new article 137 of the Treaty of Amsterdam. *Making a decisive impact on poverty and social exclusion?* (2002) was EAPN's second book, and was a progress report on the European Strategy on social inclusion. This EU inclusion strategy emerged from the Lisbon Council of 2000 and many of the features of this strategy were in line with the proposals contained in the first EAPN book.

The EU We Want has a different ambition from the previous two publications. The book comes at a particular time in the history of the development of the EU. Two prominent aspects dominate this period; firstly the enlargement of the EU and secondly the debates surrounding the ratification of the Constitutional Treaty for the EU. These events create a time for reflection and for debate about the role of the EU in the context of a world increasingly influenced by globalisation. This publication aims to contribute to these reflections and debates, a perspective from those actively engaged in the fight against poverty and social exclusion. While the authors of the chapters are closely associated to the work of EAPN the content of their articles does not necessarily reflect the shared views of EAPN. The publication is intended to raise debate within the membership of EAPN as well as the hope that it will reach and create debate within the wider society.

There are three parts to this publication. Part one seeks to give a broad overview of the development of EU anti poverty and social inclusion policies and to present statistics that help to give a view on the extent of the problem of poverty within such a wealthy part of the globe as the EU. This part also provides a reflection on 'statistics in relation to poverty' that highlights the importance of who gets to make the analysis of the meaning behind the statistics.

Part two has two aspects. It includes a series of essays which provide evidence that there is a dramatic political failure to efficiently fight and prevent poverty and social exclusion both within and outside of the EU. These essays reflect on the root causes that lie behind this failure and create demands for a political leadership that is deeply in tune with the everyday aspirations of the citizens and residents of the EU Member States. These essays do acknowledge that some EU Member States perform better than others in this regard and do highlight proposals, existing and new, which could transform the present reality.

The second aspect of part two is a series of portraits of people experiencing poverty and social exclusion. These portraits present a glimpse of some of the realities behind the statistic of 68 million people who face poverty and exclusion in the EU. These portraits some times use the real name of the person concerned and some times not, but in all instances the present real life situations. The portraits demonstrate the damage done to people by the failure to organise our society in a way that all people have access to their fundamental rights, as well as showing how people who face poverty and exclusion can overcome major obstacles and contribute to the creation of the EU we want.

PART 1



General Overview on Poverty and Social Exclusion in the EU





Chapter 1

The Development and Current Context for EU Anti-Poverty and Inclusion Policies

Brian Harvey

EU poverty programmes

The European Union's struggle against poverty has been through a number of distinct phases and these are charted here in brief. 1975 saw the commencement of EU action against poverty with the first programme against poverty (1975-1980). This was an experimental, learning phase, with mini-projects, research and investigations being funded across the nine Member States of the day. This led to a report that summarised what was known about poverty in Europe at the time: the relative incidence of poverty in the different Member States, the identification of those countries where the problem was more acute and less acute, the groups most affected, the policy responses of the different Member States and the main actors involved, with a focus on the role of voluntary and community organisations or Non-Governmental Organisations (NGOs). Indeed, the Joint Inclusion Report of 2004 may be seen as a more structured form of a recording tradition that goes back to the report marking the end of the first programme against poverty over 20 years ago, in 1981.

The second EU poverty programme (1985-89) marked a systematic attempt to gather experience and make an impact on poverty across a number of distinct themes, such as urban and rural action, marginalised groups, young people at risk and lone parents. Projects funded under these themes were required to have transnational partners and a centre was established in Cologne, Germany, to disseminate information on the programme.

The *Poverty 3* programme (1989-94) marked a further advance. The programme was simplified at one level, with only three themes: urban, rural and innovation, but complicated at another with the introduction of the partnership principle whereby NGOs were required to work together with governmental bodies in addressing problems of poverty in urban and rural settings. The principles of participation and multidimensionality were also part of the *Poverty 3* programme. An observatory on poverty flanked the work of the programme.

By the time this programme ended, the stage was set for significant advances in European action on poverty. A *Poverty 4* programme was prepared, with the focus moving away from on-the-ground projects to policy initiatives against poverty. During the high summer of the Delors' presidency of the EU, there was much discussion of coordinated policy actions against poverty and even of the harmonisation of social welfare systems to set down Europe-wide safety nets against poverty.

These aspirations came to grief with the veto by Chancellor Kohl's Germany of the *Poverty 4* programme and the subsequent, successful legal action by the UK and Germany against the European Commission for taking action against poverty which in the first place, they said, exceeded the authority of the EU. The European Court of Justice agreed and it was not until the Treaty of Amsterdam unambiguously empowered the EU to act against social exclusion that progress could be resumed once more.

From EU poverty programmes to an EU Inclusion Strategy

Following the blocking of the fourth EU poverty programme and after extensive lobbying, articles 136 and 137 were introduced into what became known as the Amsterdam Treaty which gave the EU clear competencies to foster cooperation between Member States in the fight against poverty and social exclusion. Following the introduction of these articles a reflection began on how to develop a response to these articles. EAPN was to the forefront in contributing to this reflection.

This reflection reached some tangible results when at the Lisbon Council in 2000 the heads of States and Governments set a new strategic goal for the next decade for the EU: *“to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”*. At the same council they also agreed that *“the number of people living below the poverty line and in social exclusion in the Union is unacceptable”* and that *“steps must be taken to make a decisive impact on the eradication of poverty”*. The method to be used to reach this strategic goal was described as the Open Method of Coordination (OMC).

The Open Method of Coordination (OMC) was modelled on the existing European Employment Strategy and has the following elements:

- The fixing of common EU-wide objectives and/or guidelines for achieving the required goals.
- The establishment of EU-wide common indicators and benchmarks against which progress can be measured.
- The translation of the common objectives and/or guidelines into national programmes or action plans.
- Periodic monitoring, evaluation and peer review of the implementation of the national programmes or action plans organised as a mutual learning process.

Common Objectives for the EU Inclusion Strategy were agreed at the Nice Council in 2000 as follows:

- To facilitate participation in employment and access by all to resources, rights, goods and services.

- To prevent the risk of exclusion.
- To help the most vulnerable.
- To mobilise all relevant actors.

A set of 21 indicators known as the Laeken Indicators (because they were agreed at the Laeken Council in 2001) has been agreed as a basis for monitoring and evaluating progress in implementing the strategy. In addition, Member States were encouraged to develop country-specific indicators.

The means to develop this strategy at Member State level was through the development and implementation of periodic National Action Plans on inclusion, drawn up using a common framework based on the agreed common objectives. As part of a preparatory stage towards engaging in this strategy, the ten new EU Member States plus Bulgaria and Romania, agreed with the Commission reports known as Joint Inclusion Memoranda.

With regards to the fourth element of this Open Method of Coordination, evaluation and peer review, there is an annual report agreed between the Commission and the Council which at this stage is known as the Joint Report on Social Protection and Social Inclusion (previous to 2005 these were called the Joint Report on Social Inclusion). These reports include an assessment of the development and implementation of the EU Inclusion strategy and a scoreboard based on the Laeken indicators on poverty and social exclusion. In addition a number of ‘Peer Review’ events have been organised where relevant actors from Member States and with the participation of representatives from NGOs, Local Authorities and Social Partners, examine particular practices put forward by Member States as potential examples of good practice in the fight against poverty and social exclusion.

To support elements of this EU Inclusion strategy and to encourage the engagement of relevant actors, the Commission provided funding through the Social Exclusion Programme.

Similar, Open Methods of Coordination were also developed, but to a lesser extent, in the fields of pensions and access to health and long term care. The Commission has proposed through a process of streamlining, to bring these processes and the inclusion strategy into a common framework under an agreed set of common objectives and reporting arrangements.

What messages have emerged from the EU Inclusion Strategy?

The key learning and lessons from the EU Inclusion strategy from the perspective of the Commission and the Member State Governments are recorded in the annual Joint Report on Social Protection and Social Inclusion. Other relevant actors, including Non Governmental Organisations, offer their observations to feed into this report and these observations are sometimes reflected in its content.

Joint Report on Social Protection and Social Inclusion

The Joint Report on Social Protection and Social Inclusion has a substantial body and volume of up-to-date information. It is highly analytical and delves into the national action plans across themes, objectives and countries. The Joint Report on Social Protection and Social Inclusion puts a coherent structure of extensive analysis on 25 (sometimes disparate) National Action Plans on Inclusion. In addition, the 2005 report also contains a chapter on the common work across Member States on pensions and active ageing. This report is essential for those concerned with poverty and social exclusion in the EU.

The Joint Report on Social Protection and Social Inclusion (2005) is divided into two main parts. The first part gives an overview of the key developments in relation to social inclusion, pensions and active ageing, as well as identifying the key policy messages that arise from this overview. The second part provides an analysis on social protection expenditure and financing, an overview of the most recent set of National Action Plans on Inclusion and a set of

country profiles outlining key challenges for the countries concerned. In addition, the second part provides a set of relevant statistical data. For a fuller set of relevant statistical data, one should also see the data published in the Joint Report on Social Inclusion, 2004. Key information from this data is included in the second chapter of this book.

In a section called "Key Policy Priorities" the report identifies seven key policy priorities across the European Union. These priorities are:

- Increasing labour market participation.
- Modernising social protection systems.
- Tackling disadvantage in education and training.
- Eliminating child poverty.
- Ensuring decent accommodation.
- Improving access to quality services.
- Overcoming discrimination and increasing the integration of people with disabilities, ethnic minorities and immigrants.

In relation to strengthening the EU social inclusion process the report urges Member States to:

- Establish stronger links between inclusion policy and economic and employment policy.
- Strengthen administrative and institutional capacity including social protection systems and better coordination across different government branches and levels.
- Focus on key issues and set more ambitious targets.
- Strengthen monitoring and evaluation of policies.

To achieve the same ends, the Commission and Council are asked to:

- Strengthen the mainstreaming of social inclusion objectives across all EU policies.
- Make better use of the OMC's potential to contribute to effective delivery.
- Ensure that structural funds continue to play a key role in promoting social inclusion.
- Further develop common indicators and enhance data sources.

The Joint Report on Social Protection and Social Inclusion is a central document in current European

literature on poverty and social exclusion. The report (or accumulation of annual reports) is exhaustive, informative and analytical and if the purpose of the OMC is to improve standards, it is a worthy instrument for the promotion of such standards. Although the report is inevitably written in cautious bureaucratic language, many of its comments have a sharp edge. NGOs could do worse than use it carefully as a basis for their engagement with their governments on the multiple shortcomings and the pedestrian blandness of some of their national action plans on inclusion.

Who are likely to experience poverty in the EU?

The Joint Report on Social Inclusion 2002, which dealt with the then 15 Member States of the U, identified a number of recurring risks or barriers that mean that some individuals, groups and communities were vulnerable to poverty and social exclusion. These risks and barriers were identified as:

- Long-term dependence on low/inadequate income
- Long-term unemployment
- Low quality employment or absence of employment record
- Low level of education and illiteracy
- Growing up in a vulnerable family especially families with three or more children or lone parents
- Disability
- Poor Health
- Living in an area of multiple disadvantage
- Precarious housing and homelessness
- Immigration, ethnicity, racism and discrimination.

The Report on Social Inclusion in the 10 new Member States (2005) identified a similar set of risk factors in the new Member States as follows:

- Long-term unemployment
- Having low/outdated skills
- Educational and training disadvantages
- Growing up in a poor family, particularly in a family with three or more children or a lone parent family
- Having a disability or chronic ill health or suffering drug or alcohol abuse

- Being part of an ethnic minority (especially Roma) and experiencing discrimination
- Living in small, disadvantaged and often geographically isolated settlements, particularly in rural areas
- Growing up in institutional care
- Being an asylum seeker or illegal migrant
- Being exposed to particular critical situations such as imprisonment, crime and violence or trafficking.

These lists bare a striking similarity. A more detailed reading of the reports suggests that there are differences in degrees. People with disabilities in the EU 10 are probably not only as poor as in the EU 15, but have been longer institutionalised and thereby excluded (in Western Europe, the movement toward inclusion and rights-based legislation started sooner). Unemployment is in many of the countries of the EU 10 much worse: at 14% almost double the EU 15 average of 8%, close to 20% in Poland for example. But perhaps the biggest difference concerns the Roma people. The Roma people of eastern and central Europe comprise a significant proportion of the population in some countries, 5% to 7% in Hungary and Slovakia, for example. Not only that, but their situation is a difficult one, their exclusion visible and their poverty extreme. Assisting the Roma is probably the biggest single challenge to emerge from inclusion reports in the EU 10 in terms of particular groups living in poverty.

The forces driving poverty are somewhat different in the eastern and central European countries. Not only are these countries transitioning from a controlled economy to a market economy but they are now facing the type of industrial restructuring that was so painful in western Europe in the 1980s. As a result, unemployment is much higher, with long-term unemployment twice as high (8%, compared to 3% in the west). Women, who were more protected in the labour force during the socialist period, lost their share of employment at a time when women's participation was growing in the west.

Analysis also points to differences in policies on poverty between the EU 15 and the EU 10 (while

recognising that within each of these groups there are large variations). Active labour market measures, which developed in Western Europe in the 1980s, are still very recent in the new Member States. The social economy is little developed in many of the EU 10 Member States. Housing presents a key policy challenge: the past ten years in the former communist countries saw dramatic changes in housing ownership, with almost all the socialist municipal housing stock passing into home ownership, which is now as high as 92% in some of the new Member States. Not only is some of this housing now in poor condition, but worse, there is no new flow of social housing for low-income groups, which is bound to present serious problems in the medium to long term. Traditionally, housing has not been a European Community competence, but the experience makes clear how close housing policy is linked to social exclusion. In the area of health policy, which is a Community competence, there is a huge poverty challenge, for health outcomes in the new Member States are generally much lower, affecting the poor disproportionately. These regions have lagged far behind in lifestyle indicators and to be effective against poverty their health services must improve their coverage, overcome access barriers for disadvantaged groups and focus more on prevention.

In one major policy area, the new Member States have a clear advantage. Whereas in Western Europe, the problem of early school leaving is one of the big poverty challenges, in eastern and central Europe, the rate of early school leaving is low. The rate of completion of secondary education is very high. This does not mean that there are no education-related poverty problems in the new Member States, for there is much work to be done in improving schooling for at risk groups, Roma and children with special needs. In addition, life-long learning approaches are poorly developed in many of these Member States.

Critique of the implementation of the EU Inclusion Strategy

EAPN has, from summer 2003 onward, made its own comments on the National Action Plans on Inclusion and on the EU Inclusion Strategy. Its aptly entitled paper

Where is the political energy? was an appropriate comment on the political origins of the OMC and on the failure or refusal of the Member States to agree to overarching European targets against poverty. The main points of EAPN were:

- A stronger impetus was needed for there to be a decisive impact on social exclusion
- Existing plans must be made effective, not just inspirational
- There must be a stronger commitment to a rights-based approach
- There are few new targets, except in one or two countries
- There is a need for new additional resources
- Failure to link the action plans with the structural funds.

EAPN and the analysis in the Joint Reports are in agreement on a number of points. Both agree that the second round of plans (in the EU 15) are better than the first, in EAPN's view 'more strategic, clearer and better formulated'. They agree that some come across 'more as reports than as plans'. Both agree that there is an excessive emphasis on 'work' solutions to poverty. They agree that gender analysis has improved but must go further and that much more attention must be given to the situation of ethnic minorities and immigrants. They agree that the participation of NGOs improved in the 2003 plans – but EAPN feels that many of the arrangements for the preparation of the plans were obscure or lacked public visibility. EAPN made similar comments on the development of the Inclusion plans in the new Member States.

EAPN is critical of the way in which there is a lack of balance in some plans. Some governments have, it says, used them to showcase their strongest anti-poverty policies, excluding those policies that in reality increase the levels of poverty. Here, EAPN is very critical of the 'good practices' submitted by the Member States in their National Action Plans. What criteria were used? Some are not at all representative, they say. They concern only a few people and do not give an understanding of policy in the country concerned. The good practice examples tend to

focus on the public sector and to ignore good NGO examples. They seem to have been put in to satisfy geographical balance and to represent a broad range of public authorities. There was no consultation with NGOs as to which ones should go in.

In its final comments, EAPN points to the way in which opinion surveys have consistently shown support, among the peoples of Europe, for European-level action against poverty. Here, it says, is a real chance to match the ambitions of the European project with the real sentiments of ordinary people and close the distance between citizens and the European institutions. This can be done, but only if more political energy is put into the work against social exclusion at European and Member-State level.

One of the most interesting set of comments on the Joint Inclusion Report was given by the Committee of the Regions. This is not the first place where one would normally look for thoughtful social commentary, but here the committee has more than lived up to those who placed their hopes in its formation. Gilberte Marin-Moskovitz, the socialist mayor of Belfort, France was the rapporteur.

The Committee of the Regions characterised the goals adopted by the Member States as ambitious, quantified, multidimensional, well-thought-out in terms of their progressive implementation, taking into account the large disparities in levels of relative poverty, which vary enormously from one state to another. Social exclusion is affecting more and more people, Marin-Moskovitz says and those living in poverty need practical help to remain full members of society. 'Social inclusion must therefore become a collective priority in combating the devastating effects of precariousness and marginalisation and must include the fight against all forms of discrimination (racism, sexism, discrimination against people with disabilities, homophobia, religious and age discrimination)'. She says: 'It is deeply regrettable to note that the most persistent forms of poverty (unemployment, single-parent families, elderly people living alone, people with disabilities, unqualified young people, large families) have got worse'.

Here she seeks explanations that go far beyond the conventional borders of governmental explanation. She takes the view that social exclusion has been worsened by the instability of the labour market, relocations and massive job cuts as a result of unanticipated structural changes that may be linked to the globalisation of capital and a downturn in the economic cycle, that impact on individuals and societies and aggravate the process of social exclusion. The committee believes that the Community's social inclusion strategy must take more account of the macroeconomic context and the impact of economic, finance and fiscal policy on the functioning of society. The state has a 'driving role' in the workings of tax systems, social protection, education programmes, housing benefit and the right to housing, public health, freedom of information and equal opportunities, in response to the universal needs of citizens.

The committee welcomed the key priorities identified by the Joint Inclusion Report, the manner in which they are linked to other EU's policies, but is critical that the report does not give 'sufficient attention' to the real budgetary efforts needed for actions promoting social exclusion. The Committee of the Regions made 17 recommendations. She made several appeals for the greater involvement of civil society and the representatives of the most excluded themselves. One of the most intriguing was that national plans do not become 'overloaded with measures that were purely regional and adapted to the local procedures of welfare administrations, which would tend to complicate and hinder comparison between the Member States'. In other words, less cut-and-paste of procedures and more policy substance.

Future developments of the EU Inclusion Strategy

It is evident that the National Action Plans for Inclusion have now begun to settle down as an integral part of European social policy. One may excuse some but not all shortcomings in the 2001- 2003 NAPs Inclusion on the basis that this was the first exercise of its kind. The 2003-2005 plans showed a discernible improvement. It is therefore all the more important that

the changes now proposed in the name of streamlining does not break or interfere with the momentum that is building around this strategy.

Streamlining represents a substantial tidying up of the way in which policies are determined at European level. The concept of streamlining emerged quite suddenly and there seems to be much justification in the NGO criticism about lack of consultation. Its articulation in the 2003 Communication from the Commission was quite repetitive. The reasons presented for streamlining were short in length and few in number. Terms like 'congestion', 'haphazard' and 'proliferation' were used to describe the existing policy-making process, though without elaboration.

At one level, there is much to commend in the streamlining principle. In effect, it proposes to synchronise, unify and tidy the broad strands of social policy concerns that are now firmly embedded in the top layer of European decision making. On the other hand, there appears to be real dangers that the dynamic nature of the NAPs Inclusion and the specific nature of the requirements made on national governments will be lost in the new system. The key concerns raised by the streamlining approach include: to what degree will the Commission be able to pressurise national governments to be very specific and detailed about social inclusion, in all its various forms, in future NAPs on Inclusion? To what degree would the multidimensional nature of poverty and social exclusion be captured in future action plans? How will tackling extreme forms of poverty (e.g. homelessness) and cross-cutting issues (e.g. gender) be reflected in the revised strategy? Until the Commission can answer these concerns, then its claims for the benefits of streamlining may be unconvincing.

An additional challenge to the future development of the EU Inclusion Strategy relates to its position within, or in relation to, the revised Lisbon Strategy. As stated earlier the Lisbon Strategy relates to the adoption at the Lisbon Council in 2000 by the heads of States and Governments of the strategic goal for the next

decade for the EU: "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". 2005 saw a mid-term review in relation to progress towards achieving this strategic goal. As a result of this review the Heads of State and Government decided that the Strategy should be refocused on 'growth and jobs'. This decision, which was strongly criticised by social NGOs, creates doubts about the need for a careful balance between economic progress and social progress, which was central to the original Lisbon Agenda. This decision is in danger of giving less rather than more political energy and leadership to the EU Inclusion Strategy. This change presents a further challenge to the streamlining of social protection and social inclusion policies. Can streamlining eventually offer an enhanced social pillar capable of creating a balance with the economic pillar?

One way that the political leaders of the EU could overcome the doubts and fears associated with the revised Lisbon Agenda would be by agreeing EU-level targets for the reduction of poverty and social exclusion. In the past, the Commission pressed the Member State governments to adopt such overarching Europe-wide targets for the reduction of poverty. A number of papers prepared by the directorate general for employment and social affairs proposed such targets, sometimes subdivided into additional targets for reducing child poverty and sent them forward for consideration at the heads of government meetings. Typical targets suggested were that the proportion living below the poverty line should be halved across Europe by 2010 (such an objective was suggested to the Barcelona spring summit as recently as 2002). By the time such proposals had reached the heads of government, Europe-wide targets always disappeared from the final communiqués. While the ministers and prime ministers always agreed that 'more should be done' about poverty, they were not prepared to be boxed in by Europe-wide targets. No formal explanation has ever been put forward as to why such an apparently sensible objective proved to be so insurmountable. Some Member States may have balked at the notion of having to meet an objective

partly set elsewhere; some may have feared political embarrassment if they failed; for others, where poverty levels were very high, such a target would require huge modifications to domestic economic and social policies. The future agreement of such targets and serious action to meet such targets, as well as addressing the fears and doubts associated with the refocused Lisbon Agenda, could also meet the expectations of EU citizens, repeatedly stated in Eurobarometer polls, that the EU should play a bigger role in tackling poverty and social exclusion.

Concluding comments

The OMC seems to have been largely vindicated. 2001 saw each of the EU15 Member States organise and present NAPs for Inclusion, a process repeated in 2003 and emulated by the newer EU Member States that produced NAPs on Inclusion in 2004. Each Member State was required to think systematically about what action it would take on poverty and how to match its resources to those objectives. For many, this was the first time they undertook such an exercise, especially at such a sophisticated level. Of course the NAPs were and are open to criticism. Many were unambitious; a 'cut and paste' of existing, fragmented policies. Many lacked innovation, imagination or fresh thinking, despite the obvious invitation to do so. Some countries made only token efforts to 'mobilise the actors' and enter a real process of engagement with the non-governmental community, stakeholders and those suffering from social exclusion. Though many countries were surprisingly engaged and active with this strategy.

The European-level reports produced to date have both been worthy commentaries on the state of the fight against poverty and social exclusion in the EU. The reports were rigorous in their analysis, impartial in spirit, critical in nature and applying the breadth and depth of analysis that the subject merited. At the end of the day, the EU may only act within the scope given to it by the treaties and the Council of Ministers. The appropriate question for those concerned with the issue of poverty and social exclusion is not: Does the OMC process go

far enough? (we know it does not), but: Is this the most that the Commission can do at this time, even with the limited political and administrative scope and opportunities available? Here the answer is probably affirmative.

This brings us on to the second set of limitations or inhibitors to more effective Community action against poverty. Here Gilberte Marin-Moskovitz has performed a service for us and it is worth repeating what she said. She drew attention to, in her words 'instability of the labour market, relocations and massive job cuts as a result of unanticipated structural changes that may be linked to the globalisation of capital and a downturn in the economic cycle'. The Community's social inclusion strategy must take more account of the macroeconomic context, she said and the impact of economic, finance and fiscal policy on the functioning of society. The state has a 'driving role' in the workings of tax systems, social protection, education programmes, housing benefit and the right to housing, public health, freedom of information and equal opportunities, in response to the universal needs of citizens.

In effect, any strategy against social exclusion, any process for the OMC can be effective only to the degree that Member States also address such broader issues of globalisation, labour market instabilities, the macroeconomic context and economic, finance and fiscal policy. Here, there aren't enough indications that Member States are prepared to tackle these broader realities. Gilberte Marin-Moskovitz reminds us that the reduction of poverty will ultimately depend on: the actions of national models of development, the decisions of finance ministers, the relationship between tax and welfare, the proportion of resources allocated to social welfare and public services, and the centrality of housing, education and health. Marin-Moskovitz is right too to draw our attention to equal opportunities and freedom of information, for they have a guiding role in making societies inclusive or not.

Chapter 2

Selected Statistics on Poverty and Social Exclusion in the EU

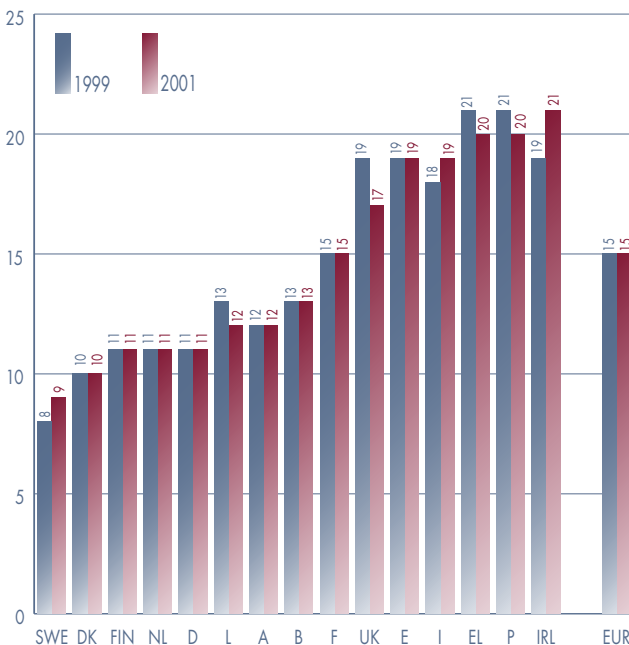
Vincent Forest

Europe's 68 million poor!

Figures available from the European Union's Statistical Office (Eurostat) show a deeply disturbing amount of poverty in enlarged Europe. The figures suggest that the number of people living in poverty (1) is about 68 million: 15% of the EU's total population! Percentages show that the unemployed are bearing the brunt, along with young people, older people, large families and single parents. But even a job is no certain safeguard against poverty since figures show that twice as many people are working but still living in poverty than unemployed people living in poverty. For instance, living in households with an "equivalised disposable income" below 60% of the median equivalised in the country they live in.

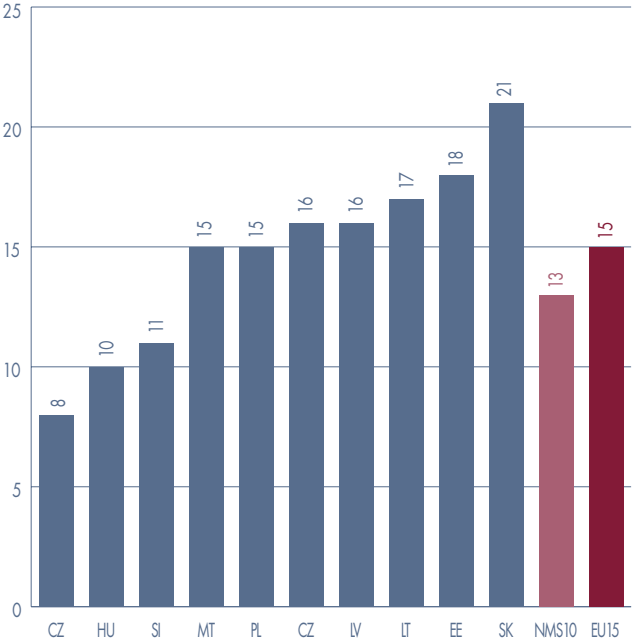
Overall rates of poverty risk

Figure 1 - Poverty rates in the 15 'old' Member States, in %, 1999-2001



Ireland, Portugal and Greece are the "poorest countries" - they were the only ones with over 20% poverty both in 1999 and 2001. At-risk-of-poverty rates in the United Kingdom, Spain and Italy are still above the EU15 average (15%). Sweden has the lowest rate (9%), despite a one-point rise.

Figure 2 – Poverty rates in the Ten New Member States (NMS10), in %, 2001



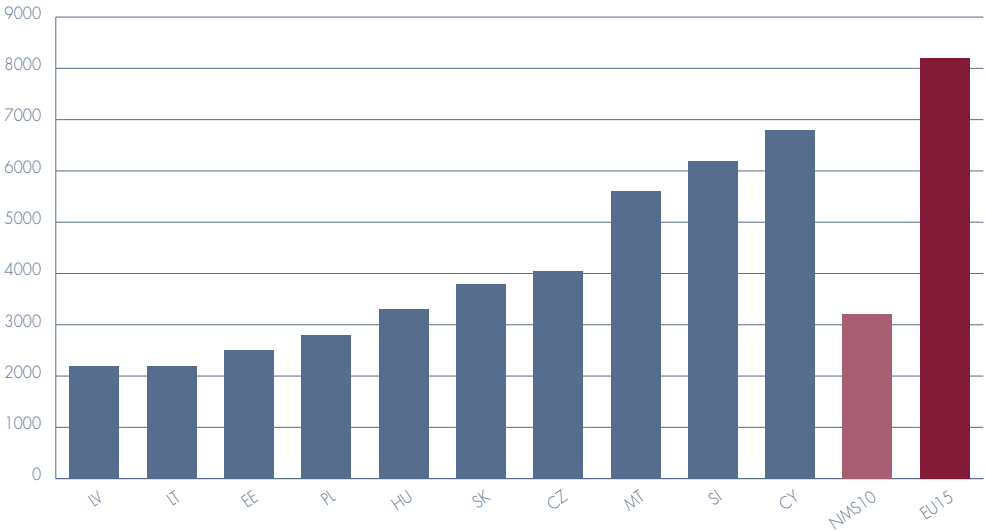
Apart from the extreme positions in the Czech Republic (8%) and Slovakia (21%), values range from 10% (Hungary) to 18% (Estonia).

Thresholds in Purchasing Power Standards (PPS)

As mentioned above, the 'at-risk-of-poverty' threshold is fixed on the basis of the national median income, less influenced by extreme low or high incomes than the average one. This means that the focus is on the relative rather than absolute risk of poverty; this risk being indeed linked to the level of prosperity in each country.

To illustrate the relative dimension of this threshold, particularly in the context of the enlarged EU, Figure 3 shows its monetary value in PPSs (2) for a single-person household for each new Member State, as well as for the NMS10 and EU15.

Figure 3 – Thresholds in PPS for the new Member States, 2001

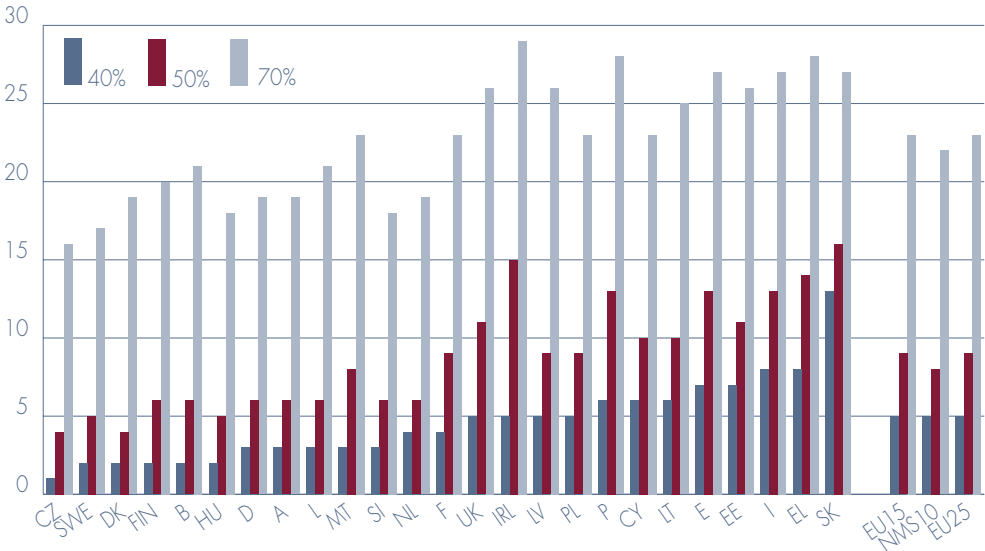


For all new Member States, the difference between the national threshold and the EU15 one - in PPS - is quite large, ranging from around 25% in Latvia of the EU15-average to 80% in Cyprus.
(Purchasing Power Standards - or PPS - is common reference currency of which every unit can buy the same amount of goods and services across the countries in a specific year.)

The depth of poverty

The choice of 60% of national median equivalised income as the 'at-risk-of-poverty' threshold is purely conventional. That's why it is important to look at alternative thresholds, in particular to know the level of extreme poverty in each country.

Figure 4 - Dispersion around the poverty threshold, 2001

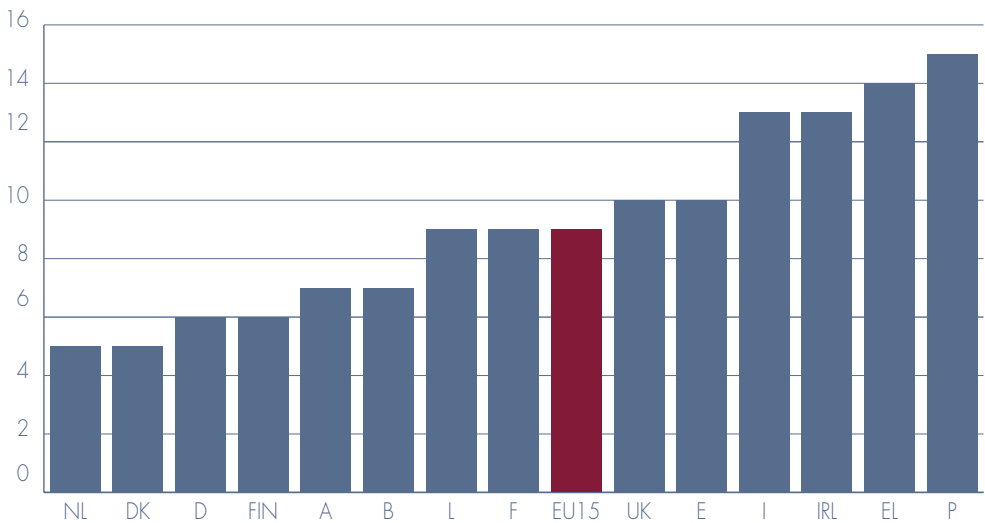


New Member States and EU15 Member States show on average similar performance in terms of exposure to poverty risk. The likelihood of being at risk of poverty varied in 2001 from 5% to 22-23% for thresholds set at 40% and 70% of the median respectively; it was 8-9% if the 50% threshold is employed.

Persistence of poverty

Fortunately “being poor” is not inevitable, though the amount of people living in poverty for an extended period of time is concerning.

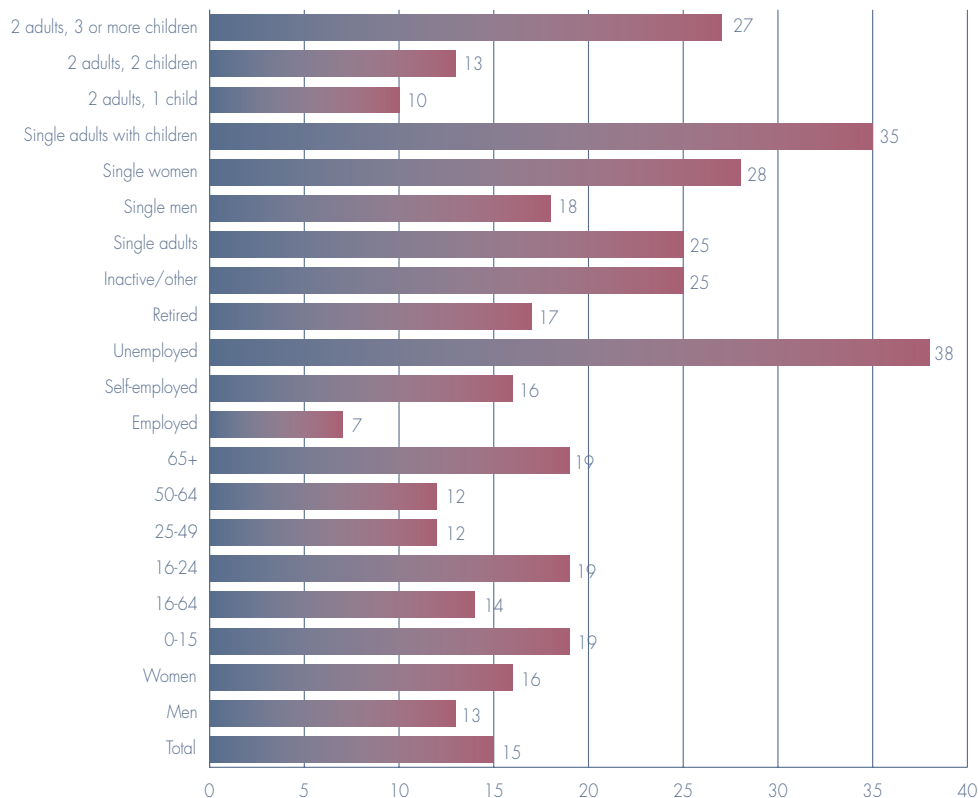
Figure 5 – People at risk of poverty in 2001 and in at least two of the preceding three years, EU15, in %



No figures available for Sweden.

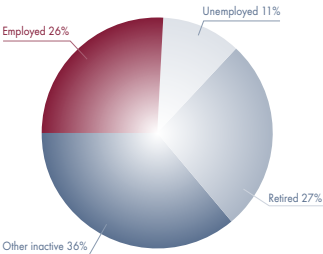
Poverty risk by individual characteristics

Figure 6 – At-risk-of-poverty rates by age, gender, activity status and household type, EU15, in %, 2001



At EU15 level, nearly 40% of the unemployed (representing five million people) and a quarter of “other economically inactive” (in education, training or apprenticeship, homemakers, etc.) lived in poverty in 2001. Pensioners were also affected, and even the working population was not spared, with a poverty rate of 7% (representing 11.4 million people).

Figure 7 – Distribution of the adult population (aged 16 years and over) at risk of poverty by activity status, EU15, in %, 2001



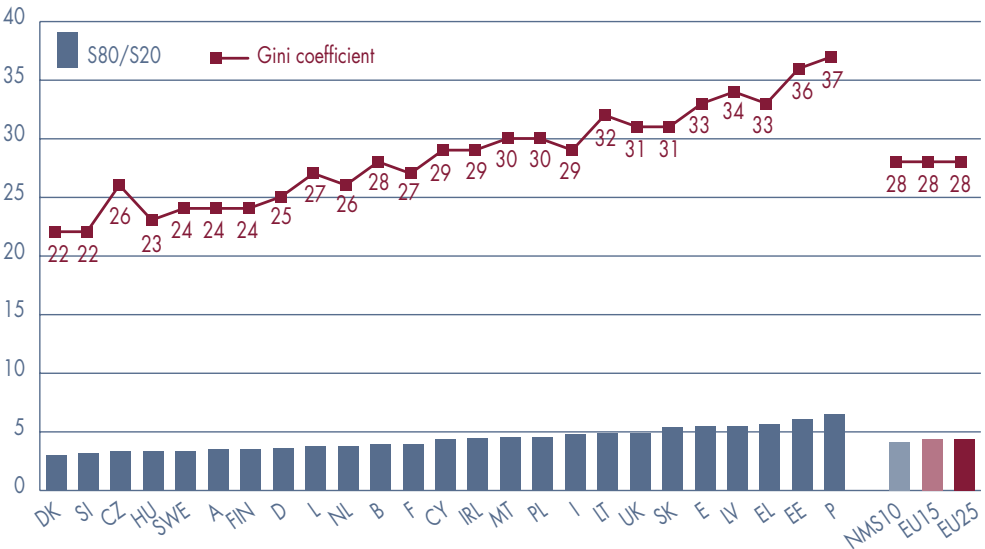
At EU15 level, 26% of poor households were employed in 2001; 11% unemployed; 27% retired and 36% “other economically inactive”. Between them employed and retired people account for more than 50% of poor households. “Other economically inactive” (in education, training or apprenticeship, homemakers, etc.) represent 36%, while the unemployed make up “only” 11% of poor households. This finding disproves the belief that poverty is mainly the fate of the unemployed.

Inequality of income distribution

The indicators presented so far focus on the ‘bottom’ part of the income distribution. It is also interesting to look at the overall income distribution in order to know how European societies share the wealth they produce. This can be illustrated by two indicators:

- **The S80/S20 ratio:** For each country this ratio compares the total income received by the top income quintile (20% of the population with the highest income) to that received by the bottom income quintile (20% with lowest income). The higher this ratio is, the more the distribution of income is unequal.
- **The Gini coefficient:** While the previous ratio is only responsive to changes in top and bottom quintiles, the Gini coefficient takes account of the full income distribution. If there were perfect equality (i.e. each person receives the same income), this coefficient would be 0%; it would be 100% if the entire national income were in the hands of only one person. As in the case of the S80/S20 ratio, the higher this coefficient is, the more the distribution of income is unequal.

Figure 8 - S80/S20 income quintile share ratio and Gini coefficient

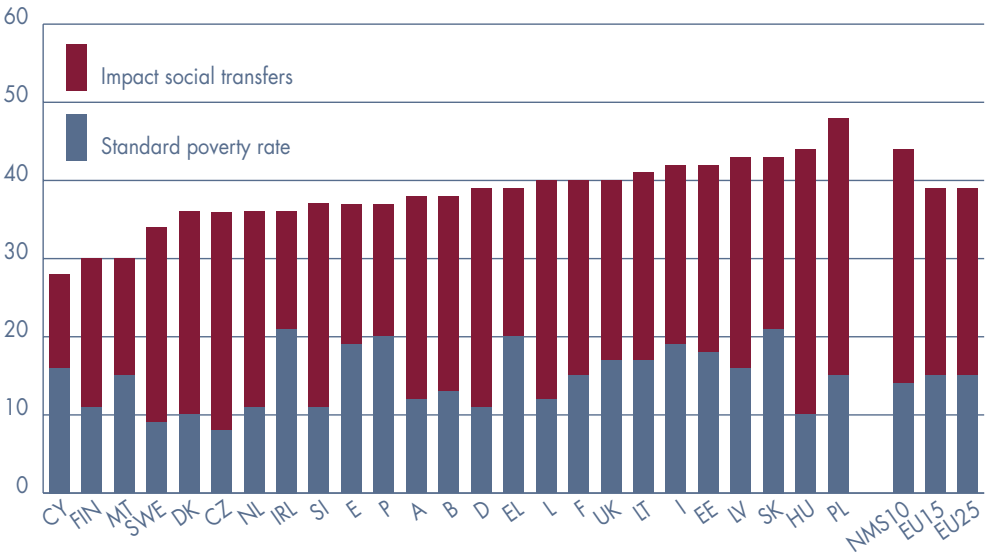


The EU25 average of the S80/S20 ratio was 4.4 in 2001, which means that the wealthiest quintile had 4.4 times more income than the poorest. Ratios ranged from 3.0 in Denmark to 6.5 in Portugal. For the same reference year, the Gini coefficient was 28 for the EU25, ranging from 22 in Denmark and Slovenia to 37 in Portugal. As showed in Figure 8, the rankings of national S80/S20 ratios and national Gini coefficients are quite similar.

The impact of social transfers

The indicators of poverty risk and income distribution (mentioned above) relates to incomes after all social transfers (i.e. unemployment benefits, pensions, family allowances, etc.). It is now time to examine the redistributive impact of these social transfers in lifting people out of poverty, by comparing the standard poverty rate and the hypothetical situation where social transfers are absent.

Figure 9 - At-risk-of-poverty rates before any social transfer (including pensions) and after all social transfers



In the absence of social transfers (including pensions), the poverty risk would be considerably higher: 39% instead of 15% for the EU population as a whole, 44% instead of 14% for the new Member States. Note that these rates are calculated for each country with the nationally-defined 60% threshold, taking account of the total household income, i.e. including all social transfers.

For all Member States, the effect of social transfers is quite clear: they decrease the level of poverty risk – substantially and therefore play a very important policy role.

Where are these figures from?

Figures for the 'old' 15 EU Member States come from the European Community Household Panel (ECHP), a Eurostat (See the Eurostat web site: <http://europa.eu.int/comm/eurostat/>) multidimensional household survey of various topics: income, health, education, housing, migration, social, population and employment characteristics, etc. The sample is comprised of 60,500 randomly selected households – about 170,000 people. The ECHP is a panel that attempts to interview the same people each

year, to produce consistent information on social change. Note that the reference year for incomes is always that preceding the survey year. So, most of the figures here relate to incomes in 2000.

Figures for the ten new Member States are based on national statistical sources. Due to the absence of a common data source for those countries, indicators cannot be considered to be fully comparable amongst themselves nor with EU15 figures. However, Eurostat believes they provide valuable information on poverty.

The Laeken "18"

The following 18 common statistical indicators of poverty and social exclusion - adopted by the Laeken European Council in Brussels in December 2001 - aim to allow monitoring in a comparable way of Member States' progress towards achieving the agreed EU objectives to fight against poverty and social exclusion.

Primary indicators

1. Low income rate after transfers with low income threshold 60% of median income (broken down by gender, age, most frequent activity status, household type and tenure status; as illustrative examples, the values for typical households);
2. Distribution of income (income quintile ratio)
3. Persistence of low income
4. Median low income gap
5. Regional cohesion
6. Long-term unemployment rate
7. Persons living in jobless households
8. Early school leavers not in further education or training
9. Life expectancy at birth
10. Self perceived health status

Secondary indicators

11. Dispersion around the 60% of median low income threshold
12. Low income rate anchored at a point in time
13. Low income rate before transfers
14. Distribution of income (Gini coefficient)
15. Persistence of low income (based on 50% of median income)
16. Long-term unemployment share
17. Very long-term unemployment rate
18. Persons with low educational attainment

The exact definitions of these 18 indicators are given in the Annex to the Social Protection Committee's report: http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/indicator_en.htm

Also note that, since the Laeken Council, some indicators have been re-defined and others added. See the statistical annex to the Joint Inclusion Report 2003 at: http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/joint_rep_en.htm

Waiting for 'EU-SILC' results

It is not enough to have accurate indicators; data must be available. For some years now, European poverty and exclusion data have been extracted from the annual European Community Household Panel (ECHP), the first of which was done on some 60,000 households in Europe in 1994. But the most recent ECHP data now date from 2001. Also, genuinely comparable data are still fairly thin on the ground. To improve data collection, the EU has decided to launch

Community Statistics on Income and Living Conditions (EU-SILC). This new programme is due to provide annual data from 2004, although one group of countries (Austria, Belgium, Denmark, Greece, Ireland and Luxembourg) already launched an exploratory survey in 2003, while another group (Germany, the Netherlands and the United Kingdom) has only started in 2005. So the first data on incomes, poverty, social exclusion, employment and living conditions (access to housing, health, education, etc.) should only be available in December 2006.

Relative vs. absolute figures?

There are two main ways of measuring the overall levels of poverty:

- 'Absolute' measures use certain indicators that do not change over time. For example, the inability to afford a warm overcoat or a hot meal twice a week;
- 'Relative' indicators, which measure the number of people whose income falls below a certain %age of the national income. The EU describes those who fall below the 60% line (of the national median income) as 'at risk of poverty'.

Both measures are valid, but they tell us different things about a society. The relative measures tell us, in a very rough way, how divided a society is and how many people are excluded by poverty from effective participation. The absolute measures tell us more about absolute deprivation.

The list of common 'relative' poverty and social exclusion indicators (the "Laeken indicators") was drawn up by reference to the situation in the 'old' 15 Member States. But since 1 May 2004, ten new countries have joined the EU. Are these indicators still a relevant gauge of progress towards tackling exclusion? In developed societies, relative measures are the most important because they tell us how the country is managing to share the wealth. In countries with static or declining incomes, like many in Central and Eastern Europe, absolute measures are needed to show how effective a 'safety-net' exists for the poorest.

The concept of 'absolute poverty' alongside that of 'relative poverty' therefore takes on greater importance in an enlarged Europe, given that the relative poverty line in the new Member States is very much lower than the EU15 average (because of the much lower disposable incomes). In this context, a 'relative poverty' measure would make it hard to frame relevant comparisons.



Chapter 3

What is Happening to Poverty? Uncertainties of Poverty Measures - Challenges of “Postmodernity”

Zsuzsa Ferge

Summary

Poverty and social exclusion have now become social concerns in the EU. Yet there are controversial quantitative findings that may suggest that the issue is not as serious as the EU thinks, that poverty may not be viewed as a painful, damaging and long-lasting life experience, and that social exclusion is just a complex set of social ills.

As far as chronic poverty is concerned panel study results are not always consistent. In some cases they show a relatively high rate of persistent poverty, in some others lasting poverty is contra-intuitively rare. Indicators of deprivation data show that many are deprived in one or another respect but the simultaneous presence of several factors of exclusion may be infrequent. These inconsistencies need to be analysed in more depth.

Strategies and opportunities to minimise and escape from poverty on a short-term basis are increasing. The nature of poverty seems to have changed: under the conditions of the unemployed (or the increasing “employed poor”) growth the future of large social groups becomes less secure, possibly darker, while individual fates may be less predetermined. The core problem may not be solved by, for instance, atypical and unprotected jobs. The reality is that the experience of poverty is still deeply impregnating and is distorting the lives of many people, especially children.

Is poverty volatile?

The Central European University organised a workshop early in 2002 with the challenging title: *The Dynamics of Poverty: Social Omnibus or Underclass-Wagon?*¹ The introductory text presented two opposed views about the dynamics of poverty:

...The dynamic processes behind poverty have traditionally been related to the mechanisms of social reproduction under the conditions of economically determined, inherent class inequalities. Theoretical approaches that capture poverty in terms of the “two thirds-one third society”, “underclass”, or “social exclusion” emphasise the existence of sharp socio-economic divisions and enduring deprivation. ...By contrast, the theoretical underpinnings of the “risk society” or “life-course research” focus on the transience and mobility of social positions and situations characterising particular groups or individuals... There is also growing evidence showing often surprisingly intense movements of individuals or households between the states of poverty and non-poverty over time... This highlights the presence of effective mechanisms that can lift individuals out

1 - www.ceu.hu/cps/eve/eve_povertydynamics.htm;
For more programme information, see
www.ceu.hu/polsci/Workshop/program2.htm

of poverty, thus reducing the risk of entrapment. The empirical results and theoretical conclusions based on longitudinal research - purposely or not - pose a challenge for the “classical” school of poverty research, which tends to suggest that poverty reproduces itself.

This paper is not an attempt to take up the above challenge to the “classical” school. It is more a research note trying to open vistas than a finished piece of work.

The intense movements between income groups certainly exist (Fouarge and Layte, 2003, Jenkins and Rigg, 2001, EPAG Working Papers in general, Spéder, 2000). The measurement of the movements presents difficulties; the results are apparently not very robust. The first Hungarian attempts to measure lasting poverty produced low, sometimes surprisingly low rates. More precisely, the only post-transition panel study that took place between 1992 and 1997 showed relatively low rates of recurrent poverty. The ratio of households that have been poor (under 50% of the mean income) at least once in seven years was almost 30 %. The %age of those who have been poor for a more lasting period was radically diminishing with the number of years. After six years, the %age of those permanently poor dwindled down to around two %. (Table 1). Part of the issue is the definition of poverty. If it is slightly more generous, persistent poverty becomes higher. Spéder (2000) calculated lasting poverty rates based on longitudinal data between 1992 and 1994 with different thresholds. The ratio of the “persistently poor” (three times poor in three years) was 3.1 under 50% of the mean, and 7.1 under 60%. In a poor (and at the time impoverishing country) even these rates are strikingly low.

Table 1

Incidence of income poverty in Hungary 1992-1997 on the basis of TÁRKI panel data. %age distribution of the population according to the incidence of poverty (those under 50% of the mean income) in a period of six years, 1992-1997

%age of the population		
Number of times poor	Calculated by Zs. Spéder	Calculated by the World Bank
Never	73.6	72.1
Once	10.7	11.0
Twice	7.0	6.0
Three times	2.6	3.5
Four times	1.7	2.8
Five times	2.1	2.7
Six times	2.3	2.0
Total	100.0	100.1
N	4497	

Source: Spéder 2002:72

The household budget data of the Central Statistical Office in Hungary (in the few years it could be used for panel purposes) showed a similar pattern. Table 2 presents the results about persistent poverty in two periods in the nineties, each covering three years. In both instances the rate of those poor in any year was around or above 10%, the rate of those “chronically” poor (poor in three years) was about 3 %.

Table 2

The incidence of poverty in two panels, Central Statistical Office. Percentage rate of households under 50% of the mean income.

	1993-95	1996-98
Poor in one year	10.0	7.9
Poor in two years	3.4	3.9
Poor in all three years	2.6	2.9

Source: Havasi 2002, Central Statistics Office Rotational Panel Data of Household Budget Survey

These data seem to underpin the thesis of the reduced “risk of entrapment”. Yet, they are probably just the results of survey methodology than a genuine picture of reality. Panel samples always present difficulties particularly in the case of the poorest and best-off because, for instance, of high non-response rates. But in a society in deep transformation and turbulence the difficulties multiply. It is hard or nearly impossible to follow up the growing number of the homeless, or of unstable households on the move because of job-search, barriers, or even those moving to better housing. Thus panel mortality presents unusual challenges. The Hungarian CSO did not duly analyse the defects of the sample and the methods of the HBS,

and used the data for purposes they could not well serve. The TARKI sample could also have been biased to some extent. Meanwhile the technical difficulties may not fully explain the findings that are intuitively odd and in conflict with everyday experience.

Data on persistent poverty for other countries are not fully consistent either. During this research controversial data for the UK was discovered. According to the major study on *Poverty and social exclusion in Britain* (Gordon et al. 2003) “between 1983 and 1990 the number of households living in poverty grew from 14% to 21%. The equivalent proportion in 1999 was higher still at more than 24%. However, the number of households defined as living in chronic, long-term poverty fell from 4 % to 2.5%.” ²

The rate of the persistently poor in many recent Western panel studies, the UK included, is meanwhile often close to 10 %. The report on the social situation for EU15 (2002) stated that “In 1998 around 18% of EU citizens or 68 million people were at risk of poverty i.e. they had an equivalised income that was less than 60% of their respective national median. About half of these people had been in this situation for at least three consecutive years.” (EC 2002:11). The 2003 report adds that in most countries there has not been significant change. Thus the persistent poverty rate, which is the rate of those who have been poor in all five years between 1997 and 2001, remained at 9%.

Table 3

Distribution of persistent poverty at the 60% Income Line in some selected countries

	Poor at Neither Time	Poor in 1993 or 1994	Poor at Both Times	Total
Germany	77.9	11.0	11.2	100.0
Denmark	85.7	9.5	4.8	100.0
UK	71.3	16.3	12.4	100.0
Greece	71.1	14.9	14.0	100.0

Source: Layte and al, 2000 excerpt from Table 6, data based on European Community Household Panel Study.

Research evidence also suggests that among the EU15 the poorer countries, particularly if relatively unequal, and not particularly generous in assuring a basic minimum have a higher rate of persistent poverty. "The at-persistent-risk-of-income-poverty rate ranges from around 3% in Denmark and 5% in the Netherlands to 14% in Greece and 16% in Portugal." The results for the Scandinavian countries seem to be intuitively right: the low rates are the result of consistent and lasting political efforts (EC 2002: 93).

To sum up these finding data on persistent poverty show some inconsistencies, most findings tend to disprove the "volatility" thesis. In some cases it may reflect a volatile reality, a possible aspect of "liquid modernity" (Bauman, 2000). It may in fact be supposed that in a wealthier, riskier and more individualised society there are chances to break out of poverty for some time without being able to get rid altogether of the "social fate" of the poor. Unfortunately, the traditional view on the reproduction of poverty, and of the damages caused by persistent poverty seems to be emphatically reconfirmed by new evidence.

The "classical" sociological approach to poverty suggests that the family one was born into deeply affects physical and social life chances. By physical life chance, this means both life expectancy, and years spent in "good health". Social life chances refer to the social position one may achieve, and the autonomy one has to "freely" choose a life course (Ferge, 1982.) Despite "fluid modernity" the odds of becoming poor have not become random. The following factors: family, society, economy, culture, early socialisation and education still have a huge impact on the individual. This old story has been rather well documented in the past. There is plenty of data available which outlines the social and physical life chances in contemporary Hungary.

While the level of education is increasing in all European countries, the inequalities in educational attainment in school - that predetermine social life chances – may decrease or increase, depending on social efforts. The presence of persistent social inequalities alongside overall educational growth seems to characterise many countries (Shavit-Blossfeld, 1993). In recent years the data of the PISA survey lead to similar conclusions for the youngest age cohorts (OECD 2005). An in-depth analysis of the PISA data prove, for instance, that the inequality in the school results was still profoundly affected by the social status of the families, particularly in countries where overall inequalities were great or increasing, and where the rigid "Prussian" educational methods were still looming large. Out of 15 countries the difference between the overall results and the results of low-status parents was greatest in the Czech Republic, Germany, Austria and Hungary (Robert, 2004).

Social chances also depend on the capacity to make autonomous choices about one's life. Evidence indicates that these choices, among others the choice of the educational path are still constrained by social conditions. The numbers of pupils attending secondary school and third-level are rapidly increasing. Yet those who have a bad start are either forced out, or choose the wrong secondary school that leads nowhere, or creates difficulties in access to continued education, or the general market-place.³

2 - Quote from a press release of the Joseph Rowntree Foundation, in Gordon et al., 2000.
<http://www.jrf.org.uk/pressroom/releases/110900.asp>

3 - National educational statistics that are broken down according to social origin are practically missing in Hungary. That is why results are based on a relatively small sample.

Table 4

Distribution of children in secondary school age* in Hungary in 2001 according to the type of school attended by the educational level of the head of household (%)

Type of secondary school attended (if any)	Educational level of the head of household				
	-Eight forms	Industrial appr, skilled worker	Secondary	Higher education	Total (n)
Grammar school**	14	24	47	71	38 (87)
Technical secondary	32	48	42	17	39 (88)
Vocational training schools ***	41	26	8	11	20 (45)
Other, (work, home)	14	2	3	1	3 (10)
Total, % (n)	100 (29)	100 (89)	100 (76)	100 (35)	100 (229)

Without those still attending primary school - ** Easy access to higher education - * Access to higher education is difficult
Source: ILO-PSS, Dögei et al, 2002*

The impact of lasting poverty is particularly marked in the case of physical life chances. Out of a huge and growing pool of data presented here is recent Hungarian information on the social inequalities as reflected in life expectancy data, an important component of physical life chances. The overall mortality data of the country is improving since the mid-nineties, but social inequalities remain

significant, and - what is more important perhaps - are the increasing social inequalities.

Table 5

Life expectancy and disability-free life expectancy of men and women over 25 according to educational level in Hungary in 2001

Gender	Educational level	Life expectancy	Disability free life expectancy	Differences between groups		
Male	0-8 classes (a)	37.1	23.0			
	9-14 classes (b)	49.9	32.5	b-a	12.8	9.5
	15+ classes (c)	51.6	38.9	c-b	1.7	6.4
				c-a	14.5	15.9
Female	0-8 classes (a)	50.3	25.7			
	9-14 classes (b)	53.2	34.8	b-a	2.9	9.1
	15+ classes (c)	55.4	39.0	c-b	2.2	4.2

Source: Kovács, 2003: 133.

The trends leading to the situation in 2001 have been very unfavourable. In the last 15 years (since the transition) the mortality of the well-educated groups decreased but, that of the least educated rapidly increased. Thus the gap in the mortality of better- and worse-off social groups grew (Kovacs, 2003:129). Apparently the Hungarian pattern is not unique. As the now increasingly popular epidemiological studies originally initiated by Richard Wilkinson show, health, mortality and inequalities are intimately related. Thus, in countries that cannot check the increase of their social inequalities, the inequality before death is augmenting. But this formulation suggests that the worsening trends should not be seen as inevitable in a globalising world: apparently political will, efforts, concern - and probably money may help to promote more equality.

By looking at the indicators agreed at Laeken for the EU Inclusion Strategy conclusions can be drawn. It seems to us that both aspects of persistent poverty are of interest: short- or even medium-term poverty may become more volatile while deep-lying social factors may remain at work. Therefore both terms should be followed - possibly by Laeken indicators. The panel data that gauge chronic poverty on the short/medium run already figure among the Laeken Indicators. They are not very robust, though. It may be useful to find alternative measures or to have several panels and compare their results.

Poverty and exclusion as factors distorting physical and social life chances are more difficult to follow by specific indicators - even if only by level 3 (country-specific) ones. The efforts of the EU and of the individual countries may result in improving indicators on the macro level. Meanwhile improving overall measures may hide increasing inequalities, as in the case of mortality. Both the spontaneous "trickling down" processes, and intentional political intervention usually reach those easiest to attain. Hence the "skimming off" trend is almost always at work, producing ever bigger divides between those acceding to the "mainstream", and those left out.

The EU took this problem in its stride: there are two phenomena in the case of which inequality is built into the Level 1 indicators. The two direct measures of inequality are the quintile distribution of income, and the "Proportion failing to reach 65 or the ratio of those in bottom and top income quintile groups who classify their health as bad or very bad on the WHO definition". Of course many others (practically all the measures of poverty such as the rate of those living under 60% of the median income) are related to inequalities, but do not show the whole spectrum.

Since exclusion and poverty are not only about absolute levels, but also structures, and the whole social fabric, therefore it is important to follow up the evolution of social inequalities in some more areas. This is all the more important because currently the most strongly recommended breakdowns are gender and regions. They are important factors, but not necessarily the ones with the largest explanatory force of inequalities. Whether intergenerational indicators highlighting social reproduction should be included among the Level 3 indicators may be a decision left to the countries.

Is exclusion consistent?

The concept of social exclusion as a dynamic and complex phenomenon was introduced to capture factors that threaten social cohesion, and the mechanisms that produce marginalisation and exclusion. There are many attempts to operationalise the concept. The measures usually try to take into account the complexity of the processes, and therefore combine several factors or characteristics of exclusion. In theoretical terms exclusion may be conceptualised as "lack of participation in key areas of society" (Burchardt, 2000:387). Alternatively it may be operationalised as "multiple deprivation", a combination of the low level of different resources or capitals that enhance life chances and improve the quality of life. In this approach indicators of power, ownership, income, information, socially relevant networks, and even social prestige may be built into a model. A third approach could build on the "consistency of frag-

mentation”, and attempt to show the barriers and the difference of how separate people experience deprivation from the rest – for example, the ghettos. One may combine various presumed causes and consequences, or just construct a set of various indicators that intuitively and statistically seem to be relevant to shape social situations.

Whatever the explicit or implicit model used, there is always the stumbling block of choosing a limited number of indicators that necessarily simplify reality. Anyway, the known findings based on composite indicators show more inconsistency than consistency of deprivation. Social ills that may ultimately lead to social exclusion (for example, bad position on the labour market, low level of socially important resources including low income, bad housing conditions, lack of adequate social services, weak social networks) may afflict separately as much as 20-30,+ % of the population, depending on the definition of the thresholds. Yet their simultaneous occurrence characterises only a minority that rapidly dwindles down with the number of ills combined. This finding is practically independent of the types and number of the dimensions of exclusion considered. This point is illustrated by some British and Hungarian findings.

Tonia Burchardt used the first wave of the British Household Panel Survey to build a deprivation model based on participation. The measure she constructed comprised indicators presumably characterising participation in consumption, in production, in political life, and in personal relationships. (The operationalisation of the dimensions was, as always, debatable. Consumption was understood as a reasonable standard of living, its indicator being low income. Production was interpreted as having a paid job or caring work, etc.) The extent of non-participation in each area was between 10 and 18%. As soon as dimensions were combined, the rates fell, reaching practically zero when all of them were combined.

Table 6

Extent of non-participation at wave 1, UK households, 1991

Dimension	%age below "exclusion" threshold
Consumption	17.7
Production	10.3
Political engagement	13.2
Social interaction	12.3
N	9912

Source: Burchardt , 2000: 392.

Table 7

Non-participation on more than one dimension at wave 1, UK households, 1991

Number of dimensions	% of sample
0	61.6
1	28.6
2	7.7
3	1.8
4	0.3
0-4 (Total)	100.0

Source: Burchardt , 2000: 394.

Havasi (2002) used the household budget survey of the Central Statistical Office to estimate the extent of “multi-dimensional poverty” or “exclusion”, using the terms interchangeably. She defined five characteristics of household poverty, namely income poverty; consumption poverty; subjective poverty; housing poverty; and poverty in household amenities. She defined exclusion as the cumulating of at least three characteristics out of the above five. In this approach the ratio of “excluded” households amounted to 11%. However, the combination of more than three forms of deprivation was rare,

four or more characteristics occurred together in the case of 4% of households, and full concurrence appeared in 1.5% of households.

Table 8

Multi-dimensional poverty in Hungarian households, 2000, % Household Budget Survey, CSO

	2000
No characteristic of poverty	42.9
Only one dimension of poverty	30.4
Only income poverty	4.5
Only poverty of consumption	10.7
Only subjective poverty	6.4
Only housing poverty	5.0
Only poverty of home furnishings	4.6
Two dimensions of poverty	14.3
Three dimensions of poverty	6.7
Four dimensions of poverty	2.9
Five dimensions of poverty	1.5
Total	100.0

Source: Havasi, 2002.

The two surveys quoted above covered the whole population. In those cases multiple deprivation, or "full" exclusion described as the combination of many social ills occurred relatively seldom. In order to get a closer look at the problem the method used was to concentrate only on the income poor. A survey was conducted in 2001 by the Poverty Research Centre covering only the poorest 30 % of the population⁴. The study of access to the social

protection and social assistance systems was the main objective. The information gathered allowed the construction of various models of "social exclusion". Several frameworks were used. Some included factors that may be considered mainly "causes" of poverty (such as low educational level, no job, etc.), some were constructed with presumed "effects", some used both characteristics. Various resources, objective and subjective dimensions were also used alternatively. There was no one 'right' way of defining exclusion. Therefore the correlation between social problems was always strong. However, even among the income-poor households multiple deprivation affected only a minority.

4 - In 2001 our team carried out two surveys, which were commissioned by the International Labour Office. Both covered 1000 households, in both cases the respondents were between 18 and 60. One survey was on basic and work securities, and it was part of the In Focus Programme on Socio-Economic Security. It is referred to in the text as ILO-PSS. (Dögei et al, 2002). The second survey was about the system of social security, poverty and exclusion. This sample covered only the poorest third of the population, households with a per capita monthly income under HUF 20000. It was part of a project of the Central Eastern European Team of the ILO. It is referred to as ILO-POV (Ferge et al, 2002).

Table 9 presents exclusion as the “structured” lack of momentous resources conditioning social inclusion, namely as the combination of low activity rate, low income, low education and bad housing. These results are presented for the Roma and the non-Roma poor emphasising the particularly bad situation of the Roma in terms of “structured exclusion”.

(Factors included 1. Absence of active employment (act); 2. Low educational level of the head of household (edu); 3. Low income, equivalent household income under median (inc); 4. At least three out of nine problems with flat).

Table 9

A model of social exclusion built as the simultaneous presence of four main factors of exclusion within the poor sample, ILO-POV survey 2001

	Roma in hh		Total
	no Roma	Roma in hh	
n (number in the sample poor)	832	213	1045
None of the problems			
None of the problems	34	4	28
One problem			
no earner in hh, act (1)	4	1	3
low education of hh, edu (2)	8	5	8
income below med, inc (3)	13	3	11
3+problems with flat, flat (4)	4	2	4
Together	29	11	26
Two problems			
act, edu (1,2)	3	3	3
act, inc (1,3)	9	3	7
act, flat (1,4)	1	0	1
edu, inc (2,3)	5	14	7
edu, flat (2,4)	2	6	3
inc, flat (3,4)	3	1	2
Together	23	27	23
Three and more problems			
act, edu, inc (1,2,3)	6	23	10
act, edu, flat (1,2,4)	0	2	1
act, inc, flat (1,3,4)	3	3	3
edu, inc, flat (2,3,4)	2	4	2
all four (1,2,3,4)	3	25	7
Together	14	57	23
	100	100	100

Table 10 presents the distribution of the sample according to a high number of factors of deprivation or exclusion. The fields of deprivation include the above four, plus three items on consumption (not enough money for food at the end of the month, not enough money for medicine, and heating not affordable in winter), one item on health (any sick person in family needing constant medical care), and one item meant to symbolise social contacts, namely the affordability

of Christmas festivities. In both approaches exclusion as multiple deprivation is relatively scarce even in this poor sample, and even in the most vulnerable groups among them. The Roma form a significant exception: their deprivation is more profound, more consistent, and multiple deprivation occurs on a very significant level among them ⁵. It seems that the impact of poverty is exacerbated in the “Roma community”, including the impact of prejudice.

Table 10

Accumulation of problems in Hungarian Roma and non-Roma poor households - ILO-POV 2001

Number of problems connected to poverty (out of 9)	There are no Roma members in the household	The household has Roma members	All households
None	17	1	14
One	23	4	19
Two or Three	35	17	31
Four or Five	19	38	23
Six and more	6	40	13
Total	100	100	100
n	826	210	1036

Source: ILO-POV, Ferge et al, 2002.

There may be technical and substantive explanations about “inconsistent deprivation”. Instead of a thorough exploration of explanations, only some ideas that may advance the understanding of findings hinting to “volatility” or “inconsistency” will be mentioned.

Attempts to explain short-term variability of incomes, inconsistency of deprivation, and immovability from poverty

5 - In a cross-country comparative survey J. Ladanyi and I. Szelenyi showed that the situation of the Roma as a group is still better in Hungary than in the neighbouring countries with a high Roma population (Ladanyi-Szelenyi, 2002).

New insecure strategies of money-making

The poor always used many different strategies of survival (Sik and Redmond, 2000). Extra work for money or for reciprocal services, household production and so forth were wide-spread even when people had stable jobs under state socialism. The range of possible strategies increased greatly after 1990. There was a need for this; the new freedoms and the new affluence also opened up new opportunities. The new strategies affect both short-term mobility in and out of poverty, and the inconsistency of deprivation.

The “atypical” and unsure forms of working for money and of acceding to goods have multiplied. Employers have become interested (much more

than before) in engaging informal workers who can be much better exploited: they cost less in terms of direct payment and of labour costs. For the ‘illegal’ workers this means a complete absence of labour rights and social rights (easy firing, no sick pay, no accumulating pension, etc).

The marginal and occasional opportunities of earning some money have also multiplied. The rich require more occasional services, and social affluence offers more discarded goods that can be collected and used or sold. Also, the institutions offering public or private assistance have multiplied, offering to the poor a new field of “competition”. Practices such as begging or pseudo-begging reemerged. Business-like stealing (with gangs specialising in car radios or small items in weekend houses) is becoming normal. The use of credit for everyday survival as well as usury exploiting this need are also spreading.

All these strategies produce outcomes that have a doubleside. On the one hand the income may increase, and income poverty may disappear on occasions when a (legal, semi-legal or illegal) manoeuvre succeeds. Even temporary respite is a relief. Yet the usually rather uneven flow of income does not allow foresight or the planning for the future. Also, many of the strategies are surrounded by new short-and long-term risks from unprotected work to the threat of prison sentence. Uncertainty and new risks are themselves factors of exclusion.

The use of the waste of abundance

Over 30 years ago Herbert Gans wrote that one of the functions of the poor was to “buy goods others do not want and thus prolong the economic usefulness of such goods: day-old bread, fruit and vegetables that otherwise would have to be thrown out, second-hand clothes, and deteriorating automobiles and buildings.” (Gans, 1971) Since then the variety of goods on offer has proliferated as well as the ways to get access to these goods. Part of society even in the poorer countries of Europe has become affluent enough to follow the canons of the consumer society: buy swiftly, throw away easily. The cheap or discarded variants often reach the poor. They may still buy second-hand or stale things, look for sales or expired goods – there are many new forms of price hunting and price competition. But more often they are getting things “free” through (multiplying) charities, or skimming the ever escalating heaps of garbage. The framework of the life of the poor is increasingly equipped by ill-assorted goods, objects, and symbols – the mobile phone and outside toilet form an odd, but by no means uncommon pair. The apparent inconsistent deprivation reflects this reality.

Hopelessness as a factor of immovability

One mechanism of perpetuating poverty may be the vicious circle that is generated by marginal situations. In order to escape from a bad situation one has to

Table 11

Expectation for family’s income, next year: distribution of households according to future expectations about their income position, %

The income situation of the family				
	Will improve	Will not change	Will deteriorate	
	Whole population, ILO-PSS			Total
bottom third	8	55	37	100
2	16	61	23	100
top third	17	54	29	100
	14	57	30	100

have not only a genuine opportunity, but also the will and the hope to pursue it. Apparently poverty is conducive to pessimism or hopelessness about the future. In 2001 Hungary was no longer in crisis. Those whose situation was already consolidated hoped for continued improvement. The poor, the unemployed, the Roma however, had much lower expectations. For instance, the ratio of those who expected deterioration in their income was 13% among the whole population, 39% in the poor sample, and 59% among the Roma. Results suggest that this hopelessness is based on the experience of failed attempts and deceived hopes, and is in itself blighting.

One Indicator may be decisive

The items considered to be factors of poverty or exclusion are growing. The opinion of social scientists is often completed by the involvement of the public (Gordon et al, 2000:52), and more recently by the direct experience of the poor. EAPN and national civil organisations regularly consult with the poor about their needs and views, including their views on the Laeken Indicators. The set of indicators that seem to be (and often are) decisive is expanding. The member groups of EAPN defined a series of indicators to gauge, for instance, the strength of rights (waiting periods, adequacy of assistance, etc.). Some of the problems reappeared in most countries, some were country-specific. For instance in Hungary during a discussion with social workers and poor people a special concern was voiced about the number of people that were registered on the minimum wage (leading to low benefits and pensions). In some countries this should indeed become a Level 3 indicator. Mothers participating in the group were very concerned about the absence of children from school because of sickness. They explained how both the reasons and the consequences of school absence are intimately connected with poverty, and what policy measures would be needed to deal with this problem. They were right. Meanwhile the limitless growth of the set of indicators is creating new difficulties.

Multiplying indicators leads to a need for constructing composite indicators, which are defined by bundles or “baskets” of goods and services of different types.⁶ Composite indicators are two sided: they offer an apparently clear short-hand system, while at the same time they blur everyday reality. Used with due caution composite indicators have an important role in understanding poverty and the politics of poverty. Taking into consideration what has already been discussed about “postmodern incoherence” - individual indicators are irreplaceable.

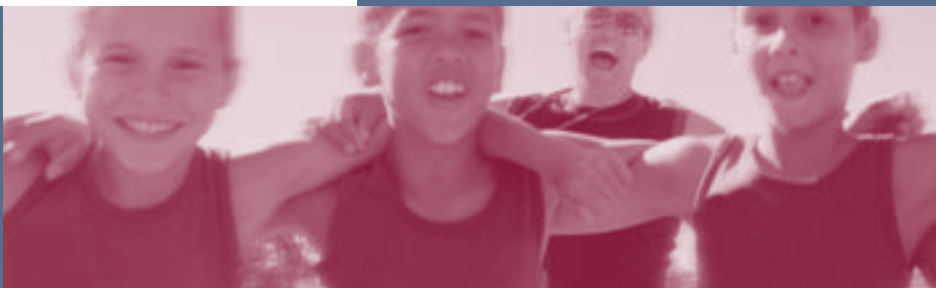
Though there are some factors that can cause deep poverty and/or exclusion in themselves, even if they are “mitigating circumstances” that produce a relatively favourable composite indicator. Of course very low income is one of them. But research has shown that there are less obvious factors. Here are two examples: If there is a permanently sick or severely disabled child in the family in need of 24-hour care, even generous state help can only alleviate some of the difficulties for the family. Even if state help (financial and medical service) is insufficient, the family will become almost inevitably poor and eventually excluded (Bass, 2004). The other example is the situation in the ghettos of the poor, Roma or other groups. Due to growing social and housing inequalities ghettos are increasing. (Creating indicators to describe the ghetto situation is a different issue altogether.) Even with a lot of research, overall, it is very difficult to identify the phenomena which play a crucial role in causing or explaining poverty and exclusion.

In conclusion, the variability of incomes and the inconsistencies in “multiple deprivation” may reflect reality. The “post-modern” pluralisation or “postmodern incoherence”, and the individualisation of life styles appear to have reached Hungary. At least on the face of it the new trends have “trickled down” to some of the poor. The new freedom to escape may sometimes help in the long run. But as discussed in this chapter, they may not offer a solution against lasting and repeated poverty perpetuated “spontaneously” - at least if not enough happens to counter it.

6 - European Project on Poverty Indicators starting from the experience of People Living in Poverty. A project funded by the European Commission. See <http://www.eapn.org>.



PART 2



Essays and Portraits

Highlighting Key Areas needing
to be addressed to Reach
the EU We Want



Chapter 4

A Good Life For All

Michaela Moser

The social reality of widening gaps

According to official EU statistics,⁷ at least 68 million people, or 15% of the total population of the EU, are forced to live in poverty. In relation to the number of inhabitants of the EU Member States they would form the second largest state of the Union (outnumbered only by the inhabitants of Germany) and as such they should, in theory, certainly be influential with regard to EU policies. In reality, however, people experiencing poverty in the EU are mostly kept quiet and invisible when it comes to decisions about political priorities and the future of Europe.

Many NGOs who are working day after day with and for people living in poverty and social exclusion have experienced a continuous growth of poverty over the past years as evidenced by the increase of their number of clients as well as the severity of their problems. Thus, a dramatic political failure to efficiently fight and prevent poverty and social exclusion has become evident.

Although the data situation with regard to poverty and social exclusion is comparably good (at least within the EU15) and has been further improved with the introduction of the EU SILC-method by including the Laaken indicators and thus moving beyond a survey focusing on income only, there are still a lot of challenges to tackle before statistics will be able to give a more accurate picture of the social situation.

Some of the main challenges regarding the data situation are the following: first, the reality of many of the new Member States, where generally a majority of people have a low income, should be taken into account when discussing the definition and calculation of poverty thresholds.⁸

Second, the distribution of income among household members has to be analysed; also, people who do not live in private households (residents of shelters, old people's homes etc.) need to be included in the survey. In addition, the set of indicators used has to be continually refined and expanded in order to include the needs, experience and opinions of all relevant actors and, most importantly, people experiencing poverty.⁹

Furthermore there will always be a need to look at the actual realities of people living in poverty, which can never be adequately covered by statistics. In order to get an accurate picture of social reality the stories of the day-to-day lives and struggles of people experiencing poverty and social exclusion need to be noted and recorded.

These stories need to be shared, like the ones in this book, which do not present people experiencing poverty and social exclusion as pure victims but show their problems as well as their strengths and their ability to survive against all odds. At the same time those who speak about poverty must not keep silent on the issue of wealth. This was the slogan used by the Austrian Antipoverty Network to announce its first conference on the reality of wealth, in 1998.¹⁰

Not only is poverty on the increase, wealth is also increasing at the same time. Unfortunately the data on wealth is even worse than that about poverty. Some EU Member States, for example, Germany and most recently Austria, have started to include a report on wealth within their national social reports, but it appears there are no Europe-wide data on wealth available.

Yet there are indicators that the gap is widening also from this angle. For example, the data on private wealth and property in Austria show that approximately one third (34%) is in the hands of the richest 1%, another third (35%) is in the hands of the “well-off” 2-10%, and the - on account of their income - “lower” 90% together hold the rest. While the fact that this data on wealth is available has to be regarded as a positive step ahead, both the German and the Austrian reports need to be criticised for their lack of analysing the causes, as well as for the absence of gender (and other) specific data.

The rich possibilities of wealth

Instead of demonising wealth one should focus on its inherent potential which could be truly set free if the mechanisms of (re-)distribution were changed. Especially in times when “saving” is one of the most popular keywords of many politicians, it is worthwhile to shift the perspective to the wealth of the EU in order to break with the logic of saving. Thus the definition of wealth has to be questioned in the same way as definitions of poverty. Surprisingly enough, there is not even an existing mainstream economic definition of wealth. Some studies define wealthy as: someone

who is able to live off the net income from their assets without having to work for their living.

According to the first German report on wealth (published in 2001) those who earn more than double the average income and have triple the average property or gross assets are called wealthy (or rich). The World Wealth Report (a yearly survey by Merrill Lynch and Cap Gemini) speaks about “High Net Worth Individuals” (HNWIs) if someone owns more than one million USD. According to their most recent publication this true for 7.7 million people globally (including 70,000 Ultra-HNWI with more than USD 30 million in financial assets).¹¹

The term wealth, however, must not be restricted to property and assets alone - a society can also be wealthy in terms of its public goods and services. Similarly, the wealth of individuals is not only determined by their property, but to a much higher degree by what they can do and have (see below). Individual quality of life, thus, depends to a great extent on full access to high quality social goods and services.

Greed as a driving force for the growth of wealth ¹²

Already in the eighteenth century, in his classic economic theory Adam Smith defined human beings as beings with an acquisitive drive. In doing so he succeeded to transform greed from a sin to the main driving force of the economy. Since then, infinite desire and growth form central values not only of a capitalist economy but increasingly also of society in general.

7 - See Part 1 - Chapter 2: Selected Statistics.

8 - For a more detailed discussion on the data situation see Chapter 3 of this book.

9 - For suggestions on better indicators see Poverty indicators starting from the experience of people living in poverty: Final report of a European project - <http://www.eapn.org>

10 - See: “Wer von Armut spricht, darf von Reichtum nicht schweigen”. Martin Schenk et al (Hrsg.): Armut in Österreich, Wien 1998.

11 - World Wealth Report (Capgemini/Merrill Lynch, 2004). These figures need to be contrasted with the 390 million people who - according to the Millennium Development Goals Campaign - have to live on less than a dollar per day! For more information on the global dimension of the fight against poverty see Chapter 9 in this book.

12 - The following thoughts are based on the work of the Austrian alternative economist Luise Gubitzer. See Luise Gubitzer: Reichtum ist begehrtlich, In: Armutskonferenz/ Attac/Beigewum (Hrsg.): Was Reichtümer vermögen. Warum reiche Gesellschaften bei Pensionen, Gesundheit und Sozialem sparen, Wien 2004, 98-117.

In order to gain a new perspective on wealth - and consequently, also a new and more just way of distributing it - some of the main economic principles need to be questioned.

Historically, economy was always understood to be about the distribution of scarce goods. But today, at least in industrial countries there is no actual scarcity of goods, on the contrary, industrial countries live in societies of affluence, which clearly indicates that poverty could be eradicated if there were a political will to redistribute wealth.

The growing influence of the very rich

Another worrying development connected to the situation of the growing wealth of a small number of people is their increase in influence not only on economic policy but on politics in general.

To a growing extent, the power of definition lies in the hands of the very rich. According to their values and needs, the concept of freedom, for example, is increasingly restricted to denote economic freedom only, while responsibility and solidarity tend to be regarded as merely personal qualities (values) rather than duties of a society. At the same time security is mainly viewed as the need to secure property, while justice no longer is perceived as a value to strive for as free market processes supposedly regulate everything in the best way.

The more the accountability of governments shifts to the wealthy, the smaller the budgets for public sector spending (including social services and infrastructure) becomes. While a ruling class of "white educated young and wealthy men, whose education mainly consists in gambling at stock markets" (Luise Gubitzer) seem to be taking over key political roles, a significant change of social climate can be felt.

Discrediting the welfare state and a solidarity-based tax system are as much part of this development as is the growing privatisation and liberalisation of public services, which are only some indicators for the principles of market economy taking over in all areas of life including individual households, the non-profit-sector and the State itself.

A wealthy society

Nonetheless it has to be repeated that a society's wealth could be regarded and distributed quite differently. If what counts is the good life of all members of a society, a wealthy society would be one that is able to guarantee a minimum income for everyone, affordable access to social goods and services (education, health prevention, public transport, child-care facilities, counselling centres etc.), and solidarity in sharing risks. Even when focusing on economic efficiency, it is evident that countries with a highly developed social security system are the most competitive economies worldwide. A high social quota therefore is not bound to lead to an economic backlash as is often feared. On the contrary, "a good social state system gives more freedom to the individual, as it provides security against risks. Even those advocating competitiveness should realise that this is an advantage in competition."¹³

At the end of the day, political decisions define the quality of life for everyone. Therefore, discussions on how we want, and need to, reorganise our societies in order to guarantee a good life for all should be encouraged and we shouldn't stop questioning the responsible decision makers as well as ourselves in what kind of society we want to live, in other words: do we care or do we calculate?

A Good Life For All

What, then, could be meaningful criteria to measure the degree of justice and good life in a society? The US philosopher Martha Nussbaum has developed a set of indicators, which are particularly useful when judging how far a good life is possible for all members of a society.

13 - Karin Küblböck et al: Editorial, In: *ibid.*, 7-12, 10.

14 - See Martha C. Nussbaum, *Women and Human Development. The Capabilities Approach*, Cambridge University Press, 2000.

Based on Nussbaum's work with the famous Indian economist Amartya Sen as well as their experience of "poor" women in India and the cooperative work with other academics at the Helsinki UN University, this approach critically builds on the Aristotelian understanding. This understanding that the excellence of the constitution of a state lies in its ability to ensure that citizens may decide in favour of a good life and beneficial acts on the basis of the material and natural resources of the community. In order to judge how far a state lives up to this principle it is necessary to develop a clear understanding of what is a good human life. It is not only about just distribution of money, real property, opportunities and positions in society. All the facilities and activities that are necessary for being able to lead a good life need to be listed; in other words, what really counts is human capabilities.¹⁴ In fact, a general concept of a good life that keeps in mind various cross-cultural objectives in different areas of life while at the same time respecting diversity and a variety of life contexts is needed.

The question that lies at the heart of Nussbaum's capabilities approach is not what resources people have, or how satisfied they are but instead: "What are people able to do and to be?"

Looking for a comprehensive answer to this question Nussbaum has drawn up a list of functions or capabilities that can be used for both life assessment and political planning.

In its current version the list that represents many years of cross-cultural research and discussion includes the following Central Human Capabilities:

- Life (to be lived to the 'natural' end)
- Bodily health (including accommodation, food and reproductive health)
- Bodily integrity (freedom of movement; no sexual harassment or violence)
- Senses, imagination, thoughts (to be trained and expressed through education, art, religion)
- Emotions (attachment to people and things, the ability to care and to love, to grief, to feel and express gratefulness, desire, and anger)

- Practical reason (to have an idea/a concept about what a good life would be; to be able to reflect on one's own life plan)
- Relationships (to human beings, other species and the environment)
- Play (to be able to laugh and to play and to enjoy relaxing activities)
- Control over one's environment (through political participation, the ability to hold property, the right to good quality employment).

According to Nussbaum, the list needs to be regarded as a list of "irreducible plurality", which means that the need for one component cannot be satisfied by giving people a larger amount of another one. "All are of central importance and all are distinct in quality."

A good life, therefore, not only includes good health and bodily integrity but also ideas, creativity and playfulness, the ability to express emotions, to sustain good relationships, to enjoy a sense of belonging and to participate in the shaping of one's own life context.

From TINA to TAMARA

Comparing Nussbaum's list of Central Human Capabilities to the realities of people experiencing poverty and social exclusion in Europe and elsewhere, it becomes quite clear that there is still a long way to go until a truly good life for all can be talked about.

*15 - A more detailed version of this list can be also found in: Martha Nussbaum, 'Women and Work. The Capabilities Approach' Little Magazine, May 2000 - available for download at: <http://www.littlemag.com/2000/martha.htm>
16 - *ibid.**

Official policy makers in many European countries at present however seem to be unable to implement the necessary changes to narrow the gap between rich and poor. They keep saying that “There Is No Alternative” (TINA) to the political strategy that has been chosen, while at the same time both academic theories and the political praxis of so many people and organisations give clear evidence that “There Are Many And Realistic Alternatives” (TAMARA).

Looking at European social policies, a rights-based approach that ensures equal access to social goods and services as well as a minimum income for all would be a good start. Following on from that the quality of labour market training and access needs to be improved in order to not just increase the number of working poor but create high quality jobs that guarantee an income above the poverty threshold. Moreover, the ground for more radical changes in order to prevent and fight poverty in the long run needs to be prepared.

The care perspective as an alternative

In recent years, alternative social, economic and political concepts focusing on life and its sustenance have been developed. According to this approach, interdependence and relationships are considered essential elements of being human, whereas the paradigm of independent human existence is questioned. Consequently, the act of giving (and being able to accept) care is attributed more importance. Beyond housework, attendance and social work, care in this context denotes especially the great variety of responsibilities accepted by individuals who are aware of living in this world together with others. “The guiding principle of the ethics of care is that people need each other in order to lead good lives, and that they can only exist as individuals through and via caring relationships with others.” To regard social policy from a care perspective means to acknowledge human needs in a comprehensive sense and to admit that people can only live if they are helped and supported by others. Contrary to the current linking of social policy and labour market policy, where social transfers are regarded as a

matter of insurance benefits or as acts of charity, in a care perspective these transfers are considered useful measures for the just distribution of work and income. Considering the broad range of possible fields for action, and also in view of the declining number of available jobs, the strategy of increasing participation in the job market as the “best” means to combat poverty should be abandoned in favour of a more comprehensive reform programme.

Work in all its dimensions

If attention is directed away from gainful employment as a monoculture, the view opens up to work in all its dimensions as a basis for new ways and means to fight poverty. In this perspective, women’s typical biographies, characterised by part-time employment and career interruptions during periods of raising children or care for relatives, which are currently perceived as deviant from the norm, become the norm. Activities of subsistence and care for oneself and others as well as social and political commitment would, then, be considered an integral part of a good (working) life. Following this view, debates on the social state would no longer focus on the future of gainful employment, but on finding the best way to combine various forms of work and income. Based on these considerations, Adelheid Biesecker has developed a concept according to which times of gainful employment are radically reduced so that more time is free for subsistence work, community work and care for oneself. The aim is to achieve material wealth as well as wealth expressed in free time. The loss of income incurred due to shorter hours of gainful employment could be compensated by applying a system of unconditional basic income, which in turn could be financed by increasing taxes on overtime and raising taxes on capital transactions and the utilisation of nature. According to this model the State remains a major actor. On the one hand, social infrastructure facilities and services such as kindergartens, community kitchens, new forms of social housing, and public transport should continue to be available for all, and on the other hand, qualifications and further education provide necessary impulses for making

optimal use of the emerging choices and freedoms. The model outlined above, among similar concepts, contributes to combating and preventing poverty in that it increases the opportunities of individual self-realisation and promotes a society of participation of caring citizens who relate to each other.

Further steps

It takes time to implement fundamental reforms such as the ones outlined above. The necessary changes in the social symbolic order and, consequently, the transformation of the social, economic and political situation that causes poverty cannot be achieved overnight.

In order to immediately improve the living conditions of women, children and men who are presently concerned or endangered by poverty, the outlined alternative should be approached step by step in an interaction of the possible with the impossible (in allusion to a phrase by the Austrian writer Ingeborg Bachmann). With regard to the measures that are necessary to prevent and combat poverty, individual access to all existing social security systems and minimum standards for these systems should be introduced. Furthermore, the access to high quality social goods and services (in the fields of education, health prevention, child care, public transport, counselling etc.) should be granted and expanded. While a social system focused on gainful employment persists, another important aspect is to develop new labour market policy concepts beyond merely providing jobs in the sense of improving the employment quota. Instead, what is needed is high quality, voluntary qualification courses where participants with their individual capabilities and interests are taken seriously, jobs that facilitate ongoing education and personal development and incomes which allow for a life above the poverty threshold.

17 - See Feder-Kittay, Eva und Feder, Ellen K. (Hrsg.), *The subject of care. Feminist Perspectives on Dependency*, Oxford, 2002; Sevenhuijsen, Selma, *The Place of Care. The Relevance of the Ethics of Care for Social Policy*, Sevenhuijsen, 2003; Selma und Svab, Alenka (Hrsg.) *Labyrinths of Care*, Ljubljana, 2003.

18 - Sevenhuijsen, Selma, "The Place of Care. The Relevance of the Ethics of Care for Social Policy", Sevenhuijsen, Selma und Svab, Alenka (Hrsg.), *Labyrinths of Care*, Ljubljana, 2003, pp. 13-41, 19.

19 - Biesecker, Adelheid: *Kooperative Vielfalt und das "Ganze der Arbeit"* "Die Armutskonferenz (Hrsg.): *Es ist genug für alle da!*, Erwerbsarbeit und soziale Sicherheit, Wien 1999, pp. 47-55.

20 - For details on the proposed measures for combating poverty see the Minimum Security ABC of the Austrian EAPN, www.armutskonferenz.at (Available in German only.)

Portrait 1

A Special Cost Benefit Analysis

Raising three children on a household budget far below the poverty line drawn by the official statistics: this requires a special cost-benefit analysis - in which money might not even rank first.

By Ute Woltron

First published in The Austrian Daily, DER STANDARD, 30 October 2004.

Andrea Park has lit a fire. In the kitchen, that is. The stoves in the sleeping room and in the children's room will not be heated before the outside temperatures fall below freezing point. Because, as she puts it, every cost has to be related to the benefit it yields. It's seven degrees centigrade outside.

Andrea Park is thirty-six. She has three children aged seven, nine and eleven. The family of four live near Lower Austria's Hohe Wand mountain in a small house and garden with their pony, goat, cats and rabbits. There are woods behind the house and meadows and fields in front. A charming rural idyll: the fog leaves tiny droplets of water in the cobwebs, the children are well-mannered, the pony has been groomed, the rabbit hutches are clean. Maybe the sun will come out later. A peaceful life, it seems. If it hadn't been for the intricate system of cost-benefit relations that dominate the lives of Andrea and her children.

They form a household, as economists put it. The average (median) net income of Austrian households is €2308 per month according to the statistics of the Chamber of Labour. Households like the Park family are listed under "low income" in the tables of Eurostat if they have to subsist on €1482 a month or less.

€1482: that's what the statistics say! Meanwhile, the kitchen has become warm, and Andrea Park opens the door to the sleeping room, which is still cold, in order to optimise this morning's thermal cost-benefit ratio.

Her household income, consisting of child welfare and court-defined maintenance payments, is a sum she knows by heart: exactly €885.80 per month. With €596.20 more, at least now, in October, Andrea Park would still be poor in terms of statistics, but she could at least buy the load of wood that would get the family through the winter. However, child welfare will not be paid before the end of November, and the wood that she has just bought with the last of her savings has turned out to be still moist and can't be used for heating.

"This would drive most people crazy," she says. "But I've seen such situations so often that I know there will be some way out. That's the difference between me and other women."

Sixteen years ago, Andrea Park was a student of Japanology and sinology, and she earned good money as a translator and interpreter. She met her future (and now) ex-husband, in Korea and moved to Japan with him. There she gave birth to her first child, went to Vienna and then to Germany with him, gave birth to two more children, supported her husband in his work as a sushi cook and again followed him when he wanted to return to Korea.

Still, the plans to open a small snack bar somehow did not work out anywhere, and when Andrea was tired of living in a rat-infested cellar with three small children and nothing to eat but rice every day, she finally told him that she wanted to go

back to Austria, he beat her up. Andrea says that it was only then that she stopped being the faithful, ever-supporting wife. About two years ago, helped by his relatives, she managed to flee to her home country. With two suitcases, some clothes, a few photos and no money.

Her first destination: an old, long abandoned farmhouse near Gloggnitz, Lower Austria - the town where Andrea Park grew up. Her first job: delivering direct mail in the country villages of the Wechsel region. She earned around €50 euros per week, and, most importantly: health insurance.

Summer is quite good, but in winter the old stone walls are impossible to keep warm: the family sleep in ski suits. This is her life: delivering mail, taking the children to their schools and to kindergarten, cooking, taking the children home, keeping the temperature at a tolerable level, going from one public office to the next, filing a divorce petition, looking after the children again. The job turns out to require too much compared to what it earns. The cost-benefit ratio is askew.

She helps out in the kindergarten at Neunkirchen, in a third-world shop, at the grocer's. Of course, she cannot be picky about her working hours, and the children are alone at home quite often. This is her life: struggling with no end in sight. Andrea can hardly expect support from her own family. Her mother gives her eggs and milk every now and then. "I have known situations when I depended on food that other people gave me," she says.

She falls ill and goes to work nonetheless. "But at some point you reach a limit, and your children don't get what they need because you are too exhausted." Besides, winter is near. The mother of one of her eldest daughter's schoolmates owns an old uninhabited house at Willendorf. She knows the situation of the family and offers Andrea to live there for a small rent.

After moving to Willendorf near Hohe Wand mountain, the job at Gloggnitz is out of reach logistically: Andrea would have to leave her children alone for hours every day, and she won't do that. She works as a cleaner for private customers, cleans the house, cuts firewood with a circular saw, heats water on the kitchen stove in order to bath her children in the washtub, and she goes on touring the public offices.

Meanwhile, her husband has returned to Germany; she eventually gets a wage statement from him and thus achieves a reduction of her social insurance contributions, which she has to pay herself as she has no regular employment. A friend helps her to repair the stoves in the house, and even manages to revive the hot water system in the bathroom. Andrea Park, who worked as an interpreter for Japanese enterprises in the past and who is fluent in at least three other foreign languages in addition to Korean, succeeds in finding part-time employment as a cleaner in a business company. "That was great, and everything was fine with the children as well."

But then she falls ill with scarlet fever and does not cure herself completely, so that the disease affects her heart. Now she takes a decision. "I've had enough. Money can't be everything. I have plenty of work with the old house and the children. I'll stay at home for a while," she says. "I've been a strong woman all my life, but last summer, the past took its toll. I just could not go on."

So it's €885.80. Time and again, the father sends his children pocket money from Germany. Then they sometimes buy small sweets at the grocer's, and if they see special offers for family-size pudding or flour, they buy provisions for the whole family, that goes without saying. Their father sometimes buys clothes and shoes as well, the rest is hand-me-downs.

"I have always encouraged the children to give rather than to take", says Andrea Park. "They aren't as fond of things as other children. Besides, here we have everything they need: the wood, the animals, bicycles (given to them)."

There are quite a few people who help. They offer clothes, second-hand washing machines, vacuum cleaners. "Things I could never afford." Others are merciless: she can afford a pony, but won't spend a few euro for the school outing or swimming lessons?

This is her life: raising three children alone. Andrea Park has always wanted to have animals. For her, they are a part of life. They are part of her dignity, and when she rides to the grocer's on her pony, without a saddle, she shows the whole village that her dignity is still there. Sometimes she takes the goat along, too.

Food for the animals is something you find. Grass grows on meadows that no one uses any more, and hay you get when the road authorities have mowed the waysides. This kind of money is there for the taking, you only have to know where to bend down and pick it up. Besides, those who use common sense insist on approaching her when pony riding is organised at the Catholic holiday camp, because this earns a little money.

Working as an interpreter again would be great. "But let's face it: with what I have I can only live in the country, and not in Vienna. But in this job it's crucial to be on call immediately. It would be possible if the children could go to relatives, but that's not the case."

This is her life: weighing value against the price you have to pay. "What most people don't understand is that you are under pressure continuously." The wrong kind of wood, bought at the wrong point of time, is enough to upset the precarious balance.

The kitchen is still warm and cosy. It's another four weeks until the end of November, and so much may happen in the meantime. "So far, everything has always worked out one way or another," says Andrea Park. "Something will turn up this time as well, and otherwise, we will simply use the moist wood, even if it hisses and smokes."

Portrait 2

A Neapolitan Story

Written by 'Chance' project staff members

October 2004

Luigi is now twenty, a very kind and sociable young man. He works six days a week in a big bar in Naples' port district that is a real hang out place, attended by hundreds of young people coming from the city's poor inner districts. It sells drinks, pancakes and sandwiches. It stays open all night long, until 5am. Luigi makes coffee and cappuccino and serves beer. His shift starts at 4pm and ends the next morning at 7am, after clean-up. He should be on legal salary and also receive a night-shift bonus and have the right to a 48hour weekly rest time. As is the case of tens of thousands like him, none of this happens for he is a black labour market worker: he has no legal contract and is paid about €600 - 650 a month, including tips.

Luigi's mother, a cleaning woman, died of cancer when he was only three, at the time his dad was serving a ten-year jail sentence. One of his older sisters tried to take care of him but couldn't manage. He then lived with his other sister who eventually married some one who disliked Luigi. He did not live alone but got help and regular support from a non-profit organisation. Nevertheless he dropped out of school at twelve. He then worked as a mason, as a bar boy, as a plumber's aid, etc. At fourteen he joined the Chance project: he finished his compulsory education and a two-year vocational training programme to become a cook. As a cook he has been working during the summer tourist season on the island of Ischia while keeping his winter job at the bar in order to support his girlfriend and himself.

Luigi lives with his girlfriend who is unemployed. Both their families are poor and are often involved

in illegal activities. They are not supportive of the young couple, which is very unlike most Neapolitan families of this kind. This lack of traditional community and family help - no Sunday lunch or Christmas or Easter together - offends the young couple and they feel very resentful.

They live about ten Km from Luigi's work and it takes him a long time to commute by public transportation. So he bought a motor scooter from a friend to get to work as fast as possible, in order to get more sleep. The apartment the couple lives in is a squat. Luigi has painted it and has bought brand new furniture for it, which he bought on credit. The squat, like many others, is in a high-storey building called "the sail". It is a huge early seventies cement apartment building that has, in fact, become a centre for drug dealing (cocaine, heroin, crack), robbery recycling, prostitution and hiding out industry controlled by the northern Neapolitan camorra networks. The city had decided to blow the whole place up with dynamite, as it had done with two other such "sails", but squatters like Luigi resisted this development.

A lot of the squatters are low-level members of criminal camorra gangs; but many are just employed poor people like Luigi. It is quite evident that, while not active in criminal or illegal affairs and in direct gang activities, Luigi can not, in any way, be far away enough from their codes of behaviour, language and general viewpoints. In fact, a lot of his energy is employed to resist offers and to "keep clean" and not become addicted to any substance while struggling to survive.



Chapter 5

Participation of People Experiencing Poverty and Social Exclusion

Ludo Horemans

Introduction

In recent years “participation” has been the focus of much attention. A great deal has been said and written about participation and the word is used at virtually every opportunity. This chapter concentrates on the ‘political participation of people experiencing poverty and social exclusion’ or their participation in the policy processes of governments at all levels. This chapter discusses the need for a further evolution in this type of participatory processes that could be described as developing ‘participatory democracy’.

This chapter draws on the various discussions on the subject of participation within EAPN as well as the reports of the European Meetings of people experiencing poverty that the various Presidencies of the EU have supported. The experience of developing this approach in Belgium will be looked at throughout this chapter. A legal participation structure developed in Belgium will be presented and discussed, but, unfortunately, other observations will reveal that the Belgian government does not apply the guidelines for better participation which it incorporated into its National Action Plans for Inclusion 2003-2005.

The importance of political participation

One of the main political objectives in the fight against poverty and social exclusion is to mobilise all players including people in poverty themselves, who have an ‘expertise’ based on their ever day

experience of poverty and social exclusion. This objective was approved at the European Council of Nice in 2000 as part of the European Union Inclusion Strategy. People in poverty find themselves in a situation of exclusion and want to be involved in the policy and actions that relate to their situation. Participation is an important weapon in the fight against poverty. Participation must be seen as a right for everyone. Everyone has the right to participate in decision making about matters that affect him or her. People in poverty have the right to express their opinions about this and to request that their experiences be heard and that they be taken into consideration in the policy.

The population is normally represented by the members of parliament via open and democratic elections. But people in poverty are not always included in such elections because many of them are often not registered. Still others feel alienated from such systems that have failed to address their needs and do not engage in the election processes. By elected representatives shaping participatory democracy processes, with a particular place for the participation of people in poverty, an important and necessary addition is added to our democratic structures.

Participatory democracy is a more fundamental form of participation in policy-making than consultation or giving advice or a statement within the context of political hearings. Participatory democracy refers to a structural involvement within the context of on going or permanent consultation, where the consultation

partners make a commitment to one another and agree on the content, timing and procedure for their joint deliberations. Fundamentally, participatory democracy should be a transparent process of structural consultation. It cannot be reduced to once-only moments of involvement.

Through participation in the processes of policy-making the outcomes in terms of the quality of the decisions taken is improved. A decision that is taken about the situation of people in poverty should be prepared in consultation with the people affected. In this way, decisions and measures have an increased chance of achieving their goals more effectively. This is true for all groups in society, but particularly when it comes to decisions affecting people experiencing poverty and social exclusion. In this area, problems are often very entwined across various areas of life and impact on various policy sectors. The contribution of people who are excluded is therefore indispensable to achieve an integrated approach that addresses the multidimensional nature of the problems faced. While participation is not a guarantee that the right conclusions will be reached, the chances are high that the lack of participation will lead to proposals which can have unintended negative impacts on the people concerned.

The conditions needed to reach a meaningful political participation

The participants to the third European Meeting of People Experiencing Poverty (2004) offered the following guidelines in order for participation not to remain an empty slogan or a false promise:

- Policymakers have to commit to actual participation in the policy-making of people who live in poverty. People have to be ready to prepare decisions and measures with us in an appropriate way. They have to agree to take the results of the participation process into account.
- Setting up a participation process is not an informal activity. We who live in poverty often only have experience with the controlling and repressive side of the government machinery. In order to bring

about effective participation, a safe and reliable environment has to be created in which we dare to ask for clarification and dare to express our opinions. We ask that our opinions be heard and respected. Only then can decisions be the result of negotiations in which we ourselves have taken part. In this way, participation also becomes an instrument for taking our lives into our own hands.

- In setting up a participation process, account must be taken of the diversity and individual characteristics of our lives in poverty. Account must be taken of the differences in the methods of communicating and meeting, as well as of the differences in starting positions. In order to participate as fully-fledged discussion partners in the negotiations or discussions, a preparatory process is often needed. In this context, we must obtain clear information about what exactly is expected of us. We also have to know in advance what the limits and possibilities of policy influence are. We also have to be supported in voicing our opinions. This takes time and resources that have to be provided.
- We want to stand up not only for ourselves but also for the rights of the entire group of people who live in poverty. In this respect, it is important for us to be able to transcend our own problems. This is only possible if we no longer have to put all our attention and energy into worrying about being able to survive. Individual support for our personal problems and those of our families is necessary in this respect.
- Finally, we ask that existing, general participation channels such as advisory boards, trade unions or political parties make an effort to be more accessible to all people who live in poverty.

Participation of people in poverty via associations and networks

If people in poverty want to make their voices heard, it is important that they do not remain alone. As has also happened in the past with other population groups - such as workers and women - people in poverty have to come together in associations and networks. For the most part people experiencing poverty have not done this under their own steam but

have been supported in this venture by others who do not live in poverty but who have shown solidarity with them. These associations and networks bring people together who often live in extreme poverty and they themselves usually work under difficult circumstances. Their prime concern is to establish permanent contact with people in poverty: visiting, listening to and supporting them and creating the conditions where they can 'take the floor' to present their own concerns and analysis. These associations and networks must be able to maintain and develop this individuality and relationship of trust with their base under all circumstances.

In this way, these associations distinguish themselves from the organisations or service providers, also working with people in poverty on a professional basis. These organisations do not aim to increase the participation of people experiencing poverty or to increase their political participation. Usually such organisations have a broader social remit, based on the notion of care. Some of these organisations even have a monitoring function with respect to people in poverty.

Nonetheless, it will be important that associations of people experiencing poverty and social exclusion cooperate with such service provider organisations in the fight against poverty and social exclusion because they can make a major contribution to this fight through the role they fulfil in the whole social system. Over the years, increasing numbers of workers in similar organisations and services have realised - thanks to the unremitting work of the associations - that adequate solutions to poverty only emerge if the experiences of the poor people themselves are taken into consideration. In this way, a number of these workers can become allies in the fight against poverty and social exclusion. However, it is very important for associations and such service organisations to unite in the battle against poverty and social exclusion so that other concerned actors cannot play them off one another.

The very act of political participation seems to be widely accepted today, at least in principle.

However, from the way in which people and associations are politically involved in reality, it is clear that the opportunities and conditions that genuine participation should make possible are insufficiently developed. In order to be stronger as an association in this endeavour, it is important to be part of a broader network of associations at regional, national and European level. These networks should then lead to coalitions with other partners and actors who can help achieve concrete measures and solutions in the fight against poverty and social exclusion.

The method of dialogue groups

The method of dialogue groups sets out to give people living in poverty the opportunity to have an active say in exchanges and discussions focused on making policy proposals through their participation in associations that link them together and give them a "voice". The essence of the method is that the planning and process of decision making is adapted to the pace of the group. It was developed and first used in Belgium in 1994 in the preparations for the General Report on Poverty (ARP).

There are three broad phases to the method:

First phase

The first phase is consultation between associations where the poor take the floor. This is where the expertise of those most affected, i.e., the experience of people living in poverty, is concentrated. It starts with a debate within each association, followed by consultations between them. Both kinds of consultation go on in parallel, and require ongoing feedback to the whole group in each association.

Getting participation by people living in poverty taken seriously also means ensuring that the dialogue groups have a say in choosing the issue they will work on. People in poverty choose topics that are most important to their daily lives. The experiences already cited in the General Report on Poverty are put to intensive use here, to see how far they can

provide a starting point for taking the discussion further in the phases described below. It is at the end of this first phase that the elements of input to policy-making to be worked on are determined.

Second phase

The second phase is consultation with the “partner” private and public services, institutions and their offshoot agencies, where they add what they have in the way of specific expertise to the associations’ experience and proposals. In this - and the following - phase, a sufficiently large group of people living in poverty must remain involved in the consultations. Several members of the group do not represent associations along the classic “delegate” or “spokesperson” lines, but collectively. It is very important to maintain sufficient feedback with the rest of the group who are not taking a direct part in the consultative process. This means making allowance for the association to resume in-house discussions on particular issues from time to time, which obviously has a knock-on effect on the pace of the debates and meetings and decision making. A large contingent of people living in poverty should also be present at meetings, not to “outnumber” the rest, but so as to feel that their input and contributions are really central to the process as a whole.

Third phase

The third phase is consultation with policy bodies (government agencies, departments and politicians) who have policy-making authority in the areas concerned: consultation between the representatives of associations where the poor take the floor (first phase), their partners (second phase) and the policy-makers.

During this final phase, there will inevitably be times when it will be necessary to go back to the second and first phase meetings, regardless of how the policy-makers react to the evidence and proposals put forward by the associations. If the political authorities reject these proposals, but the

atmosphere nevertheless remains positive and constructive, the dialogue process will probably have to start again from scratch around specific alternatives put up by the authorities.

If the policy-makers put forward solutions that are different but not too far away from those initially floated by the NGOs, the process could be started over, but cutting out part of the first phase. It will obviously take longer if the new alternatives proposed by the authorities differ fundamentally from the proposals initially put forward by NGOs. The worst-case scenario - where no positive and constructive climate can be established - will mean facing up to the fact that the process is stalled, and that in the new situation, the associations will have to consult together again, which may mean working out a different form of response.

The three phases of this process are not always as linear or as clearly delimited as described. Depending on the situation and reactions, there may be alternating rapid progress in which phases two and three may run concurrently. But sometimes there will also be a need to go back time and again from phase three to phases one or two before the process of dialogue can be properly finished off.

A specific case: the cooperation agreement regarding the policy for fighting poverty and social exclusion in Belgium

One of the main instruments in the policy of fighting poverty in Belgium within the context of the political participation of associations of people in poverty is the cooperation agreement between the six governments of the country (the federal state, the Flemish Community and Region, the French Community, the German-speaking Community, the Walloon Region and the Brussels-Capital Region). This cooperation agreement was formulated at the request of “associations representing people in poverty” in response to the last part of the General Report on Poverty, which requires a permanent instrument of dialogue with people living in poverty.

The General Report on Poverty and the dialogue method

At the end of 1991 the federal government requested preparation of a general report on poverty as part of an “emergency programme for a more united society”. The King Baudouin Foundation was given responsibility for this report but it had to work in close collaboration with “Associations representing the poor” and the Association of Cities and Municipalities, Public Centre for Social Assistance section (CPAS).

The preparation and submission of the General Report on Poverty at the end of 1994 had two positive consequences. The report not only contains concrete projects aimed at improvements in various political areas for eradicating poverty and exclusion, but it also placed the fight against poverty and social exclusion on the political agenda. It created a momentum so that the federal government, community and regional governments and local administrations each in his own political field could develop new initiatives in the fight against poverty.

In 1994, a secretary of state attached to the Prime Minister was given responsibility for coordinating poverty policy and inter-ministerial conferences for social integration were launched. These conferences included all the ministers of all the governments of Belgium, under the presidency of the federal Prime Minister. It is essential to continue this approach. The fight against poverty must remain a permanent political priority. This is why it is important to launch a legally-based mechanism for placing poverty and social exclusion at the top of the political agenda on a regular and systematic basis. This was therefore the explicit question posed by the authors of the General Report on Poverty who, in the third part of the Report, advocated the creation of an instrument for pursuing a policy in matters of poverty. In creating this permanent instrument, another important aspect is the method - new at the time – of planning the dialogue, which is also a constant thread running through the General Report. The “associations representing the poor” have

attempted to ensure that, during the dialogue with the Association of Cities and Municipalities, CPAS division (Public Centre for Social Assistance) and others; consideration is given to the experiences and ideas of the poorest themselves.

The federal government has recognised the validity of this working method and reiterated it in the governmental declaration of June 1995. The associations representing the poor have been given logistic support from a “Poverty Unit within the Equal Opportunities and Anti-Racism Centre” in order to reinforce this method.

Poverty policy is a horizontal and inclusive policy that requires intervention at all political levels – both economic and social. This is why it was decided that a cooperation agreement would be reached between the various governments in Belgium (Royal Decree of 5 May 1998).

The political instrument, i.e., the “Service for Fight against Poverty, Precariousness and Social Exclusion” was designed to be horizontal in the sense that it can be applied to any area of life. This is exactly the aim of monitoring all the measures taken by each government for potentially negative effects.

The Service has to work in an inclusive way because the federal and community levels form part of the cooperation agreement. Every level is involved in this step, except the commune level, which is not a signatory to the cooperation agreement but is represented in the Accompanying Commission by the Public Centres for Social Assistance (CPAS).

The cooperation agreement: national policy instrument in the fight against poverty and social exclusion

The cooperation agreement was reached between the federal state, the Flemish Community and the Flemish Region, the French Community, the German-speaking Community, the Walloon Region and the Brussels-Capital Region.

The cooperation agreement envisages the creation of a "service for the fight against poverty, precariousness and social exclusion" (known further as "the Service") at federal level, set up at the Centre for Equal Opportunities and Fighting Racism. The signatories to the agreement manage this Service. For this goal, a management committee was formed, chaired by a representative of the Prime Minister and with 12 additional members, appointed by the respective governments for a renewable period of six years. In addition, an accompanying commission is envisaged, composed of members of the management committee plus representatives of the social partners, insurance companies, the "Association of Belgian Cities and Municipalities" and "Associations representing the poor". Together with the latter, the populations living in poverty and social exclusion are associated with the processes of policy formulation. This accompanying commission is responsible for following up the work of the Service. Every two years, this Service draws up a "report on precariousness, poverty, social exclusion and unequal access to rights". This report contains an evaluation of the evolution in poverty and social exclusion, an evaluation of the policy pursued in the matter as well as recommendations and specific projects. This report is forwarded to the respective governments via the Interministerial Conference on Social Integration as well as to the social partners. All the signatory parties to the cooperation agreement will discuss the content of the report and the opinions formulated.

Global objectives concerning the fight against poverty are expressed in "the preamble" which precedes the cooperation agreement. It refers to a transverse social integration policy pursued in all areas, i.e., global, coordinated and including permanent evaluation. This should allow the poor, as fully-fledged partners, to participate permanently in basic thinking on poverty through their associations and their specific experiences of poverty.

The cooperation agreement says that the policy in matters of poverty cannot be based on an abstract or purely intellectual approach, but must be pursued taking into account the specific living situation of the poorest people. An insecure existence, poverty and

social, economic and cultural exclusion - whether they affect one single human being - are regarded as a serious attack on the dignity and equal and inalienable rights of all human beings.

Reference is made to the Universal Declaration of Human Rights (1948) and the international treaties relating to economic, social and cultural rights as a shared objective of each country's authorities. The achievement of this objective comes through constant effort by each authority, both alone and in coordination with the others, for the preparation, implementation and evaluation of the policies to prevent precariousness, the fight against poverty and the integration of people into society. In this respect, social security is regarded as a priority for maintaining social cohesion, for preventing precariousness, poverty and social inequality. The aim is to ensure continuity in integration policies through the adaptation and development of public services. In this respect, the The Authorities must guarantee the participation of all the people affected by these integration policies.

A few years down the line this process is still working. Unfortunately, the political leaders are not making full use of it, as expressed in the law. The other partners are not often present at the meetings of the accompanying commission because of poor management of the agreed dates, invitations and dispatch of the documents by the office of the minister in question.

Recommendations for better political participation for people experiencing poverty

At the proposal of the Belgian Anti-Poverty Network, a number of associations were questioned by the aforementioned "Centre for Fighting Poverty, Insecurity and Social Exclusion" about the conditions necessary for effective participation in policy-making. The conditions identified included

■ Political participation requires prior agreement between participants

Various elements should be clarified by the relevant actors in joint consultation before considering the actual subject itself. This clarification is needed in order to avoid disillusionment, which could make mobilisation in the future even more difficult.

For this purpose, the following limit conditions need to be defined:

- a) Who the partners involved are: the specific role of each of them must be acknowledged as well as their interests and the contributions that can be expected of the various partners. It is all the more important to make clear that the various parties are in general not on an equal footing in terms of the competences and the power they wield (for example, the difference between a public department for social work and the recipients of the benefit which this department distributes, or the difference between a public housing association and its tenants);
- b) The calendar of activities (frequency of meetings, duration of meetings, etc.): this calendar should take into account the reality and limitations of each partner, particularly of people in poverty;
- c) The working method: it is important to choose a method that enables everyone - including those for whom it is the most difficult - to make a contribution. This effort to guarantee everyone's participation should be explicitly shared by everyone. It implies that the information regarding the subject under consideration is mutually exchanged in a way that

can be understood by everyone and that reports can be used to check whether the participants have understood one another;

- d) Follow-up: even if participation results in a political decision that does not correspond to the expectations of the associations, this result should be clearly communicated and justified.

■ Political participation is time-consuming

Time is an important element with respect to the political participation of people who live in poverty. Firstly, this relates to the time prior to participation: time needed for approaching the poor, creating a relationship that enables them to take the step towards group work. Without this investment of time, no political participation can take place. Insufficient account is taken of these aspects of preparation by policy-makers and, usually, associations are also not remunerated in the form of financial support to free up people from within the associations for this work.

■ Political participation simultaneously requires awareness-raising in society

Political participation does indeed represent an important step forward in the fight against poverty, but it is not enough. A political participation policy must be able to rely on cooperation from the social midfield, from services, institutions and from the general population. A consensus in society is indispensable in order for measures to be taken, for having budgets accepted and for changing attitudes. This often concerns everyday situations, for example, in schools where the governing bodies are attempting to make sure those children from poor families can also register and can remain in the school system. In order to achieve this, the governing body must enter into dialogue with the more well-to-do parents, who do occasionally raise objections. On this level, the associations themselves have a large responsibility for informing society and raising awareness. They are often relied upon because of their specific and unique knowledge of poverty.

■ Political participation requires an individual approach depending on the various policy levels

Political participation is necessary at all administrative levels (municipal, intercommunal, regional, federal and European). Increasingly, developments and decisions at various levels also have consequences and influence at local level. Take, for example, the deregulation of markets in the EU: telephones, electricity, water, gas, railways, services, etc. After all, poverty affects all areas of life, while the political powers are fragmented over various policy levels. Particularly in countries with a decentralised form of government, competence for certain aspects of the same policy area is divided between regional and national levels. However, this also applies to European policy: key decision-making power at European level lies with the council of national ministers, not with the European Parliament or the European Commission. For this reason, contacts and consultation with national politicians are very important in decisions at European level.

However, political participation becomes more difficult for people in poverty the higher the policy level. In addition to geographical and mental distance and the larger investment of time, the linguistic barrier is also significant. Working with interpreters is no simple matter for people in poverty. Usually, communication via documents and in meetings is often limited to two working languages - English and French - with the result that the direct participation of people in poverty who do not have either of these as their mother tongue or as a working language is made virtually impossible. However, in addition to the technical translation, some translation or adaptation of content is also often necessary. The content-related use of language in documents and meetings in which the subjects are discussed is often far removed from the everyday forms of expression used by people in poverty.

Participation, an on-going task for the future

It almost goes without saying that a network to fight poverty and social exclusion, such as EAPN, places the participation of those most closely affected high on its agenda. Although this is not obvious at this high political level - Europe - EAPN will continue to look for suitable ways and means of achieving this.

In the light of the recent expansion of the EU to 25 Member States, this task has gained an additional dimension. There is a pressing need to examine the reality of poverty in the new Member States close at hand and not to assume that this is only a quantitative expansion from 55 to 68 million poor people. First of all, EAPN faces the challenge of achieving the participation of people in poverty within its own ranks because the participation of people in poverty is not automatic, even in the networks of the "old" Member States. However, if EAPN is to advocate the participation of people in poverty in policy in the Member States of the EU, it will itself have to open the way for this approach.

Portrait 3

Opening Up to Other People

My name is Leszek. I was born in Sempulno Krajeskie in Poland in 1953. I come from a family of five. My whole childhood and growing years were connected with my place of birth. I went to an elementary and trade school, and qualified as an electrician.

After qualifying I worked in different co-operatives. My job involved a lot of travel during which I slept in workers' hostels. The atmosphere there was conducive to drinking alcohol, and for many of us the workers' hostel was a place of alcohol initiation. In those hostels I met people who taught me the rules of work. Looking at it from the perspective of time, these rules were embarrassing.

With time I started to adjust perfectly to the professional adulthood and I decided to take advantage of my talents. And so I started to travel to concerts, parties, where I played guitar. I wasn't looking for new values and new ways of earning money, but creating opportunities for an easy life and for drinking. This lifestyle made me begin to treat wandering like a normal and natural way of life. At that time I had a feeling I wasn't attached to land and home. I relied only on myself and my own choices. Soon I got to know the wide world and different people, and I lost my roots and the feeling of control over the situation and my own life.

Due to the fact that I was living a very intense life without relatives or friends I began to use alcohol as a comfort. Over time the alcohol became my companion in solving problems and the difficulties I was facing. By doing this I lost the real source of joy for me, which was my own family.

This lifestyle led me to be alone on the street, and I started to live as a homeless person. I lived in railway stations, on the street and sometimes in dens, without registration and without a job. I made the effort to ask for help and I found out it wasn't that easy. For the heartless administration that works on the basis of an ill system, I was only one of the statistical numbers and only an object. The fact that I was a human being, who had the basic right to life and respect for his dignity, didn't mean anything to them. The administration and welfare system became a wall, which I wasn't able to break, let alone understand. Each contact with the institution became an unbearable burden, where in their eyes I became a loser and a problem.

After been sent away from a welfare office without any support and help I set off for the street and refuge to look for food. Sometimes while looking through the garbage I would find pieces of clothing and food. That's how I managed to stay alive. Facing the grim reality of getting a few pennies from passers by. People sensitive to human poverty became a spark of light. Over time begging became a way of meeting my needs. Very often at times of longer abstinence I had thoughts of robbing someone to get money for alcohol.

Living this way I decided to once again turn for help to the authorities promising prosperity. Like before, I couldn't get any help from the state, which was probably supposed to make me accept the humiliating life. As a street person, without a home I couldn't even get a job. In addition there were restraints on the labour market - the unemployment and the demands of potential employers requiring the housing registration. I was in confrontation with the bureaucratic reality, employers' demands and officials' insensitivity - I was helpless and defeated.

Eventually I began to attend therapy for my alcohol abuse. During my therapy, I found out about the existence of Barka, which helps people to cope with their problems and with themselves. That's how I found myself in the Barka Foundation for Mutual Help in Poznań.

As a resident of a Barka hostel I started to realise that I lacked some abilities. With other people's help I started to rebuild trust in people and respect, as well as the feeling of acceptance. Getting involved in work on behalf of others and undertaking many important social and professional roles helped me with that. By opening up to other people I lost the fear of sharing my life and experiences with others. After a while as I gained self-confidence I became ready to undertake new activities and new jobs. I changed by no longer spending time pampering myself in order to support other needy people. This awareness helped me to go to the stage of finding the purpose of my life.

Giving support to other people in need has become the interest, purpose and passion of my life. Now I can do it in a mature and professional way by working in the Barka Social Emergency Association. My personal growth and development gave me the chance to undertake other very interesting challenges:

- cooperation with the Barka Publishing Association
- fulfillment of responsibilities as a voluntary probation officer
- participation in and coordination of activities of the School of Social Animation
- vice-president of the National Union of NGOs for Social Integration.

Such wide field of activities requires a lot of strength, hard work and persistence. The support and help of my colleagues enables me to reliably fulfill my tasks.

When I think of the future, I know for sure that I want to and will help and support other people in need. My own experiences and understanding of others, which I gained during the time I was drinking and homeless, will continue to help me in my work. I still want to follow the way I have chosen and get more and more involved in fulfilling my responsibilities and duties.

Portrait 4

A Homeless Person Who Became a NGO Worker

My name is Zbigniew and I am from Warsaw, Poland. I moved to Rome, Italy, in February 1993 with a work visa. My brother-in-law used to work for a firm that were looking for new staff, so they helped me to get my documents and then employed me. I worked with my brother-in-law and I shared a flat with him until July that year, then we had a bad argument and I had to leave both the job and the flat.

I could not find a permanent job and only worked, for short periods, so that money was never enough. I shared a flat in Albano, near Rome, with some fellow countrymen for a few months; then I found a dreadful hotel near the railway station for €8 per night, sharing big rooms with a lot of other men and women. After a while I couldn't even afford this type of accommodation, so I left my luggage in a church and I started sleeping in the street. For two or three months more I continued to look for work, but it became harder and harder while living as a homeless person, so I had to give up and I started drinking.

I used to sleep with small homeless groups, because I felt safer; I also use to drink more with this group. Unfortunately, after a while, I also started begging for money. In the end we were only able to think about how to get alcohol; when it was raining, I would get upset because I could not find any money to drink.

I decided I must quit this lifestyle because I did not want to die. Fifteen of my friends died in the street - I am not counting all the dead homeless I used to

know, only closer friends. Unfortunately it is not easy to get out of this life even when you want to. Even if you find a job, you need to save a lot of money before you can get a room. But most of all, it is hard to sleep in the street and keep your job.

Fortunately, I managed to get away from all of this. I am very grateful to the people that helped me, especially a polish woman named Wanda and the Roman NGO CDS (Home of Social Rights).

I started volunteering with CDS, working in a street unit for homeless people. After a couple of years the Municipality financed the CDS to open a shelter for homeless people, and they employed me in the project. I try to do my best for the project; somehow it is easier for me than for a social worker or for a psychologist to understand homeless' needs or behaviours. Though sometimes it is hard for me to be strict with my old street mates and to ask them to comply with the centre's rules.

Chapter 6

Addressing the Interface between Discrimination and Poverty

José Manuel Fresno

The memorable sentence which opens Miguel de Cervantes' "exemplary novel" *La gitanilla* (The Little Gypsy Girl) highlights how ingrained prejudices and stereotypes have been in European society for centuries: "It seems as if gypsy men and women were born to the world solely to be thieves: they are begotten by thieves, grow up among thieves, train in thieving and, finally, become fully-fledged thieves in all respects; the wish to steal and stealing are inalienable features in them, and only disappear with death".²¹ Four hundred years on since one of the most illustrious European men of letters wrote this sentence, many of the prejudices and stereotypes it reflects are still rampant in our society.

In "old Europe", which is characterised by being a melting-pot of cultures and nations, a process of economic and political integration is taking place: goods and services move between countries ever more freely, borders are becoming blurred, migratory flows are intensifying and societies are evolving rapidly, becoming progressively more multicultural. However, parallel to this more "open" and globalised landscape has been an increase in social exclusion as well as other phenomena, such as xenophobia, racism and discrimination, which are undermining the very concept of a united Europe understood as an area of peaceful coexistence, security and prosperity. This is why the struggle against racism and discrimination on ethnic or racial grounds should be placed high on the European political agenda.

Racism and social exclusion are on the rise

Racism increasing in Europe

Racism and discrimination on ethnic or racial grounds are not, therefore, something that "belongs to history" in Europe. On the contrary, as Dr Neil MacMaster puts it, we are dealing with a "mutating bacillus":

Racism has always proved difficult to define since the phenomenon varies at any moment from one society to another, according to the particular historical, cultural and social context, while it also undergoes constant mutation through time (...) The reformulation of racism in Europe during the last two decades is particularly insidious since extreme-right wing and conservative politicians and ideologues (...) have applied themselves to inventing forms of racism in a guise that will make them invulnerable to official intervention, and even allow prejudice to appear legitimate to the general public.²²

Recent studies show that racism is spreading and taking on new forms in all countries of the EU. See, for example, the reports published by the European Observatory on Racism and Xenophobia on the issues

21 - Miguel de Cervantes, "Novelas Ejemplares", *La gitanilla*, 1613.

22 - ECRI, *Racism: a mutating bacillus. Islamophobia, anti-Semitism and cultural racism as new challenges in our societies*, 2004 (Ten years of combating racism.)

of Islamophobia and anti-Semitism or the Eurobarometer's survey *Discrimination in Europe*. According to the first of these sources, the incidence of anti-Semitic violence has increased alarmingly in several European countries over the past few years. To mention just two examples, in Germany it rose from 18 to 28 cases between 2001 and 2002, while in France there were six times as many violent attacks on Jewish people in 2002 as in 2001.²³ The same survey also indicates, for example, that although some 80% of respondents said they were against discrimination, about 22% of them reported having witnessed a recent case of discrimination against another person.²⁴

Even a cursory glance at the "demographic map" of the EU gives us an idea of the sheer complexity of its ethnic composition and attendant social disadvantages. In addition to the ethnic minorities, for example Jews and Roma people, traditionally present in all countries, there are ethnic groups that have been marginalised in the context of the creation of new nation-states; millions of immigrants who were recruited during the post-war capitalist boom, particularly in Western Europe, "with the aim of supplying industrial manpower in jobs that host-country workers were increasingly reluctant to accept";²⁵ confrontations between ethnic and national groups living on the same territory, especially in the Balkans; as well as new migratory phenomena in recent years.

Racism closely linked to social exclusion

Clearly, although racism cannot be automatically assimilated to social exclusion problems (xenophobia cannot indeed be reduced to aporophobia)²⁶ there is nevertheless a close link between such phenomena as racism, xenophobia and "discrimination against people because of their living conditions". Thus people suffering from social exclusion are more frequently rejected than people who have higher living standards: a wealthy black person is less frequently rejected than a black person who is poor.²⁷ Racist behaviour is sometimes shown towards people who are "different", but such behaviour is more frequent and more intense towards people who, in addition to being poor, are socially excluded. Poverty, social exclusion and discrimination

are therefore closely interrelated phenomena, so that people experiencing poverty or social exclusion are more likely to be victims of discrimination, and people who, in one form or another, suffer discrimination are more likely to be socially excluded.

This leads us to a crucial issue, namely the link between social inequality and the greater incidence of racist phenomena. Nobody can ignore the fact that an increase in social inequalities is the best breeding ground for the emergence of racist behaviours. The spectres of xenophobia, insecurity and a sense of loss of what rightfully belongs to one, rise up especially when people's material wellbeing is most at risk; particularly when the problems are posed in terms of low-income social groups competing with minorities of migrants for low-paid jobs, or in terms of a conflict between such groups over limited social resources and benefits.

In this context, it is obvious that, in spite of all the statements by our governments and their professed commitment to turning Europe into the most dynamic and competitive growth-based economy in the world, capable of achieving sustainable economic growth, with more and better jobs and greater social cohesion, over the past four years no actual progress has been made but, on the contrary, Europe has witnessed a regression: unemployment rates and job insecurity have increased, social inequalities are on the rise, and social protection levels are diminishing, not to mention the other phenomena such as the increase in the number of undocumented migrants, etc.

This is why it is very important - in addition to individually analysing the cases where discrimination on ethnic or racial grounds takes place - to perform an in-depth analysis of what is sometimes called "structural discrimination". It is indeed structural discrimination - which means, not the individual treatment given to specific people, but rather, the set of socio-economic and environmental conditions in which people live, as well as the conditions governing their access to services - which causes the people concerned to be in a socially disadvantaged position and to be treated unfairly in relation to other citizens.

Structural discrimination is closely related to social exclusion situations and to what is sometimes referred to as multiple discrimination. Thus, for example, there are many studies showing that, within a given social group or ethnic minority, discrimination is more frequent amongst people with a lower social status (e.g. women) and, in general, against any person who, besides belonging to the group in question, suffers from such social disadvantages as lack of formal education, unemployment, drug addiction, etc.

New forms of racism and discrimination

Racism and discrimination, however, are multifaceted phenomena, which do not stem solely from economic causes. The strong pressure being exercised on some social groups to “assimilate” into mainstream culture is today perceived by many of them as the main source of the oppression they suffer. Even more worrying is the persistence of legal discrimination in many EU countries where immigrants are only granted a stay permit and are denied the right to vote and the right to citizenship, even when they are members of families that have lived for several generations in the country concerned. “Twelve million nationals from third countries, who are legal residents in Europe, are living in a situation of uncertainty and precarious legality at many levels in their daily lives”.²⁸

Present-day racism in Europe cannot therefore be regarded merely as the rejection of people with different skin colours. There are psychological factors and social structures such that racism is not based only on objective physical characteristics and external appearances, but also on dominance-subordination relationships, on the rejection of, and hatred for, the others to protect ourselves. Often, racist social behaviours and discourses are “legitimated” by portraying the others as inferior, distasteful and even as “less human”. A new form of racism has replaced references to biological factors (different races) with references to sociological factors (different cultures). As Balibar points out:

current forms of racism can be described as racism without races... This is a racism whose dominant argument is not biological heritage, but rather, the irreducibility of cultural differences; a racism which, at first sight, does not posit the superiority of certain groups in relation to others, but merely the negative consequences of the disappearance of borders, the incompatibility between different ways of life and traditions... [a racism] which has rightly been called *differential racism*.²⁹

With this in mind, therefore, today it is more appropriate to talk about multiple forms of racism than about generic racism. In addition to racism on grounds of race or skin colour, cultural racism is now emerging, which “makes use of cultural differences to disparage [certain social groups] or demand their cultural assimilation”.³⁰ For its part, the European Monitoring Centre on Racism and Xenophobia highlights the fact that “whereas racism and xenophobia are problems common to all Member States, their manifestations are very diverse, varying from one place to another across Europe”.³¹ Far removed from the totalitarian methods prevalent 50 years ago, today racism is manifested in more subtle forms, specific

23 - European Union Monitoring Centre, *Manifestations of anti-Semitism in the EU 2002-2003*.

24 - Eurobarometer, *Discrimination in Europe*, 2003.

25 - Panayi, P., *An Ethnic History of Europe since 1945: Nations, States and Minorities*, Harlow, England; New York; Longman, 2000, p. 79.

26 - *Foreigners and people who are “different” are not rejected solely because they are poor.*

27 - The original Spanish text reads “un negro pobre es menos rechazado que un negro rico”, i.e. “a black person living in poverty is less frequently rejected than a wealthy one”. In the light of the author’s foregoing arguments, I believe this is an inadvertent mistake. (Translator’s note.)

28 - Costa, B.V., “The status of non community nationals”, in P. Alston (edit.), *The EU and Human Rights*, Oxford, Oxford University Press, 1999, p. 412.

29 - Balibar and Wallerstein I., *Race, Nation, Classe: Les identités ambiguës*, Cahiers libres, Paris, La Découverte, 1988.

30 - Modood, T., “Ethnic diversity and disadvantage”, in T. Modood et al, *Ethnic minorities in Britain*, London, Policy Studies Institute, 1997, p. 353.

31 - *Ibid* p. 76.

to democratic societies.³² This is why, apart from focusing on traditional groups such as, for example, “skinheads”, special attention must be given to the new channels used for the propagation of racist ideas and, in particular, to the means used by the exponents of so-called “white power”, including the Internet, the production of music, etc.

Discrimination as a form of racism

Discrimination can be included among the basic forms of racism together with segregation, which is essentially a form of discrimination. Whether racial or ethnic, discrimination is one of the most common manifestations of racism. Currently it is expressed through behaviours and practices that contribute to segregating populations on the basis of racial, ethnic, national, religious or cultural factors, which are sometimes jumbled together into a more or less incoherent “mixture”.³³

Discrimination is closely linked, moreover, to ethnic prejudices, that is, a negative attitude on the part of the members of one group to those of other groups. Three components of prejudice have been traditionally identified:³⁴ first, the cognitive component or stereotype, i.e. a set of beliefs - about the characteristics of the members of a group - which are made explicit through verbal labels; secondly, the affective and evaluational component, i.e. the negative evaluation of a group, combined with negative feelings towards its members (this is the fundamental component of prejudice); and, thirdly, the behavioural component,

which consists of intentionally negative behaviour and a tendency to marginalise and show hostility towards the members of the group concerned.

Discrimination is based on the belief that some people are inferior to others simply because they belong to a particular race or ethnic group. As a result, the people concerned are treated unfairly, and this entails a violation of the principle of mutual recognition of equality among human beings, which in turn is the basis of the principle of equal treatment. In many cases, racial discrimination is closely related to social exclusion and can be regarded as a form of the latter. We are therefore dealing with two mutually reinforcing processes. For this reason, social exclusion cannot be tackled solely from the standpoint of social issues and policies, and, conversely, ethnic and racial discrimination cannot be tackled solely from the standpoint of human rights and fundamental civil rights. Social policies and basic rights are two complementary and equally necessary approaches in the fight against discrimination and exclusion.

Significant legal progress in European policies against racism

The Member States of the Council of Europe have recognised that racism and racial discrimination constitute a violation of Human Rights and should be combated with all available means.³⁵ This principle has its basis in the consideration that all human beings are born free and equal, with equal dignity and rights, and hence any behaviour which runs counter to this basic principle of our societies is undermining democratic stability. There is thus an established conviction that all necessary means should be deployed to ensure the exercise of human rights without any distinction or discrimination of any kind, for only in this way can peace, stability and progress be ensured for Europe. Discrimination and social exclusion are therefore serious obstacles to the advancement of society. The Council of Europe as well as the EU, which over the past few years has adopted policies clearly oriented towards combating discrimination and improving social cohesion, uphold this principle.

32 - *Annual Report of the European Monitoring Centre on Racism and Xenophobia, Looking reality in the face: The situation regarding racism and xenophobia in the European Community, 1998.*

33 - Cachón, L., *La discriminación racial. Propuestas para una legislación antidiscriminatoria en España.* Barcelona, Icaria, place, 2003.

34 - Ashmore, R.D., “Solving the problem of prejudice”, in B. H. Collons (ed.), *Social Psychology: Social influence, attitude change, group processes and prejudice*, Reading Mass, Addison-Wesley, 1970.

35 - ECRI, *Declaration establishing the European Commission against Racism and Intolerance*, Strasbourg, 1994.

In the “International Convention for the Elimination of all Forms of Racial Discrimination”, adopted by the United Nations in 1963, racial discrimination is defined as “any distinction, exclusion, restriction or preference based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms.”³⁶

Therefore, racial discrimination occurs when the principle of equality between all citizens is violated and, consequently, they are unable to exercise their rights under the conditions of formal equality established by law. Racial discrimination does not consist solely of the most aggressive reactions involving racist rejection. It is also manifested in many other widespread social practices, which may involve, in addition to exclusion, also unwarranted distinctions, restrictions or preferences, and which de facto contribute to a situation of material inequality between citizens belonging to different ethnic or cultural groups.

Article 26 of the United Nations Covenant on Civil and Political Rights establishes that “all persons are equal before the law and are entitled without any discrimination to the equal protection of the law. In this respect, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status”.³⁷ “Absence of discrimination”, on the one hand, and “equal protection of the law”, or the “prohibition of discrimination”, on the other hand, are distinct manifestations of the principle of equality. “The former is mostly negative, the traditional ‘shall not...’ approach in international human rights law. The latter terms describe the positive aspect of equality, requiring affirmative legislative, administrative and/or judicial action”.³⁸

In any case, it is essential to recall that the right to equality before the law does not render all differences of treatment discriminatory. Indeed, Protocol No. 12 to the European Convention on Human Rights and

Fundamental Freedoms explains that “equal situations are to be treated equally and unequal situations differently”.³⁹ A differentiation based on reasonable and objective criteria does not amount to discrimination. Difference of treatment is discriminatory if it has no objective and reasonable justification, that is, if it does not pursue a legitimate aim or if there is not a reasonable relationship of proportionality between the means employed and the aims sought to be realised.⁴⁰ This issue is of crucial importance, given that, if things stood differently, positive action would not be legitimate.

As regards the second issue - i.e. the positive component of non-discrimination - the above-mentioned additional Protocol No. 12 to the European Convention elevates the right to non-discrimination firstly to an independent - no longer accessory - right and, secondly, establishes a positive obligation for states by stipulating that “the enjoyment of any right set forth by law shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status”.⁴¹ This provision does not impose a general positive obligation to prevent all instances of discrimination in relations between private persons, but it may nevertheless under certain circumstances engage the responsibility of a state if the latter fails to provide adequate protection against discrimination stemming from non-state actors.

The fight against racism and ethnic discrimination has been placed at the top of the political agenda of the EU in recent years and this has resulted in the adoption of important legal instruments against racial

36 - United Nations, *International Convention for the Elimination of all Forms of Racial Discrimination*, 1963.

37 - United Nations General Assembly, *Resolution 2200 A*, which came into force on 23 March 1976.

38 - Morawa, A. H. E., “The Concept of Non-Discrimination, European Centre for Minority Issues, Flensburg, Germany, 2002.

39 - *Ibid.*

40 - *Ibid.*

41 - Article 1 of the Protocol.

discrimination. The Amsterdam Treaty (1997) was a major step forward in strengthening the EU's commitment to the protection and defence of fundamental civil rights. For the first time in the EU's history, the Treaty prohibited discrimination: "The Council (...) may take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation."⁴²

The provisions of Article 13 of the Amsterdam Treaty paved the way for the issue of discrimination to be given a prominent role in European policy-making, leading to the adoption of two binding legislative initiatives of great importance, the first of which

concerns ethnic or racial discrimination, while the second concerns non-discriminatory access to the labour market in addition to covering other related forms of discrimination. The two measures in question are EU Council Directive 2000/43/EC of 29 June 2000, Implementing the Principle of Equal Treatment Between Persons Irrespective of Racial or Ethnic Origin; and Council Directive 2000/78/CE of 27 November 2001, Establishing a general framework for equal treatment in employment and occupation. In order to promote, among other provisions, these two directives, the Commission drew up a Community Action Programme to Combat Discrimination (2000-2006).

Directive 2000/43/EC, Implementing the Principle of Equal Treatment Between Persons Irrespective of Racial or Ethnic Origin, was due to be transposed into Member States' national legislation by July 2003. Its key elements are as follows:

- The "principle of equal treatment" is understood to mean that there shall be no direct or indirect discrimination based on racial or ethnic origin (Article 2.1). More specifically, **direct discrimination** is taken to occur where one person is treated less favourably than another is, has been or would be treated in a comparable situation on grounds of racial or ethnic origin, while **indirect discrimination** is defined as a situation where an apparently neutral provision, criterion or practice would put persons of a racial or ethnic origin at a particular disadvantage compared with other persons unless that provision, criterion or practice is objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.⁴³
- The directive describes harassment as a form of discrimination where unwanted conduct takes place...with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment (Article 2.3). Furthermore, the Directive:

- Prohibits direct or indirect discrimination in the areas of employment, social protection, including social security and health care, social advantages, education, access to and supply of goods and services which are available to the public, including housing (Article 3).
- Recognises the legality of positive action and hence of specific measures to prevent and compensate for disadvantages linked to racial or ethnic origin (Article 5).
- Reverses the burden of proof: When persons who consider themselves wronged (...) establish before a court (...) facts from which it may be presumed that there has been direct or indirect discrimination, it shall be for the respondent to prove that there has been no breach of the principle of equal treatment (Article 8).
- Guarantees protection against reprisals: The EU urges Member States to adopt measures to protect victims who report cases of discrimination (Article 9).
- Introduces social and civil dialogue as an obligation: Member States are to promote dialogue between the social partners, including NGOs, with a view to fostering equal treatment (Articles 11 and 12).
- As regards sanctions, it establishes that Member States shall lay down the rules on sanctions applicable to infringements of the

provisions (...) and shall take all measures necessary to ensure that they are applied. The sanctions (...) must be effective, proportionate and dissuasive (Article 15).

- Establishes the legitimacy of initiating proceedings in cases of discrimination: Associations, organisations or other legal entities which have (...) a legitimate interest in ensuring that the provisions of this Directive are complied with, may engage, either on behalf or in support of the complainant, with his or her approval, in any judicial and/or administrative procedure (Article 7).
- Encourages associations or organisations to provide victims of discrimination with support

and assistance in judicial or administrative proceedings (Article 7.2).

- Requires Member States to designate a specialised body or bodies for the active promotion of equal treatment, and to ensure that the competencies of these bodies include (Article 13):
- Providing independent assistance to victims of discrimination in pursuing their complaints about discrimination.
- Conducting independent surveys concerning discrimination.
- Publishing independent reports and making recommendations on any issue relating to such discrimination.

Furthermore, through Directive 2000/78/EC, the EU has established a precise legal framework to combat discrimination in the area of employment and occupation. Directive 2000/78/EC applies the principle of equal treatment in employment and training, irrespective of people's religious or other beliefs, disabilities, sexual orientation or age; and the directive's definition of discrimination as well as its provisions concerning the burden of proof and the right to initiate proceedings are similar to those of the Directive Implementing the Principle of Equal Treatment Between Persons Irrespective of Racial or Ethnic Origin.

Directive 2000/78/EC applies to the following areas: conditions for access to employment (including selection criteria and recruitment conditions and promotion); access to vocational training; employment and working conditions (including dismissals and pay); and membership of, and involvement in, an organisation of workers or employers. The Directive allows limited exceptions to the equal treatment principle, for example in order to respect the status of certain religious organisations or to enable the implementation of special programmes aimed at promoting the integration of young people or older workers in the labour market. Furthermore, it requires employers to carry out any reasonable

adjustments necessary to meet the needs of people with disabilities who are capable of performing the jobs in question.

In the case of Directive 2000/78/EC, Member States have agreed to introduce the necessary changes in national legislation by 2 December 2003, although they are entitled to request an additional period of up to three years to bring their legal systems into line with the provisions on disability and age. New Member States will also be required to transpose the provisions of both Directives into national legislation before accession.

Undoubtedly, however, the most significant legal instrument to combat discrimination and promote equal treatment is the European Constitution, which once ratified, will enshrine the fundamental principles governing the EU. The text maintains the existing legal bases for combating discrimination

42 - Amsterdam Treaty (1997), Article 13.

43 - An example of indirect racial discrimination is provided by a case submitted to the courts in Sweden, where certain establishments were refusing to admit women who wore long skirts, on the grounds that this kind of clothing made shoplifting easier. This prohibition was denounced, given that it was mainly women from the Roma/Gypsy community who wore long skirts.

and social exclusion, establishing equality as a key constitutional principle. The Constitution expressly prohibits discrimination on grounds of nationality, and establishes that the Union shall implement measures to combat discrimination and exclusion, and to promote social justice and protection, equality between women and men, solidarity between generations and the protection of the rights of the child. In the penal sphere, the European Parliament and the Council will be entitled to act against criminal activity with a cross-border dimension in the areas of terrorism, trafficking in human beings, racism and xenophobia, the sexual exploitation of children and environmental offences.

Not much progress in combating racism and exclusion in practice

The key question to ask at this point: is why, given that in recent years significant progress has been made in the struggle against discrimination and exclusion in the EU at the political and legal levels, this progress has scarcely had any beneficial impact on the people suffering from discrimination and exclusion? In spite of the political, legal and economic instruments that have been put in place to combat the two phenomena, there are major barriers impeding coordination and the creation of synergies between different measures. What is the reason for this gap between “theory” and “practice”?

Policies are having little impact at the national and local levels

As part of its efforts to combat exclusion, in the year 2000 the EU adopted the European Social Inclusion Strategy and developed specific mechanisms to put it into practice and monitor its implementation (e.g. the “Open method of coordination” and the “Joint Inclusion Report”). So far, however, results have been very poor. As far as the fight against discrimination is concerned, the EU adopted a Community Action Programme to combat discrimination (2001-2006), which again has achieved very little to date.

In spite of the European Commission’s efforts, both measures have hardly found a place in the political agenda of Member States, thus evidencing the lack of coordination and synergy between European and national policies in this area. Moreover, not only is the importance of these issues diminishing at national level, but also on the European political agenda they are being replaced by other issues, such as the concern to preserve the welfare state, the need to reform the social security systems, etc.

Clearly, exclusion and discrimination issues are not central to the EU’s social policies. On the contrary, there is a growing current of opinion, particularly in some countries, that tends to deny the existence of discrimination as such and assimilates it to “being out of work” or to “unwillingness to work” on the part of those suffering discrimination. The political denial of this problem at national and local level is closely related to its lack of importance in public opinion.

Laws are not effectively implemented

Why is it that legal progress through the Amsterdam Treaty and subsequent EU directives has had so little impact on citizens? Although at international level there has been much interest in recent developments on this front in the EU, whose anti-discrimination legislation is one of the most advanced in the world, Member States’ institutions have attached little practical importance to these legal initiatives. And this is so, moreover, in spite of the fact that, recently, anti-discrimination legislation has been significantly strengthened through the adoption of the European Charter of Fundamental Rights as well as through the endorsement of the new Constitution.

Faced with the obligation to transpose the anti-discrimination directives into their national legislation, EU Member States have very slowly started to address this task. Clearly, countries have not been prompt in their response, as apparent from the reports published by the Commission. By the time the deadline for transposal of Directive 2000/43/EC expired, only three countries had fully incorporated its provisions into their national legislation. The Annual Report on

Equality and Non-Discrimination, which includes the results of the first half of 2004, indicates that even today some Member States have not fully applied the relevant directives. In fact, in July 2004 the Commission brought actions against five countries (namely Austria, Germany, Greece, Finland and Luxembourg) before the European Court of Justice for infringement of the obligation to transpose the directives into their national law.

It is clearly apparent that, in addition to the lack of importance attached by Member States to the EU's new non-discrimination provisions, no synergy is taking place between the European level and the national level. The sluggishness displayed by Member States in transposing the directives is sufficient proof of this fact. To these delays should be added the lack of institutional mechanisms to ensure the implementation of the legal measures, as well as the ambiguity shown in interpreting the directives themselves. This situation may perhaps be due to the fact that some stakeholders in the fight against discrimination, including lawyers, judges, human rights organisations, etc. have not been sufficiently mobilised to this end.

As is well known, it is essential to have effective legal instruments to ensure equal treatment, but the existence of such instruments is not enough to achieve the stated objectives unless appropriate mechanisms and resources are available to enforce legislation. Many Member States are currently adapting their laws, but the budgetary appropriations and programmes necessary to make the laws effective do not accompany these measures, and therefore the barriers to the equal treatment of people in public and private services are not being removed.

Inadequate use of financial mechanisms (Structural Funds)

The basic instruments deployed by the EU to combat discrimination and social exclusion are the Structural Funds together with other Community programmes, such as the inclusion and non-discrimination programmes. It should not be forgotten that the Structural

Funds are aimed at promoting economic and social cohesion, and that social cohesion can only be achieved in a genuinely inclusive society where all citizens effectively enjoy equal treatment.

The main economic barrier to effectively implementing inclusion and non-discrimination policies lies in the insufficient use of the Structural Funds for this purpose. The fact that the process of planning and reviewing the Structural Funds has not been accompanied by the timely adoption of inclusion and non-discrimination strategies should not be forgotten.. Therefore, the latter have not formed an integral part of the process in terms of developing appropriate Community support frameworks and operational programmes.

To this should be added the fact that, in general, national governments have not earmarked funds specifically for these measures (lack of accountability), as apparent from the mid-term evaluations of the same. The solution to this kind of problem would involve - among other steps - targeting the measures on specific groups, generating synergies and increasing the effectiveness of the measures through joint coordinated action. However, targeted policies against discrimination and social exclusion can only be successful if they take into account the initial disadvantages suffered by the victims of these phenomena. In addition to the need to adapt the services to their specific requirements, it is necessary to be aware of the need for positive-action measures to compensate for social disadvantages and exclusion.

44 - See 'The Development and Current Context for EU Anti-Poverty and Inclusion Policies', Brian Harvey, chapter 1 of this book.

45 - European Commission, Green Paper on Equality and Non-Discrimination in the Enlarged European Union,, 2004.

46 - European Commission, DG for Employment and Social Affairs, Annual Report on Equality and Non-Discrimination (2003 and 2004).

47 - The phrase in brackets is in English in the original text. (Translator's note.)

Reluctance to set up specialised bodies for the promotion of equal treatment

One of the most important instruments provided for by Directive 2000/43/EC to combat discrimination is the establishment of Specialised Bodies for the Promotion of Equal Treatment. This, however, appears to be the “great pending task” of Member States’ governments, given that many of them have not even started setting up such bodies, while many others have adopted a “bare minimum” approach, failing to provide the specialised bodies either with the competencies or the resources required to ensure their independence and operational capabilities.

It should be pointed out that, although the directive does not require these bodies to be independent, it does provide for them to function autonomously and, for this to be possible, it is essential that they have adequate funding, that all social forces concerned be represented on their management boards, that staff be selected openly and impartially and that the bodies have effective power and autonomy in the exercise of their functions.

Furthermore, it should be stressed that the three functions assigned to these bodies by the Directive should be regarded as minimum requirements rather than as their ultimate goal. The establishment of Specialised Bodies for the Promotion of Equal Treatment, their ability to provide support in proximity to the victims of discrimination, the involvement of civil society and NGOs in their work, a sustained effort to promote social dialogue and raise public awareness through them, and their institutional and social relevance, are all essential preconditions for the bodies to achieve the expected impact.

Mobilising all stakeholders: an essential task

At this time the EU’s commitment to ensuring that Member States take measures to combat all forms of discrimination, whatever their grounds: gender, ethnic or racial origin, religion or other beliefs, age, disability or sexual orientation is very welcome. However,

non-discrimination measures should be given further impetus at a practical level, for it is important not to forget that, with the exception of gender equality, which is an area where there is already a certain tradition in terms of developing appropriate legislation and implementing national action plans, most countries have little awareness of other forms of discrimination and little experience in combating them.

In developing effective legislation to combat discrimination, Member States should adopt a broad perspective, avoiding a “minimalist” approach. Having good legal instruments is essential, but is not enough. It is also necessary for policies and legal measures to be accompanied by actions aimed at increasing the awareness of civil society and promoting understanding in a climate of tolerance and respect for human rights and diversity. Such awareness campaigns can be conducted through the education system and the media, and should be initiated with the involvement of the most relevant bodies for this purpose. The fight against discrimination on ethnic or racial grounds should therefore be viewed as a transversal process that requires the participation of a variety of stakeholders and organisations, both public and private, working towards a common goal at different levels.

The first steps are being taken in the areas of race, ethnicity and disability, as well as in regard to access to training and employment; but bear in mind that, with a few honourable exceptions, Member States have been sluggish in transposing the relevant directives. Hopefully, the monitoring plan provided for in the Directive itself will speed up and facilitate the process from now on. It is important to raise a number of key issues which up until now have not been addressed effectively or have not been dealt with sufficiently, including the following:

- The need for governments to move, in the medium term, towards a General Law on Equality covering, at the very least, all the areas mentioned in the Amsterdam Treaty and the future EU Constitution, as well as the need to ensure the effective implementation of said law by providing appropriate resources, mechanisms and sanctions.

- The advisability of subsuming the fight against discrimination and for equal treatment under the concept of the protection of human rights in order to avoid jumbling together the issue of social exclusion and the issue of discrimination, even though they are closely related to each other. The issue of equal treatment should be inscribed in the area of human rights and the protection of fundamental civil rights, rather than being regarded as a social policy issue.
- The need to relate and link more closely the measures aimed at promoting social inclusion to the measures aimed at promoting equal treatment. This involves not only addressing individual cases of discrimination, but also addressing structural discrimination issues as a matter of priority.
- The need to avoid assimilating - as a result of current demographic pressures - the problem of ethnic or racial discrimination to migration policy issues, in spite of the fact that migrants are one of the groups most at risk of this kind of discrimination.
- The need for all Member States to set up a specialised body to combat ethnic and racial discrimination in the short term. Such a body should have broad competencies as well as the ability and resources to exercise them; and guarantees should be in place to ensure that the specialised body can function independently, as established by the Directive.
- The need to incorporate the promotion of equality as a basic standard or principle underlying the activities of all public authorities and services, as well as the need to deploy the necessary means to this end (training, research, resources and support).
- The need to take into account - when developing measures for the promotion of equal treatment - the administrative structures in each country in such a way as to generate synergies and work towards common goals while at the same time respecting the areas of competence of each participant in the process.
- The development of positive action measures to translate legal principles into practice and enable all citizens to enjoy equal treatment, facilitating, to this end, their organisation and empowerment.
- The need to focus the Structural Funds to a greater extent on the fight against exclusion and discrimination, as well as the need for a closer monitoring of the Structural Funds' impact on both phenomena.

- The need to give greater attention to people suffering simultaneously from several forms of discrimination, focusing, in particular, on gender-related aspects of ethnic and racial discrimination.
- The need to implement the above-mentioned measures openly and transparently, establishing appropriate mechanisms for social and civil dialogue, as provided for by the Directive, and promoting the effective empowerment and participation of the victims of discrimination.

For their part, **NGOs can play a major role** in this process. In view of the importance that the issue of discrimination is acquiring, and also taking advantage of the new international and national provisions, NGOs working with migrants and minority groups are in a good position to give new impetus to the campaign for equal treatment. To this end, they could undertake, for example, the following kinds of actions:

- Awareness actions aimed at relevant institutions and society at large.
- Training of minority and/or migrant group leaders as well as of specialised groups such as civil servants, police officers, etc.
- Creating a database of discrimination cases; conducting surveys.
- Acting as mediators in discrimination cases; providing useful information to victims of discrimination.
- Reporting discrimination cases to the relevant authorities.
- Direct assistance and counselling of victims of discrimination.

Furthermore, NGOs should influence public policies aimed at combating discrimination and social exclusion, not only by suggesting specific measures based on surveys and an accurate assessment of the needs of the most disadvantaged groups, but also by working together with the target groups themselves in order to promote their involvement in their own development. One of the most important areas in which NGOs should seek active participation is the drawing up, implementation, monitoring and development of the National Action Plans on Inclusion, in which the issue of discrimination should be given higher priority in the future.

Portrait 5

Barriers to Employment

Diana lives in a village that is approximately 19 km near the district town Rožava in south-eastern Slovakia. The village has 600 inhabitants - half of them are Roma. Village houses are equipped with gas line and gas fixtures, duct and sewerage. In the village, there are two groceries, two taverns, elementary school (first three classes), municipal hall and a Lutheran church. All other services: education, health and administrative, are outside the village and can be accessed by public transport. For Roma people, especially the long-term unemployed, the 20 km journey to the labour office is difficult. The unemployed Roma have to report in person to the labour office once a week.

Many Roma live in a settlement outside the village. Brick houses in the settlement are connected to the water main (the settlement has its own water main) but they are without sewerage connection. There is nearly 100% unemployment among Roma, and mostly they are long-term unemployed though many are at present "employed" by activation works. Their education has decreased with each new generation, mainly due to financial reasons. There are no secondary schools in the village. Health conditions are relatively good; there are no epidemics in the settlement. Social relations of Roma and the majority population are without open conflicts, but people divide themselves into "two camps". The friendships of Roma and the majority population families or their members are very exceptional. There is, however, one Roma deputy (local entrepreneur) in the municipality with a representation that consists of nine members.

Diana is twenty-one-years old. After finishing elementary school (eight classes) she began to study at a service training institution to become a cook/waiter. Due to financial reasons (expensive travel costs) she moved to a training institution closer to her village. However, she did not like the new place and decided to quit the institution, she was only sixteen at the time. Diana lives in the "village" (village itself divided unofficially into "village" and "settlement") in her parent's house. The house has a "common yard" with two non-Roma families. The house is built of bricks, it has electricity and a water supply and is heated by solid fuel. The house has a kitchen and two rooms.

Diana lives in the house with her parents, her older sister and her older sister's partner and their nine-month baby. Diana sleeps on the sofa in the kitchen. Besides her sister, who is on parental leave (and takes state parental support), all the family are unemployed. Their income does not meet their living expenses.

They survive on credit in local groceries and by pawning material equipment in the pawnshops outside the village. A few days after the benefit payment they are without cash and live on debt, because nearly 100% of family income has to be paid back to debtors. All their relatives and friends are in a similar financial situation, so they cannot ask them for help. There is one usurer who "operates" in the village. In the case of an unexpected event or need, Diana's family borrows money from him for 30%-50% interest; the rate of the interest depends

on the amount of the borrowed sum and the duration of the borrowing period. Events mentioned by Diana as the main case for borrowing money were: illness, visits to physicians (travel costs), death in the family, travelling to Czech Republic for work, purchase of fuel. The main factors that constrain the family are: impossibility to move out off the village (travel costs), to finish secondary education and the impossibility to buy clothes and good-quality shoes. Diana only buys in the cheapest shops and always just one item, usually only shoes, because shoes wear down the quickest.

Diana gives all her income to her family budget and therefore she does not have any cash. She tried to get job in the Czech Republic but the brokering

did not grant her the deposit for surviving, so she had to return home.

The unemployment rate in the district is one of the highest in Slovakia (there was 66 job-seekers per one vacancy) and an unskilled person has almost no chance of finding a job. Diana says that potential employers who promised her a job during a telephone conversation, reneged on their promise after meeting her face-to-face. She has also experienced an employer asked her directly on the telephone if she was a Roma person: if yes, she does not need to come.

Neither Diana nor her family have any plans for the future. Their biggest concern is day-to-day survival.

The household income is as follows:

	Monthly Income in SKK and in euro		Type of income/reasons for non-income
Mother	1500	37.5	Social benefit
	1500	37.5	Activation contribution
	1380	34.5	Contribution for housing
Father	0	0	He was excluded from the job-seeker register at labour office because he missed the reporting term/date
Sister with her partner and the child	6100	152.5	Parental support, children allowance, social benefit
Diana	1500	37.5	Activation contribution (she is not entitled for social benefit, because she is under twenty-five and lives with her parents)
Total for six persons	11980	299.5	



Chapter 7

Understanding Relationships between Ageing and Poverty and Social Exclusion

Edward Thorpe

Introduction

When talking about 'ageing' it is important to distinguish between two elements:

- Ageing of individuals
- Ageing of society

These issues interrelate and many of the key issues that arise when looking at the ageing of individuals are made more important by the fact that our societies are ageing and the sheer numbers of people facing the particular situations related to ageing are increasing. However, these two elements are distinct and must be looked at separately - the ageing of our societies raises more issues than a simple increase in numbers facing certain risks associated with ageing. It also raises questions about how our societies are structured, what the goals of society are and how we view individuals at different stages of their lives.

The ageing of individuals

The Final Declaration of the World NGO Forum on Ageing held in Madrid, Spain in April 2002 stressed that despite the fact that "the elderly population in developed countries represents nearly 20% of the entire population... in numerous states the elderly suffer from critical situations of poverty and social exclusion, do not enjoy appropriate living conditions and constitute an 'invisible' group for governments and international institutions."

Furthermore, the final declaration pointed out that older people can often suffer from "severe economic

difficulties, limitation on access to health services, lack of social services, considerable shortcomings in housing and living conditions, exclusion from culture and education, inappropriate treatment, scant participation in social and political life."

Whilst this Declaration points out the range of issues relevant to older people in the field of social inclusion, it might be tempting for many to believe that this situation is one that exists on the world scale, but is much less of an issue in Europe, where pension systems are common and economic development has generated enough wealth to share amongst its citizens.

Unfortunately, but significantly, the ideas contained within the Declaration of the World NGO Forum are strongly reflected in the statistics coming from the EU. Official figures published in 2003 (see the Statistical Annex to the EU Joint Inclusion Report 2003 - note that these figures date back to 2001 and thus to the EU15 rather than the enlarged EU) show that the total population of the EU has an at-risk-of-poverty rate of 15%. This compares to a rate of 19% for people over the age of 65 - no other group has a higher rate, although young people also have an at-risk rate of 19%. Interestingly, older people are the group most at risk in 9 out of the 15 Member States.

Notably, these average figures can hide much greater differences between the situation of older people and the rest of the population. As examples, the at-risk-of-poverty rate of women over 65 in Ireland was 51%, compared to 15% for women aged 16-24 or even 10% for men aged 16-24. In Belgium, 24% of men

over 65 were at risk of poverty, whilst these figures were only 8% for men aged 25-49.

Even more striking than these statistics however, in showing the reality of the risks faced by older people in the EU, are events that occur in some of the richest of all the Member States. None has been more severe or shocking than the results of the 2003 summer heat-wave in France that caused over 10,000 extra deaths, mainly amongst older people, in the first two weeks of August of that year. In the UK, official figures show that during the cold winter months, over 20,000 older people suffer avoidable deaths due to physical frailty combined with the cold and additional risk factors such as damp houses, isolation and monetary poverty.

There is clearly more than enough evidence to show that the issue of poverty amongst older people is one that concerns all Member States of the EU, from the richest to the poorest. In order to be able to look at how to improve the way that poverty and social exclusion are handled amongst older people, it is important to take some time to look at what the major issues are for older people and the particular risks that they face.

Income

Often the first concern that older people raise when talking of the risks they face is their income. Whilst poverty and social exclusion issues cannot be equated with the issue of income, it cannot be ignored that low incomes are a major risk factor for all people and that older people face increased risks in this regard. Whilst pension debates are now high up the political agenda across Europe, assurances are needed that adequate incomes will be guaranteed for all pensioners and that this priority will be as important during pensions reforms as attaining financial sustainability of the pensions systems.

Older women need particular consideration in this area. Whilst many older women have spent their lives working, they have not always spent their lives in paid employment or working in sectors with recognised

social insurance contributions or equivalent. This places women at particular risks of having to live their old age with little or no pension rights. Furthermore, older women are four times more likely to live alone than older men, thus increasing their potential vulnerability (Source: Eurostat, Household Panel 1996). The causes of and solutions to female poverty in old age need to be examined and given a specific focus within national and European policy priorities.

Particular attention should also be paid to (im)migrants and older people of ethnic minorities who can face extra risks such as losing their pension entitlements when moving country.

Discrimination

Age discrimination is experienced as a difference in treatment, the denial of rights or opportunities or the use of stereotypical images of individuals solely on grounds of chronological age. Age discrimination is based on ageism, the use of stereotypical assumptions about the nature and capability of individuals of specific ages.

Age discrimination is apparent in many areas of society, including: employment and income levels; access to health, education and goods and services, including transport, housing, culture and financial services such as insurance; participation in policy-making and civil dialogue; and the allocation of resources and facilities.

Many of these factors can lead directly to increased risks of poverty and social exclusion through reduced employment opportunities, greater health risks and the inability or ineligibility to undertake certain activities. Combating negative age discrimination in all these areas would make a decisive impact on the risks of poverty and social exclusion faced by older people.

Whilst promoting legislation against discrimination it is important to consider the potential effects of such legislation on positive discrimination, which is designed to support vulnerable people. Reduced entry prices

to cultural events or transport services for people over a certain age could be ruled as age discrimination. Careful consideration is needed on such issues, because whilst many may think it sensible to end such positive discrimination and give discounts purely on the basis of need, there is much evidence that the implementation of means-testing raises concern among older people and that many needs-tested benefits go unclaimed by those that need them most.

Access to services

Whilst low income and discrimination represent significant barriers to accessing necessary services, there are other general issues in the service sector that can restrict older people's access. One issue is the simple lack of required services - commonly the case in fields such as home care support or rural transport. However, even where services do exist, access can be limited due to physical or financial barriers or because of a lack of practical suitability of the services for the specific needs of the individual, including for reasons of location and timing.

It is important to be subtle in the use of the terms poverty and social exclusion because older people do not need to experience monetary poverty to be socially excluded. Even if people do have a reasonable pension income or savings, they become excluded when there are no accessible services for them to use or when those services become so expensive that they would face monetary poverty were they to use them. The cost of long-term care is a major issue for older people and their families in this context.

Health

The issue of health is a crucial one for society as a whole because not only does poor health seriously impact on the ability of an individual to participate in and contribute to society, but there is also a relationship in the opposite direction, with poverty significantly increasing the risks of poor health. These concerns are all too real and obvious for many of Europe's older people and there is an urgent need to tackle both sides of this duality.

Health services need to be appropriate and accessible; health prevention measures such as breast cancer screening should be open to all, regardless of age, since early detection and treatment increase cure rate, enable savings and allow sufferers the greatest chance of continuing to lead a full and active life within society. Generally, it is important that people have the right to a proper diagnosis and proper treatment whatever their age, with a strong promotion of healthy lifestyles and greater awareness amongst health professionals of the particularities associated with ageing.

Isolation

Whilst this phenomenon is particularly difficult to analyse and observe, revealing figures do exist at European level. According to Eurostat Household Panel figures, 1996, 20% of all retired households are made up of older people living by themselves. Furthermore, according to some predictions, 32% of people aged 65-and-over and 45% of those aged over 80 will live alone in the EU by 2010.

Increased labour mobility has put pressure on family contacts, with a greater percentage of children and grandchildren living in different cities, regions or even countries to their older relatives (low birth rates are also contributing to this). Insufficient attention has been given to the potential costs and risks of promoting such mobility and what measures might be needed to offset these effects.

Eurostat figures from 1999 show that some older people are particularly isolated compared to the rest of the population. According to these figures as many as 12% of people over 80 have little or no social contact in some countries, whilst the average across the EU shows that the over-80s are three times more likely than the rest of the population to be socially isolated in this way (less than one social discussion per week).

Whilst the tragic events referred to earlier highlight the extreme dangers of isolation to life itself, the objectives in this field should not be limited to

preventing death. People who have little or no contact with society, either in the form of cultural or social events or simple conversation with others are exposed to loneliness, possible depression and a negative cycle that can undermine feelings of self worth and dignity and increase health risks. These issues need to be tackled even when they are not reflected in tragic events.

It must be noted that isolation can exist in all environments and cannot be understood as a rural phenomenon. Older people living in major cities and often in the same building as many other people often find themselves ignored and left alone despite the close physical proximity of their neighbours; it is almost as if they've become invisible.

Dependence

Whilst old age is certainly not synonymous with disability and dependence, there is clear evidence that being hampered in daily activities by a physical or mental health problem, illness or disability increases with age. 9.3% of the total population are hampered in this way according to Eurostat figures published in 2003, but significantly, each age group is consistently more at risk of experiencing difficulties in this way as they get older and there is a sharp rise at the end of people's lives with 16.1% of the 65 to 74 group being hampered increasing to 36.2% of those aged over 85.

Dependence increases the need for care services and limits or removes the ability to take an active part in society or earn an (extra) income. There are huge issues connected to the dignity and feelings of worth of individuals who find themselves no longer able to join in everyday activities in the way they did before. As modern life increases in speed there are further risks that those older people who find that they need to operate at slower speeds will be forced to the margins. Whether this be in the context of using public transport systems or visiting a doctor in the time they have allotted per patient, these issues can be crucial in enabling older people to take full advantage of services and participate fully in society.

Abuse

Unfortunately, the reality faced by many older people is one where their dignity is threatened and they face particular risks of abuse - both within services and institutions and within the family or in other social situations. Physical, mental as well as financial aggression and abuse can significantly impact on feelings of exclusion from society as well as being a breach of basic human rights. Measures need to be taken to protect older people from these forms of abuse and to ensure they have access to the same guarantees of their security and dignity that all members of society seek to enjoy. Such measures must include not only means of protecting people from negative attitudes and threats, but also positive measures to off-set the vulnerable position of certain older people.

The ageing of society

Demographic ageing is a well-known phenomenon. Current figures show that people aged 65-and-over represent 16-17% of the EU population (for both the EU15 and the enlarged EU). This figure is projected to rise to around 28% by 2050. Even more significantly, the population aged over 80 is projected to more than double from around 4% of the current population to nearly 10% by 2050.

These projections have led to talk of crisis and other negative perceptions of the ageing of the population. Demographic ageing is presented at best as a challenge and often as a threat to our societies. There is little or no recognition of the contribution made by older people whether in terms of voluntary work, often as informal carers, within the family or within the community or in terms of transfer of knowledge, experience and resources between generations. The potential of older people for wider involvement in our societies and to make greater contributions are typically left unexplored. Furthermore, the past contributions made by these individuals in employment, in nurturing families and in their social and cultural lives are forgotten and discounted.

However, it is not the ageing of the population itself that is the challenge, but rather meeting the needs of society, today and in the future, in terms of the development of appropriate health, social and economic strategies, services and policies. The ageing of the population is simply a reality that needs to be taken into account as an important factor when developing such strategies. There are several policy areas and political issues that deserve particular attention:

Pensions

The demographic ageing of society cannot be used systematically as a pretext for undermining social protection systems and reducing payments of pensions and benefits to levels that do not allow individuals to have a decent standard of living. Instead, the objective of providing not just minimum levels of social protection, but levels that enable an inclusive society enjoying social cohesion should form the basis of all reforms. Certain principles need to be adhered to in the context of such reforms.

In the area of pensions, the principle of guaranteed adequate income is crucial. Furthermore, basic state pensions should be indexed so as to ensure that pensioners keep up with progress in society's prosperity. Experiences of older people in different countries have shown that indexation to average earnings is more effective than indexation to average prices in ensuring that pensioners are not left behind and faced with increased risks of being excluded.

Contradictions in the approach to older workers and retirement should be eradicated from government policies. Whilst discussions are on-going about increasing the pensionable age in many European Member States it is not acceptable that sufficient measures have not yet been taken to outlaw age discrimination. Whilst older workers or potential workers still face institutionalised barriers to employment, it cannot be accepted that they must also wait longer for their pensions. Arbitrary forced retirement ages should be abolished to allow those who wish to continue working beyond the pensionable age to do so, whilst training opportunities should be increased

to allow older (potential) workers to keep up with developments in their chosen profession. Similarly, the culture of using early retirement schemes as a tool for staff restructuring should be challenged and the disadvantages to both employers and society as a whole presented.

Flexible working arrangements that allow older workers to remain in employment whilst reducing their overall workload should be encouraged. Such employment would reduce the strain on pension systems, help maintain the labour market and make a significant contribution to allowing individuals to lead the kind of lives they want, retiring when they want and setting their own priorities in balancing work and personal life.

Finally, all pensions schemes whether occupational, private or state-run should be tightly regulated and guaranteed. Such measures are not only crucial in helping to ensure a reasonable pension income in retirement, but by providing guarantees of this future income they would allow people to plan and hopefully save in a way that would improve their quality of life both before and during retirement.

Health

The links between poverty and poor health were discussed above and these links need to be kept in mind when considering what extra pressures demographic ageing could place on systems of health service provision. Policies will be needed that look to develop and guarantee good quality, accessible health services in the face of what can be assumed will be a greater demand following the effects of demographic ageing; as people become older the risks of poor health increase. However, the risks are particularly great for those who have experienced poor health already during their younger years or for those who have lived in comparative poverty during their lives.

When looking at the question of how to make health services sustainable, it therefore seems that rather than simply looking at how to finance ever increasing levels

of health services, one should also look at combating poverty and promoting healthy lifestyles which will enable people to live longer in a healthy way, thus reducing the demands on health services. Promoting healthy lifestyles includes looking at education and employment related issues such as stress and security, but it also means giving people the chance to come out of poverty, thus enabling them to eat good food and live in good conditions.

Long-term care

Again, it seems very reasonable to assume that increases in the population aged over 80 will increase the demand for care services for the elderly, both in home care and residential services - it has been proved that levels of dependence increase with age. It is important that policy-makers look at these issues and make preparations that will absorb these demographic changes and ensure that sufficient support is given to care provision, including providing the necessary framework and support for local-based solutions which might include supporting informal carers financially, the provision of adequate and appropriate formal services and organised social and volunteer support.

Statistics

It is important that decision-makers have as much information as possible about the particular situation and risks facing older people in Europe. In order to fully understand and observe relationships between ageing and poverty statistics by age group should be broken down into smaller bands. This is particular needed within the group currently combined within the category 65+, which does not give any indication of the differing risks experienced by people as they move from the Third Age (which can be loosely defined as retired, independent) to the Fourth Age (retired, dependent).

As the proportion of the over-65 population grows and the over-80 age group expands dramatically, the failure to take these differences into account when collecting statistics will become increasingly

misleading when guiding policy-making. Furthermore, it is worth reiterating that statistics for all age groups must continue to be broken down also by gender in order to fully examine the particular risks faced by each gender as they age, notably the greater risks currently experienced by older women.

Intergenerational solidarity

Any references to a need to move away from a negative approach focused on older people towards a positive approach focused on younger people must be viewed with scepticism. Such talk seems to try to promote an intergenerational conflict that need not exist. Rather, society should be looking for solutions that tackle poverty and social exclusion throughout people's lives.

It is clearly important to give young people the best possible start to life with the best chance to live an included life as an active participant in society. Tackling child poverty now will make a contribution to tackling poverty amongst older people in the future. However, there is no reason to use this fact as a reason for doing less to tackle old-age poverty now. There are two major considerations that need to be taken into account.

Firstly, if escaping poverty earlier in life guaranteed escaping poverty in later life it would be hard to find the figures and the real-life experiences that show poverty increasing amongst older people. It seems clear that although those who live in poverty during their earlier years will almost certainly continue to do so in later life, it is not possible to say that those who do not experience poverty earlier will similarly not experience it as an older person. Rather, figures and experiences show that risks of poverty and exclusion increase as people age. This clearly suggests that specific solutions to the particular risks facing older people are needed to complement those measures aimed at tackling poverty earlier in life.

Secondly, any suggestion that working on poverty amongst the young is working with a long-term vision, whilst working on poverty amongst the old is working

with a short-term vision must be rejected. Whilst it is certainly true that working on youth poverty will help the future of our societies, the same is also true of tackling poverty and exclusion amongst older people. Quite simply, solutions to the particular risks faced by older people today, in the form of systems, services and policies that provide access to goods and services will not just help older people today, but will also help prevent exclusion and poverty amongst the older people of tomorrow who will take advantage of the same infrastructure.

European governments need to devote serious attention to setting up or facilitating the creation of this necessary infrastructure of accessible services and adequate social protection systems which can respond to the particular needs of older people at the same time as promoting life course approaches in healthy, included lifestyles free of poverty. Part of this approach must be the re-education of both professionals working with older people and the general public about ageing and the needs as well as the possibilities of older people.

Such an approach should be backed up with specific commitments and targets in reducing poverty and social exclusion amongst older people, themselves backed up by identified resources. Only such a targeted approach will make the necessary differences needed to enable all people to maximise their potential throughout their lives and to not only have access to society but also to continue to contribute to it in a full and positive way.

Portrait 6

No Money but Rich of Life

I am a Finnish woman in my early sixties, single again and living in a service-centre with a borrowed cat. I have strong Carelian roots: my home was a small farm in Rautjarvi in Eastern Finland near the Russian border.

In school I dreamed of becoming a journalist. My father wanted me to be a lawyer and my grandmother a doctor. I was rather stubborn and so I became a journalist.

I worked mostly in little local newspapers for over 20 years. In 1987 I became an editor-in-chief and 1990 I was offered a job as the editor-in-chief and managing director for a local newspaper in my hometown Rautjärvi. Financially those were good years: I earned enough money to support my two sons and myself after my divorce (my husband had a drink problem). We even travelled once a year to a sunny place to treat my skin problems.

It was very stressful to be an editor-in-chief and managing director and be responsible for both the journalistic level of the newspaper and the finances of the company. Finally I got very tired of working very long hours and suffering nightmares because of my work. After many sick-notes I quit my job and that was very hard economically. I had debts to pay, two children to support and at that time it was hard to find a new job. I made a complete change in my career and got only half of the salary I got before. Anyway, I did not have any other opportunities.

Becoming a cleaner in a luxury hotel in Helsinki was a complete change in my career especially with regards to the fact that my salary was halved. I didn't have any choice and in some ways this was also a dream job. I was able to make the clients feel good and serving them felt very natural to me. Most of the clients were foreigners, so I could use all my language-skills and it was very useful to be able to speak English, Swedish, German and Russian. My sons aged sixteen and seventeen at the time, still lived in Eastern Finland by themselves and I worried a lot about leaving them on their own. Although they managed well, I had a bad conscience all the time.

My new job was physically very hard and I hurt my back. It then seemed that my "career" was to be a full-time patient. My back was operated on several times; I got breast-cancer and several infections. At that point it seemed that I would never be able to work again while at the same time I was receiving big medical bills. This was devastating for me: I had so many bills to pay and so little money, with which to pay them.

I felt hopeless. The social services could not help, because my apartment was too expensive. I hadn't enough money to pay my medical expenses. I was homeless for six months and stayed at my sons' and my boyfriend's apartment. I sought help everywhere I could imagine but only found doors slamming in my face. So I decided that I would commit suicide to relieve the pain of the people near to me. I gave away almost all my furniture and other things, baked

treats for my funeral and froze them, collected pills, cleaned up my sons' apartment. My son was in the army and I had planned the day very carefully. On my "last evening" a friend came to visit me. Her husband had committed suicide a few years ago and she told me how mad she still was and how much their children had suffered. That changed my mind about suicide and that evening and the next day I started my life again. It was not easy, but gradually I started to find help. I found a therapist and after a few months I found a nice cheap apartment that I shared with a student girl.

The best was still to come: I found a wonderful school where I studied to be a Graphic Designer. In a few years I will need a wheel chair, but a Graphic Designer needs more brains than legs, so I am not very worried. And who knows: maybe I will be a teacher or maybe I will write a bestseller.

As you may have noticed, my character is very Carelian. I am stubborn; I like to keep busy, to help other people and to joke all the time. Without my optimism I would not be alive. I love my two sons very dearly and my friends are much more important to me than money, clothing, shopping or other things like that.



Chapter 8

Social Services Oriented Towards Public Welfare in the EU

Anita Morhard

1) Framework conditions for social services

The varied organisational structure of social services in the Member States

Social services are an important part of social protection in all Member States of the European Union. They are an essential element of social cohesion in the European "social model". Solidarity and equal treatment are fundamental values that constitute common objectives which should be shared by all EU Member States. Social Services are considered as an expression of fundamental rights which should be accessible to all citizens.

Social services are provided on the basis of social welfare legislation and national regulations, through state support (in the form of financial or tax benefits) as well as through payment of costs by users or third parties. The various systems established - and agreed upon at the respective national levels - in the Member States diverge strongly from each other.

As a result of the large number of different political systems and traditions, social services are offered in a variety of configurations and combinations. These range: from public to independent, non profit-making organisations to commercial providers, centrally managed to community-based systems, depending on the social policy traditions and practices prevalent in the country concerned. The social services offered by public providers - especially by community providers or public welfare non-

governmental organisations - represent an essential component of social protection in Europe.

The fundamental role of the state in ensuring the provision of social services

In accordance with the established division of tasks and competences between the European Union and its Member States, both share responsibilities in this area. Within the framework of subsidiarity, the precise determination of the services offered, and the provision of specific services, constitute a responsibility of the Member States, which perform this task according to their diverse traditions, structures and realities.

The provision of services of general public interest can be delegated to public as well as to private companies. However, determining public welfare tasks also falls within the competence of the relevant public bodies responsible for market regulation and for ensuring that the respective service providers fulfil the obligations entrusted to them.

In general, it can be observed that in all EU Member States the state plays an important role. It either provides the services itself or it ensures - through appropriate financing and by creating the necessary framework conditions - that the services are effectively provided by others. Whereas in the new Member States the social services provided by non-governmental organisations are struggling to find a place for themselves in a sector dominated by the public social service providers, in the old Member

States competition between various operators has increased in recent years and some of them are forced to cut costs. Especially a lot of NGOs are confronted with lower budgets and this is having an influence on the social services themselves and on the capability to address the needs of people who require such services. In this regard, it can be observed that cooperation models based on a partnership are replacing models based on merely giving out contracts to service providers.

System changes towards giving more responsibility to the individual

Looking at the development of social protection systems, it can be observed that for financial reasons, and because of a changed understanding of its role, the state is increasingly relinquishing the responsibilities it has fulfilled until now. In order to fulfil stability criteria, government expenditure in the area of social services is being cut. On the other hand the amount of those in need of social services, for example, unemployed people or people on social benefits is increasing.

We are seeing an increasing inability on the part of private households to cope with the burden of growing social problem situations. People experiencing poverty and social exclusion are particularly affected by these developments since their financial means are insufficient to obtain additional protection.

The development of the social services market

Increasingly, market forces seem to influence the provision of social services. In many Member States there is hardly an area where commercial and social service providers are not competing. There is a Europe-wide trend towards enhancing the status of private providers.

As a result, social services and their suppliers have to orient themselves along the lines of profitability and cost-containment. Moreover, the market forces that developed through globalisation and the establishment

of the Internal Market are leading to the standardisation of services, which are offered on the basis of "service catalogues". Services acquire the nature of commodities - a trend which disregards the complex needs and requirements of real people.

Poor and marginalised people are particularly affected by an approach based exclusively on market criteria, cost-containment and maximising profits, because they lack the necessary financial means to afford quality social services capable of meeting their needs.

It can be observed that countries with social security systems financed on the basis of the principle of solidarity have the lowest poverty rates. Therefore, it can be argued, that other criteria (such as accessibility, actual needs, quality) should count for something in the social services market. An approach based purely on demand and supply is inadequate.

The trend towards increased competition is probably irreversible. However, the market alone is not able to provide comprehensive services for all. Access to quality social services for all is an essential precondition for combating and preventing poverty and, as such, needs to be ensured.

2) The special nature of social services

Social services are services of general interest as are, for example, energy, water or telecommunications. They are oriented towards the common good and should be based on such values as universality, guaranteed access for all, continuity, quality, affordable prices and transparency. On the other hand, social services have special characteristics by which they can be distinguished from other services of general interest.

As people-oriented services, social services address human beings with their problems and needs. They must take into account a wide range of diverse problem situations, including indebtedness, homelessness or people with alcohol and drug dependency, as well as other, more specific problems, such as those

related to migration or people with disabilities – to name but a few.

When providing the services, basic problems concerning interpersonal relations, cooperation and personal needs - all of which lie outside the scope of “performance schedules” - have to be taken into account. Starting from peoples’ needs, social services must be provided in a manner which is flexible and differentiated. The duration and quality of the service cannot be measured in the same way as in the case of products whose nature is essentially that of a commodity. In this regard social services have a special nature that distinguishes them from other types of services of general interest.

It is the task of social services:

- To contribute to the implementation of basic rights - including social rights as well as equal opportunities and social integration - particularly in the case of people who are confronted with difficulties in exercising these rights.
- To strengthen the ability and the opportunities of disadvantaged people to participate actively in society, thus contributing to the promotion of solidarity and social cohesion.
- To identify social needs and deficits in society which cannot be fulfilled adequately by market forces- or which indeed result from the effects of market structures.

In a world demanding an increasing amount of flexibility and readiness to take risks, social security systems and social services offer security, trust and the ability to plan ahead.

Social services must therefore fulfil tasks which stem from the principle of general public interest and contribute to the implementation of public policies in the areas of social protection, non-discrimination, solidarity and the fight against poverty and exclusion at the local, regional, national and European levels.

3) The “added value” provided by non-governmental organisations to social services

Citizens’ participation and social cohesion

In the European Union, the involvement of active citizens on a voluntary basis in non-governmental organisations has a long tradition that should be safeguarded for various reasons.

Mobilisation

Social services provided by non-governmental organisations involving volunteers can be in a better position to mobilise resources like trust, willingness to donate funds, voluntary work and cooperation with partners from industry and society than commercial public service providers are.

The added value of volunteering for the quality of social services

NGOs providing social services often involve active volunteers in their daily work. In the case of social services operated exclusively with professional staff, the risk is that a view of the service is adopted which regards human beings as “clients” for whom a specific predefined service must be provided. Basic concerns such as interpersonal relations, human contact and providing a sense of solidarity are difficult to meet, volunteers can often bring attention to these important dimensions of the services provided.

The professionalism of social services workers itself can be usefully complemented by the involvement of volunteers. Volunteers, in particular, can develop from their: specific experience and motivation, certain feelings and skills, and can provide necessary care, time and close support. They can also serve as enrichment to a purely professional, view of social work; contribute to raising some relevant questions in the public area and put forward requirements for social policy-making. Their presence can enrich the quality of life and atmosphere in social service institutions,

thereby contributing as an essential ingredient that is often not included in performance schedules.

Contribution to social cohesion and democracy in our society

However, activating such forms of “social capital” should not mean introducing an additional free “factor of production” in the provision of social services. In this regard, it should be stressed that volunteering should not be used for cutting costs and as a replacement to decently paid work. It should be given recognition and allow people who take on this task to benefit from a minimum social insurance.

One value of volunteering is that it promotes a culture of shared responsibility and participation, strengthens civil society, enables the expression of human solidarity and adds a feeling of responsibility for the community as a whole. Thus the third sector contributes to social cohesion, actively shaping society through its citizens. Furthermore, volunteers take on a variety of important responsibilities in the democratic functioning of associations. The social services of non-governmental organisations can thereby provide a platform for active citizens to make a valuable contribution to society, as well as offering opportunities for people in difficult circumstances to receive attention.

Volunteers involvement in NGOs’ activities is therefore a key to support NGOs important “structuring role” in assessing social problem situations, monitoring social and political developments, formulating proposals to meet social needs, enhancing the quality of social services and identifying the changes needed in social policy-making. The involvement of volunteers in social services provided by NGOs, thus represent an important area of social action and personal development outside family life and the sphere of work. The participation in social services promotes understanding of social problems and contributes to social cohesion. It promotes the idea that solidarity and the cohesive principles of social justice should be regarded as preconditions for effective economic activity.

The effects of liberalisation on NGOs who provide social services

The increasing pressures resulting from competition are leading to a situation where non-governmental organisations are forced to give questions of cost-containment a more central place. Thus issues like the skills of personnel, the efficiency of the services provided, and the actual needs of the people concerned are pushed into the background in favour of questions concerning costs and prices. In order to survive competitive pressures, social services therefore tend to acquire the nature of marketable commodities. The logic of the market means that the commitment to providing better care through active citizenship (which implies investing time and resources) starts taking second place. The role of volunteers in associations - as persons instrumental in the provision of effective social services - loses importance.

As a result of these developments, the social services of non-governmental organisations are confronted by contradictory requirements: on the one hand, they must be competitive but, on the other, they must meet their commitment to representing the interests of those concerned and offering a service of as high a quality as possible.

It can be observed that everywhere non-governmental organisations are carrying out a defensive battle - in their respective areas - in order to preserve the quality of their work and its underlying values in the face of increasing liberalisation.

It is thus important that the state addresses the impact of liberalisation on the quality and accessibility of social services. While it is also important for NGOs who provide welfare-oriented social services to modernise their relationship to the market and the state while at the same time, to develop their value-oriented approach and their role as organisations with a commitment to civil society.

4) The social services in the context of European policies

EU policies are oriented towards economic concerns

Liberalisation at European level is intended to create a common Internal Market, thus avoiding distortion in competition and benefiting the consumer.

In the social service sector, this approach is translated into the way that the state regulates and co-finances the services and, as part of this, the way they enter into agreements with non-governmental organisations to provide social services. In adhering to this liberalisation concept, however, the Commission does not take adequate account of an alternative subsidiary and participatory management model which exists in Europe - a model based on cooperation between public bodies and NGOs. In such a model, NGOs function as partners that not only receive financial support from the state for services rendered but also contribute their own resources, participate in making decisions about the structure of the services and therefore have a recognised responsibility in this area.

In the foreground of EU policies, therefore, there are economic concerns rather than recognition of the responsibility of the EU for an effective social policy. Although the social services are recognised as a fundamental element of the "European Social Model", there is no analysis (and no conclusions) within the debate on liberalisation, on the impact liberalisation has on the ability of social services to contribute to social cohesion.

The EU's anti-poverty strategy

The EU's anti-poverty strategy - developed in the context of the Lisbon strategy - is intended to promote social cohesion and to make a decisive impact on the eradication of poverty by the year 2010. It should be considered a step in the right direction. However, it should be noted that here, too, issues concerning economic growth and market deregulation have taken priority over the concern for social cohesion.

The promise to enhance this strategy made by the Heads of State and Government at the spring Council in 2004 is still to be delivered and is much needed if the strategy is to reach its objective.

The European Commission's White Paper

The White Paper on services of general interest takes into account some of the demands of non-governmental organisations in the area of social services. However, it should be viewed in the context of the Lisbon Strategy, which, as far as its implementation is concerned, openly emphasises growth, stability and competitiveness.

The following principles are notably recognised in the White Paper:

- Ensuring cohesion and universal access of all citizens and enterprises to affordable, high-quality services of general interest.
- Maintaining a high level of quality, security and safety.
- Ensuring consumer and user rights.
- Respecting the diversity of services and situation: the diversity of services should be maintained because of the different needs and preferences of users and consumers resulting from different economic, social, geographical or cultural situations.
- Increasing transparency.
- Providing legal certainty.

Moreover, the European Commission emphasises the need to maintain social and territorial cohesion. However the special nature of social services as services of general interest has not been sufficiently elaborated in terms of their contribution to society. Furthermore, the definition of a relevant legal framework capable of protecting the specificity and the quality of social services in the framework of the

48 - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions of 12 May 2004 [COM(2004) Final].

49 - Report from the High level Group chaired by Wim Kok, "Facing the Challenge: The Lisbon Strategy for Growth and Employment", November 2004.

liberalisation of services market remains a necessity. The proposed Communication from the Commission on social services, is awaited with great expectation by NGOs who will try to input in its drafting.

The proposal for a Directive on services in the Internal Market

In line with the current political context, the Commission adopted in January 2004 a proposal of "Services Directive" which gives priority to economic growth. More specifically, the Directive proposes applying the so-called "country of origin principle" whereby, if a service provider offering cross-border services is not permanently present in the country where he offers these services, the rules and standards of the country of origin (as opposed to the rules of the country where the service is provided) apply for the provision of the services concerned. This gives rise to a number of - as yet unanswered - questions: Can the established quality standards applicable in the country where the service is provided be effectively checked and monitored from the country of origin? What are the possible consequences for public welfare? To what extent will civil society's special contribution to welfare be further undermined by the increasing orientation towards market forces? As regards the special role of social services as services of general interest (non-economic), before the implications of foreseeable developments can be analysed in more detail the Commission's announced Communication on social services needs to be in effect (to be published in 2006).

In the Directive, at any rate, the aim of creating a European Internal Market in the area of services of general interest should be harmonised with the aim of achieving sustainable development. Competition, growth and stability must mean the same thing as ensuring an integrated society and social cohesion. When it comes to implementing any directive adopted for the service sector, this condition must be fulfilled in a verifiable way.

The European Constitution

The European Constitutional Treaty, which is much debated, contains articles which are important for the public welfare-oriented social services provided by NGOs. Equal opportunities and anti-discrimination are enshrined in it. The fight against poverty and social exclusion must be taken into account in all social policies - as indeed has been the case until now. Article III-6 establishes that the conditions under which social services operate should be defined by law and be structured in such a way that the services in question can fulfil their mission. Article I-46 emphasises the need to include citizens in the implementation of the European Social Model within the framework of a participatory democracy, while for its part the Charter of Fundamental Rights enshrines the principle of universal access to the social services.

These are important improvements, even if only on paper. The decisive question is: What steps will be taken to implement them, once the Constitution has been ratified?

Strengthening the social dimension, placing social policy on an equal footing with economic and employment policies and linking these aspects to each other must be considered a central objective of European policy-making. As far as social services are concerned, this means: no liberalisation measures should be implemented without assessing their consequences and regulating the market as appropriate to ensure that social services are available to all.

5) Combating poverty effectively A challenge for the social services

Quality is the key to improving the effectiveness and efficiency of welfare-oriented social services and ensuring their acceptance by users and fund providers alike. The most important quality characteristics are:

Participation and strengthening of self-help capabilities

To be the citizen of a democratic and constitutional state means having a real chance to participate in the community and in democratic decision-making processes, as well as having the ability to look after oneself and one's family: Citizens have the right to be involved in making decisions that concern them. The ability to exercise this right is an expression of personal responsibility and a guarantee that other rights will be protected. Participation means not only respecting citizens' right to self-determination but also enabling them to fulfil their duty to contribute actively to finding solutions to social and economic problems.

This requires strengthening self-help capabilities and enhancing existing knowledge and skills. Social services that do not follow this approach lead to increased dependency on public funds and discourage people from taking responsibility for their own lives.

The participation of volunteers Promoting solidarity and mutual care

The participation of volunteers constitutes an important element in the activities of associations. Mobilising volunteers promotes an understanding of the root causes of social and human problems, creates solidarity and encourages people to take responsibility for the community. However, the work of volunteers cannot replace the work of full-time workers; it can only complement it.

An integrating approach - Taking into account all circumstances in people's lives and responding to the whole person

People in difficult social situations are frequently confronted by a variety of different problems, from homelessness to indebtedness, from poor health to unemployment. These problems are interdependent and may lead people from one service to another. It is necessary to draw an overall, personalised help plan with the persons concerned in order to solve

all their various problems. In order to respond to the whole person, social services must adopt an integrated approach, i.e. coordinate their activities, cooperate closely and network the services on offer.

Orienting services towards local realities - Local integration and intercultural openness

Social integration implies strengthening the individual's capability to live as part of a community. However, the framework conditions and social environment have to be such as to make integration possible.

Therefore, the quality and efficiency of social services largely depend on the ability to build local contacts, liaise with companies, and create networks with other sponsors and services operating on the ground. Familiarity with the local situation is essential to identify problems and look for solutions in cooperation with public institutions and local partners.

Integration also means that the social environment must be open to accept people in difficult circumstances instead of rejecting them. This necessitates a concerted effort with families, the social network and the community at large. Children from families living in poverty are particularly affected by the problems faced by their parents and have fewer prospects of personal and professional development than other children.

The general public must be made more aware of the causes of poverty and social exclusion; stigmatisation and prejudices must be eliminated. This applies also to migrants and refugees who belong to particularly disadvantaged groups in our society. Achieving greater intercultural openness is essential for social services to be able to promote mutual understanding, meet the needs of the target populations more effectively, foster harmony between different ethnic groups and prevent discrimination.

A transparent Quality Management System and regular evaluations - involving both full-time and voluntary personnel as well as the users of the services - are important preconditions for the provision of efficient social services.

6) The further development of social services

Poverty is a structural problem

In spite of the wide range of initiatives implemented to combat poverty in the EU, today some 68 million people are still at risk from the effects of poverty and social exclusion within the EU's borders. So far, existing strategies to combat poverty have proven insufficient.

Although social services can make a contribution to the fight against poverty and exclusion, the causes of these phenomena must be addressed structurally at political level. To this end, political will is needed: a favourable international context as well as a global political concept to eliminate poverty must be developed and implemented resolutely through comprehensive political strategies.

Ensuring access to rights, goods and services

Social services play a key role in improving the concrete circumstances of people confronted by poverty and social exclusion and in implementing their rights. It is therefore necessary to ensure the following:

- Adequate coverage of all geographical areas;
- Quality, continuity and reliability in the provision of the services; and
- Financial and operational transparency.

This includes giving citizens the opportunity to choose the services that best meet their needs.

Creating a European framework for Social Services

The liberalisation of social services has led to insecurity and concern about the quality of the services on offer.

For this reason, a Europe-wide framework should be created which makes it possible to combine quality, general access, competitive requirements and public welfare into a single concept. All stakeholders should be involved in an open, participatory debate on the development of this concept.

Quality and general accessibility must be ensured through adequate laws and regulations as well as adequate benefits/allowances, funding and fiscal incentives. In agreement with all stakeholders, quality standards should be developed which correspond to the actual needs of citizens and make social integration possible. To this end, the diversity of local and regional models and traditions must be taken into account.

The development of measurable quality standards at European level should not be limited to establishing minimum standards (with the attendant risk of lowering quality) but should include developing effective models and implementing them Europe-wide.

In selecting contract partners for the provision of social services, basic guidelines should be established so that decisions are not based solely on cost criteria but also on quality criteria. The aim should be to recognise and adopt innovative, efficient concepts based on the active involvement of the target groups, effective fund-raising strategies, the mobilisation of volunteers, familiarity with the situation on the ground, and the creation of an operational network in support of social integration.

The contribution of social services to promoting social cohesion, active citizenship and civic responsibility must be analysed and recognised in terms of its importance for the European Social Model. The consequences of liberalisation should be assessed and public welfare tasks should be supported through appropriate legal frameworks.

Participatory democracy: Building partnerships between the state and NGOs

The role of the state and of other actors involved in shaping the social services is today undergoing profound changes. In spite of comprehensive regulations, there are conflicting interests between different levels of European society. It is essential for these uncertainties and unresolved issues to be addressed with the involvement of all actors of civil society. To this end, a structured dialogue is required with public authorities and other institutions at all levels.

The EU recognises the importance of civil society and - through consultations carried out within the framework of aid programmes or the allocation of structural funds, as well as through the implementation of the "Open Coordination Method" - regularly requests the participation of non-governmental organisations. At the local level, too, innovative forms of government, management and leadership are being introduced, enabling NGOs to have their specific characteristics and concerns taken into account in the preparation of local development plans.

Such forms of cooperation and partnership should be implemented throughout Europe, so that non-governmental organisations can contribute their professional knowledge and experience in determining the tasks of social services and the requirements they must fulfil. Transparent forms of cooperation should be developed in order to enable the necessary quality standards in implementation to be established jointly instead of having the state determining them in an authoritarian way. The wide range of existing local alliances, project networks and other forms of cooperation could be used as a basis for developing such partnership structures.

A Europe-wide exchange of experiences on cooperation/partnership models could be instrumental in finding the best solutions in all countries.

When evaluating service providers, such quality criteria and innovative approaches as the following should be taken into account:

- Local contacts and familiarity with the situation on the ground;
- Networking and co-ordinated work with partners from the social and economic spheres;
- Active involvement of volunteers and service users.

A determined political will is required to create adequate framework conditions for the generalised provision of social services with the aim of effectively eliminating poverty and social exclusion.

7) The further development of the social services provided by NGOs:

Assessing one's own practices critically and promoting quality

In the first place, social services must meet certain quality requirements.

Effective quality management - with the involvement of all stakeholders - is required to monitor the provision of the given services, develop them, and evaluate them on a regular basis.

Promoting the participation of volunteers and the target groups themselves

Strategies should be developed to promote the participation of active citizens in the social services as well as to encourage people experiencing poverty and social exclusion to become actively involved in finding solutions.

This includes setting up institutionalised forms of participation enabling service users to input their concerns as well as initiatives and proposals.

Practitioners must receive training in order to develop adequate approaches to working in partnership with volunteers and people experiencing poverty.

Facing competition and developing economic strategies

In order to offer high-quality social services on the emerging social markets, flexible structures and entrepreneurial strategies are necessary, enabling effective responses to changing needs. This includes identifying needs, creating synergies between different social services, co-operating/networking with partners, and developing economic strategies based on sound and transparent funding models. The value and quality of the social services concerned must be made clear to the “outside world” and publicised through marketing strategies. In the context of competition, one’s own abilities and their public recognition must be brought to bear.

Becoming a recognised partner for cooperation with the state and developing NGOs’ social role

Non-governmental organisations reflect a wide range of life circumstances, interests, problems and social needs. They have practical experience and specialised knowledge. They can fulfil an essential role in combining the interests of citizens into coherent strategies for improving the social services system. This know-how must be collected, justified and represented to the outside world in order to secure recognition of the NGO’s role as an established, professional service-provider.

Every effort should be made to network with partners and form alliances in order to enhance the impact of NGO action.

Only in this way can non-governmental organisations become more than just an efficient service-provider and be perceived as necessary and competent partners when it comes to decision making and innovative policy-making in the area of social services.

Civil society must participate in the further development of the European Social Model. Only thus will it be possible to develop a “social Europe” which is efficient and competitive, but also pervaded by solidarity and social justice and built on the bedrock of a common welfare-state heritage and a shared sense of citizenship.

Portrait 7

Mother and Children on the Margin of Society

Lotta Ask used to be a gambling addict, which made her life very chaotic. She is a forty-year-old mother of four. Her family has been evicted from their home several times over the years. During those hard years her only solution was to move in with a male acquaintance, but often he had problems with drugs and alcohol. So after a while Lotta had to go looking for a new place to stay.

Lotta was fortunate and managed to turn her life around. She gave up gambling; she got a job and was looking forward to a brighter future. Eviction was not part of that future. But the man she was living with failed to pay the rent, and Lotta and her children were evicted once again.

Since there were quite a few apartments available in the Swedish town of Borlänge, Lotta thought it would be no problem getting a new lease, but it was not that easy. The housing company, Stora Tunabyggen, run by the Borlänge town council, said no. Stora Tunabyggen didn't consider the fact that Lotta had a steady job and that she was responsible for the care of four minors. Their concern was that Lotta had a small debt to the company.

Then she tried to get a "social contract", a way to rent an apartment through the social authorities. The authorities sign for the contract and the tenant has to show that he or she can manage to pay the bills. "But they said no as well. I was feeling desperate. I hadn't been gambling for two and a half years and I had a job. I wondered what I could do, and what would happen to the children."

The social authorities told Lotta that she could always turn to the social organisation Verdandi, which runs its own housing project in Borlänge. Verdandi takes care of the lease and the responsibility for the apartment. When a tenant has lived in an apartment for a year and has shown that they can change their life and support themselves, then Verdandi allow them to take over the lease. This is how Lotta finally managed to get an apartment for herself and her children.

With the help of Verdandi she also managed to pay off her debt to Stora Tunabyggen. "We made a deal with the social authorities. I paid off most of the debt and they helped me with the rest." Lotta now has her own apartment. She is very thorough with her bills, but still her future is very uncertain.

"My job in the town hall in Borlänge is only temporary. It runs out in May 2005. I hope I can get it prolonged. The unemployment rate is high in this part of Sweden, so the future still feels uncertain. My wish for the future, though, is to get a real job so I can keep the apartment."



Chapter 9

“Globalisation and its impact on welfare systems - From an anti poverty perspective”⁵⁰

Maria Marinakou

“I am often asked what is the most serious form of human rights violation in the world today and my reply is consistent: extreme poverty.”

(Mary Robinson)⁵¹

Abstract

This chapter analyses the impact of forces of economic globalisation to the welfare systems from the perspectives of poverty, inequality and social exclusion. It presents facts and figures of global poverty and inequality and argues that it is the neo-liberal hegemonic paradigm at a global level that forces the social protection system to retreat and fragment and generates concentration of wealth of unprecedented levels. Finally it discusses the role of the European Union in shaping a global social dimension and the prospects of global solidarity.

Introduction

Covering a wide range of distinct political, economic, and cultural trends, the term “globalisation” has quickly become one of the most fashionable buzzwords of contemporary political and academic debate. In popular discourse, globalisation often functions as little more than a synonym for one or more of the following phenomena: the pursuit of classical liberal (or “free market”) policies in the world economy (“economic liberalisation”), the growing dominance of western (or even American) forms of political, economic, and cultural life (“westernisation” or “Americanisation”), the proliferation of new information technologies (the “Internet Revolution”),

as well as the notion that humanity stands at the threshold of realising one single unified community the “global village”.

Globalisation is mainly associated with deterritorialisation, according to which a growing variety of social activities takes place irrespective of the geographical location of participants. As Jan Aart Scholte observes, “global events can - via telecommunication, digital computers, audiovisual media and the like - occur almost simultaneously anywhere and everywhere in the world”.⁵² Globalisation refers to increased possibilities for action between and among people in situations where location seems immaterial to the social activity. Business people on different continents now engage in electronic commerce; television allows people situated anywhere to observe the impact of terrible wars being waged far from the comfort of their living rooms; the Internet allows people to communicate

50 - I would like to thank my colleagues at the EAPN Strategic Group on Globalisation Ludo Horemans, Kaarina Laine-Häikiö, Ole Meldgaard, for their inspirations and ideas, also Nuria Molina and Fintan Farrell for their constructive comments. I am also grateful to Chris Jones and Tony Novak for their insights (for years now) in our discussions on the politics of poverty. Finally my gratitude to Phyllis Memou for her support and encouragement in recent difficult moments. The views expressed in the chapter and any related pit falls are the sole responsibility of the author.

51 - Mary Robinson, 2002. Cited in Townsend, P. and Gordon, D., *World Poverty: New Policies to Defeat an Old Enemy*. Policy Press, 2002.

52 - Scholte J.A., “Beyond the Buzzword: Towards a Critical Theory of Globalization,” in Kofman, E. and Young, G. (ed.), *Globalization: Theory and Practice* London: Pinter, 1996: 45,

instantaneously with each other notwithstanding vast geographical distances separating them. Territory in the sense of a traditional sense of a geographically identifiable location no longer constitutes the whole of “social space” in which human activity takes places. In this initial sense of the term, globalisation refers to the spread of new forms of non-territorial social activity.⁵³

According to UNDPs 1999:29 Human Development Report on Globalisation and Human Development, globalisation in general is characterised by :

- flows of short-term foreign investment based on speculative currency trading; longer term foreign direct investment;
- world trade, with policies aimed at further reducing barriers to trade; the share of global production and trade associated with transnational corporations (TNCs);
- the global interconnectedness of production, due in part to changes in the technology of production and servicing;
- the movement of people for trade and labour purposes; the global reach of new forms of communication, including television and the Internet.

These processes and related phenomena have resulted in economic activity becoming more global. They have also led to the emergence of a global civil society sharing a common political and cultural space. Yet, according to the UNDP report, global political institutions lag behind these developments and remain stuck in an earlier historic epoch of inter-governmentalism.

It can also be argued that globalisation has damaged the capacity of national governments to act in a socially compensatory way, and it has also damaged their capacity to take autonomous macroeconomic and microeconomic decisions. Currency speculators and the outflow of capital punish countries pursuing macroeconomic policies that include deficit spending. The taxation capabilities of countries are severely challenged by tax competition, tax havens and the transfer price mechanisms of multinational corporations.⁵⁴

Governments confront difficulties in pursuing microeconomic policies, such as industrial strategies. Organisations such as the World Trade Organisation (WTO) are quick to remind governments of the limits of autonomy in this sphere. Powerful TNCs bring capital, technology and management to their host country, but without any accountability to the country within which they operate. In many occasions, this is the case not only in the country in which they operate but in any country at all - as sometimes they are not bound by national legislation from their “home” countries when operating abroad or, in case they are, they just happen to register the corporation or locate their headquarters in a “friendly” third country.

All this aspect of “predatory” neo-liberal globalisation result in increased inequality both within and between countries, and increased impoverishment; also increased vulnerability of people to social risks, such as unemployment; and increased chances of exclusion of individuals, communities, countries and regions from the possible benefits of globalisation.

Thus, the social consequences of globalisation generate the need for more, not fewer measures of social protection. Inequality requires more social redistribution; vulnerability requires the strengthening of social rights, entitlements and systems of social protection; social exclusion creates the need for strategies of empowerment of the poor and socially excluded.

Global poverty - the facts

Koffi Anan, UN Secretary General, in a speech on the International Day for the Eradication of Poverty, 17 October 2000, said “Almost half the world’s population lives on less than two dollars a day, yet even this statistic fails to capture the humiliation, powerlessness and brutal hardship that is the daily lot of the world’s poor.”

All over the world, inequality between rich and poor, even in the wealthiest of nations is rising sharply. Fewer people are becoming increasingly "successful" and wealthy while a disproportionately larger population are becoming even poorer. In the EU one of the wealthiest parts of the world 68 million people live on poverty and many more experience various forms of social exclusion. There are many issues involved when looking at global poverty and inequality. It is not enough to say that the poor are poor due only to bad governance and limited and fragmented social protection policies. Sometimes, the Northern views tend to blame the developing countries for not taking into account that bad governance and corruption is, unfortunately, a problem shared by both parts of the world. In fact, looking at the figures of global concentration of wealth, one could easily conclude that the poor become poorer because the rich become richer and have the power to enforce unequal trade agreements that favour their interests in the global markets.

- Half the world - nearly three billion people - live on less than \$2 a day.
- The Gross Domestic Product (GDP) of the poorest 48 nations (i.e. a quarter of the world's countries) is less than the wealth of the world's three richest people combined.
- Nearly a billion people entered the twenty-first century unable to read a book or sign their names.
- Less than one % of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn't happen.
- 51 % of the world's one hundred wealthiest bodies are corporations.
- The wealthiest nation on Earth has the widest gap between rich and poor of any industrialised nation
- The poorer the country, the more likely it is that debt repayments are being extracted directly from people who neither contracted the loans nor received any of the money.
- 20% of the population in the developed nations, consume 86% of the world's goods.

- The top fifth of the world's people in the richest countries enjoy 82% of the expanding export trade and 68% of foreign direct investment - the bottom fifth, barely more than 1%.
- In 1960, 20% of the world's people in the richest countries had 30 times the income of the poorest 20% - in 1997, 74 times as much.

An analysis of long-term trends shows the distance between the richest and poorest countries was about:

- > 3 to 1 in 1820
- > 11 to 1 in 1913
- > 35 to 1 in 1950
- > 44 to 1 in 1973
- > 72 to 1 in 1992.⁵⁵

- The developing world now spends \$13 on debt repayment for every \$1 it receives in grants.
- The combined wealth of the world's 200 richest people hit \$1 trillion in 2001; the combined incomes of the 582 million people living in the 43 least developed countries is \$146 billion.⁵⁶
- The richest 50 million people in Europe and North America have the same income as 2.7 billion poor people.
- The world's 497 billionaires in 2001 registered a combined wealth of \$1.54 trillion, well over the combined gross national products of all the nations of sub-Saharan Africa (\$929.3 billion). It is also greater than the combined incomes of the poorest half of humanity.
- A mere 12 % of the world's population uses 85 % of its water, and these 12 % do not live in the Third World.⁵⁷
- For economic growth and almost all of the other indicators, the last 20 years (of the current form of globalisation, (1980-2000)) have shown a very clear decline in progress compared with the previous two decades (1960-1980). For each indicator, countries were divided into five roughly equal groups, according to what level the countries had achieved by the start of the period (1960 or 1980). Among the findings of the research The Scorecard on Globalisation 1980-2000: Twenty Years of Diminished Progress, is that:⁵⁸

- Growth: The fall in economic growth rates was most pronounced and across the board for all groups or countries.
- Life expectancy: Progress in life expectancy was also reduced for four out of the five groups of countries, with the exception of the highest group (life expectancy 69-76 years).
- Infant and child mortality: Progress in reducing infant mortality was also considerably slower during the period of globalisation (1980-1998) than over the previous two decades.
- Education and literacy: Progress in education also slowed during the period of globalisation.

Looking at the figures of global poverty and inequality, it becomes clear that the UN Millennium Development Goals have a long way to go in achieving their objectives.⁵⁹ Investing in Development, the report by the UN Millennium Project, highlights the serious shortcomings to achieve the MDGs by the agreed dates. Even if the world has the available means to end poverty, unfortunately, the political will is lacking.⁶⁰

The impact of globalisation on social policy and the welfare states

Neo-liberal globalisation is presenting a challenge to social welfare provision both in the industrialised countries and to the prospects for equitable social development in developing and transition economies. This challenge flows partly from the unregulated nature of the emerging global economy and partly from neo-liberal ideological currents dominant in the global discourse concerning social policy and social development.

Certain current global conditions are undermining the prospects for the alternative that would create opportunities for an equitable public social provision in both developed and developing countries. These conditions include the World Bank's preference for a safety-net and privatising strategy for social welfare and the World Trade Organisation (WTO). WTO push for an open global market in health services, education and social insurance. The recent trends for liberalisa-

tion and privations of public services have resulted in poor quality service provision, gate-keeping processes, and limited access for the poor and excluded. These disturbing trends are taking place in parallel with an apparent shift in national social policies concerning the so-called rationalisation of social security systems, means tested benefits etc, related to a dominant divide between the deserving and non-deserving, and the "haves and have nots".

Moreover, the different kinds of welfare state are challenged differently by globalisation, and have responded differently. According to many social researchers in the North,⁶¹ globalisation has set welfare states in competition with each other. Anglo-Saxon countries, which have residualised and privatised welfare provision, are in tune with liberalising globalisation, but at the cost of equality and equity.

Workplace-based welfare systems of the former state socialist countries, and payroll tax-based Bismarkian insurance systems common in many Western European countries, are proving vulnerable to global competitive pressures (Germany's example in cuts of health and social services is indicative). The social democratic, citizenship-based welfare systems funded out of consumption and income taxes, found in the Nordic countries, despite certain retreats, have been surprisingly sustainable in the face of global competitive pressures due to political will to maintain them.

55 - Human Development Report, United Nations Development Programme, 1999.

56 - Cavanagh J. and Anderson S., *World's Billionaires Take a Hit, But Still Soar*, The Institute for Policy Studies, March 6, 2002.

57 - Shah, A. *Poverty Facts and Stats 2004*, Ramonet, I. *The politics of hunger*, Le Monde diplomatique, November 1998.

58 - Weisbrot, M., Baker, D., Kraev, E. and Chen, J., *The Scorecard on Globalisation 1980-2000: Twenty Years of Diminished Progress*, Center for Economic Policy and Research, 2001.

59 - Townsend, P. and Gordon, D. (eds.), *World Poverty: New Policies to Defeat an Old Enemy*, Policy Press, 2002.

60 - Sachs, J. Sachs, J. *Investing in Development*, UN Millennium Project, January 2005.

61 - Deacon, B., 2000; Palier, B., Prior, P.M., Sykes, M.R., 2001; Korpi, W., 2003.

In the South, globalisation has generated indebtedness that has undermined the capacity of governments to secure education, health and social protection of high standards. It has threatened social and labour standards, limited social rights, fragmented redistribution policies and created regions and communities lagging behind. In the so-called third world countries, globalisation has brought new players into the making of state social policy. International organisations such as the IMF, World Bank, WTO and UN agencies such as WHO, ILO have become involved in prescribing country policy. This has generated a global discourse about desirable national social policy. The within-country politics of welfare has taken on a global dimension with a struggle of ideas being waged within and between International Organisations as to achievable economic goals at the expense of social cohesion. The battle for pension policy in post-communist countries between the World Bank and the ILO is a classic example.⁶²

In summarising, it could be argued that globalisation primarily puts welfare states in competition with each other. Governments are confronted with the question as to what type of social policy best suits international competitiveness without real concerns about social solidarity. Although the Northern welfare states may be able to sustain equitable approaches to social policy and social rights (of course the political will for this is not always apparent), in conditions of neo-liberal globalisation, this is not the case for the Eastern and Southern welfare systems.

The struggle between liberal and social democratic approaches to economic and social policy takes on a global dimension. The question as to whether neo-liberal globalisation can give way to a social reformist globalisation is still open, although the recent positions of the new European Commission President, Mr Barroso, over the future of the Lisbon Strategy indicate that there is a paradigm shift in the EU to more economic growth and competitiveness goals at the serious expense of social inclusion and social cohesion (European Social NGOs replied to Barroso that "this is not a new strategy, is a new tragedy" 2005).

Finally it can be argued that globalisation creates global private markets in social provision with serious consequences for the poor and socially excluded. Increased free trade creates the possibility of mainly US and European private health care and hospital providers, education providers, social care agencies and social insurance companies benefiting from an international middle class market in private social provision. The implication of this development for sustaining cross-class, gender and race solidarities within one country and between countries in the context of sustainable development is becoming very limited.

To avoid a race-to-the bottom competition amongst welfare states and be able to maintain and enhance welfare systems around the world a greater regulation at the global level is required. A global market without global institutions (or global governance) is likely to leave the weakest unprotected. There must be an acknowledgement that the ethical issues posed by the polarisation of wealth, income and power and, with them, the huge asymmetries of life chances, cannot be left to markets to resolve. Social democracy at the global level means pursuing an economic agenda that calibrates the freeing of markets with poverty reduction programmes and the immediate protection of the vulnerable - north, south, east and west. Economic growth can provide a powerful impetus to the achievement of human development targets. But unregulated economic development that simply follows the existing rules and entrenched interests of the global economy will not lead to prosperity for all. Economic development needs to be conceived as a means to an end, not an end in itself.⁶³

The European Social Model in the global context

It can be argued that a major part of the effects of globalisation and trans-national integration on welfare-state retrenchment has been focused on full employment, one of the cornerstones of the post-war European welfare states, the undercutting of which in turn may have effects on social insurance and services. The liberalisation of cross-border capital

movements has to a significant extent turned the tables to the disadvantage of governments attempting to safeguard full employment.

Within the EU developments limiting the economic policy choices of governments in member countries have been significant. The return of mass unemployment and attempts to make cuts in social-citizenship rights resulting in increases of poverty, inequality and social exclusion, appear as a reworking of the implicit social contract, the European Social Model, established in Western Europe after the end of World War II.⁶⁴ Jürgen Habermas has tried to formulate a defense of the EU that conceives of it as a key steppingstone towards supranational democracy. "If the EU is to help succeed in salvaging the principle of popular sovereignty in a world where the decay of nation state-based democracy makes democracy vulnerable, the EU will need to strengthen its elected representative organs and better guarantee the civil, political, and social and economic rights of all Europeans".⁶⁵

Yet, four years after the delivery at Lisbon and the Spring Council 2004 accompanied by the priorities of the Barroso Commission, it is clear that the Social Inclusion aspects of the Lisbon Strategy in its commitment to "make a decisive impact on the eradication of poverty by the year 2010" is becoming a "trip to wonderland".

There is an increasingly conflicting debate that takes place in Europe since 2000, attempting to influence the future directions of the Lisbon strategy, and recently dominates political discourses, mainly in view of the Mid-term Review in 2005 and possible readjustments. This debate is characterised by a strong polarity of views, political and ideological, and it seems that it is already shaping the ground for future developments. On one hand, not only right wing political parties, but organisations and institutions representing a growth and competitiveness oriented view, urging for more "liberalised" markets, increased (flexible) employment levels at all costs, privatisation of public services and modernisation of social protection systems from the view of cuts

and "rolling back" provision of the welfare states. On the other hand, traditional social democratic parties, the civil society organisations with many NGOs at the forefront of the debate, argue that the strength of the Lisbon strategy is in its balancing act amongst economic, employment, social and environmental policies, and its vision for social cohesive societies, and this balance needs to be maintained. Up to now Lisbon has not achieved this balance. The Social Inclusion and Environmental aspects (although EU signed the Kyoto protocol) are sacrificed to a one-way growth and competitiveness trajectory. The European Anti Poverty Network in the last Social Inclusion Round Tables in Turin and Rotterdam has argued for "more political energy in the realisation of the Lisbon strategy, stating that the consensus that distinguished Europe: a common commitment to social rights for all, solidarity and equality, backed up by a high level of social protection, has never seemed so insecure".

The revised Lisbon strategy with its focus on jobs and growth, runs the risk of being seriously in contradiction with the commitments made by the Heads of State and Governments in the Spring Council 2005 that the strategy remains balanced between its economic, social and environmental aspects. To address this apparent contradiction requires that equal weight and political attention is given to the revised EU Inclusion Strategy and Sustainable Development Strategy as will be given to the Jobs and Growth Strategy.

62 - Deacon, B *Global Social Policy: International Organizations and the Future of Welfare*. London: Sage, 1997.

63 - Held, D *Global Covenant: The Social Democratic Alternative to the Washington Consensus*. Cambridge, Polity Press, 2004.

64 - Fligsten, N., -Merand F, *Globalization or Europeanization? Evidence on the European economy since 1980*. *Acta Social.* 45:7 22, 2002.

65 - Habermas, J., *The Postnational Constellation: Political Essays*, Cambridge, USA: MIT Press, 2001: 58-113.

There are strong arguments for a change in current EU political discourse and policy orientation specifically on social protection, in order to put social inclusion, social cohesion and anti-discrimination at the heart of the modernisation of social protection systems. Not cutting back, but reinforcing social rights for all. Civil society campaigns have indicated that increased economic growth does not necessarily mean reduction of poverty.

On the contrary, unless real vertical redistribution policies are put in force, growth being accumulated in the hands of few, can result to higher inequalities. Similarly, increase in employment rates is important and necessary, but it does not automatically mean that entering the labour market is an escape from poverty. There are 11.4 million working poor in the European Union today, more than double the number that is unemployed.

If the EU is to play a role in the global context as an 'antipode' to the hegemonic neo-liberal US paradigm of free market dominance, then the European Social Model needs to be strengthened and reinforced. It needs to prove that both economic growth and social cohesion are not conflicting goals, and that (to paraphrase Barroso's example) 'a father can look after all its children at the same time even if one of them (according to him, economic growth) is more needy than the others'.

"In Paul N. Rasmussen's report *Europe and the New Global Order*" (2003), he argues that the EU's political ability to act at global level is becoming crucial. "At political level, the EU needs a Global Strategic Concept. It must rethink its capacity to act strategically in geopolitical terms." He urges the EU to be able to apply a concept and an agenda of this kind, and strengthen its institutional and political capacities as an international actor. "In order to turn globalisation from a threat to our economic and social model into a new economic and social opportunity, we need a new comprehensive internal policy agenda."

This agenda in general terms should include

- Reactivating and widening the Lisbon strategy for more and better jobs, social cohesion, higher growth and a healthy environment by:
- Significantly improving education and training levels to equip people to cope with change and empower them to fulfill their potential in an open world;
- Generating new knowledge and innovation through increased investment in both public and private research;
- Ensuring that national governments implement Lisbon strategy commitments effectively, if necessary through institutional changes;
- Taking concerted action for sustainable patterns of production and consumption to break the link between the economic growth we need and pressure on natural resources and the environment especially through more investment in clean technologies.

In *The Global Trap*, there are some strong arguments indicating that if the dangers of global economic liberalisation are to be avoided:

The countries of Europe can and must start acting together against this danger (of a liberalising globalisation), but the solution does not lie in opposing a Fortress Europe to the coming Fortress America... the aim would be to counter destructive... neo-liberalism with a potent and viable European alternative... in the unfettered global capitalism only a united Europe could push through new rules providing for a greater social balance and ecological restructuring... A European Union truly worthy of the name could insist that the tax havens be cleared, demand the enforcement of minimum social and ecological standards, or raise a turnover tax on the capital and currency trade.⁶⁶

Similar suggestions came out of the Rasmussen's report indicating to direct actions towards: Firstly, the EU should promote the progressive elaboration of a truly global legal order. In light of its own recent experience, the EU could propose a Global

Charter of Fundamental Rights, building on the Universal Declaration of Human Rights, and the UN covenants on civil and political, as well as economic and social rights. An enhanced global legal order should necessarily be backed by truly global and fair institutions, which are able to enforce all internationally agreed commitments -including those referred to an even economic and social development. Secondly, the EU should promote more ambitious reform of the IMF and the World Bank for better global governance in general and the international regulatory framework for the finance sector in particular. The EU should also seriously examine the creation of a World Financial Authority. At the moment, with regards to the world economic and financial institutions (WB and IMF), Europe holds a particularly inconsistent position. Being the EU one of the largest shareholders, it tries to hold on the status quo that is anchored in 1945's reality. If the EU is to support fairer arrangements in global economic governance, amongst other things, it should be ready to give up its share of power at the Fund and the Bank that does no longer correspond to its weight in the world economy.

Thirdly, the EU should promote a new agenda on global taxation leading to an international agreement or code of conduct on tax systems, reducing harmful tax practices and gradually phasing out tax havens. Fourthly, the EU must face its new, global economic responsibility deriving from its monetary union and from the sheer economic size of the enlarged Europe of 25 members. Europe's economic growth performance is now, more than ever, a global issue.

But is the EU playing such a globally progressive role?

Changes are required in policy both at a very general level and in a number of specific areas, in organisation and in process. New initiatives are also needed. At a general level, what is required is the formulation of a clearer and more consistent European policy addressing the negative social consequences of globalisation. If high-level, inter-governmental agreement could be reached, the

prospects for the EU speaking with one strong voice in favour of socially responsible globalisation would be greater. Similarly, there is a need for greater coherence across the diverse dimensions of EU policy. Internal discussions about tax harmonisation can make little sense unless they are linked to discussions about global financial regulation, or to discussions about internal social policy.

Final remarks

Is global solidarity an achievable goal? Is another world or other worlds possible as the World Social Forums since 2000 have suggested? Are there political global forces that can shift global neo-liberal trends?

We believe the dominant perspective on globalisation must shift more from a narrow preoccupation with markets to a broader preoccupation with people. Globalisation must be brought from the high pedestal of corporate board rooms and cabinet meetings to meet the needs of people in the communities in which they live. The social dimension of globalisation is about jobs, health and education – but it goes far beyond these. It is the dimension of globalisation which people experience in their daily life and work: the totality of their aspirations for democratic participation and material prosperity. A better globalisation is the key to a better and secure life for people everywhere in the 21st century.⁶⁷

But development -however defined- must be considered not only as a process of accumulation or change, but rather as a collective good. Sometimes it is "development" itself that is the problem, when it is imposed without taking into account the particularities of specific contexts.

66 - Martin's et al., *The Global Trap*, 1997, pp.219.

67 - Report of the World Commission on the Social Dimension of Globalization, *A Fair Globalization: Creating Opportunities for All*, 2004 p. vii

However, national development strategies were not always modified based on principles of fundamental human rights. Instead, development strategies have been subordinated to overall growth objectives in the emerging global marketplace. One of the great illusions of recent decades has been that market forces by themselves can pull the poorest countries and the poorest populations in all countries out of the morass they are in. Development policies designed to alleviate poverty, cannot be left to markets alone.

Social policies designed to combat social exclusion and reduce persistent categorical inequalities must focus on the needs and rights of specific categories or groups in society. But they must do so in areas that make a difference: that is, productive activities, and the ownership and control of the means of production and the fruits of labour, the organisation of the workplace, decision-making processes, legal framework enabling autonomous participation, respect for cultural differences and social identities and, of course, democratic governance.

Human needs and human rights can best be served through the articulation of people-oriented participatory institutions at all levels of society. The state must be seen not only as a regulatory mechanism for diverse and sometimes conflictive interests, but also as an instrument for the achievement of socially desired collective goods and the well-being of all of society's members. Such a state can only be built up from the grass-roots level, and can thrive only in a democratic environment. It is accountable at all levels and linked to the various other institutions of civil society. These institutions, in turn, must become the countervailing power to state authority. Democratisation, decentralisation, deregulation and devolution are all concepts linked to a socially responsible state.

Policy-makers must be forced to understand that the market serves only as a necessary mechanism for the allocation of certain kinds of consumer goods and services, and a stimulant to changes in productivity -not as the judge and provider of socially valued collective goods. These collective goods can only be obtained through politics: the politics of consensus building, collective participation, transparent decision making and democratic commitments, inspired by the values of freedom, justice and solidarity.

The EU should defend a sustainable global policy agenda to combine the fight against poverty with environmental balance. This was set in motion in Johannesburg in 2002, but its realisation remains far out of reach. Opposition remains strong in some industrialised countries and predominantly the USA, but also in some developing countries. The EU should propose a new deal at global level to anchor sustainable development in the heart of the global policy agenda.

The two billion people living on under \$2 per day pose a serious question to the legitimacy of the global economic and political system. Many new global social movements such as the World Social Forum have developed strong oppositional discourses, arguing for global alternatives and providing an open space for creative dialogue to all the manifestations of civil society and particularly NGOs. It is through these strong-alliance building processes that the struggle for global social justice, solidarity and equality for all will be enhanced and finally realised.

Portrait 8

Obstacle Course to Integration

This case study was originally prepared for a Peer Review exercise on the integration of migrants held in France in October 2004.

Originally from Mali, Mrs X lives alone with her 16-month baby. She has been in France for the last two years, without papers and a fixed home. Her case was taken up by an organisation that supported her in her efforts at getting valid papers and in her bid to regularise her situation. These efforts finally bore fruit and she is soon to receive a one-year residence permit. She has been living under the care of the association in a hostel with her child for the past few months at the Paris centre of the Emergency Medical Service (SAMU). Her situation is very unstable since she is regularly obliged to change her room and her sole support is the association that has been helping her regularise her situation.

She now falls into the “refugee regularly admitted into French territory” category.

She was recently summoned for the OMI medical test (compulsory for a one-year residence permit) but was asked to appear without her baby, which meant that the association had to look after her baby during her visit to the centre.

She was then asked to attend the one-day’ introductory lecture on “Living in France”. Once again the problem of looking after her baby arose and was resolved in the same manner. During her training, Mrs X’s linguistic abilities were evaluated and she returned with a paper classifying her as category 4. The association was at a loss as to what this meant. She had to sign the Integration Contract but was never informed whether she had the right to refuse. In any case, there was no way of knowing whether

signing the Integration Contract is determinant in the government’s decision to allow the immigrant to reside in France.

Mrs X is soon to attend the lecture on the French administrative system for which once again she will have to resolve the problem of who will mind her baby.

The association which has been helping her and that organises the language classes have not been selected through tenders (only two organisations have been selected in all of Paris). FASILD informed this association that it will no longer receive funds for helping this category of women. It is because this woman has been supported by two employees and a volunteer from the association for the last two years that she will be able to get out of the situation (hopefully).

The association is worried that once her residence permit is accorded, her case will be transferred from the state social aid system (Social Emergency Services) to the départemental social aid system (of the City of Paris) and her file will have to be transferred as well. Obviously, another social worker will then replace the social worker working on her case.

The association believes that because this woman is young and dynamic, she is likely to extricate herself from this situation. Unfortunately, but the system is likely to discourage many others who will be intimidated by the obstacle course created by the Government.

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Notes on the Editors and Contributors



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Fintan Farrell has been actively involved in the European Anti Poverty Network (EAPN) for over 15 years. Since June 2002 he has been employed as Director of the Network. Fintan comes from Ireland where he had extensive experience of working in the community and voluntary sector - particularly as an advocate for the rights of Irish Travellers. Fintan is Vice President of the Social Platform (Platform of European Social NGOs).

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Zsuzsa Ferge (née Kecskeméti) was born in Budapest in 1931. She is an economist, having worked in the field of social statistics, sociology and social policy. She founded the first department of social policy in Hungary in 1989, and taught there until her retirement in 2001. Her main fields of interest have been social structure, social inequalities, poverty and the social impact of the transition. She has been a founder and an activist in a number of civil organisations. She is the author of over 20 books and is a member of the Hungarian Academy of Sciences, the European Academy, the European Academy of Yuste, and has an honorary degree from Edinburgh University.

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Vincent Forest is the Information Officer of the European Anti Poverty Network (EAPN) for the past nine years. He has a Licentiate Degree in Journalism and Communication from the Université catholique de Louvain (UCL), as

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José Manuel Fresno is an International Executive MBA from Esade Business School, with a Licentiate Degree in Political Science and Sociology from the Universidad Complutense de Madrid, and a Bachelor's Degree in Philosophy from the Universidad Pontificia de Salamanca. He teaches at the International Institute Carlos V in the Universidad Autónoma de Madrid. José Manuel was the Managing Director of the Fundación Secretariado Gitano from 1990 to 2004 and is now the Managing Director of the Fundación Luis Vives. He is the Spanish member of the European Commission against Racism and Intolerance, Council of Europe (ECRI). José Manuel has been actively involved in EAPN since its beginning: he was the president of the Spanish EAPN from 1993 to 1995; member of the EAPN (Europe) Executive Committee from 1995 to 1997 and coordinator of the EAPN Structural Funds Task Force from 1998 to 2002.

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Brian Harvey is a social policy researcher and analyst based in Dublin, Ireland. He works in the area of poverty, equality, social policy, as well as the world

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Maria Marinakou is from Greece and is the President of EAPN since 2003. She has years of experience as a lecturer and researcher in areas of comparative social policy and welfare states and specifically on issues of poverty, social exclusion and the role of NGOs. Since 1995, Maria has worked with asylum seekers, refugees and migrants in various NGOs. She is a National Evaluator of programmes funded by the ESF in Greece. Currently she works in the institutional building of policies on social protection in Eastern European countries.

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Alida Smeekes has worked (voluntary) for over 20 years at local and national levels in the Dutch self-help organisation *Landelijk Steunpunt Vrouwen en de Bijstand*, which works for the benefit of women on minimum income. She provides a constant reminder that the struggle for gender equality is still ongoing. She is also the President of EAPN Netherlands and is a member of the Executive of EAPN (Europe). She is the President of the LKU (National Training Foundation organised by and for benefit claimants) which aims to empower people to restore and improve their self-esteem and their participation in society.

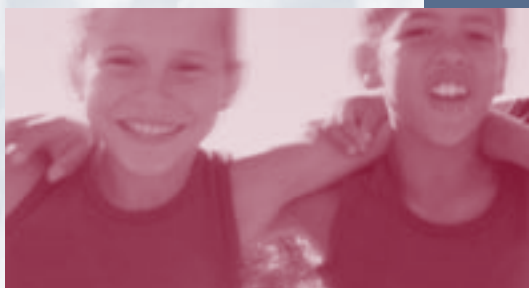
Edward Thorpe

Edward Thorpe is based in Brussels where he is the Policy Officer of AGE (the European Older People's Platform). He is responsible for and coordinates the work of the social inclusion group within AGE and also works on related issues with regard to older people, such as: discrimination, employment, services, health and pensions. Edward represents AGE in its work with EAPN and is a member of the Executive Committee of EAPN Europe. He has also been responsible within AGE for their work with associations in the acceding countries and the new Member States of the EU.

Since its establishment in 1990 the European Anti Poverty Network (EAPN) has sought to highlight the issues of poverty and social exclusion within the EU Member States. In doing this EAPN has sought to bring a perspective from those NGOs defending the interests of people experiencing poverty and social exclusion into developing proposals and actions aimed at eradicating poverty and social exclusion within the EU countries.

EAPN continues to dream that a European Union free of poverty and social exclusion can be realised. In this third book produced by EAPN observations are made on existing EU strategies aimed at making a decisive impact on the eradication of poverty and social exclusion in the EU as well raising debates about the approaches that would be needed to really achieve such a vision for the EU.

This book also includes a series of essays which provide evidence that there is a dramatic political failure to efficiently fight and prevent poverty and social exclusion both within and outside of the EU. These essays reflect on the root causes that lie behind this failure and create demands for a political leadership that is deeply in tune with the everyday aspirations of the citizens and residents of the EU Member States.



The book also provides a series of portraits of people experiencing poverty and social exclusion in different EU countries. These portraits present a glimpse of some of the realities behind the statistic of 68 million people who face poverty and exclusion in the EU. The portraits demonstrate the damage done to people by the failure to organise our society in a way that all people have access to their fundamental rights, as well as showing how people who face poverty and exclusion can overcome major obstacles and contribute to the creation of the EU We Want!



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EAPN is an independent coalition of non-governmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States and candidate countries of the European Union. EAPN members aim to empower people and communities facing poverty and social exclusion to exercise their responsibilities and rights, to enable them to break their isolation and counter their social exclusion.