

Network news



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Editorial

Globalisation into question

This issue of Network News deals with some of the most critical aspects of the debates about current economic global forces and their impact on Social Europe. In the following analyses neo-liberal globalisation has been identified as resulting in increased inequality both within and between countries, and increased vulnerability of people to social risks, such as unemployment, lack of access to services, discrimination and social exclusion.

All over the world, inequality between rich and poor, including in the wealthiest of nations and in the EU, is rising sharply. Globalisation puts welfare states in competition with each other and puts the European Social Model under question.

For EAPN, it is clear that Europe needs strong welfare states and strong welfare states need a strong Social Europe. A European Union, who sees a future in the European project, should not allow the current form of predatory economic globalisation put in question the European Social Model. It should not allow unregulated financial markets, operating from tax havens and offshore companies dismantled the principles and values of Social Europe.

These principles and values are what unites us as Europeans, they are our strongest collective identity.

The European Union should reinforce its role as a global partner and question the current forms of global forces, their structures and governance. There is an enormous potential in the social dimension of globalisation and a strengthened European Social Model can unleash this potential for sustainable development, global democracy, social justice and solidarity.

Maria Marinakou

THE IMPACT OF GLOBALISATION

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Does globalisation work for the poor?

Everyone talks about globalisation, but no one seems to agree on what it is.

Transnational corporations mushrooming here and there, jobs fleeing to China, business associations threatening with delocalisation due to high labour costs, privatisation of the public health systems... Thousands of non-Europeans, many losing their lives, on the shores of the promised land, a growing sense of insecurity - human insecurity which makes us feel vulnerable at the expense of stronger forces and which makes that many amongst us are lost in this competition with no or few rules. In the European Union alone, 68 million people live at risk of poverty. More than a billion people live in extreme poverty in the world. And, unfortunately, figures seem to keep on rising in many regions of the world.

In such an entangled context, we wonder often what globalisation is. What are the forces driving the processes behind it? How does it affect our lives? And how does it affect other people's lives, elsewhere in the world? Is it unavoidable? Can we go back to the "good old times"? And if not - what should be done to turn the risk into an opportunity for a "good life for all"?

What is globalisation?

Globalisation - the 'big idea' of the late twentieth century - lacks precise definition. Nonetheless, the term globalisation captures elements of a widespread perception that there is a broadening, deepening and speeding up of world-wide interconnectedness in all aspects of life. The issue at stake appears to be 'a global shift': are we, or are we not, on the edge of a global shift with massive political, economic and cultural implications?

It can be usefully conceived as a process - or a set of processes - which embodies a transformation in the spatial organisation of social

relations and transactions, generating transcontinental or interregional flows and networks of activity, interaction and power.

How does globalisation affect our lives?

We just have to look at our everyday lives to realise that globalisation is undeniably shaping and affecting them. Globalisation is, indeed, offering new challenges and opportunities, but it also brings in many risks. And the problem is that both the risk and opportunities are not evenly shared amongst individuals and regions of the world. When we talk about globalisation affecting "our lives", it depends very much on who is talking.

If agreement on a definition of globalisation is already difficult to find, it is even harder to find agreement - or evidence - of what are the positive and negative impacts of globalisation on our economies, our societies and on us - as individuals who are facing it.

Globalisation is characterised by four types of change:

- it involves a stretching of social, political and economic activities across political frontiers, regions and continents;
- it suggests the intensification of interconnectedness and flows of trade, investment, finance, migration, culture, etc.;
- the growing extent and intensity of global interconnectedness can be linked to the evolution of world-wide systems of transport and communication increases the velocity of the diffusion of ideas, goods, information, capital, and people;
- the growing extent, intensity and speed of global interactions can be associated with their deepening impact such that the effects of distant events can be highly significant elsewhere and even the most local developments may come to have enormous global consequences. In this sense, the boundaries between domestic matters and global affairs can become increasingly blurred.

Held, David and McGrew, Anthony: *Polity Global Transformations text-site*, <http://www.polity.co.uk/global>



Refugee camp (Serbia and Montenegro) © EC/J. Silva Rodrigues

Whereas the economic impact of globalisation seems to attract a wider interest, there is little research on the impact of globalisation on our societies and individuals. However, it is also difficult to counter the argument that the greater burdens of this process fall on the shoulders of those who are least equipped to compete in our ever-more competitive global economies and societies.

Globalisation, as any other human-driven phenomenon, is not ruled by natural laws. Instead, it is shaped by the political decision taken by the actors involved. And, unfortunately, since the 90s, we have been faced with a ruling neo-liberal paradigm which has tried to praise the market as the most efficient and appropriate instrument to foster economic growth and social development. But the reality is that any extensive economic and social change produces winners and losers. And the market does very little - if anything at all - for the losers. In these circumstances, the role of the institutions is to help manage the process of change - to maximise economic opportunities for all, and to equip people to take advantage of these opportunities.

An opportunity for a “good life for all”?

That globalisation will work well for the poor, or that it will work against them, is not a truth set in stone. This depends on the policies that governments and international institutions pursue. Managed wisely, the new wealth being created by

globalisation is the opportunity to lift millions of the world's poorest people out of poverty. Managed badly and it could lead to their further marginalisation and impoverishment. Neither outcome is pre-determined; it depends on the choices adopted by governments, international institutions, the private sector and civil society.

Stronger regional and international institutions as well as a much stronger commitment to sustainable development and redistributive justice at the national, regional and the international level are needed to make globalisation work for people experiencing poverty. The European political leaders seem to be narrowly focused on the need for turning the EU into the most competitive region of the world. But what implications does it have for the poor in Europe? What for the poor beyond its borders? Is it all about fostering competitiveness or about promoting solidarity within Europe and from Europe to the rest of the world? Making poverty history requires a sharp change of our economic paradigms, led by a strong political will to phase out the most threatening challenges to human civilisation, such as ecological degradation and social injustice.

Nuria Molina

“Globalisation is generating great wealth, which could be used to reduce poverty and inequality worldwide. The world's richest 225 people have a combined wealth equal to the annual income of the poorest 47 per cent of the world's people. We must try to manage this new era, in a way which reduces these glaring inequalities and that helps to lift millions of people out of poverty.”

Clare Short, Former UK Secretary of State for International Development

“Economic globalisation has become a war against nature and the poor. But the rules of globalisation are not god-given. They can be changed. We must bring this war to an end. We need a rule-based system where the rule is not the rule of commerce but that of the things that should be highly worth — nature, culture, justice and future.”

Vandana Shiva, civil society activist and author

GLOBAL POVERTY – THE FACTS

- Half the world - nearly three billion people - lives on less than 2 US dollars a day.
- 20% of the population in the developed nations consume 86% of the world's goods.
- The 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.
- Less than 1% 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.
- 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.
- The developing world now spends 13 US dollars on debt repayment for every 1 dollar it receives in grants.
- The combined wealth of the world's 200 richest people hit 1 trillion US dollars in 2001; the combined incomes of the 582 million people living in the 43 least developed countries are 146 billion dollars.
- The richest 50 million people in Europe and North America have the same income as 2.7 billion poor people.
- A mere 12 % of the world's population uses 85% of its water, and these 12% do not live in the Third World.

Source: EAPN Book “The EU We Want”, Chapter on Globalisation by Maria Marinakou

The world's biggest donor

About 55% of the money spent to help developing countries comes from the EU or its individual Member States, i.e. EUR 35 billion in 2004 (of which about EUR 6 billion was channelled through the EU institutions), making the EU the world's biggest aid donor. The Union has committed itself to raising the annual total to EUR 39 billion by 2006. Although EU members, like other industrialised countries, have accepted a target of spending at 0.7% of their GNP on aid each year, only Denmark, Luxembourg, the Netherlands and Sweden have reached this target. The others have pledged to catch up. The average for the EU as a whole is 0.34%, higher than the United States or Japan.

The EU's development strategy focuses on helping developing countries ensure better food and clean water; improve access to education, healthcare, employment, land and social services; provide better infrastructure and a better environment. EU initiatives also aim at eradicating diseases and providing access to cheap medicines to combat scourges like HIV/AIDS. The EU also seeks to cut the debt burden on poor countries.

Source: EC



Construction work on fire brigade building - Podgorica (Serbia and Montenegro) © EC/A. Zrno

The European Union as a global player

The EU is the world's biggest trader and it gives out more aid than any other donor.

Born in the aftermath of World War II, the EU's primary concern was to bring together the nations and peoples of Europe. But as the Union expands and takes on more responsibilities, it has had to redefine its relationships with the rest of the world.

Trade policy

The EU is the world's biggest trader, accounting for 20% of global imports and exports. It believes that *"globalisation can bring economic benefits to all, including the developing countries, provided appropriate rules are adopted at the multilateral level and efforts are made to integrate developing countries in world trade"*. The EU has therefore developed a common policy on trade at two levels: firstly, within the World Trade Organisation (WTO); secondly, through own bilateral trade agreements, which cover not only trade and traditional financial and technical assistance, but also economic and other reforms as well as support for infrastructure, health and education programmes. They also provide a framework for political dialogue and contain a clause which enables the Union to suspend or cancel trade or aid if the partner country violates human rights.

Promoting human rights

The EU promotes respect for human rights at home and abroad. It focuses on civil, political, economic, social and cultural rights. It also seeks to promote the rights of women and children as well as of minorities and displaced persons.

Human rights feature in the EU's trade and cooperation agreements and are a prerequisite for countries seeking to join the Union itself. In addition, the EU offers lower tariffs on imports from countries which respect the basic working conditions and labour standards laid down by the International Labour Organisation.

Common foreign policy

Member States work together to achieve a coherent approach to foreign policy. Progress over the years has been slow however. The conflicts that sparked off after the fall of the Berlin Wall pushed EU leaders towards joint action. The principle of a Common Foreign and Security Policy (CFSP) was formalised in 1992 in the Treaty of Maastricht.

In the light of the Balkan wars, and of conflicts in Africa in the 1990s, the EU created a European Security and Defence Policy (ESDP), under which military or police forces can be sent to areas of crisis to undertake humanitarian operations, peace-keeping, crisis management and even peacemaking.

Development and humanitarian aid

The EU (European Commission and Member States) is the world's biggest aid donor, responsible for about half the money spent for all development aid (see sidebar). Development assistance and cooperation, originally concentrated in Africa, was extended to Asia, Latin America and the southern and eastern Mediterranean countries.

The Union began providing humanitarian aid in the 1970s. Humanitarian aid is unconditional; the aim is to get help to victims as quickly as possible. The Union also draws on its experience to help people prepare for possible disasters in high-risk countries and regions prone to earthquakes, hurricanes, floods or drought. The EU channels its relief funding through its Humanitarian Aid Office (ECHO). From its budget of more than EUR 500 million a year, ECHO also funds medical teams, mine-clearance experts, transport and logistical support.

Source: "A World Player – The EU's external relations", July 2004.
See also 'The EU in the world' at:
<http://www.europa.eu.int/comm/world/>

The social dimension of globalisation

The European Union is opening a debate on its policy contribution toward extending the benefits of globalisation to all.

The International Labour Organisation (ILO) established the World Commission on the Social Dimension of Globalisation (WCSDG) in 2002 with the mandate to draft a report on the social impact of globalisation. This initiative was a timely one at a moment when economic globalisations had been strongly contested by many, arguing that the social impact of this process was being consciously dismissed.

Published in February 2004, the report, *A Fair Globalization: Creating Opportunities for All*, sends a critical but positive message for changing the current path of globalisation. It states that global market economy has demonstrated great productive capacity and that, wisely managed, it can deliver unprecedented material progress, generate more productive and better jobs for all and contribute significantly to reducing world poverty. It argues, however, that the current process of globalisation is generating unbalanced outcomes.

Economic and social progress should go hand in hand
In May 2004, the European Commission published a *Communication on the Social Dimension of Globalisation* intended to respond to the report of the WCSDG. While praising the benefits brought about by the globalisation process in several areas in the world, the Commission's Communication also acknowledges that these are not shared equally across all countries and groups and that, without an effective system of global governance, the current model of globalisation is generating unbalanced outcomes and is not likely to lead to global sustainable development.

The Communication highlights that the EU has long pursued policies, both at home and internationally, which seek to ensure that economic and social progress go hand in hand. It reminds that

the Lisbon Agenda is the basis for the EU's policy response to the impact of globalisation on businesses, jobs and citizens in Europe. It also points out a number of aspects of the model which may be of interest to the Union's partners around the world, as it places particular emphasis on solid institutional structures for the management of economic, employment, social and environmental issues and the interplay between them, on strong social and civil dialogue and on investment in human capital and the quality of employment.

Enhancing policy coherence

Following the Commission's Communication, the European Parliament's Committee on Employment and Social Affairs drafted a report expressing its support to the proposals put forward by the Commission and reminding that, with regards to internal EU policies, it is necessary for Member States to make the revised Lisbon Agenda a success and to take responsibility for implementing the necessary reforms to turn it into reality. And, with regards to external action, it highlights the importance of policy coherence in the international institutions and welcomes the proposal for a Parliamentary Group to oversee the multilateral system in terms of coherence and consistency between global economic, social and environmental policies. The draft report was on the plenary session agenda of 14 November for discussion and adoption.

In July 2005 EAPN sent amendments to this report stressing that economic growth alone won't do to phase out poverty - neither in Europe nor in the rest of the world - and to achieve a more equal distribution of wealth. EAPN also welcomed the willingness of the European institutions to work towards building a greater coherence amongst the policies of international institutions, and highlighted the need for enhancing policy coherence within the European institutions as well.

Nuria Molina

WORLD SOCIAL FORA IN 2006-07

Fora polycentric World Social Forum (WSF) 2006 will be held in Bamako, in Mali, in Africa, from 24 to 29 January 2006, simultaneously to the other two polycentric events: in Caracas (Venezuela) and in Karachi (Pakistan). The World Social Forum 2007 will take place in Kenya, in Africa. More information at: <http://www.forumsocialmundial.org.br/>

The next European Social Forum (ESF) will take place in Athens in April 2006. According to the ESF website, "it is an open space where civil society groups and movements opposed to neo-liberalism and a world dominated by capital or by any form of imperialism, but engaged in building a society centered on the human person, come together". More information on the ESF: <http://www.fse-esf.org/>



WSF 2005 - Photo: Ricardo Stricher

SOME USEFUL LINKS

- World Commission on the Social Dimension of Globalisation (WCSDG), including the report "A Fair Globalization: Creating Opportunities for All": <http://www.ilo.org/public/english/faithglobalization/index.htm>
- Commission's Communication on the Social Dimension of Globalisation: http://europa.eu.int/comm/employment_social/international_cooperation/globalisation_front_en.htm
- Response to the Communication by the European Trade Union Confederation (ETUC): <http://www.etuc.org/a/365>
- European Parliament report on the social dimension of globalisation (Ref: A6-0308/2005, Rapporteur: MEP Mihael Brejč): available on the EP website at <http://www.europarl.eu.int> (go to 'Activities - Parliamentary business - Reports')

People first, not the market!

"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."

Report of the World Commission on the Social Dimension of Globalisation, 2004 p. vii

"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."

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

Economic growth and social cohesion are not conflicting goals

Globalisation presents a challenge to welfare states around the world and, more specifically, to the European Social Model.

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.

The recent trends for liberalisation and privatisation of public services have resulted in poor quality service provision, gate-keeping processes, and limited access for people experiencing poverty and social exclusion. These disturbing trends are taking place in parallel with an apparent shift in national social policies, leading to the so-called rationalisation of social security systems, means-tested benefits etc. It is the result of a **dominant divide between the deserving and non deserving, the "haves and have not"**.

Attention on globalisation has focused mainly on its effects on employment, particularly full employment, one of the cornerstones of the post-war European welfare states, the cutting 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. Governments are confronted with the question as to what type of social policy best suits international competitiveness without real concerns about social solidarity.

"Modernising" social protection

The return of high levels of unemployment and attempts to make cuts in social and citizenship rights resulting in increases of poverty, inequality and social exclusion, appear as a rewriting of the implicit social contract, the European Social Model, developed in Western Europe after the end of World War II.

It could be argued that **globalisation primarily sets**

welfare states in competition with each other. In the context of neo-liberal globalisation, northern welfare states are able to sustain equitable approaches to social policy and social rights, which 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 globalisation is still open, although the recent positions of the European Commission over the future direction of the Lisbon Strategy ('Growth and Jobs') indicate that there is a paradigm shift in the EU towards more economic growth and competitiveness goals at the serious expense of social inclusion and social cohesion.

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

If the European Union is to take a role in the global context at the 'antipode' of the hegemonic neoliberal paradigm of free market dominance, then the European Social Model needs to be strengthened and reinforced. It needs to prove that economic growth and social cohesion are not conflicting goals.

The fact that the strongest welfare states in the EU are also the most competitive ones, proves that social spending is productive expenditure and that a societal compromise and consensus based on solidarity, creates a sustainable symbiosis of both competition and equity based on equal rights for all.

At the Fourth EU Round Table on Social Inclusion in Glasgow in October 2005, EAPN argued that **Europe needs strong welfare states and strong welfare states need a strong Social Europe.**

*Maria Marinakou
EAPN President*

The most competitive economy... but at what price?

The EU Heads of State and Government meeting in Lisbon in 2000 pledged to make the EU "the most competitive economy in the world". But at what price? This goal may revolve around economic issues, but it has inevitable social repercussions.

Economically, it is the major economic powerhouses (European Union, United States and Asia) and the leading monetary institutions (World Bank, International Monetary Fund, World Trade Organisation) that are calling the tune... It has been clear for decades that fairer world trade is key to fighting world poverty. In 2001, the World Bank produced the mind-boggling figure of 1.089 billion people living in poverty. But this figure arguably falls short of the reality, because the World Bank is talking only about absolute poverty and defines extreme poverty as a per capita income of a dollar a day. Taking relative poverty as the benchmark - as the EU does - would bump up the number of poor considerably.

This is yet more reason to step up the demands for fair trade - something that seems to have slipped right off the World Trade Organisation's radar. The Millennium Development Goals officially proclaimed in September 2000 by the United Nations offer a glimmer of hope but, like the social inclusion strategy, there is nothing to say that they will be delivered on schedule.

Offshoring, unemployment, exploitation

Take two examples of competitiveness-chasing: economic growth and liberalisation policy.

With very high unemployment levels, it is nonsense to go for economic growth through increased participation rates. If people are to be kept working longer, extra jobs are needed to mop up unemployment - an aim our governments are not delivering properly. And national unemployment figures are distorting the facts. When regions, districts or population groups with the highest unemployment (like deprived inner-cities, women and

young people of foreign origin) are looked at more closely, a national average of 10-15% may turn into local rates of 40-50%.

Becoming the most competitive region in the world can also prompt business to relocate abroad, driving up unemployment at home. Exploitation of the working population - to maximise profits - is the direct consequence of this in developing countries, where pay is very low and working conditions may be inhumane. Very high levels of in-work poverty (the class of "working poor"), not only in the Third World but here, too, are nothing new.

The "free market" backlash

The EU's liberalisation policy puts people experiencing poverty and social exclusion at risk. In some countries where the electricity market has been liberalised, household bills have gone up rather than down, while safety nets, like a guaranteed minimum supply, have been dropped because of the EU's general free market rules.

Let alone the Western countries' broken pledge to invest 0.7% of their gross national products... which has prompted developing country populations to head west in search of better lives. Initially invited by our governments to do the jobs we no longer wanted to do, they and some sections of the population now feel there are too many immigrants and they are no longer welcome. The result is a policy of repression rather than reception... The principles of humanitarian assistance should be applied to new migrants, whether "economic" or "political". There must be a change of migration policy.

Ludo Horemans
Vice-President of EAPN

Fairer world trade is key to fighting world poverty

WEAR A WHITE BAND!

The 'Global Call to Action against Poverty' is a worldwide alliance committed to making world leaders live up to their promises, and to making a breakthrough on poverty. It is an alliance between a range of actors around the common cause of ending poverty: existing coalitions, community groups, trade unions, individuals, religious and faith groups, campaigners and more.

The Global Call aims to ask politicians and leaders what they are going to do to overcome poverty, and to demand that they take action now. This is an opportunity to demand that world leaders act against poverty.

Throughout the year, groups and individuals have been planning their own local, national and international activities. You can be part of this global movement by wearing a white band. Whether you are a member of an organisation, or an individual who wants to act against poverty, you can take action now.

For more info, see
<http://www.whiteband.org/>



Bad working conditions

For labour in low cost countries, the working conditions are important. In many countries working standards are poorly formulated or not implemented in accordance with international rules. Intensified global competition might further violate labour and trade union rights.

An estimated 246 million children are involved in child labour – in often hazardous forms of work. Estimates for 2003 have shown that almost 1.4 billion people – or 50% of the world's workers – live below the 2 US dollar a day poverty line. Clearly, there is a large deficit of decent work in the world which is a great challenge in the fight against world poverty.

Still the labour markets are haunted by unemployment. According to the International Labour Office (ILO), the open unemployment in the world has increased over the past two decades and was about 188 million in 2003. Moreover one billion young people, within a few years, will reach working age and increase enormously the labour force, not least in the developing world.

O.M.

Globalisation and the labour market

The social dimension can make globalisation a positive force for all people.

The labour market is a powerful social institution. It is the economic basis of society and of people's lives. To ensure adequate social conditions and cohesion of society, it is of fundamental importance that the labour market offers fair opportunities for all, since people are most directly affected by globalisation through their work and position on the labour market. The social dimension must be put at the centre of the debate on globalisation and labour market to make globalisation a positive force for all people.

Globalisation is characterised by reduced trade barriers, mobile capital and labour and rapid transmission of technology around the world. We know globalisation has and will continue to have a tremendous effect on European labour markets. The challenges are serious: workplaces are closed or cut down; companies move to countries with lower costs; unskilled or low-skilled workers are particularly exposed to global changes and competition.

A highly sophisticated division of labour

The European labour markets were created fifty years ago, founded on industrialism, hands-on work and the national states. This is all gone. Globalisation is gradually creating one arena with a highly sophisticated division of labour. Technological progress and trade with low cost countries will displace demand from low skilled labour to educated labour with the risk of raising the level of structural unemployment and/or increasing wage inequality between high and low-skilled labour.

Outsourcing is another effect. Progress in communication and information technology has increasingly made it possible to place call-centres, accounting, auditing, typing and arranging data, IT-support, analysis of X-ray pictures, engineering

etc. in low cost countries in addition to the manufacture of traditional industrial products.

Also in services, new technology and internationalisation of language make it possible to disconnect the geography of production and the geography of consumption, opening up for international competition in businesses hitherto protected by language and cultural barriers. At home, productivity growth has eliminated many jobs, particularly in the manufacturing sector.

Going beyond 'liberalisation versus protection'

Labour markets all over the world are in transition. The demand on labour markets is huge, in particular to increase income-generating employment for billions of people. The labour markets have a big potential to create wealth but also the potential to create serious conflicts and crises among nations. The way we handle the labour markets is at the centre of the global development of the future. We seriously need a global labour market strategy that goes beyond the current discussion on liberalisation versus protection.

Working poor should not be an option for Europe

What Europe needs is a high level of adjustment capacity, which an active social policy can contribute to develop. Social insecurity and reduced benefits are no good motivation for people to change jobs. A high level of social security is an important precondition for re-structuring of the labour markets and inducing a new dynamism to Europe. Working poor should not be an option for Europe to meet the competition from new global actors. If Europe starts to compete on wage, European wages should be reduced drastically to such a level that it can only create political turmoil.

The strategy should be to keep the wage level and put more value into production. Job qualification must be improved for unskilled and low-skilled workers. That should be the guiding strategy.

Ole Meldgaard

Member of EAPN Executive Committee and Employment Task Force

Good health for those who can afford it?

«As long as you have your health, that's all that counts!» Sad to say, "good health" is not something everyone does have; glaring inequalities persist even within the EU despite the steady rise in health spending (see chart). Former European Health and Consumer Protection Commissioner David Byrne pulled no punches in his July 2004 "think piece" document for a future European public health strategy: "Good health still depends on where you live, what you do, how much you earn. The poor, the socially excluded and minorities are particularly affected by ill-health".

Privatisation undermines health systems

By affecting institutional, economic, social, cultural and environmental conditions, globalisation disseminates a free enterprise model across all sectors of society, including health, which is increasingly seen as an individual good. Market forces then sift the "cost-effective" individuals from the rest. So privatised health goes to... those who can pay for it.

Liberalization of health services can result in public spending cuts, bringing the risk that universal access to care may cease to be guaranteed, whether for lack of objective information or cash. As a result, families experiencing poverty may not seek treatment, or be consigned to endless waiting lists in what remains of public service provision. The United Kingdom epitomizes this decline in quality of care for those who cannot afford high cost private sector services.

Things are worse elsewhere!

But others are even worse off! In many countries labouring under World Bank and International Monetary Fund structural adjustment programmes, deep cuts in health spending have led to increased malnutrition, infant mortality, the spread of AIDS and leprosy. Access to medicines is made difficult by drug companies' death-like grip on their patents, creating a boom in the trade in expired medicines...

Globalisation also causes migration through a 'brain drain' to developed countries, leaving oth-

ers short of qualified health workers. In many countries, too, globalisation forces down health and safety at work standards. International Labour Office (ILO) estimates put the number of industrial accidents each year worldwide at 250 million, involving 335,000 fatalities, while the use of toxic products is responsible for over one million deaths. Only 5 to 10% of workers in developing countries have access to adequate health care.

Awareness is better than cure...

Health awareness is traditionally a state responsibility. But as Commissioner David Byrne pointed out, Europe's "health systems" are in fact 90% "illness systems" so few resources do they devote to health promotion. Privatisation of health does not help matters; cynics might say that health care providers "live" off others' sickness...

But globalisation could help on this front, as increased use of communication technologies should improve preventive health all-round by the wide-ranging and more rapid spread of information.

Vincent Forest

HEALTHY AND WEALTHY

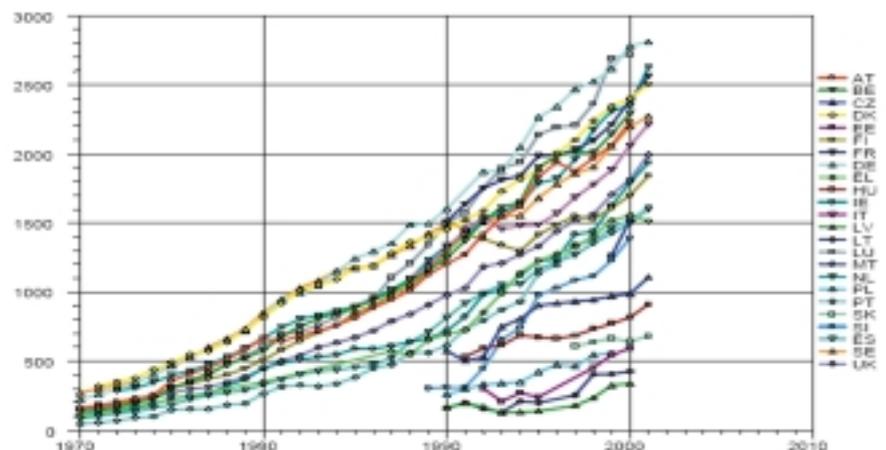
Maybe the exponents of the 'equal return' principle should be taken literally. If every euro spent has to give at least a euro return, it may be worth looking at the economic gains of a healthy population rather than at the cost of current health systems. Slashing public spending may not be a sound economic calculation.

This cost of "non-health" is addressed by the European Commission in a July 2004 "think piece" document, which argues that good health is key to economic growth and sustainable development: "According to the WHO (World Health Organisation), increasing life expectancy at birth by 10% will increase the economic growth rate by 0.35% a year (...) 50% of the growth differential between rich and poor countries is due to ill-health and life expectancy".

The Commission stresses that health spending is a long-term investment and a key driver of economic growth. Europe loses more than 500 million work days every year in work-related health problems.

More details of the European public health strategy:

http://europa.eu.int/comm/health/ph_overview/strategy/health_strategy_en.htm



Total health expenditure in purchasing power parities (PPP) per capita. Source: HFA Database, 2004. PPP convert prices into a (notional) common currency to eliminate the effect of between-country purchasing power differentials. This enables a comparison of health spending between Member States: Germany comes top, Latvia bottom.

Eight Development Goals

- Goal 1:
Eradicate extreme poverty and hunger
- Goal 2:
Achieve universal primary education
- Goal 3:
Promote gender equality and empower women
- Goal 4:
Reduce child mortality
- Goal 5:
Improve maternal health
- Goal 6:
Combat HIV/AIDS, malaria and other diseases
- Goal 7:
Ensure environmental sustainability
- Goal 8:
Develop a global partnership for development

These eight Millennium Development Goals (MDGs) form a blueprint agreed in September 2000 by 147 Heads of State and Government in the UN Millennium Declaration. They acknowledged that progress is based on sustainable economic growth, which must focus on the poor, with human rights at the centre.

The Declaration calls for halving by the year 2015, the number of people who live on less than one dollar a day. This effort also involves finding solutions to hunger, malnutrition and disease, promoting gender equality and the empowerment of women, guaranteeing a basic education for everyone, and supporting sustainable development. Direct support from the richer countries, in the form of aid, trade, debt relief and investment is to be provided to help the developing countries.

More info:
<http://www.un.org/millenniumgoals/>

UN Millennium Goals - a Nordic perspective

Halving poverty by 2015... The Nordic countries should work towards this goal.

In 2000 world leaders agreed on Millennium Development Goals (MDGs), which state that global development requires a holistic approach and which aim to halve extreme poverty and hunger by 2015. But figures show that there are still many lagging behind. The pace is too slow at present and it seems as if it will take over a century before many of the countries reach the target.

But there are positive signs. For example the Nordic countries, Denmark, Finland, Iceland, Norway and Sweden, are today actively stimulating the participation of civil society in the work to achieve the MDGs and partnership between developed and developing countries. And NGOs in the world have agreed on a global campaign "Global Call to Action against Poverty" to create a world of justice. This campaign, which has taken the white band as its symbol, has local support in over 90 countries. In Sweden for example, the campaign is called "Eradicate Poverty Now" and is supported by more than 45 organisations.

Fair trade

One of the demands from the Nordic governments should be that the meetings of World Trade Organisation (WTO) must become more democratic and another should be that export- and agricultural subsidies, which cause price dumping, must be abolished. Poor countries should be allowed to keep the right to protect their own production of food supplies.

Developing countries need more space for action in order to be able to develop a trade policy, which supports the country's specific development strategy. The Nordic view is to ensure that developing countries gain larger market access for their products in developed countries. As a first step, all developed countries must act on their commitment to introduce tariff- and quota-free access for all products from the least developed countries.

The Nordic countries have also clearly expressed that they want to work together with the developing countries in order for the global trade negotiations to succeed, and for developing countries being given the opportunity to use trade as a means of combating poverty.

Debt cancellation

The leaders of the G8 countries recently agreed to write off the debts for 18 heavily indebted development countries. This was an important step on the road but it doesn't solve the debt crisis. The Nordic countries should therefore urge for a long-term solution of the debt crisis. It must be viewed in relation to the resources needed by the country concerned in order to reach the MDGs.

Will it take over a century before reaching the target?

In connection with debt cancellation, the Nordic countries should also encourage the International Monetary Fund (IMF) and the World Bank to base their claims on poorer countries on the respective countries' own poverty strategies and democratic decisions.

The World Bank's and IMF's detailed control must stop and development assistance must not be used to finance the cancellation of debts.

More and better development aid

The Nordic countries are actively working to see to it that EU countries and other OECD countries reach the UN target of 0.7% of GNP to development by 2010 at the latest. The quality of this help must be secured by taking into account the need of the poor, justice, equality, sustainable development, and the abolishment of fixed development aid. Without sufficient environmental investments the possibility of reaching MDGs is limited, and development aid must not be used for military work.

Finally, the Nordic countries have agreed to continue their efforts, along with like-minded countries, to strengthen the harmonisation of development assistance programmes in keeping with the recipient countries' own priorities.

Göran Larsson

Salvation Army – Member of EAPN Executive Committee

Social situation in Sweden: better and worse...

The Swedish economy is quite strong compared to the '90s. That gives an opportunity to have a welfare system that is universal and comprehensive.

In 2004 Sweden spent 33% of its GDP on social welfare provision. The welfare system is seen as being robust and effective, assuming that the unemployment figures are kept down. The more people are dependent on the system, the weaker it gets.

A reform process has begun to restore and increase the social security system that deteriorated drastically during the Swedish years of financial crisis in the 90s. A hindrance to the process of development is the fact that the trend has been less positive than expected regarding employment, in spite of the stabilised economy. Sweden is also dealing with high figures of long-term sickness and this, combined with long-term unemployment, undermines the basic system as a whole.

More and more people outside the welfare system. So, having a strong economy, and at the same time suffering from high figures of unemployed, gives a contradictory picture of the conditions and solutions to more and more people falling out of the welfare system. One way that the Government has chosen has been to change regulations to keep the expenses down. For example there have been political proposals of cutting down in the systems of compensation for people experiencing long-term unemployment or sickness, which of course affects the most vulnerable.

A report recently published shows that the gap between older and younger people is increasing since the 90s. Young people – aged 20-34 – have worse conditions in many aspects compared to older people. They have difficulties accessing the labour market, or they have short time jobs, even though they are well educated. That leads to debts from their study period, less money, difficulties to rent or buy

housing and difficulties to get loans. They also suffer from serious health problems, especially mental illness such as feelings of hopelessness or anxiety. This example shows that it is hardly the case that these are individual problems but more of a structural deficiency that needs to be dealt with as such.

An important factor for the future is the change of attitude lately noticed where collective deficiencies in society are seen as deficiencies in the individual person. Illness and unemployment are seen as signs that people are lazy and unwilling to work. An example of this altered attitude is the so-called "work line" implemented in the social services: people must work in order to receive their welfare benefits. An effect of this is that it keeps people in poverty and exclusion, since there is no connection to the regular labour market within this system.

Illness and unemployment are seen as signs that people are lazy and unwilling to work

The gap between rich and poor is growing

The gaps between rich and poor, between young and older people, and between the most vulnerable and the majority of the people are growing. Growing problems include segregation, homelessness, alcohol and drug abuse, and these are not given enough priority as they have to compete with efforts of keeping the welfare system as a whole together. Additional measures are needed for those who fall between the different social security systems, or who do not qualify for any of them.

The stress on Swedish welfare policy is laid on improving the situation of vulnerable people, but there is no expressed commitment to the most excluded people in society. Describing the Swedish situation as better and worse means that even if the finances are better it does not automatically improve the situation for the many living on the brink of exclusion and poverty.

Sonja Wallbom

Swedish representative at EAPN Executive Committee

EAPN SWEDEN

EAPN Sweden was founded in 1998 by about ten social NGOs. Today it has 40 member organisations at national, regional and local levels. EAPN Sweden primarily works on the following areas:

- Information and lobbying
- Participation in the Social Inclusion strategy, in cooperation with other NGOs.
- Collaboration with EAPN at European level.
- "Bringing Europe to Sweden", meaning that people in general and NGOs in particular need the information that EAPN can provide.

The methods used have so far been task forces, seminars and conferences (for example on the EU constitution and on poverty and exclusion, on 27 October 2005), participation in the so-called "Users' Network" and other lobbying activities. The network has given particular attention to the labour market, unemployment, housing and homelessness, addiction and social exclusion.

The **main political messages** express the need for:

- A general welfare policy including all citizens.
- Active social services built upon democracy, solidarity and respect for individual needs.
- The right to education and support in finding employment
- A housing policy to counter segregation and homelessness, and access to good housing for everyone.
- Better financial support for NGOs.
- Increased dialogue between NGOs and society.

For the coming year, EAPN Sweden is planning to work on the theme of labour market and unemployment, as 2006 is a General Election year, and this will be a very important issue for all political parties.

"We must respond to all attacks on the welfare system"

Interview with the Swedish Minister for Public Health and Social Services, Morgan Johansson.

EAPN: What are the three most important challenges in the fight against poverty and social exclusion in Sweden? What solutions do you suggest?

Morgan Johansson: Firstly, we need to fight unemployment. Exclusion from the labour market is the most important factor causing marginalization. This issue is a high priority for the Swedish Government.

Secondly, we must reduce economic and social gaps. We will continue to strengthen the general welfare system. This includes education, social insurance, health care and social services. A policy for equality does not only create better conditions for the individual, but also improves economic growth and stability. Possibilities to help the most vulnerable will increase. This is vital for the future. We must respond to all attacks on the general welfare system that aim to lower standards in the social security system.

Thirdly, growing alcohol consumption and drug abuse is another challenge. Preventive measures are necessary. We must improve rehabilitation for alcohol and drug abusers. We also have to co-operate worldwide to fight alcohol and drug related crime.

How would you comment on the value of National Action Plans and the Open Method of Coordination?

These National Action Plans are a vital part of the Lisbon Strategy, which aims to make the EU the most competitive economy in the world, capable of achieving social stability. Welfare depends on economic growth, but economic growth in turn depends on well-developed welfare policy. Many studies show that the Nordic countries manage to combine these two perspectives very

well. UNDP has ranked the Nordic countries among the 15 countries with the highest standard of living, and the most even distribution of wealth. The World Economic Forum ranks the Nordic countries among the ten most competitive.

What should be the role of users' organisations in the development of social policy?

Users' organisations have a fundamental role in giving the individual's perspective. All social work must be undertaken on the basis of users' knowledge and experience. We must move from the authority's perspective to the individual's. To strengthen the influence of users' organisations on the implementation of the National Action Plan, the Swedish Government has set up a committee on social development matters in the Ministry of Health and Social Affairs. This committee will act both as a communication and as an information forum between the public sector and voluntary and users' organisations. I value the quality given by this form of co-operation. For example, the committee has arranged seminars on themes such as homelessness and conditions

for people with drug abuse problems and mental disorders.

EU and international decisions increasingly affect our lives. To build a citizens' Europe, NGOs must have real opportunities to influence the European development. How will this be possible?

In Sweden we have a tradition of popular movements. NGOs are an essential resource. I am convinced that it is impossible to elaborate progressive social policies without the users' voice and influence. We need different forms of dialogue between organisations and authorities at local, national and international level. The Swedish Government also provides financial support to NGOs.

Interview: Gunvi Haggren



Morgan Johansson

EAPN wants to engage and respond to debates regarding globalisation

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