



Social Inclusion Scoreboard

EAPN Response to the National Implementation Reports 2007
of the revised Lisbon Strategy

Executive Summary

15 JANUARY 2008

Introduction

The **original Lisbon Strategy** was drawn up and adopted under the EU Portuguese presidency in spring 2000, with the aim of creating by 2010 "*the most competitive and knowledge-driven economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion*". Following this commitment the Member states established the Open Method of Coordination on social protection and social inclusion as a vital new method for delivering this social cohesion goal and making a significant step against poverty and social exclusion. In spring 2005, Member States decided to refocus priorities on growth and employment and to streamline Lisbon governance. In terms of economic, employment and social policy, this has resulted in two separate parallel structures and processes (the National Reform Programmes and the Strategic Reports on social protection and social inclusion) which are not equally considered, nor effectively linked, despite commitments made by the EU to ensure and strengthen "*feeding in and feeding out*": between the two. As a result **social cohesion has become the new "poor sister" of the Lisbon triangle**.

2007 marks the last year of the current three-year cycle of the revised Lisbon Strategy, with the presentation of progress reports by member states on their National Reform Programmes, in preparation for the start of the new cycle (2008-11). This next period will take us beyond 2010, the anniversary of the original Lisbon strategy and the European Year to eradicate poverty and social exclusion. 2007 therefore marks an important opportunity to evaluate the progress made and propose vital revisions for the strategy before 2010. In particular, the EU must give priority to assessing **how far the National Reform Programmes are delivering on the commitments made by successive Spring Council Conclusions** (2006 and 2007) to put Lisbon at the service of social cohesion, to strengthen the social dimension and to make a decisive impact on the eradication of poverty and social exclusion by 2010

EAPN was established in 1990 as an independent coalition of NGOs involved in the fight against poverty and social exclusion in the EU. EAPN's membership is built on National Anti Poverty Networks and European Organisations primarily concerned with the fight against poverty and social exclusion. EAPN has actively engaged through its national networks in the National Action Plans on Inclusion and in the National Action Plans on Employment.. Since the revision of the Lisbon Strategy in 2005, EAPN members have attempted to engage in the National Reform Programmes at national level, and produced yearly assessments of the NRP and implementation reports (see www.eapn.org). For EAPN, EU processes such as the NRP and the OMC on social protection and social inclusion could be vital instruments to generate better policy at national level and greater coherence at the EU level, capable of making a significant impact towards the eradication of poverty and social exclusion. However, with poverty levels remaining constant and evidence of growing inequality, the **EU must decide whether Lisbon is really fulfilling its commitments to the people of Europe**, and above all to people experiencing poverty and social exclusion.

In this report, EAPN sets out to **evaluate the 2007 Implementation Reports of the National Reform Programmes for their contribution to Inclusion**. We assess the reality of the claims that jobs and growth will automatically lead to greater social inclusion and make constructive proposals for change based on the views of our members. This report is drawn from the questionnaire responses from 14 EAPN networks: Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Sweden, United Kingdom and discussions held with all the members of the EAPN Social Inclusion Review Group in June and September 2007, as well as through discussions held with members of the EAPN Employment Group in June and September 2007

This document provides an executive summary of the full report based on our national members assessment's of the Implementation Reports highlighting key messages and recommendations. The full report is available on our website (www.eapn.org) (In English only).

PART 1 – Executive Summary

EAPN Inclusion Scoreboard: Delivering on Inclusion

In July 2007, EAPN set out its vision of Lisbon and the need for radical revision of the Integrated Guidelines report¹. This primarily focused on putting inclusion back at the heart of Lisbon, and rebuilding an integrated social, economic and employment vision for the EU. It challenged the assumption that growth and more jobs can alone eradicate poverty or diminish social exclusion. It proposed the need to re-integrate the social dimension into the macro, micro and employment guidelines and to build an effective link with the Open Method of Coordination on social protection and social inclusion. In the light of the apparent current refusal to make any changes to the Guidelines, EAPN sets out to challenge those responsible for the Lisbon process, to test how the current approach and Integrated Guidelines are delivering the social dimension, according to our poverty and social inclusion scoreboard. In each chapter we set out to assess how far each area has delivered on key social inclusion goals.

EAPN Scoreboard – Delivering on Inclusion

1. How far has the social dimension been strengthened in the implementation reports?
2. Does the macro dimension ensure inclusion by strengthening social protection systems and promoting a fairer redistribution of wealth?
3. Does the micro dimension help to create quality jobs including for people in poverty and ensure access to affordable quality public services?
4. Are the Employment policies helping the excluded access quality jobs and implementing an active inclusion approach which benefits people who are in and out of work?
5. Is a balanced Flexicurity approach in evidence?
6. Are human capital approaches promoting life-long learning that will benefit people experiencing poverty and social exclusion?
7. Are equality and anti-discrimination policies and practices promoted ensuring equal access to work, resources and services?
8. How far are Structural Funds being used effectively to promote inclusion?
9. Is Lisbon developed and owned through a dynamic partnership/governance approach involving all stakeholders?

¹ Strengthen the social dimension of Lisbon: EAPN proposals on the Integrated Guidelines. www.eapn.org.

Key Messages and Recommendations

1. How far has the social dimension been strengthened in the implementation reports?

Key Messages

From EAPN members, there is a clear consensus that there is little visible sign of a strengthening of the social dimension in Lisbon in the 2007 implementation reports. The overwhelming tone and focus of the reports remains economic, driven by a narrow macro-economic agenda and priorities. Members highlight that if this central focus goes unchallenged, any other changes are purely superficial. Although there has been some minor progress on better coordination between the economic and social processes more needs to be done, particularly in terms of mainstreaming social inclusion messages and priorities from the Open Method of Coordination on social protection and social inclusion. This is unlikely to happen unless Lisbon is re-started on a 3 pillar approach – Growth, Jobs and Inclusion, and the Integrated Guidelines and other guidance documents revised to promote an integrated sustainable social, economic and environmental vision and strategy.

Recommendations

- Incorporate Social Inclusion as an overarching principle, by renaming Lisbon the strategy for **Growth, Jobs and Inclusion** and by introducing an overarching guideline based on the new horizontal social clause (Article 5b) from the Lisbon Treaty.²
- **Revise the Integrated Guidelines** and interpretative document to reflect this integrated approach (following the example set out in the Annex to EAPN report [“Strengthening the Social Dimension in Lisbon: Annex: amendments to the Integrated Guidelines”](#)).
- Ensure the **mainstreaming of the key priorities** of the OMC on social protection and social inclusion and adequate coordination between the two processes by the development of a specific Communication equivalent to the one on the link between Cohesion and Lisbon proposing a methodology for improving feeding out and feeding in. This should include spelling out the joint ownership of the processes between economic, employment and social ministries, specific joint meetings and reporting procedures, as well as the designation of specific targets and indicators.
- Introduce effective cross-cutting **social impact assessment** (including impact on poverty and social exclusion), on all policy proposals and implementation. The process should aim to engage all stakeholders and be built incorporating participative methodologies as well as the application of qualitative and quantitative indicators.

2. Does the macro-economic dimension ensure inclusion by strengthening social protection systems and promoting a fairer redistribution of wealth?

Key Messages:

The implementation reports overwhelmingly emphasize the Lisbon macro-economic guidelines focus on promoting economic stability, reducing public debt and social protection provision and refocusing on areas

² Article 5b, p66. Lisbon Reform Treaty: “In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fights against social exclusion, and a high level of education, training and protection of human health”

that will promote growth. As we have highlighted previously, unless the macro-economic guidelines balance this approach with the recognition of the vital role of public finances to strengthen social protection in the light of increasing demands for services, inclusion will be undermined. Equally if the EU is serious about tackling inequality and promoting social cohesion, governments should be considering more effective redistributive mechanisms to promote the redistribution of wealth. Although the general tendencies are predictably disappointing, members highlight some important examples from member states that recognize the implications of the commitments to policies such as flexicurity to improve social protection systems and to develop more progressive redistributive mechanisms through tax reform.

Recommendations

- As part of the social impact assessment, there needs to be a systematic assessment of the implications of the effective implementation of key policy drivers at EU level e.g. flexicurity, active inclusion and other inclusion priorities for the macro level, followed by a transparent debate.
- Recommend changes to the Integrated Guidelines and interpretive text to ensure that macro-economic policy promotes social inclusion.
- Recognize the need to increase social investment to respond to new social demands linked to demographic change – adequate benefits for those people who are not in work, quality, affordable childcare and caring services, social and other public services.
- Balanced measures to support full employment and promote decent wage levels linked to productivity whilst ensuring an adequate minimum income for all.
- Promoting socially just as well as efficient allocation of resources, through progressive tax reform which ensures a fairer distribution of wealth.

3. Does the micro dimension help to create quality jobs including for people in poverty and ensure access to affordable quality public services?

Key Messages

The micro-economic focus of the implementation reports are overwhelmingly on supporting the expansion of companies and new business set ups primarily in areas linked to research, development and innovation. In reality this is mainly targeted on better regulation (or less regulation), rapid implementation of the Services Directive and support to the creation of high-tech jobs. Whilst support on the demand-side to create employment is vital, unless a transparent discussion takes place on what kind of jobs this is likely to create and for whom, the micro-economic measure cannot deliver on inclusion. Members highlight that apart from again some notable exceptions the reports represent a missed opportunity to develop job-creation strategies for the most excluded through social economy or inclusive entrepreneurship and the development of affordable, quality public services, or ensuring that everybody benefits from new technological developments particularly in ICT.

Recommendations

- Assess the impact of micro-economic measures on social inclusion through social impact assessment.
- Recommend the amendment of the micro-economic guidelines to broaden the approach to mainstream social inclusion priorities through the micro-economic strategy i.e.:
 - Promote Inclusive social innovation policy – prioritizing job creation for disadvantaged groups and developing new inclusive services responding to new social risks.
 - Make the link to education and life-long learning- skills, competences and development for all, in and outside work.

- Smart, green and social growth strategy – foster inclusive and environmentally friendly job creation – supporting the innovative and inclusive potential of the social economy and social entrepreneurship.
- Developing an integrated strategy for low-skills – support to up-skill but also valuing skills that are currently perceived low skills (often traditional female jobs).
- Balancing the needs of the internal market with safeguards of universal service obligations. Recognizing the role of good public services in promoting access, quality and affordability, particularly of social services.
- Putting e-inclusion at the heart of ICT policy – through capacity building and the promotion of affordable access to hardware and internet services.
- Development of active policies to support corporate social responsibility delivering on decent work.

<p>4. Are the Employment policies helping the excluded access quality jobs and implementing an active inclusion approach which benefits people, in and out of work?</p>
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Key Messages

In terms of the employment sections of the implementation reports, the networks are more satisfied with progress made. However, although some progress is noted in several member states on supporting specific target groups into work, particularly younger and older people, women and disabled, this tends to be those who are closest to the labour market. There is much less impact on the hardest to reach groups and insufficient concern is shown over the quality of the jobs accessed. Overall there is surprisingly little focus on integrated active inclusion approaches (activation, minimum income and access to services), with a greater stress on activation focusing on increased conditionality and active case management. However, networks highlight that increasing conditionality is often responsible for creating increased hardship for the most vulnerable groups, because of punitive sanctions and cuts in benefits without ensuring reasonable access to decent/quality jobs. Insufficient attention is also given to guarantee work as a route out of poverty and to focus on the employer's role in tackling discrimination and promoting other demand-side measures.

Recommendations

- The Employment Guidelines need to specify more clearly the key elements for supporting an inclusive labour market based on integrated strategies to create an inclusive labour market based on the broad principles of Active Inclusion.
- Peer reviews should be held on experiences of positive activation pathways to work and to inclusion, which do not resort to punitive sanctions, in supporting those who are furthest from the labour market.
- Seriously evaluating and reassessing sanctions systems linked to conditionality in line with their real efficiency and their social impact.
- Develop a positive approach to Minimum Income as a tool for inclusion and ensure their adequacy and accessibility.
- Specific guidance on implementing anti-discrimination legislation and developing more pro-active demand side approaches to promote access to employment as to other goods and services.
- Ensuring that work is a route out of poverty, starting with adequate wage levels.
- Measures to promote job creation through social economy and social entrepreneurship.
- Ensuring active participation of people in poverty in the development and monitoring of employment policies, including in the European Employment Strategy.

5. Is a balanced Flexicurity approach in evidence?

Key Messages

The implementation reports reflect the fact that there is still little public debate or use of the concept, certainly in the terms of a more balanced approaches which combine flexibility with security and lifelong learning. The most positive developments are in the member states which have already developed Flexicurity approaches. In most of the others, EAPN's fears appear to be confirmed. The main trend is currently more likely to be increased flexibility for the employer's benefit, reducing employment protection without improving security through social protection systems or supporting employees' development or progress at work. Moreover the link between flexicurity and the Commission's integrated Active Inclusion approach is also missing, with an emphasis on active labour market measures focused on harsher conditionality and active case management

Recommendations

- Revision of the Guidelines and interpretive text to reinforce balanced approaches of combining flexibility and security, emphasizing the central importance of developing the security side, through access to social protection and lifelong learning support.
- Ensure the Integration of the flexicurity and the active inclusion approaches so that they are mutually reinforcing.
- Promote wider stakeholder debate at national and EU level including the participation of people experiencing poverty and organizations representing their interest in discussions on flexicurity.
- Adequate evaluation of the social impact of flexicurity policies through agreed indicators, measuring both the flexicurity and the security sides, as well as monitoring working poverty and quality of work.

6. Are human capital approaches promoting life-long learning that will benefit people experiencing poverty and social exclusion?

Key Messages

More attempts appear to be being made to broaden the understanding of developing human capital and resources, to cover the needs of all groups. Members highlight many more positive measures particularly on school drop out and increasing participation of some excluded groups, as well as new developments of validation of competences through prior learning. However, the general feeling is that these measures are still too piecemeal, too much focused on the labour market instead of a broader lifelong learning approach focusing on personal development, as well as developing competences in the social as well as in the employment field. Many networks feel, as a result, that the policies are unlikely to have much real impact on the lives of people who are experiencing poverty.

Recommendations

- Clearer guidance should be given on the right to lifelong learning, backed by an assessment of the value-added of integrated Lifelong learning strategies for all, promoting personal and community development as well as employment related training.
- In relation to the labour market, recommendations should be made to ensure that adequate support is given to those furthest from the labour market, as well as to vocational and in-work training for the lower income/skill groups.

- Analysis and peer review should be carried out on the obstacles for excluded groups to accessing lifelong learning, and developing tailored, individual pathways to learning which draw on non-formal and informal learning support.
- Encouragement should be given to investment in integrated schemes for validation of competences based on prior learning in different contexts.
- Development of indicators to monitor the effectiveness of lifelong learning approaches in supporting social inclusion.

7. Are equality and anti-discrimination policies and practices ensuring equal access to work, resources and services?

Key Messages

There is a noticeable increase in the number of measures related to Gender in response to the large number of Commission's recommendations in this area in 2006, but insufficient mainstreaming. Reconciliation of work/family life is seen primarily in terms of access to childcare, but without sufficient concern about affordability and quality. Generally there is inadequate progress addressing the needs of immigrants and on ethnic minorities and minimal progress on active anti-discrimination measures.

Recommendations:

- The development of mainstreaming approaches to promoting equality and tackling discrimination through the whole scope of NRP reports and not only employment-related aspects. This should cover in particular micro-economic measures, such as entrepreneurship and access to goods, facilities and services.
- Highlighting better the links between discrimination and poverty, against all groups.
- Implementation of the Gender Pact including the delivery of the Barcelona Childcare Targets – emphasizing affordability and universal coverage.
- Effective measures to challenge job segregation and pro-active measures to challenge the gender gap, particularly in relation to low-paid service jobs linked to reclassification and validation of competences
- Priority given to providing tackling pensioner poverty, highlighting particularly the feminization of poverty and measures to support low-income pensioners with irregular contribution records and a precarious employment history.
- Integrated approaches to support migrants, asylum seekers and refugees, including undocumented migrants in access to work, rights, resources and other services.
- Pro-active measures to tackle discrimination and promote diversity in employment, access to goods, services and facilities in the micro and employment measures to all groups mentioned in Article 13.

8. How far are Structural Funds being used effectively to promote inclusion?

The assessment of the Implementation Reports indicate that the link between structural funds and the Lisbon strategy has been strengthened, but primarily to promote growth and jobs rather than social inclusion objectives. Members highlight that some useful measures to support a more inclusive labour market are being developed, but primarily related to activation approaches and adaptation. More could be done to develop broader active inclusion approaches, which support social inclusion developing integrated approaches which support access to services, adequate minimum income as well as active labour market measures. Such approaches demand further development of appropriate indicators including qualitative as well as quantitative indicators as well as soft indicators capable of assessing the distance travelled in terms of inclusion.

Recommendations

- The Guidelines should establish specific targets for the use of structural funds to deliver the social cohesion goals within the Lisbon Strategy.
- Improved coordination should be provided with the NRP and the OMC on social protection and social inclusion, both through the joint development of strategic plans and reporting mechanisms. In particular, Member States' annual reports on the National Reform Programme, as well as their tri-annual reports on structural funds should put a strong focus on the funds' contribution to achieving all strands of the Lisbon strategy, including those of the Objectives of the OMC on Social Protection and Social Inclusion, in particular the following: (d) "access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion"; (e) "the active social inclusion of all, both by promoting participation in the labour market and by fighting poverty and exclusion".
- The section in the NRP and the annual implementation reports should include a specific section on how partnership with civil society has been implemented and evaluated, building on the experience of the Equal Programme.
- The Commission should provide a clear guidance note on the definition of social cohesion activities and promote good practices and a database related to the revised objectives of the OMC on Social Protection and Social Inclusion (2006).
- Effective monitoring and evaluation of delivery of social inclusion through structural funds should be carried out, involving all the relevant Commission departments with specific attention given to the development of broader quantitative and qualitative indicators, not only linked to the labour market, capable of gauging the impact of structural funds on progress to social inclusion.
- Specific Recommendations should be addressed to Member States who fail to implement the requirements on social inclusion and the newly formulated partnership principle (Article 11 of the SF regulation)

9. Is Lisbon developed and owned through a dynamic partnership/governance approach involving all stakeholders?

Key Messages

In general EAPN members do not share the positive assessment made of improving governance in the Lisbon Strategy. In 2007, although some progress has been made on inter-ministerial coordination and involvement of social partners, the widening of stakeholder involvement to other civil society groups is very small. The increased involvement of NGOs that is noted by our members is usually as a result of the NGOs own pressure, and remains at the level of information and limited consultation, with little possibility of having an impact, rather than genuine participation. There are little signs of integrated approaches to promote quality engagement of civil society and people experiencing poverty at all stages of the process. More worryingly, the continued narrowing of the Lisbon Strategy for Growth and Jobs is reducing the support for the strategy amongst social actors and their own desire to participate. This could mean a serious set back in terms of raising the visibility and getting ownership of Lisbon by national governments and a missed opportunity to connect the Lisbon process to the ordinary people who live in the different member states.

Recommendations

- Clearer guidance should be given on developing integrated approaches to broader stakeholder involvement in the governance process. This should include stronger horizontal, inter-ministerial coordination, as well as structured on-going dialogue with a wider-range of stakeholders – including social partners, regional and local authorities, civil society – particularly NGOs, and the users or people most affected, including people experiencing poverty and social exclusion on the content, as well as in the implementation and evaluation.
- Visibility and ownership should be increased through greater participation, use of web-site and published information and through linking with national policy and political processes eg with national and regional parliaments.
- More guidance should be given by the Commission for improving the quality of the engagement particularly in relation to civil society to move beyond a one-way information exchange, towards a structured consultation approach and developing an active partnership model. Examples should be drawn from the NAP Inclusion process and OMC SPSI peer reviews.
- Indicators should be developed to benchmark the degree of governance which should be used more strongly as a basis for Commission recommendations.
- Funding is needed for NGO's and other social and civil partners, particularly at national level to raise awareness of the Lisbon Strategy, as well as to promote participation and social inclusion mainstreaming.

Conclusion

Our overriding conclusion is that the current Lisbon process is not delivering on social inclusion, despite the continuing claims of a trickle down effect for inclusion from the focus on growth and jobs. The report highlights clearly that this will only happen if a new commitment is made to a renewed Lisbon Strategy based on **Growth, Jobs and Inclusion**. However, EAPN takes heart from the few member states that appear to agree with us and are taking stronger steps to integrate a more progressive sustainable development vision. We would urge the EU to follow their example and take urgent steps to start this process of change, before social actors and the ordinary people decide that the current vision is **not an EU worth defending**.