



Social Inclusion Scoreboard

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

Main Report

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EUROPEAN ANTI-POVERTY NETWORK
RESEAU EUROPEEN DES ASSOCIATIONS DE LUTTE CONTRE LA PAUVRETE ET L'EXCLUSION SOCIALE
SQUARE DE MEEUS, 18 - 1050 BRUXELLES
TEL : 0032 2 226 58 50 - FAX : 0032 2 226 58 69

Introduction

In this Part II Main Report we provide an analysis of the National Reform Programme Implementation reports 2007, assessing how far they deliver on Inclusion, based on the detailed analysis by our members and in particular EAPN national networks. 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. The key messages and recommendations provide the basis for the **Executive Summary** (Part I) available on www.eapn.org

Part II: Main Report

1. Mainstreaming Social Inclusion

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

A clear commitment was made by the Spring Council in 2007 to strengthen the social dimension in Lisbon. For EAPN networks, this should have meant an increased mainstreaming of the priorities of the OMC on social protection and social inclusion as well as better coordination between the processes. Evidence was looked for of an integrated approach that demonstrated how social policies contribute to jobs and growth, (feeding in) and economic and employment policies impact on the reduction of poverty and social exclusion (feeding out). As no specific guidance was developed by the Commission to this end, the Networks were pessimistic about whether any improvements would be made. In the main, this pessimism appears to have been justified. However, some EAPN networks noted some improvements, mainly in increased mentions of the OMC on social protection and social inclusion, but also through **some positive first steps** by a few member states to coordinate the processes better and to mainstream the key messages and priorities from the OMC on SPSI into the Lisbon reports.

***Verdict:** some minor progress on better coordination between the economic and social processes but much 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.*

Social Inclusion as an overarching principle

Social inclusion is not mentioned in most reports as an overarching principle (BE, DK, MA, NL, UK, IT, GE, PT, CZ). "The overarching goal is macroeconomic stability, setting out how to promote and maintain economic growth" (EAPN UK). Where social inclusion or poverty is mentioned it is

primarily in relation to employment *"Poverty is not a topic treated with the NRP, only in the context of inclusion in the labour market"* (EAPN GE). Other EAPN members highlight the complete invisibility of poverty. *"Poverty? What is that?"* (EAPN NL) *The main focus is on the Commission's four priorities"*

However 3 members highlight signs of an improved focus (AU, FR, IE). EAPN Austria noted: *"In the introduction to the report, it is highlighted "that the implementation of the social dimension is of key importance and mentions that in September 2007 there was an appendix to the Austrian Report on SPSI, defining new key areas: minimum income, more participation of disabled people, care. The fight against poverty and social exclusion are mentioned as well as labour market inclusion for the most vulnerable groups"*. The network however adds that not all the measures mentioned in the introduction were developed later in the report. In France, the fight against poverty and social exclusion is the subject of a specific section related to creating the conditions for a sustainable and durable growth, whilst in Ireland social inclusion is an overarching objective of the NRP, although not mentioned in the implementation report.

Better linking with social protection/social inclusion policy

There are also small signs of progress in the increased mentions of the Open Method of Coordination on social protection and social inclusion and the NAP Inclusion. (FR, DK, AU, PT, CZ, SE, BE all cite references). Generally, networks note that the OMC is merely mentioned in passing, rather than leading to an analysis of the links between the two processes. **Feeding in and Feeding out** – is hardly referred to either as a piece of Eurojargon, or in the context of its meaning. France notes that the report talks of the need for coherence between the NAP Inclusion and the NRP (ie **Feeding in** to Lisbon), but not the other way around, (showing how Lisbon is contributing to the NAP Inclusion and the OMC SPSI priorities known as **Feeding out**). Denmark highlights a brief reference to the NAP when talking about active social policy. Portugal mentions the NAP Inclusion but no reference to feeding in or out. Austria refers to the Strategic Report, and key priorities in the introduction, but does not refer to them later. UK refers to one mention of the OMC in the context of work being the best for welfare and increasing employment opportunities for disadvantaged people which compliments the OMC. Ireland mentions the NAP but refers to the Irish National Action Plan, not the EU NAP or Strategic Report.

Only **Belgium and Sweden** highlight clear references to the OMC and the need for a mutual linking (feeding in and out).

In Sweden: There is a special section on social cohesion under Guideline 17, where it is quoted that the labour market is a pre-requisite for social inclusion and visa versa, describes the report and main priorities.

Belgium. The report mentions the OMC SPSI and that the 2 reports should be read together, and the need for links between the European Employment Strategy, the National Reform Programme and the ESF to deliver the priorities of the NAP and the NRP!

EAPN **Czech Republic** highlighted a step backwards, in this regard. *"Whereas in the National Reform Programme in 2005 the two processes were connected and one of the goals was to*

remove antagonistic measures so that the NRP could support the NAP. In the implementation report, some of the proposals are the same as in the NAP inclusion (particularly in relation to inclusion for labour market) but there is no specific reference”.

Better Feeding in and out

Networks were keen to assess how far the policies proposed demonstrated the supposed mutual dynamic between social, economic and employment policy. In general, the networks note that **feeding in** continues to be the main focus, although not explicitly mentioned (IT, DK, LUX, IT, IE, BE) or as commented by EAPN Malta *“the report is not written in this spirit.”* The efforts to focus on getting more people into work, and to *“modernizing”* ie **reducing social protection** are continually cited as positive contributory factors for the success of jobs and growth. EAPN Sweden emphasizes the contradictory nature of this approach for reducing social inclusion and poverty. *“The NRP is focused on getting more people into the Labour market and cutting down subsidies – the strategy is to combat poverty by increasing poverty among the sick and unemployed!”*

However, the networks' prime concern was to evaluate whether there were improvements in *“feeding out”* in terms of new economic and employment measures which would actively contribute to support inclusion and reduce poverty. Although most networks would agree with EAPN UK's statement *“there will be no real feeding in if social policy is seen as merely a tool of economic growth”*. Several of the networks highlighted some positive examples of policies and measures which could be seen as contributing to social inclusion goals.

- Improving access to adequate minimum income and decent wages – **Austria**.
- Consolidating and improving public financing of social protection systems – **Czech Republic**.
- Expanding social protection and access to vital services of general interest and social services – childcare, public transport, equity in the tax system – **Ireland**.
- Inclusive employment action – which supports weaker groups into work – **DK, UK, BE, SE**
- New Opportunities projects with ESF funding, increase in training and the recognition of personal competences – **Portugal**
- Tackling working poverty and poverty traps – eg **France**, with the tax-credit for part-time workers, **Ireland** with out of work payments and tax-credits to tackle poverty traps.
- Tackling discrimination against older and disabled workers – **UK**

However, Networks equally highlight **5 areas for improvement**:

- **Inclusive labour market** measures are often not reaching the **harder to reach** groups (DK), particularly immigrants and those with additional or “accumulated problems” (CZ). The increased conditionality is therefore likely to worsen the situation of people in poverty.
- **Lack of focus on quality employment**: Active labour market measures can only be effective if they lift people out of poverty (UK). More attention must be paid to decent wage levels, quality work conditions, access to childcare and other services and discrimination in and out of work.
- **Cuts in social protection increase poverty and insecurity**: the reduction of benefits is only likely to cause hardship and force the working member to carry the cost of the whole family. This can particularly affect young people living at home (CZ, SE).

- **Equal Access to resources, rights and services is not widely addressed** (IE) nor the needs and capacities of people who are out of the labour market (BE)
- **Inequality is not being tackled:** so that despite growing growth and employment levels, inequality continues to rise. (DK)

Commitments to adequate Impact Assessment

A vital instrument for assessing the contribution of the NRPs to social inclusion is through adequate monitoring mechanisms and impact assessments. In the overwhelming majority of countries there is no visible progress (AU, DK, NL, FR, MA, GE, BE, IT) on the development of such mechanisms. 3 networks highlight some positive developments (IE, PT and CZ), **but emphasize that they do not go far enough.**

Ireland highlights that their NRP indicates there is some progress on monitoring employment levels of lone-parents, outlining outcomes from tax and social welfare changes and the level in the reduction of the gender pay gap, the progression from ALM and early school leaver programmes etc. However, there is little overall analysis or indication that any **systematic poverty proofing** or impact assessment took place.

Czech Republic: unemployment and the impact of programs of social inclusion are measured, but mainly in quantitative terms. There has been some progress on qualitative measurement, integrating the analysis and reports on the integration of Roma.

Portugal: The pre-viewed targets were mainly reached, but only using quantitative data, which does not take into consideration the "*Voice of the Poor*". There is no poverty proofing.

The networks highlight the need to introduce systematic poverty proofing through all policies, and to develop qualitative as well as quantitative approaches and indicators, which can integrate the "*voice of the poor*".

Mixed views on progress on Social Dimension

When providing an overall assessment of progress on integrating the social dimension in Lisbon, the networks who responded expressed mixed views. While two networks are clear that no progress has been made, (Denmark and UK), two considered that the situation was actually worsening (Malta and Sweden). EAPN Malta noted: "*The NRP is definitely undermining the NAP Inclusion and its priorities. The commitment to poverty and social exclusion was not addressed, not even the difficulties being faced by socially excluded people in accessing the labour market.*"¹ EAPN Sweden comments "*there is a risk that it will undermine the NAP Inclusion, as it doesn't deal with people furthest from the labour market and aims to undermine the traditional welfare state in Sweden*". However 4 members note some improvements, however slight (AU, NL, CZ, IE) related to **Increased Feeding in and Feeding out** and **increased attention on those further from the labour market**. However, for the majority the **shortcomings** outweigh the progress made.

What's missing?

- **A strategy for Growth, Jobs and Inclusion.**

¹ See EAPN Malta Focus Groups Report – Listening and Giving a Voice – Employment challenges and opportunities for persons experiencing social exclusion and poverty.

Most networks highlight the development of important new policies and measures, but emphasize the likely limited impact as long as they are seen as **marginal** measures, or subordinated to the main economic focus.

“Social Cohesion should be at the heart of the NRP and clearly this is not the case”. Employment and Economic Growth are seen as the engine of social cohesion and we believe it is the other way around. Greater competitiveness and better jobs will not necessarily eradicate poverty. Most of the people living in poverty, particularly those in extreme poverty will not be able to integrate into this ‘wave’ of technological options and ‘jump into the future”. (EAPN Portugal).

- **Inclusive labour markets through Active Inclusion.**

Most networks emphasize that the NRPs should be making a more clear commitment to **active inclusion** rather than a more narrow activation approach. This means integrating positive activation approaches leading to quality jobs, with access to quality services and adequate income. However, more needs to be done to tackle the obstacles for those furthest from the labour market as well as to promote more coherent policies for those who cannot work – ensuring adequate minimum income and access to quality services. There are also clear gaps in terms of provision of services which are pre-requisites for seeking work – the amount and affordability of childcare, resources for literacy, tackling discrimination in the access to jobs and services.

- **Integrated action plan for those who cannot work**

The focus on Active Inclusion cannot be allowed to undermine a continued support for those who are unable to work. Primarily this relates to the need to provide everybody with an adequate income: a basic social right that is in danger of being undermined, according to many EAPN networks. However, it also refers to the need to develop dynamic social activation approaches which support personal development, life-long learning and empowerment which support people along the road to inclusion. This is vital, not only from a human rights angle, but also in contributing to the promotion of a more cohesive society - leading to important savings in expenditure in the long term ,as against the long-term costs of doing nothing.

- **Coherent support and investment in social protection systems**

Several networks highlight the increasingly contradictory approaches within the dominant macroeconomic model focused on cutting public expenditure through reduced social protection whilst supposedly supporting increased social inclusion. Both the Active Inclusion and Flexicurity models acknowledge the key role of social protection systems in ensuring security for the unemployed. But currently many social protection systems are inadequate and the levels and coverage are being further reduced. Members highlight the *“negative impact of social protection reform”* (CZ, UK) which is often seen to be undermining vital elements of the welfare model (SE) There is also no connection currently made to the need to reinforce access to services, to developing and ensuring quality standards in social and health services.

- **. Work as route of poverty.**

Commitments to quality employment need to be a central focus, if work is to be an effective route out poverty. Member states should be appraising the different instruments that can support wage levels (both full and part time) as well as tackling poverty traps and ensuring that tax credit systems benefit those with low income. Many of our networks highlight that one of the most efficient ways of ensuring decent work is through an effective and adequate minimum wages negotiated through the

social partners. Ensuring sustainable inclusion through quality employment also mean developing the security side of flexicurity reforms, as well as improving the situation faced by undeclared workers.

- **Getting employer engagement.**

There needs to be a move away from a supply sided approach which is focused only on increasing the individual's responsibility. "*to lift themselves out of poverty by taking often low-paid jobs*" The National Reform Programmes give a lot of emphasis to the Government's role in supporting employers with R&D, regulatory reform, but "*little is said of the role of employers in providing decent sustained employment opportunities that lift people out of poverty*" (EAPN UK). Employers are also a key actor in terms of delivering pro-active diversity policies and tackling discrimination in access to jobs and progression in work. The National Reform Programmes should be developing integrated strategies engaging with the social partners to engage them in delivering the decent work and equal opportunities agenda.

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. Macro – Economic Polices for Inclusion

2. *Does the macro dimension strengthen social protection systems and ensure a fairer redistribution of wealth?*

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”

Given the current focus of the Macro-economic Guidelines, it is not surprising that the networks should highlight that the main focus is on balancing budgets and reducing public expenditure. As there is no overarching objective of social inclusion, even when there are positive measures these are often hidden or difficult to assess. EAPN networks argue for the need to ensure quality public services and adequate minimum income, as a pre-requisite for effective social inclusion policies. Moreover, with the impact of demographic changes bringing increasing demands for child and dependent care, as well as support for the growing elderly population, macro-economic policies have a fundamental role to play in ensuring adequate investment in social protection systems which can rise to new and existing demands. Only a few member states are sounding alarm bells about growing inequalities the need for progressive reforms in the tax system to finance redistributive mechanisms, despite increasing concerns about declining social cohesion.

***Verdict:** Some important attempts by some member states to improve the quality of social protection, but the overriding pressure is to reduce public deficits and cut social protection provision. Disappointingly few member states are taking steps to tackle income inequalities through the tax system.*

Contributing to social inclusion

Networks, in their responses highlight three different groups of reactions to how far the macro-economic policies quoted contribute to social inclusion.

1) **The first group** see their governments making some small steps to using macro-economic policies for social inclusion (Austria, and to a certain extent Belgium, France, Ireland). In general, this means giving a degree of **explicit priority to improving or trying to maintain the quality of social protection.**

In general these policies include:

- Increasing benefit levels or coverage which ensure adequate and sustainable income levels, for those who are unable to work.
- The establishment of new funds eg to support adequate retirement pensions.
- Social investment in expanding quality services – childcare, transport etc. Services which are essential if parents with caring responsibilities are to work, but also as part of a fundamental right to basic resources and services.
- Tax redistribution – to support low paid and increase equity.

In Austria: there has been an increase in funds for social security and poverty reduction by a total of 1.2 billion by 2010, a means-tested minimum income is being introduced and unemployment insurance expanded to cover social protection and the monthly minimum pension is being raised to 726 Euros a year (14 times) and a minimum wage is to be introduced.

In Belgium: there is an accumulation of budget surpluses to offset population ageing, and the development of a comprehensive strategy to rise to the challenge of ageing, with the creation of a Silver Fund.

In Ireland: specific measures are being promoted to support welfare needs of older people, investment in childcare primarily to support female labour market participation, public transport, and in promoting equality in the tax system aiming to redistribute towards the low-paid, and provide other incentives to work.

In France: the maintenance of social protection appears as a priority and the network sees the increase of the tax-credit for part-time workers, as crucial for reducing the poverty connected with underemployment.

However, the majority highlight that although the impact of these policies and measures may be positive for social inclusion, the overall approach is primarily economic and employment, rather than a genuine attempt to develop an integrated approach. *"the order is economic, employment and social with the priority to the first two"* (DK). It is only Austria EAPN who sees the policies as the *"first step in taking a social dimension into account stronger – but there is still a lot of work and expertise necessary to make it an integrated approach"*.

2) The second group emphasizes the difficulties in assessing the impact (GE, DK, UK, CZ) of budgetary/macro economic policies given the lack of reference to social inclusion as an overarching objective. EAPN DK says *"It is hard to measure the effect on social inclusion: the focus is on fiscal sustainability, employment policy, globalization, research innovation, competition and efficiency in the public sector"* EAPN GE highlights that social questions are only seen in terms of the changes to social insurance systems to provide incentives to encourage people into the labour market. Or as with the case of UK where a comprehensive spending review has been carried out but *"fails to adequately address the fight against poverty"*. For some, like the Netherlands, although the policies proposed will aid labour market inclusion, an assumption is made that this will *"by accident, contribute to social inclusion"*. EAPN NL also point out that even where positive budget decisions have been made to increase spending on poverty, this is not highlighted in the report. CZ, on the other hand, emphasizes the lack of focus given to the question of social protection systems in general. For EAPN CZ this is a particularly serious shortcoming, as a major concern in Czech Republic is the need for improved funding and re-organization of social services to involve NGO providers as well as the traditional public sector.

3) A third group sees macro-economic policies making no contribution and leading to mainly negative developments (CZ, LUX, SE). Sweden and Luxembourg highlight the cutbacks in social provision and increase in taxes. *'They mostly aim to reduce social costs and diminish the income redistributed to poorer people: the automatic indexation of salaries has been modulated and family allocations are no longer index-linked so that they no longer increase with rising costs of living'* (EAPN LUX). Or for Sweden *"More resources are to be put into tax reductions, for those with high and medium incomes and more limited rights to unemployment and sick leave assistance"* This is particularly worrying for a country that has been held as a model of good practice for a positive policy mix balancing growth, jobs, inclusion and equality.

In none of the responses is there a demand for increased social investment, even in response to recognized new demands for social services related to demographic ageing and the entry of

women as main carers into the labour market. Neither is there a focus on the importance of socially just, as opposed to just efficient allocation of resources or the role of ensuring a decent income to boost responsible consumption.

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 eg 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*
- *Increase social investment to respond to new social demands linked to demographic change – adequate benefits for those who cannot work or find a decent job as well as 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. Micro-economic policies for Inclusion

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

Microeconomic policies can have a key role in supporting the efficiency and effectiveness of an **inclusive social market economy**. This means tackling barriers to the creation of decent jobs and new businesses, including for those who are currently furthest from the labour market, discriminated against in their access, or from progressing within it. Although Research, Development and Innovation are crucial factors for growth, the provision of highly skilled technological jobs cannot realistically provide solutions for all including many people who are currently in poverty. For this reason, initiatives in **social innovation** particularly in the development of new services can be crucial to support decent job creation for those currently excluded from the labour market. The emergence of new social demands linked to demographic changes means an increased need for new social and other services of general interest. Most of these will need to be provided through **public services**. In most EU countries the delivery of such services is being transformed by **partnerships** between public, NGO and private sectors. These are a vital part of the new economy (currently ranging from 33% to 55% GDP) and can offer a wider offer of new services as long as they are properly regulated in the public interest to safeguard universal service obligations. Social investment could thus be used to both support new jobs in new public services whilst strengthening quality social protection.

Verdict: *The micro-economic focus of the NRP is overwhelmingly on creating high-tech jobs. This is a missed opportunity to develop job-creation strategies for the most excluded through social economy/ inclusive entrepreneurship and the development of affordable, quality public services.*

Invisible contribution to social inclusion

In general, all responses highlight the difficulty of assessing the contribution of micro-economic policies to social inclusion. This in part reflects the narrow wording and focus promoted by the Integrated Guidelines³. The focus is primarily on boosting growth and jobs through Research and Development and Innovation, highlighting new technology and communication industries, and mainly geared to multinational or large companies.

Limited job creation and support for low-skilled and unemployed

Whilst job creation is often a priority, it rarely focuses on the needs of people on the margins. For example in Luxembourg where the focus is on new areas of economic expansion (ICT, Research and Development, health, new and sustainable energies) with demands for high qualifications, *"the needs of low skilled are not taken into consideration"*. In Czech Republic, job creation is supported by general investment support for SMEs. Whilst in Sweden, the focus is purely on the supply side measures supporting unemployed young people, immigrants and changes in the tax system to make older people work longer. In the UK, there is an emphasis on improving opportunities for those not in the labour market, but in terms improving skills, *"there continues to be a strong supply side approach to reducing unemployment, particularly amongst the sick and disabled"*. How far these approaches are realistic, or likely to give the necessary support for these people to access employment are not assessed. In Austria, no clear reference is made to any micro-economic policies which could be seen to be positively contributing to social inclusion.

However, some networks highlighted some positive new initiatives to support the low-skilled into jobs:

In Ireland: the one-step up initiative will address specifically the needs of the lowest skilled
In Denmark: the problem is labour shortage with the lowest unemployment in more than 30 years, so the focus is less on job creation than on helping those furthest from the labour market in to existing jobs. However, positive measures include public schemes for people of reduced work capacity, enhancing employment for migrants, measures to help unemployed get work, a program to help the weakest groups out of their isolation by strengthening their attachment to the labour market, initiatives to support firms to take on excluded groups and to employees to support them. *Still, "social inclusion is too much focused in terms only of employment and labour market attachment"*.
In Belgium: at least 10 measures are described: most are supply side focused, for instance through pathway support measures for low-skilled unemployed, immigrants, disabled, and

³ The Integrated Guidelines for Growth and Jobs – www.eu.europa.org.

older unemployed, including one to one coaching and workplace follow up.. For young people measures supporting a "smoother transition from school to work", sandwich training courses for part-time study and increased work experience, including subsidized work placements for 4,100 young people and a voluntary community service scheme to support young people in community work., On the demand side, efforts are being made together with the social partners to **promote diversity** in companies through specialist support, identifying and rewarding best practices. Particular efforts are going into tackling the obstacles for ethnic minorities, including literacy and integration initiatives.

Supporting social innovation and social economy

The social economy has a key role to play in both creating new jobs, often linked to new community services, whilst providing a supportive step up into decent work, for previously excluded people. Half the countries analysed mentioned some focus on social economy. This is an improvement from last year and reflects the growing recognition of the role that it can play in supporting inclusion. But the majority of networks highlight a **rather limited focus**. For example Luxembourg EAPN highlighted the lack of a specific budget .In Sweden, although key actors are discussing support initiatives currently these are not visible in the Implementation Reports. In Austria, France, Denmark, Czech Republic and UK no mention was made.

Netherlands and Belgium: the social economy is recognized for its role in "*revaluing deprived communities and integrating people into the labour market through protected work*". **Belgium EAPN** "*this involves new subsidies at Federal level and a new Regional legislative framework aimed at long-term support*". Other initiatives in Brussels include additional support through low-interest loans and a service voucher system to support the take-up of social economy services (62,000 in 2006).

Portugal: An important venture is promoting territorial networks for supporting social economy and implementing projects.

Inclusive Entrepreneurship

In general this concept is very underdeveloped. In Austria, France, Sweden, Luxembourg no mention is made. Entrepreneurship is generally not viewed as an instrument for empowering disadvantaged groups to create their own employment. Most of the support for entrepreneurship in the NRPs is geared to generic start-ups, often targeted on ICT and High Technology companies. This is however, missing a major opportunity to create employment for people who are currently excluded from the labour market. Although setting up your own company is not an easy task and often beyond the reach of people who have been living for a long time on the poverty line, it clearly offers opportunities to other groups for whom the main reason for exclusion and poverty stems more from discrimination in accessing the labour market – ie women (in certain types of jobs), ethnic minorities and migrants and some people with disabilities.

In general, the approach pursued by the NRPs as reflected in the implementation reports is to promote entrepreneurship for all. In Czech Republic, an amendment will be carried out to the

Trade Licensing Act which will speed up the procedure for setting up a company. In Belgium entrepreneurship is being fostered through schools, but no reference is made to supporting access for socially excluded groups, or the specific support mechanisms that are necessary. Only Ireland mentions any kind of targeted initiatives for disadvantaged groups, particularly for **women and immigrants**. In the Netherlands, measures are promoted to provide easier **access to micro-credit** which can specifically benefit low-income groups. However, EAPN highlights that initiatives to promote inclusive entrepreneurship must be tailored to the specific needs of the person involved. EAPN Belgium highlights *"too little support is delivered to assist those start-ups concerning people suffering social exclusion, as a result many of them end up with huge debts"*. Inclusive Entrepreneurship depends on the provision of effective one-stop shops and personalized support targeted to the needs of the specific groups providing adequate financial and technical support to develop sustainable businesses.

Putting E-inclusion at the heart of ICT policy

Despite the fact that the Lisbon Strategy, focuses so strongly on innovation and the need to promote a technologically-advanced society, there is surprisingly little emphasis on policies to ensure access to ICT for all, tackling the e-inclusion of excluded groups. Austria, France, Germany, Netherlands, Denmark, UK and Italy, all comment that ICT services and training get a high priority, but are aimed at the general population, with no recognition of the need for specific measures to support access by disadvantaged groups *"There is no mention of people who are denied and excluded from using ICT measures and cannot participate in e-governance"* (EAPN Austria).

In Luxembourg, Czech Republic, Sweden and Ireland some positive developments are highlighted by the networks. In Czech Republic this will be a special programme to extend and build up *computer literacy* for the general public. In Sweden, there is a clear goal of universal access, which has been largely successful, but less awareness of e-inclusion needs. *"The goal of Swedish IT policy is for Sweden to be a sustainable information society for all, however, the Government is increasingly emphasizing the policy effects from the perspective of the individual citizen or the entrepreneur"*. There is no specific focus on low-income groups. *However, the universal policy has been largely effective, with 83% access to internet (16-75 year olds)*. In Belgium, there is a focus on ICT but not on how to develop real universal access. This tends to highlight access to education without addressing the problem of lack of hardware. *"The Government needs to recognize that families in situations of poverty can little afford to have computers or pay for internet access in their own home. If they do, they end up in debt. Neither do they generally make much use of community opportunities like internet cafes or in public buildings. It needs a more targeted response and support to really help such groups overcome the obstacles to ICT access"*.

In Ireland: there is an initiative to support the participation of *"late adapters"* in an inclusive information society, and the continuation of an e-inclusion fund of 3 million Euros which is to be disseminated via community and voluntary organizations at local level primarily targeting older people and people with disabilities.

Members highlight that effective e-learning policy would establish a universal right and goal of universal access to services, but include targeted measures to increase the access to computers (hardware) and broad-band services, paying attention to specific obstacles for low-income groups; the expansion of community or free facilities but lodged with the community facilities that such groups use, backed by personalized advice, support, training and coaching geared to the different needs.

Ensuring that public services are affordable and accessible

For most EAPN networks affordable access to quality services is crucial. There is a great concern about the impact of the liberalization and privatization of services, particularly on access and affordability. Particular concern is expressed about the position of social services, which play such a crucial role in the social protection system, supporting people in poverty. However, as would be expected from the narrowness of the current Integrated Guidelines, the majority of networks highlight that the reports focus on supporting rapid expansion of the internal market, (France, Czech Republic, Netherlands, Sweden, Denmark, Portugal, Germany). Whilst Luxembourg, Ireland, Austria and Belgium particularly highlight the lack of reference to **access and affordability**. Luxembourg highlights *"there is no mention of access to services or affordability, they are focusing on a more rapid transition of European Directives and on the transparency of public procurement"*. Ireland highlights that *"the issue of affordability is not addressed"*. In Austria, some attention is given to social services highlighting *"availability"*, but without any further explanation. Reference is made that the social system should develop *"its strength as a productive force in the future – but there is no reference to their role in the European Social Model"*. Belgium points out that "services" are mentioned in the implementation report 48 times, but *"at no point does it refer to access and affordability of quality services"* Only Ireland presents services in the context of its role in promoting social inclusion and cohesion: *"public and sustainable transport are mentioned as important from a quality of life and social cohesion perspective"*.

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, for example to:*
 - *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.*
 - *Develop a 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 revaluing 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.*

4. Inclusive Employment

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?

Although the current Guidelines include an objective to create an inclusive labour market, the lack of a clear hierarchy of objectives specifying social Inclusion as the overarching aim of employment policies, leads to contradictory, piecemeal and inconsistent policy approaches. Effective inclusive employment policies can only work if they include the reality of people on the poverty line or facing exclusion, and build a *"supportive pathway approaches to employment and social inclusion, whilst ensuring access to minimum income and quality services"* (EAPN Report on the Integrated Guidelines p.10). In this regard, EAPN highlights our support for the Commission's **Active Inclusion** approach⁴. This approach should not be restricted to inclusion policies. If we want labour markets to become inclusive, **employment policies should also be underpinned by the 'active inclusion' approach**. For this objective, it seems crucial that the European Employment Strategy is reinvigorated as an autonomous space allowing thorough debate on how employment policies can help contribute to a cohesive society. It seems that the integration of the European Employment Strategy into the Lisbon strategy have resulted in the predominance of the growth and jobs development objectives in this area, to the detriment of the reflection on how growth is shared through labour market mechanisms.

We would further highlight the need for more active policies on the demand side – tackling discrimination in access to work, defending adequate wage levels and investing in inclusive job-creation e.g. social economy and in social progress through the development of new services to cover new social risks. EAPN networks also continue to highlight their concerns related to lack of rigorous assessment of the real impact of increased conditionality and *"active case management approaches"* on people experiencing poverty and social inclusion.

Verdict: *Some progress is being made on supporting specific target groups into work, but this is often not touching the hardest to reach groups and insufficient concern is shown over the quality of the jobs accessed. Increasing conditionality is often creating increased hardship for the most vulnerable groups and not ensuring access to decent/quality jobs.. Insufficient attention is 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.*

⁴ Communication on Active Inclusion October 2007

Little progress on inclusive employment

Only one response felt that real progress had been made on inclusive labour market policies, (NL) whilst Belgium saw new benefits for the young, and Denmark for the long-term unemployed. The majority of responses felt the overall trend was negative (.EAPN Austria, Sweden, Portugal, UK, Ireland and Czech Republic). The main lacks were seen to be:

- the lack of a visible strategy of steps to creating an Inclusive labour market. (AU)
- the worrying increase of punitive sanctions and focus on social benefits abuse and pushing people to accept any job (CZ)
- the lack of recognition of the reality of the unemployed who are not employable on the ordinary labour market (DK)
- the lack of recognition of the positive role of active labour market policies for the economy ie more evidence should be produced to demonstrate how Active Inclusion approaches can lead people to decent jobs and result in savings for the economy. (FR)
- the lack of recognition of discrimination as a major barrier for specific groups, particularly undocumented migrants and asylum seekers.(Ireland)
- the insecurity of job offers (NL)
- the insufficient adaptation of the labour market to needs of unemployed – with insufficient evaluation of how companies are using government subsidies (eg on diversity)
- greater emphasis on upgrading skills but not on improving pay at the bottom end of the labour market.(UK)

More focus on hard to reach groups ...but not long- term inclusion for the most excluded.

Most networks (AU, NL, PT, SE, BE, DK, CZ) noted some increase in **targeted measures for specific groups**, however the main targets are overwhelmingly groups that face difficulties in the "*normal life cycle*" ie **young and older** people and to a certain extent **women** (for example in France, Luxembourg and Czech Republic). In Luxembourg, the focus is overwhelmingly on young people. A new law in December 2006, "*aims to get young people into work and make work attractive, but doesn't develop the measures to increase the supply of jobs that they might access.. There is little recognition of the different obstacles that poor or socially excluded women, young and older people can face or those from a black or ethnic minorities, Roma and Travellers, migrants, single parents or disabled*".

Other networks highlight an **expansion in measures to tackle the obstacles of other excluded groups** perceived as being furthest from the labour market, but with a lack of integrated approaches. In Denmark, attempts are being made to provide Active Labour Market policies for "*people with reduced working capacity*", immigrants as well as older people. However, although activation policies have lead to a reduction in unemployment of vulnerable groups, it is often not providing the most disadvantaged with long-term solutions. "*It is difficult for people who are most exposed to poverty to find and hold a job (in particular immigrants and people with addition problems). Since 1993, the number of poor has increased from 133.000 to 197.000 and the number in long-term poverty (29.000 to 46.00). 30% are immigrants or descendants of immigrants*" In Ireland, this is extended to lone parents and other groups like older workers and long-term unemployed. More should also be done to address the dreadful working and living conditions often faced by undeclared migrants.

Active case management approaches – do they help?

There is increased evidence of more “*active case management*” approaches linked to increasing conditionality, but most networks raise concerns about the precise impact of this on people experiencing poverty. How is it helping or hindering their social inclusion? Some networks highlighted the development of **positive** integrated activation approaches, as in **one-stop shop for services** for the unemployed being developed in Austria or other approaches that emphasize **tailor-made** personalized integration, complemented by support services.

Belgium: *The Belgian NRP has a chapter on creating an inclusive labour market which includes proposals for supporting the potential of disadvantaged groups, reducing work costs and making work pay, providing pathway approaches based on rights and responsibilities linked to temporary work and work placements, incentives to the older population to work more involving a pension bonus and generation pact – urging social partners to make age a less important factor. There is a specific emphasis on women, low-skilled, ethnic minorities and migrants, disabled and long-term unemployed involving one-to one coaching and work-place follow up, as well as language support where necessary. A lot of emphasis is put on the social economy – providing long-term financial support and the further promotion of the service voucher scheme.*

Netherlands: *“We see a positive example is being set by giving the possibility to all to have training, further education, and a tailor-made integration project”* EAPN NL highlights that the main focus is to **meet the needs of the labour market** for more middle and high-skilled workers. These are focused on the long-term unemployed, young people, elderly and include specific measures related to training, education, specially-adapted work places for disabled people, and older people, special measures for young people, promoting worker-focused flexibility etc.

However, major concerns were raised by most networks about the **impact of increased conditionality** on the poor and socially excluded. *“The main focus is on social benefits abuse and pushing people to accept any job”* (CZ) Many networks highlight the problem of the **precarity and low quality** of jobs that are being offered through the activation process. *“The Activation approach causes insecurity by offering people only temporary jobs, 3, 6 or 12 month contracts, going together with less social protection services”.*(EAPN Netherlands) This can leave many worse off than when they were on benefits. Others highlight an increased focus on **cost cutting**, which can raise doubts about the real motives behind the new “*active case management*” approaches (EAPN Ireland).

A further concern is the impact of the increasingly **punitive approaches** towards the so-called “**inactive**”. For many EAPN networks the very terminology accentuates the lack of respect given to this group which normally includes: lone parents struggling to deliver their caring responsibilities, people with disabilities or suffering long-term illnesses often mental illness, retired people and in some cases students. Most member states are attempting to identify which members of these groups are “*able to work*” and then using active case management and sanctions to “*encourage*” them into work, and off benefits. EAPN Luxembourg sees this as introducing a **new type of “segregation”** between those who are seen as having a “*potential of employability*” and those considered “*unemployable*”. In Luxembourg, those seen as employable are mainly young/school

leavers who will get support into work run by commercial initiatives, whilst the latter group are largely “*written off*” and dealt with by the public sector. Not only does this restrict the potential for development for people from these groups, leading to stigmatization and discrimination, but undermines the attempt by the NGO sector to develop innovative social economy ventures which work along the whole spectrum of social activation into work, for all groups.

Lack of an integrated strategy for an inclusive labour market.

What is overwhelmingly lacking, from the perspective of EAPN networks, is **a comprehensive and integrated strategy to creating an inclusive labour market**. As EAPN Austria highlights, “*the whole concept of an “inclusive labour market has no strategy, and therefore there are no steps visible on the way to reach the aim of an inclusive labour market.. Some measures are good first steps, for example some preventative measures”*. However, the focus is on supply side measures rather than the demand side. As EAPN Portugal underlined “ *There is a more clear view on making people able to be included in the labour market than making the labour market inclusive for people (particularly for those living in poverty)”*. They also highlight that although there are some useful policy measures proposed “*since the framework is not aimed at social inclusion, and this is not the direct driver, we are afraid that the impact will not be very relevant*”. For most EAPN networks, such an integrated strategy should be underpinned by the proposed Active Inclusion approach (ensuring adequate minimum income, access to quality services, positive activation and support into employment and social inclusion). This means a radical change of perspective: starting from the position of those who are excluded, identifying the difficulties and barriers, and then developing proposals that will help, from the supply and demand side, through a partnership approach involving all actors.

Minimal active discrimination and demand side approaches

Discrimination is seen by all EAPN networks as a major obstacle to accessing decent work. Ireland highlights that discrimination is mentioned for the first time in the NRP process, but only in relation to older people. In Denmark, 30% of the poor are immigrants or descendants of immigrants. This poverty rate reflects discrimination and structural inequality in access to basic rights, resources and services. “*Inequality is rising in terms of income, health and life chances, but this is not reflected in the NRP*”. Pro-active measures supported by EAPN members include providing a pro-active framework to implement Anti-discrimination at national level combined with incentives to support Employers in developing more a more effective Corporate Social Responsibility approaches. As EAPN UK points out, “*there is a strong emphasis on the responsibility of individuals to lift themselves out of poverty by enhancing their skills, and by taking lower paid jobs. But little is said about the role of employers in providing decent sustained employment opportunities that lift people out of poverty*”

Work as a route out of poverty must start with adequate wages.

As the main focus in the NRP reports is in on getting people into work, there is still too little emphasis on what happens when people actually get jobs. As EAPN UK pointed out, there is insufficient discussion on; “*Are the jobs sustainable? Do they act as a ladder to allow people to progress? Do they pay enough?* Most people in poverty want to work, and assume that work will lift them out of poverty. But this is not the reality for many. In the UK around 1/3 of parents are merely exchanging out of work poverty for in-work poverty, (according to a UK Government sponsored review by Lisa Harker). EAPN UK highlights that apart from measures on raising skills, little is being proposed to tackle this problem”. Belgium, Czech Republic and Germany highlight that no

specific proposals are made for tackling in-work poverty. However, lack of proposals doesn't always mean a worse impact for the poor. EAPN in Denmark points out that **in-work poverty is not an issue for full-time workers in Denmark**, due to the fact that wage levels are negotiated through agreements with social partners at levels which provide a decent standard of living "*Hardly any full-time workers are below the poverty line.*" **This means that access to full-time work can be a positive instrument to get out of poverty, if decent wage levels are paid.** However, part-time jobs do not necessarily offer the same safeguard. In France, a positive development is seen to be the increase of the tax credit for part-time workers, (la prime pour l'emploi).

For most networks, the development of an **adequate minimum wage** is seen as an essential first step. However the problem is not addressed at all in Portugal, Sweden, Denmark, Czech Republic or Germany. For others, adequacy is a key concern: "*What is decent? The minimum wage is too low*" (EAPN NL). On a positive note, EAPN Austria, strongly welcomes the new government plans to introduce a minimum wage of 1000 Euros, which should be completed by January 2009... **In-work tax credits**, are too often seen as benefiting higher paid workers, and not really helping to "*make work pay*"; for low-income groups. Neither Austria, France, Portugal, Czech Republic or Germany note any positive initiatives. EAPN Sweden highlights that although they are not generally in favour of the Swedish government's strategy of cutting taxes since this reduces public resources that could be used for strengthening social protection systems, they cautiously welcome the Government's proposal to increase the in-work tax credit in order to stimulate the labour supply. EAPN Sweden comments "*At least this time the cuts might benefit people on low incomes!*"

No focus on adequacy of Minimum Incomes

Despite the fact that income security is a crucial element of flexicurity policies and a fundamental part of social protection systems to protect people when they cannot work (short or long term), most reports make little mention. Although social protection systems are referred to, (Austria, Portugal, France, Belgium and Czech Republic) in general the reference is to "modernization" without a clear statement of what this entails. Too often, it becomes clear that this primarily means cut backs in effective budget and services. As EAPN UK highlights "*The UK System does not adequately provide such protection at the moment*, yet UK is one of the great supporters of the new Flexicurity and Active Inclusion approaches.. France, Denmark, and Germany also highlight the lack of an adequate framework. Meanwhile, Sweden sees the current provision in Sweden as adequate to some extent, but still not good enough. They are also worried about future trends which might reduce benefit coverage and levels.

Some member states, however, are seen to be **approaching adequacy**. Portugal and the Netherlands highlight that they consider the levels of social protection as generally adequate, although NL comments "*theoretically yes, but not always in practice.*" However, only Austria highlights positive new developments:

Austria: The government is currently developing a planned means-tested minimum income linked to the poverty line.

Job creation through social economy and social entrepreneurship

Initiatives to promote both social economy and social entrepreneurship are seen as crucial to supporting an inclusive labour market. Although the area is invisible in many countries (Austria, Denmark, Czech Republic and Germany), there were some signs of some positive interest and new initiatives in the Netherlands, Portugal, Luxembourg and Belgium. (See Micro-economic chapter).

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 proactive 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. Flexicurity and Active Inclusion

5. Is a balanced Flexicurity approach, adequately articulated with an Active Inclusion approach, in evidence?

The newly agreed Common Principles on Flexicurity are supposed to set out a new basis of trust between employer and employee, developing balanced approaches to creating more flexible work conditions and contracts, combined with increased security of income for the unemployed, positive activation support and life-long learning.

EAPN's concern is that Flexicurity is being used, all too often, to introduce increased labour-market flexibility for the employer's rather than the employee's benefit, undermining hard-won employment protection, without providing guarantees on security. How far are our fears justified? Similar concerns are raised about Active Inclusion. Whilst EAPN fully supports the Commission's approach as demonstrated in the current consultation, incorporating an integrated approach to social inclusion through positive activation measures, combined with adequate income and access to quality services, there is very little evidence that this approach has taken hold.

Verdict: *There is still little public debate or use of the concept. The most positive developments are in the member states which have already developed Flexicurity approaches. In others, EAPN's fears appear to be confirmed. The main trend is too often towards increased flexibility for the employer's benefit without the requisite safeguards on security and worker development. .Meanwhile little link is made to .Active Inclusion, with an overwhelming emphasis on active labour market measures focused on punitive conditionality and active case management.*

Awareness of the Flexicurity concept.

In general, networks note little sign of a new focus on Flexicurity, and even less on balanced approaches. Most say there is **very little public debate** on the subject, except in Portugal where public debate took place *"in newspapers, mainly between experts and opinion maker..... and also at the political level and in Parliament.* Many networks also confirm that the little debate that is taking place is only involving traditional social partners rather than the civil society or the broader public. (AU, NL, DK, SE, GE, MA and IT). *"The main actors were the social partners .In the end, however, there was an important consensus between the major Trade Unions and the Government" (EAPN PT).*

Where progress on Flexicurity is being made it appears to be mainly in the Member States which **already had a developed flexicurity concept** and approach (eg Austria, Denmark and Netherlands). In Austria, the security side has being strengthened with new provisions on minimum income, as the country sees itself as *"setting an example"* for flexicurity. Whilst in Denmark and the Netherlands, the policies remain basically the same. However, EAPN Netherlands notes that the law is increasingly seen *"as an extra tool for employers"*. In most member states however, there is little new emphasis or action... In Italy and Belgium flexicurity is mentioned as a key word, but with no concrete actions developed, whilst in France the term is avoided, reflecting the reluctance of social partners to discuss this controversial area. There is a similar approach in Sweden where *"social partners organize the labour market and the government is not involved, so it is not on the agenda."* Only do EAPN Portugal and Czech Republic note concrete new developments. In Portugal there is a new discussion and *"a positive balanced vision" in theory*, whilst in Czech Republic, there are new actions to increase the flexibility of the labour market.

How far are balanced approaches being developed?

In reality only Denmark, Austria and Portugal are **relatively optimistic** in this regard. Whilst EAPN Denmark highlights the continuation of the current balanced approach, Austria highlights some positive new developments with higher levels of social protection for atypical and self-employed people, with reform and enhancement of training leave, a minimum social income and flexible working time package for the employees. However, they highlight that *"there is still an emphasis on flexibility and a strong employer's point of view. The impact on people on the margins of the labour market is not taken into account"*. Meanwhile Portugal comments that it is too early to say, despite a seemingly positive approach. However, for the majority of networks the tendency is worryingly towards an **"unbalanced approach"**, emphasizing labour market flexibility and reducing social protection.(Sweden, Germany, UK, Netherlands, Italy,) Netherlands emphasizes that the *"focus on security needs to be improved"* while in Czech Republic the government has made clear their main

focus on increasing flexibility of contracts through the reforms of the social security system in 2008, aiming to "*strengthen labour market flexibility more than the social security*". In Sweden, the government is planning to introduce "*less generous and inclusive social protection systems for the sick and the unemployed*". Only 2 member states mention the needs of those who are **furthest from the labour market** (Austria and Czech Republic). Even more worryingly, **no explicit link** is made in a single report between **flexicurity and active inclusion** approaches. The flexicurity discussion, as it focuses mainly on labour market rules, does not consider the situation of all those living on low incomes in the grey economy; whose situation also has to be addressed in an inclusive labour market.

Some networks, however underline **progress** on promoting **flexible working for the benefit of employees** (mainly women) and promoting **better work/life balance** through flexible working time and organization. (Netherlands, Portugal, Denmark, Czech Republic, and Sweden). Indeed in the Netherlands, this was one of the main reasons for the law. Still, the network notes, that although "*the law was meant to improve the lives of workers by introducing more flexible working hours. However now it has been developed as an extra tool for employers*". This highlights the concern of many EAPN networks about how far flexibility will be developed in the end for the employers or the employees interests. Only Austria and Denmark note new measures to **improve quality of work**, including pay and conditions.

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.*

8. Human Capital and Lifelong Learning

6. *Are human capital approaches promoting life-long learning that will benefit the poor?*

The Guidelines rightly give a high priority to the development of human capital, and the key role of education and training, in supporting people into work and increasing skill levels. However, access to education cannot be limited to functional concerns focused only on the labour market. Education is a basic human right, and needs to be linked to integrated lifelong learning approaches which help develop the potential of everybody. A vibrant social market economy will only thrive where "*learning, self and community development*" become the norm for everybody, regardless of their social or ethnic status, income or age. Development of **human capital** cannot be separated from **social capital** if the EU is to enable every person to realize their own potential, but also build

bridges between communities, enabling genuine mobility and solidarity. Genuine life long learning approaches need to understand the obstacles that prevent people exploring educational and learning opportunities, particularly those in poverty and on the margins. Partly this is a question of ensuring equal access to quality education through specialized support services which enable people to continue learning in and outside the labour market. However, it is vital to understand the deep rejection that many people in poverty have experienced at the hands of the traditional school systems, and the need for developing alternative non-formal and informal approaches, that value people – their personalities, their abilities and their competences and provides a personalized “accompaniment” through the transitions of life to these goals. EAPN networks assess how far such integrated life-long learning approaches are being developed.

Verdict: Some positive measures are being developed 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, and unlikely to have much real impact on people's lives who are experiencing poverty.

Tackling educational disadvantage

In general the networks note a renewed focus on **educational disadvantage**. These are focused support to groups that are excluded or exclude themselves from the formal education system, or who have not been able to access these systems effectively. The main target group, is overwhelmingly **young people** with a focus on **tackling school drop-out**, (LUX, FR, PT, IE).involving “*specific measures to reduce the number of students leaving school without a diploma or qualifications*”(EAPN LUX). In France this is noted as a new area, noting the improvement on the NRP. In others, there is more a focus on **making a better transition** between school and work by encouraging take-up of vocational and technical education and improvement of links with the working world thorough job placement.

In Belgium an approach is being developed to make for a smoother transition from school to work. Technical and vocational education was not being viewed by young people as a positive choice offering decent employment prospects. The regional governments have invested more in these centers and in building cooperation between them and schools, using special mediators, day-release training programmes linking work experience and training as well as the development of high quality work experience placements organized by the social partners.

Some networks note improved actions on **increasing the access and participation** of excluded groups who are currently outside the education system. (LUX, FR, NL, IE, DK, PT, BE). A key target group is **migrants**. For example in Luxembourg “*For newly arriving migrants there has been created a “special school support unit”*”. In Ireland, specific measures are targeted at children at risk, including Travellers, pre-school and those suffering from education disadvantage.

Building self-confidence, valuing abilities and competences

Some progress is noted on recognition of qualifications and validation of competences and prior learning (LUX, NL, PT, DK, CZ) but there is a tendency to focus on competences learnt in non-formal settings rather than informal ones. In general, there is insufficient recognition of the importance of validation of experience and competences in voluntary work and NGO's which could provide valuable experience particularly in new services markets, and even less of abilities acquired in the domestic field.

Denmark highlights *"improved access to recognition of prior learning within all publicly financed adult vocational training programmes.*

In Czech Republic a new act came into force on accreditation of education results on the 1st August 2007. *"It makes accreditation of education gained outside official educational system possible and extends possibilities of people to get new qualifications. But the Act doesn't speak specifically about empowerment, voluntary work or experience in NGOs"*

Portugal highlights a strong concentration of programmes and measures around the validation of competences and specific training on new competence requirements. *"An important programme called "New Opportunities" funded by ESF will be completely based on this recognition"*

However, some networks highlighted that prior learning must not used as a straightjacket that limits people to their previous experiences, but should be used to open the doors to new opportunities. *"Sometimes non-formal (voluntary work) and in work experience are recognized in the Netherlands as work experience (eg bookkeeper, or secretary of a sporting club), but we think that women are not necessarily so happy if the focus is only on this experience. The well-known ability of women to take care, too often forces them to go into the labour market as care-takers. These are mainly very low paid jobs with a heavy workload.* (EAPN Netherlands).

Integrated approaches to lifelong learning

Some members note a lack of awareness of the need for lifelong learning for the unemployed or marginalized (eg France and Czech Republic). Others note a strengthening of support for adult education and in vocational training that could have a positive effect on the working poor (PT and DK). However, most highlight that the **focus on Lifelong learning is primarily on those in work or closest to the labour market** (Sweden). It is clear to most networks that few member states are envisaging a holistic, integrated lifelong learning approach. Important progress, however, has been made in the development of individualized, pathway approaches to learning. *"It is a good try at lifelong learning in the Netherlands particularly the tailor-made approach. But still life- long learning is only possible at work, or in special re-integration projects, linked to specific jobs"* (EAPN Netherlands).

Ireland: The key focus of the *"Comprehensive Lifelong learning strategies"* is upskilling the work force, activation and participation of groups outside the workforce, both of which address issues regarding social inclusion. These cover children at risk including Traveller children within early childhood, pre-school education, additional funding for educational disadvantage, targets and

additional resources to reduce early school leaving and progression from youth training programme, tackling disadvantage in terms of literacy and numeracy, second chance education and training and upskilling those with low skills. Addressing access barriers is also named. (EAPN Ireland).

However, there is the general feeling in all EAPN responses that the policies and measures related to life-long learning are **not targeted on the real needs** of people on the poverty line. *"There is no real focus on people experiencing poverty and social exclusion"* (EAPN Sweden). This is also primarily because the life-long learning approaches advocated in the reports do not have social inclusion as their prime goal, only labour-market integration and progress. As EAPN Portugal highlights *"It is difficult to believe that these Lifelong learning approaches will really touch the most excluded persons". We miss the integration with other services (housing, health, access to service) and there is a risk that some of the efforts to promote training and lifelong learning will not succeed entirely due to the lack of mainstreaming and complementary actions within other programmes"*.

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, encompassing personal and community development promoting 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. Equalities and Discrimination

7. *Is equality mainstreamed, and active anti-discrimination promoted in access to work, resources and other services?*

In the current Guidelines, concerns related to equality and discrimination are only mentioned in the Employment Guidelines in relation to promoting work/life balance (Guideline 18) and promoting an inclusive labour market (Guideline 19). The lack of mainstreaming of gender and equality or the call to actively tackle discrimination in access to work, but also to other rights, resources and services is a clear shortcoming in the current approaches within the report. However, members were keen to see whether the Gender Pact and the heightened awareness of the needs of discriminated

groups, particularly ethnic minorities and migrants, would be reflected in the implementation reports, particularly given the advent of 2007 as the year of Equal Opportunities for all.

Verdict: *There is a noticeable increase in the focus on Gender in response to the Commission's recommendations 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. Minimal progress is evident on pro-active anti-discrimination measures.*

Mainstreaming Gender

Most networks see an improvement in the focus on Gender (AU, FR, PT, BE, SW and CZ), but stress that Gender is still not mainstreamed in a systematic fashion, except in Denmark where all bills are gender mainstreamed. Nevertheless, the main focus continues to be measures to support women in accessing the labour market, with a renewed focus on the provision of childcare services. However, EAPN networks highlight that assumptions are made that all women share the same problems, regardless of income or other factors. Social inclusion is not mainstreamed and the link between Gender and Poverty is not explored, nor the link with Gender and experiences of multiple discrimination. As the focus is mainly functional towards getting more women into work, this is hardly surprising. *"Gender is taken into account, but really mainstreamed? There are measures to make the access to the labour market easier for women, but more as a contribution to getting women into work than as a gift to gender mainstreaming"* (EAPN NL). Only Austria highlights the development of gender budgeting, as a positive development.

Supporting women into decent jobs

As the primary aim is to increase the number of women in the labour market, the majority of networks highlight initiatives to support women into work (DK, CZ, AU, NL, PT, SE). In Ireland and Sweden this includes action to support entrepreneurship. However, less attention is given to the **quality** of the jobs, or tackling the increasing **segmentation** of the labour market, with women increasingly concentrated in part-time, low-paid and precarious or insecure jobs with limited potential for transition. Some limited progress appears to be made on tackling the **gender pay gap** (AU, NL, FR, DK, SE). However, most networks highlight the lack of detailed measures and the lack of awareness of how to tackle these issues for women on low incomes or those suffering from social exclusion.

Sweden is encouraging women's **entrepreneurship** through a three year programme for information, advisory services and business development, particularly aimed at the social care sector, which is being liberalized. Steps are also being taken to tackle the **gender pay gap** by **increasing the proportion of women managers** in Central Government with the aim to resolve the gender gap by 2010. *However, these are unlikely to impact on low paid women jobs.*
France highlights the good practice of **non-discrimination** on grounds of gender in the public service, involving new professional agreements on professional equality.

In **Belgium** the situation is marked by a renewed focus on the gender pay gap, with the publication of a federal report and practical guide to job classification, including a gender-neutral wage policy checklist, backed by social partners in collective negotiations.

Reconciling Work/Life Balance

For most networks, the main area of improvement has been in the area of work/life balance (AU, FR, LUX, NL, PT, DK, CZ, BE). This, however, is interpreted in the reports to mean almost exclusively increased access to childcare, encouraging women into full-time work. In many cases, this appears to be related to the Commission's Recommendations on the 2006 Reports (eg in Austria, the Commission recommendation stated "*the elimination of gender segregation in the labour market through the provision of additional childcare facilities*"). As a result, new funding will be made available for childcare, childcare allowances and facilities. In Belgium, 13,000 childcare places will be created and some help provided in Flanders and Wallonia to cover childcare costs for job seekers. 23% of the total ESF budget will be earmarked for this priority.

Other positive initiatives include:

Netherlands: A new law VAZALO will be introduced on the 1st of January 2008, which will provide lone parents on minimum income with the possibility of doing paid work for fewer hours, appropriate to their care-taking responsibilities, with the same income as a full time job. (The proposal was initiated by NGOs including EAPN).

Sweden continues to offer a good practice example with 84.5% of children between 1 and 5 being enrolled in affordable **preschool or family day care**. EAPN SE also highlights the new **Gender Equality Bonus** which will make it easier for parents to share parental leave equally, providing an incentive to return to work (to be introduced in July 2008). Earned income and the extent to which the parents share the parental benefit will determine how big the bonus will be.

However, networks highlight the absence of a link between poverty and gender, and particularly the need for specific measures for women with low-income. For example EAPN Sweden highlights a new law which will reduce taxes for household related services, making it possible for "*women and men to spend more time in the labour market and combine work and family life*". However, EAPN Sweden sees the law as benefiting primarily women who are well off. "*Who is going to do the housework for women who are cleaning somebody else's house? This is a reform for the middle class and the working poor pay for it by their taxes*"

Several networks highlight the lack of attention paid to **affordability** in childcare provision – "*the prices are not affordable for people with low incomes*" – LUX, as well as the **shortage of childcare places and places for other dependents** - "*Childcare is dealt with by getting the employer to pay a part of the costs, although there are still not enough places, but care for dependents isn't included*" - EAPN NL. Little focus is given to other measures crucial to supporting work/life balance - particularly the promotion of more **flexible working time** for men and women, despite the Flexicurity emphasis.

Limited visibility of active anti-discrimination approaches

The heightened visibility of Gender is not, however, matched by more effective measures to tackle discrimination or promote the equality of other groups, such as older people, black and ethnic minorities, migrants, asylum seekers and refugees, people with disabilities as well as those who are discriminated against because of religion or sexual orientation. There is a noticeable lack of integrated approaches mainstreamed through the Implementation Report. The issue of discrimination is addressed mainly by piecemeal approaches focusing on the access to the labour market of specific target groups, despite the fact that discrimination beyond the labour market is now widely acknowledged by the EU as crucial (see conclusions of the EU Year of Equal Opportunities).

Pension and benefit inequalities

The issue of tackling pensions and benefit inequalities is also almost invisible in the reports (only PT) despite the fact of the growing number of older women living in poverty through inadequate pension provision (AU, FR, LUX, DK and CZ). Some networks highlight the growing problem of the current promotion of supplementary pensions. *"In general you have to provide your own pension, if you're not able to do a well paid job full time – you just have less pension and more poverty when you retire"*. The lack of focus on pensioners' poverty and inequalities, only underlines, the limited focus of the NRP, to increasing the labour market supply and reducing social protection spending, in line with macro-economic mandates.

Older people receive the most attention (NL, DK, BE, AU, FR). This, however, is not focused on their needs or rights, but on the need to promote active ageing and sustainable pensions (keeping older people working longer and reducing their rights to pensions, in order to reduce costs on pension provision). *"A particular mention is made recognizing the important economic role that older workers play, notably through the impact on the public spending. The emphasis will be on the extension of the requirements for contributions to access retirement rights"* (EAPN France). Some member states put it more bluntly, as EAPN Belgium comments, *"A lot is said about age, but all in relation to the demographic problem, keeping older people in the labour market because of employment rates and in relation to the pension system that will be confronted with increasing payments"*. Other actions in Belgium will focus through the negotiations on the Generation pact with social partners on making age less a factor in wage setting and the development of specific training plans for older workers. In Austria, once again the new measures seem to be developed in response to the Commission's recommendations with a focus on the reduction on non-wage costs, as well as active support through training etc. No network highlights a concern by member states in their reports to tackle pension inadequacy or more pro-active measures to support older people in work through flexible working, training and support.

Disabled people are a focus in a number of countries (AU, NL, and CZ). In Czech Republic, this will involve the establishment of a *"special institution to support people with disabilities"*. Whilst in Austria, new initiatives are to be launched to support employment, with a compensatory levy fund and ESF funded initiatives.

There is some greater emphasis noticeable also on **immigrants** (AU, DK, PT, LUX), with focus on integration into the labour market and acclimatization. Although as EAPN Austria comments *"Migrants are at least mentioned as a disadvantaged group, in the labour market. But no specific measures are mentioned"*. In Portugal the measures proposed are seen as good measures but not

new ones, and none focused on *"directly combating discrimination, the main issue being employment and the integration of migrants into the labour market"*. In Denmark there is a strong focus on increasing the employment rate of migrants and their descendants. *"For these groups it is difficult to enter the labour market. There is a lot of discrimination and prejudice against these groups"* In Germany, dialogue will be carried out at national, regional and local level with migrants on promoting integration. No emphasis is given in any reports to undocumented migrants, and in many countries no recognition is made of migrants with specific status – refugees and asylum seekers.

However, networks highlight that major groups continue to be ignored and invisible in many member states.. The most obvious omission is **Roma and other Ethnic Minorities**, (CZ, FR, PT, BE, GE) but other networks also highlight the lack of focus on other groups discriminated against on Article 13 grounds of discrimination eg because of religion, or on grounds of sexual orientation. (CZ). EAPN members also highlight the need to tackle discrimination against people for simply being poor or long-term unemployed.

Pro-active measures on Discrimination

Despite the recognition of the role that discrimination can play as a major barrier in accessing the labour market, there are remarkably few positive developments (AU, CZ, IT, NL, LUX). EAPN Portugal highlights the lack of a structural approach. *"There are some package measures for example Critical Neighbourhood Programmes highlighted also in the NAP, but that's all"*. Some countries, like Belgium, are promoting an approach based on **promoting diversity**, which includes measures to combat employment discrimination. EAPN Belgium also sees some commitment from the Federal Government to develop these approaches through coordination, consultation and dialogue, bringing all the players together who are involved in Structural Funds and the development of the NRP. In others there is a mention of support to the implementation of the Anti-Discrimination law. In France, a paragraph in the report is dedicated to the actions taken by the HALDE on behalf of people suffering from discrimination (High Authority for the struggle against discrimination and for equality). In general, however there is little mention of pro-active measures to be taken with employers to actively combat discrimination and measures to tackle discrimination in access to other services. Neither is the link between discrimination and poverty made. EAPN Czech Republic comments that the Lisbon Report despite the high profile of concerns about the impact of discrimination against Roma in particular and the wealth of practical experience on the ground, highlights *"We have many examples of the link between poverty and discrimination.: A young Roma man that works with the project was highly motivated to work, but when he met discrimination at the job interview (he was told he was too young, without sufficient experience, too low level of education, Roma people don't want to work...) and failed to get the job, he got deeper into poverty and lost his motivation to look for work. When somebody doesn't have access to a normal life, institutions, work, he falls into a vicious circle of poverty"*.

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. Structural Funds

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

2007 has marked the entry of the new round of Structural Funds (2007-13), characterised by a new link to Lisbon strategic priorities, in particular through the “*earmarking*” of at least 60% of Structural Funds for delivering “Lisbon goals”. Assurances have been made that this will include spending on social inclusion⁵, as well as on “growth and jobs” targets. The Commission has made clear that they will drive the agenda to strengthen the link with structural fund spending. As a result, some guidance has been given to member states to demonstrate how this link to the broad “Lisbon strategy” should be made. This contrasts strongly with the minimal guidance provided to member states to highlight the link with the Strategic Reports on social protection and social inclusion. However, EAPN’s main concern is that the potential benefits of increased surveillance on the use of structural funds through the NRP, could severely undermine the support that Structural Funds (particularly the European Social Fund, (ESF) have been able to give to social inclusion at national level, because of an over-emphasis on “growth and jobs” priorities, turning the funds into a competitiveness rather than a cohesion instrument. That the Lisbon Agenda will drive a narrower interpretation of inclusion focusing only on getting more people who are furthest from the labour market into work, rather than contributing to integrated approaches to fighting poverty and promoting social cohesion at national, regional and local level beyond narrow employment measures.

⁵ In particular in relation to the priority theme 71: “Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace”

Verdict: *The link between structural funds and the Lisbon strategy has been strengthened, but primarily to promote growth and jobs rather than social inclusion objectives. Some useful measures to support a more inclusive labour market are being developed, but must be backed by broader approaches to social inclusion beyond the employment field which support access to resources, rights and services and active inclusion, backed by relevant indicators.*

Too much focus on the Jobs and Growth agenda

It is clear that the Commission's reminders have worked. Most Implementation reports provide a specific section demonstrating how Structural Funds is delivering the Lisbon agenda.. However, often the sections provide little detail, particularly in relation to budget breakdowns (FR, IT, AU). Most member states are keen to demonstrate that they are meeting the Lisbon-related targets. For example: Sweden, promises to spend 75% on the Lisbon Agenda with 75-85% of the ERDF and 96% of ESF. Czech Republic gives detailed descriptions of the links to the NRP, with 30 out of 46 measures from the NRP, supported through financing through the National Strategic Reference Framework Programme. In Germany, 71% of Structural Funds will be spent on Lisbon goals, with 81% under regional competitiveness. Austria ranks first amongst 27 member states with a Lisbon earmarking of 88% of Convergence and 91% of Regional Competitiveness and Employment. However, the exact focus of the "Lisbon Agenda" is often difficult to ascertain. Several members highlight the invisibility of social cohesion within these objectives (AU, BE, GE, FR), despite the fact that these have been prioritised under priority theme 71 (Improving the social inclusion of less-favoured persons: *"Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace"*).

However most see a **strong predominance of "growth and jobs"** priorities in the Lisbon goals (LUX, IE, NL, DK). EAPN Ireland highlights *"The introduction to the Progress Report states that cohesion policy for 2007-13 is explicitly linked with the National Reform Programme and that Ireland's NSRF and Operational Programmes reflect the overall aims of the Lisbon Agenda and Ireland's NRP. However, only the dimensions of competitiveness and supporting dynamic regions are named, not social cohesion"*. Where social cohesion is mentioned it is often viewed as a product of jobs and growth. *"It is more a growth and jobs agenda, but described as delivering social cohesion"* (EAPN NL). Only in Sweden and some parts of Belgium is a specific reference made to social cohesion priorities. In the case of Belgium this is mainly through the labour market.

Sweden: *"The focus is growth and jobs, but at the same time they notice that this policy agrees with the EU strategy for jobs and social and regional cohesion. As an example of cohesion policy they refer to the National Strategic Report on social security and inclusion and its 4 goals: the right to work, education, integration and to have a place to live"*.

Belgium: *In the Section on Brussels Capital, it is highlighted that the priorities in employment will continue the policies subscribed to by the European Employment Strategy underlining the priority objective to reinforce social cohesion through employment.*

Supporting inclusive employment through Structural Funds

Whilst it is clear that social inclusion objectives are not at the forefront of the perceived link between structural funds and Lisbon, most networks highlight that structural funds could potentially provide an important support to **inclusive employment measures, particularly through ESF, which are full parts of employment guideline 17.**

In Luxembourg, ESF will be used to promote "*access to employment and sustainable inclusion on the labour market*" with specific measures to "*facilitate the access of youth and people far from the labour markets*", as well as promoting "*flexibility of workers and enterprises*". In Czech Republic, key objectives include in the Operational Programmes include: keeping older workers in the labour market, helping migrants to access the labour market and promoting equal opportunities for men and women. Whilst in Germany, the Lisbon objectives will include actions to rise to "*new challenges in the labour market – for unemployed people, demographic change, migrants etc*". However, the test of how effective these measures are in supporting excluded people into work or helping them to stay in work, will only be seen in the detail. **How well do the programmes support people into decent jobs, which take them out of poverty?**

Broader integrated approaches to inclusion and inequality

How well do the measures support integration and inclusion in a holistic fashion? EAPN Portugal comments that whilst they see that their Government aspires to use Structural Funds to deliver social inclusion, the lack of ability to think '*outside the box*' of the "growth and jobs" agenda results in an overly narrow focus for the measures proposed: "*It is too much connected with training and adaptation of human resources for the labour market*". Training and support schemes can be vital to help people into jobs and out of poverty, but they are not a substitute for a broader, integrated approach to inclusion, which starts from the position of **people's needs and reinforces access to rights, resources and services.**

EG: In Sweden, apart from reference to broader integrated goals (Right to work, education, integration and housing), Structural Funds will be used to decrease the inequalities between different parts of Sweden and reinforce larger regional cohesion. In this chapter the ministry has enclosed a contribution of the Network Against Social Exclusion (of which EAPN is an active member).⁶

Support for Active Inclusion

⁶ See EAPN Briefing on Structural Funds and Social Inclusion: www.eapn.org

EAPN is concerned that important opportunities are being missed to use ESF and ERDF to support social inclusion. One of the principle focuses that could provide the basis for programmes should be the development of **integrated active inclusion packages**⁷ which actively support the provision of an adequate income, improve the access, affordability and quality of services, particularly social services like childcare, housing, health, whilst providing pathway approaches to inclusion as well as to work. Without laying down any blue-prints, members highlight possible examples of types of measures, which in some cases have already been supported by Structural Funds projects.

Proposals for types of inclusive projects

- Creating **new opportunities** for excluded people– to support them along the road to inclusion – personal and social development, competence and initiative building activities which can provide a bridge to training and employment preparation.
- **Validating competences** acquired through informal and non-formal experience
- Development of **inclusive work and training** models – through social economy and social enterprises, and support to inclusive entrepreneurship for key target groups.
- Improving access to **quality social service** provision which can support inclusion and development as well as employment – affordable, quality child and other dependent care, personalized and responsive employment and social services, affordable quality housing, health
- Investing in **public infrastructures** to reduce obstacles to inclusion – eg transport, utility services
- Projects to **tackle school drop out and undeclared work** by making learning more attractive, strengthening the links between school and quality jobs through work/training placement and access schemes.
- **Positive Flexicurity Models** for decent, flexible working geared to employees needs on low-incomes particularly those with dependents age, health or disability problems.
- **Pro-active projects to combat discrimination** in companies, employment and other services of general interest, in schools, linked to awareness-raising.
- **Preventing unemployment and exclusion** – integrated active ageing projects which support the company and the employee to adapt.

Monitoring the impact of Structural funds on Inclusion

Effective assessment of how far structural funds deliver on inclusion (even on narrow interpretations of labour market inclusion) depends on **systematic use of robust indicators**.

In the majority of cases, there was little information on the indicators that are likely to be used to measure the impact on Lisbon goals (PT, BE, DK, CZ, GE, AU, NL). Only Luxembourg and Sweden highlighted specific indicators. In the case of Sweden, the indicators are quantitative but highlight at least an awareness of the need to demonstrate impact on inclusion and poverty: these include indicators on poverty, childcare, vulnerable people without a job, preventative and activating actions, part-time work and gender perspective, taxes on low-income, work-time/overtime and sickness.

⁷ Active Inclusion is the term used by the Commission from the recent Communication .

EAPN believes that indicators for inclusion should not simply measure the number of people getting jobs, or coming off employment registers (ie effect on reducing benefits), but attempt to measure the **real impact on people's lives**, through appropriate quantitative and qualitative indicators. In terms of **quantitative** indicators –this should include minimally the impact on risk of poverty and deprivation levels, the increased access to services and improved income levels as well as on the type of jobs that are accessed (pay-levels, type of contract – degree of security). But **qualitative** indicators are equally vital – to measure the satisfaction with the programmes delivered, the personal impact on the individual's lives (in the short, medium and long-term) both in terms of "*development and acquisition of competences and skills*" but also in terms of improvement in life chances and effective social inclusion. These so-called **soft indicators**, are vital to reflect the detailed pathway to inclusion, and should include measurement of "*distance travelled*", with a broader perspective towards competence development including growth in self-esteem and confidence, increasing skills in social participation and contribution to their families and their communities, as well as success in moving towards employment.⁸

EAPN networks highlight the vital importance of developing **this broader approach** to indicators for social inclusion from Structural Fund programmes that should apply to social inclusion and employment measures, but also to the whole range of structural funds measures, funded by the ESF and ERDF. (See EAPN report)

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.*

⁸ See EAPN report on Developing Social Inclusion Indicators for Structural Funds : www.eapn.org

- *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. Governance and Participation.

9. Has stakeholder participation and governance improved in the NRP process, particularly in involving NGO's and people experiencing poverty and social exclusion?

The Annual Progress Report in 2006 underlined the need for increased participation of key stakeholders, helping to promote greater ownership and visibility of the Lisbon Strategy in member states and to aid its impact and effectiveness through good governance. Several EAPN networks continue to attempt to engage with the NRP process, but many still find "closed doors". However, small changes have been seen. Although the Lisbon process continues to be dominated by economic or financial ministries, there appears to be increased efforts to involve social and other ministries, in some countries. The involvement of social partners has also increased and some minimal improvements in the involvement of civil society.

However, **much remains to be done** in terms of the **extent and quality** of the engagement. Where NGOs are involved it is primarily at the margins of the process, and often because they have fought to be included alongside the traditional social partners. They are also more likely to be "passive" participants who are "informed" of the process rather than **participating actively as equal partners**. Although some progress has been seen in the propensity of some Governments to hold **one-off meetings** with NGOs to discuss their views, whilst others have succeeded in sending a formal submission, these networks consider themselves to be still at the margins of the process, particularly in the participation of people experiencing poverty. The NRP process is too often remains a well-kept secret. But also it is clear that as long as the focus is only on growth and jobs, there is little impetus to broaden stakeholder involvement. The opportunity is being missed to invest in a dynamic stakeholder process which connects Lisbon to ordinary people, involving a wide-range of actors.

Verdict: *Some progress has been made on inter-ministerial coordination and involvement of social partners, with some small improvements on the involvement of NGOs. However this is often the result of NGO's own pressure. There are little signs of integrated approaches to promoting quality engagement of civil society and people experiencing poverty. 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 is a wasted opportunity to raise visibility, get ownership of Lisbon by national governments and connect the Lisbon process to the ordinary people who live in the different member states.*

Minimal visibility and information

13 responses highlighted that there was **no good information campaign or visibility of the process** at national level.(CZ,IE,MA, IT, PT, AU, DK, LUX, NL,GE, SE, UK, BE). In some cases the finalized report was published on the website (Belgium, Ireland, Malta and Austria), but was not made available as part of a consultation process. *"The Ministry in charge of the NRP made a website to "inform" all partners, but no efforts were made, as far as we know, to promote it" (EAPN BE)*. Portugal pointed out that in some cases more visibility was given to **specific programmes and initiatives** developed through the NRP (like the Technological Plan), rather than the programme itself. In some cases it was the NGO's themselves who provided visibility. eg Czech Republic *"The Project STOP Social Exclusion aroused attention about the most neglected issue – the mainstreaming of social inclusion in the NRP"*.

Minor improvements in extent and depth of stakeholder engagement

In terms of the involvement of a wider range of stakeholders and actors, there seem to be some small signs of improvement: **mainly in the horizontal coordination or inter-ministerial coordination** in the development of the Report. (PT, AU, DK, LUX, SE,). This generally meant involving social, economic and employment ministries. *"The report counted with the collaboration of different ministries (in the context of the Network for the coordination of the Lisbon Strategy" (EAPN PT). "Ministry's for Economics and Labour, Health and Social Security were involved" (EAPN AU).*

However several networks commented that the process continued to be **driven** primarily by the **economic** ministries (DK, IE,). Where broader stakeholders were involved it was likely to be other government levels (regional and local government) and **traditional social partners**. (IE, PT, AU, DK, BE, GE). Some highlighted new efforts to link the NRP with the national political level through the Parliament (SE, LUX). Although several networks, noted some **involvement of civil society** (CZ, IE, PT, AU, DK, SE,), most highlighted their severely restricted role. Only three countries highlighted NGO's having formal status in the process (IE,CZ and DK). In Czech Republic, the Government's council for NGO's was involved, which are selected NGOs. In the case of Denmark, only the Council of Organisations for Disabled People is consulted. **For most networks the experience continues to be one of complete exclusion from the process** (GE, DK, NL, LUX, PT, UK). EAPN Germany notes, *"Neither the welfare associations (NGOs) nor the national anti-poverty network nor people in poverty took part"*.

Civil Society as equal partners

The overwhelming impression of the process linked to the NRP or the progress reports, continues to be one of **minimal consultation with social partners**. Where civil society is involved it is often in a passive role *"receiving information"* rather than as *active participants*. They may be sent or informed about the text, but not invited to contribute comments and too late for changes to be made.(LUX) Alternatively, if NGO's are invited to comment often there are very **reduced timescales** which make it difficult to produce a considered response, particularly when most groups attempt to consult with other grass-roots organizations and people experiencing poverty.(IE). In other cases, if NGO's are invited to a hearing, they often feel that **no account is taken of their views**, and no feedback is provided. (LUX)

Nevertheless, EAPN networks have continued to **press for engagement** and some **small but significant steps** have been achieved, particularly in the holding of meetings between NGO's and

the responsible Government departments and through making visible their views. Most, however underline the continuing weakness of their roles as active and equal partners.

Sweden. *A meeting was held between high civil servants, with a number of NGO's invited. But the text was already written and nothing new could be added. However, the Network against Exclusion (where EAPN is an active member) added an appendix EAPN Sweden also received the final report for comments but with such short notice that it was not possible to produce an answer in the time.*

Czech Republic: *EAPN participated in the formulation of the NRP last year, and to some degree in the implementation report. "We did our best to make involving people experiencing poverty, the important base for government's decision" and we lobbied politicians through our Mainstreaming social inclusion publication at local, regional and national level.*

Austria: *"NGOs weren't invited to participate in the written consultation unlike the traditional social partners, but a small group of NGO's were invited to a meeting in the Ministry. This was a slight improvement compared to last year, and the first time that there was a meeting of NGO's on the overall Lisbon Strategy. In the meeting a list of NGO recommendations was handed to the Commission during their bilateral meeting at the end of June.*

Ireland: *NGOs are considered social partners in Ireland. A draft implementation report was circulated two weeks before it was due with the Commission with one week to make comments. EAPN Ireland coordinated the development of a joint submission from the EAPN Employment Working Group that it convenes with the Community Platform (30 national anti-poverty organizations). It also submitted a response to the draft implementation report.*

Impact and Progress for EAPN

Despite the small gains, nearly all responses highlighted little improvement in terms of participation and impact for NGO's and EAPN specifically (AU, IE, SE, UK, BE, IT, NL, GE, CZ.). For the majority, this reflects the **lack of engagement** in the process, and for those who have engaged - the **lack of perceived impact**. *"It is unclear if the contributions that EAPN was involved in making had any impact in the final report. Some of the issues raised were not addressed eg discrimination and access to entrepreneurship for marginalized communities."*(EAPN Ireland).

EAPN Austria and Portugal, considered that some impact was made: – in Austria in relation to the need for future stronger involvement of NGOs in the process and Portugal, who noted a "light" impact. Other networks are more pessimistic, and highlight not only the lack of progress, but the **strain on resources** on small NGO's that such a participation might entail, particularly when it is unlooked for! *"We were not aware of any process and do not have the resources, time or energy to be involved in this process over and above the NAP. The NAP should feed into the NRP. It is the Government's responsibility to see that the participation and input of NGO's and people facing poverty and social inclusion is promoted in the NAP then reflected and fed in the NRP"* (EAPN Malta).

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 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 of the report, 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 a an active partnership model . Examples should be drawn from the NAP Inclusion process and peer reviews.*
- *Indicators should be developed to benchmark the degree of governance which should be used more strongly as a basis for Commission recommendations.*
- *The Commission should consider making funding available to NGO's and other social and civil partners, to raise awareness of the Lisbon Strategy, to promote participation and the need to mainstream social inclusion.*