

## **‘ACTIVE INCLUSION’: WHAT IS AT STAKE?**

### **POLICY CHALLENGES AND REALITIES**

#### **EAPN BRIEFING**

**June 2008**

#### ***Introduction:***

This briefing aims at giving all EAPN members, whether involved in working groups activities or not, the main information and EAPN analysis concerning this new proposal in the field of the fight against poverty and social exclusion, launched by the European Commission in 2006.

EAPN considers this proposal as an opportunity and is taking part actively in the shaping of this new approach. We want our inputs to be based on extensive exchanges within the network, reflecting the realities experienced on the ground by members. This is why an EAPN seminar is devoted to Active Inclusion on 13 June in Paris.

*Note that further detailed and updated information are available every two months in EAPN policy briefing (accessible on EAPN extranet, accessible from EAPN webpage, code 1515).*

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# 1. Information on the Commission strategy for ‘active inclusion.’

## 1.1. The concept:

*“A comprehensive **policy mix** combining three elements (...) (i) a **link to the labour market** through job opportunities or vocational training; (ii) **income support** at a level that is sufficient for people to have a dignified life; and (iii) **better access to services** that may help remove some of the hurdles encountered by some individuals and their families in entering mainstream society, thereby supporting their re-insertion into employment (through, for instance, counseling, healthcare, child-care, lifelong learning to remedy educational disadvantages, ICT training to help would-be workers, including people with disabilities, take advantage of new technologies and more flexible work arrangements, psychological and social rehabilitation)”<sup>1</sup>*

## 1.2. The author:

This concept has been launched by the Inclusion Unit in the DG Employment of the EU Commission, in 2006.

It is distinct from the notions of ‘Active Labour Market Policies’, as well as from ‘Activation policies’.

## 1.3. The process:

### 1.3.1 The consultation

The Commission has launched in 2006-2007 a consultation on the basis of the Article 138(2) of the Treaty (which calls for the Commission to consult management and labour before submitting proposals in the social policy field).

#### **February - April 2006: [First stage consultation](#)**

The questions of the consultation are primarily aimed at providing legitimacy for any actions at EU level on promoting active inclusion, and are asking for arguments to defend the EU’s role in complementing and supporting Member States action in this area.

#### **Content of the consultation**

EAPN was satisfied to note that:

- there was recognition of the **role of social protection systems in reducing the risk of poverty**, through providing a basic safety net. Its role in fighting the continuing persistence of the risk of poverty for particular groups: unemployed people, inactive, single parents, disabled and the chronically ill was recognised.

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<sup>1</sup> [European Commission consultation on the promotion of the active inclusion of people furthest from the labour market](#), COM 2006 544 final

The multidimensionality of the problem and the importance of access to service was recognised;

-recognition was made of the fact that **cost-cutting on Minimum Income schemes** can result in increased demand on other social programmes.

- it was recognised that **good activation should not just be about employment** but should contribute to reducing social isolation, developing self esteem etc. It points out that **not enough attention has been paid to adequate access to social services** as a pre-condition for availability for work.

At the end of this first phase consultation, a [synthesis report of the responses by the Commission services](#) noted that the Commission received 73 contributions (14 from National Governments), and that “there is a shared view that more needs to be done at the EU level”.

**October 2007 – February 2008: Second stage consultation**, entitled [“taking forward the active inclusion of people furthest from the labour market.” COM 2007 620\(final\)](#).

This document recognizes the need to do more in order to implement the recommendation on Minimum Income of 1992. It envisages the following EU actions:

- **Deepening of the Open Method of Coordination** through the adoption of common principles on Active Inclusion and their subsequent systematic monitoring and evaluation. A new **Recommendation** is envisaged which would promote the identification and adoption of the common principles and detail the elements of the active inclusions strategy, in relation to its three elements: income support sufficient to avoid social exclusion (note that the elements of the 1992 are considered as still fully relevant), link to the labour market, and better access to quality services.

- A **supporting EU framework** including:

- the use of the provisions of the new European Social Fund regulation to promote active inclusion measures;
- the support within the PROGRESS EU programme of the establishment of a Network of Local Observatories

12 Members States responded to the consultation, together with 6 Social Partners, 35 EU level NGOs and 22 national social partners, organizations or NGOs (including EAPN Ireland and EAPN France, as well as the UK Social Policy Task Force) (see [responses to the consultation](#))

### 1.3.2 Next steps

The French Presidency of the EU (second semester 2008) has announced its willingness to have Active Inclusion Common Principles adopted by the Council in December 2008.

The Commission will adopt in September 2008 a recommendation on the Proposed Common Principles for Active Inclusion.

The Commission recommendation is being prepared by a special working group of the [Social Protection Committee](#) which plans to adopt an advisory

opinion on the 2 July. The Employment Committee is also involved in the discussion; their approach is expressed in the [EMCO report on Make Work Pay](#) published in 2003.

Once the Commission recommendation is adopted in September, the [Working Group on Social Questions of the Council will start to prepare under the french Presidency the Council Conclusion to be adopted on 15-16 December](#).

Beginning in the last quarter of 2008, the Social Protection Committee will elaborate a proposal for monitoring and evaluating the implementation of the Active Inclusion strategy.

The **European Parliament** will adopt in the autumn a [report on 'Promoting social inclusion and combating poverty, including child poverty, in the EU'](#) (rapporteur Mrs Zimmer, **GUE**, which addresses among others the Active Inclusion initiative).

According to the Commission proposal, the European Parliament should adopt a **Resolution** on Active inclusion based on the Commission's September proposal.

On 17 October 2008, the annual Round Table on poverty will be organized under the French Presidency and will focus on **Active inclusion**.

## **2. EAPN action in relation to Active inclusion**

EAPN action in relation to the Active inclusion process is two fold (see more detailed references regarding EAPN action in the Annex).

### *2.1. Policy follow up and lobbying*

EAPN has been regularly engaged at each stage of the Active Inclusion consultation process, and has taken every opportunity to spell out our views and demands. We also take part in common actions within the Social Platform. EAPN has also assessed how the Active inclusion policies implemented at national level (see the report [Light year, hard work! In October 2007](#)) are delivering against poverty.

EAPN work on Active inclusion logically brings together and builds on ongoing work within the network on each strands of the Active inclusion policy mix (Minimum Income, Services and Employment)

### *2.2. A campaign on Adequate Minimum Income for all.*

EAPN considers the lack of accessibility and adequacy of Minimum income schemes as very worrying. We hope that the Active Inclusion process will be an opportunity for further progress in this area, and we are worried that this pillar of Active Inclusion is not given as much attention as the employment one.

EAPN launched in December 2007 a campaign calling for Adequate Minimum Income for all, one objective of which is to backup the policy work of EAPN in

order to ensure that the Active Inclusion process really delivers on Minimum Income issues.

See [information on the campaign](#) on EAPN website.

### 2.3. *7<sup>th</sup> People Experience Poverty Meeting*

Crucially, for EAPN the 7<sup>th</sup> Meeting of People Experiencing Poverty organized under the auspices of the Slovenian Presidency focused this year on the “vulnerable” parts of the active inclusion agenda – social services, minimum income, services of general interest and housing. The specific focus on these themes in separate workshops, carefully prepared by the national coordinators with their national groups of people experiencing poverty, resulted in a powerful exchange and message of their concerns. The message came through loud and clear, that Minimum Income and Services were the base concern. and that no discussion on employment or even training and education could be considered when people’s access to adequate income and basic affordable services was so severely under threat, because of what was seen as primarily the impact of the expansion of the internal market and pressures to liberalize and privatize services.. The Conclusions are currently being prepared and will shortly be distributed.

## **3. EAPN analysis: challenges to be overcome for ensuring that Active inclusion is really changing the reality of the life of people experiencing poverty.**

### 3.1. *Positive aspects of the initiative*

EAPN has repeatedly expressed its support to this important and timely Commission initiative. For us the added value of this initiative can mainly be summed up by the 7 following key points, that we expect to see reflected in the Active Inclusion principles to be adopted:

**3.1.1 A sign of political will and a new impetus** in the area of social policies, at a time when we share the opinion of a need to strengthen the Open Method of Coordination, as well as better mainstream social objectives in other relevant policies and funding programmes.

3.1.2. An integrated **paradigm based on three pillars of equal importance**. For EAPN, addressing these 3 dimensions is key, but would emphasize the focus that **adequate income and access to services must be seen as a precondition** to accessing the labour market and to other kinds of social participation..

3.1.3. The **ambition to impact on the definition of other relevant policies**: The active inclusion paradigm touches upon various policies other than social

policies, and is meant to have an influence on the design of policies related to employment, taxes, services...in line with social needs.

**3.1.4. A central responsibility given to the employment policies** on the fight against social exclusion. We welcome also the fact that the Commission proposal, refers to reintegration into society as well as into the labour market. It is crucial that Active Inclusion is also designed for people for whom work is not a realistic option.

**3.1.5. A renewed focus on adequate minimum income**  
EAPN has been strongly raising the issue of access to decent income in recent years. We remain highly concerned by increasing conditionality and sanctions attached to benefits for the unemployed and increasing inadequacy, which is a threat in terms of respect of human dignity.

**3.1.6. Recognition given to the importance of services** in the fight against poverty and social exclusion. Indeed purchasing power and living standards cannot be detached from the services available, and we welcome the reference made to the importance of insuring access to affordable, quality 'services of general interests, including network industries such as transport and public utilities as well as financial services.

**3.1.7. Support to participative approaches.** In particular we value the mention that 'disadvantaged person themselves must be involved, consulted and empowered in order to improve the effectiveness of public policies'<sup>2</sup>

### *3.2. Some of the challenges ahead*

If we value the content of the Communication, we are conscious that such an approach may be fragile in a policy context dominated by a "growth and jobs" vision, and that reductive understandings of the notion may be predominant.

#### **3.2.1. An integrated strategy based on rights or a strategy aiming primarily at saving social spending and raise employment rates?**

EAPN has expressed worries that this approach is not more clearly enshrined in a fundamental rights based approach, and does not refer more clearly to the political choice of building a society based on respect for every person. ('Active inclusion' is quoted in [conclusions of 14 May Economic and Financial affairs council meeting](#) on 'ensuring the future efficiency and effectiveness of social expenditure and way forward on the analysis of the quality of public finances').

The risk is high that the approach is reduced to a policy aiming only at pushing people furthest from the labour market to take on any jobs at any price.

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<sup>2</sup> "Yes to an Active inclusion based on rights", EAPN response to the second stage consultation, 26 February 2008, accessible on [www.eapn.org](http://www.eapn.org)

We know that social inclusion does not derive automatically from employment and that more long term policies, based on person's needs and quality employment, are needed to ensure sustainable social integration.

### **3.2.2. Active inclusion = Activation + Press Relations?**

EAPN has repeatedly expressed its worries regarding the development of activation policies in some countries which are not respecting the dignity of persons concerned, and result in pushing people into more poverty. We have defined in this respect criteria for 'good activation'. A further concern is that the focus only on employment at any price, actively undermines other means to social inclusion, and supportive measures to help real social activation – or that people move forward to have meaningful lives contributing to their families and their communities.

Experience as well as research show that most people facing poverty and social exclusion are willing to work, even for a limited amount of additional money, but face serious obstacles to take on employment (such as care responsibilities, mobility, health difficulties...). Despite this reality, Employment policies are still dominated by the *Make Work Pay* paradigm, based on the assumption that financial incentives - positive as well as negative – are needed to motivate unemployed and inactive to take on jobs.

There is a risk that this vision dominates the implementation of Active inclusion, which will be reduced to a reinforcement of activation, with the synergy between the pillars minimum income and employment being understood as a way to facilitate the use of benefits for sanctioning people's behavior with regard to the employment market. This is why EAPN emphasizes that adequate minimum income and access to services must be seen as pre-conditions to access to the labour market and other forms of social activation.

### **3.2.3. Adequate minimum income or minimum 'resources'?**

Despite the crucial need to develop adequate Minimum Income schemes in the EU Member States, EAPN witnesses rights to benefits being under attack in some countries, and an overall negative approach to social benefits being developed.

We demand that the Active Inclusion strategy, building on the 1992 EU Recommendation which strongly encouraged the Member States to implement Minimum Income Schemes, really fosters the development of adequate Minimum Income accessible for all. Such a strategy should be ambitious, participative. It should be the first step in the elaboration and the agreement of social standards in the EU.

In this perspective, we watch that the wording Minimum Income is used in the policy discussion, rather than the confusing wording of 'Minimum Resources' (which can mean only basic services and in kind income).

### **3.2.4 Right for all to quality services or flanking social services as a carrot to get into work?**

The attitude and focus on services in the debate on Active Inclusion is crucial. If a truly integrated approach is to be developed, the focus must be on the right to all services of general interest, which provide the basic cornerstone of a



dignified life. This means affordable access to basic utility services like energy, water, transport and financial services as well as quality social services – in the broadest sense – including housing, training and education, personalized social, health and employment services...The focus in the Commission's communication however, is primarily on social services of general interest and the discussion too often gets reduced to the specific social services which are seen as flanking services which are "necessary for people to work", ie childcare and dependent care services are mentioned, so that carers, mainly woman can work rather than establishing access to these services as a right and looking at the quality of childcare, for example from a child development or rights perspective. Or employment, training and education services rather than the broader range of personalized social services. Access to decent housing and affordable health care need to be at the very centre of the debate.. The focus on quality can also be seen as rather esoteric, when the reality (as perceived by people in poverty) of the impact of liberalization/and privatization on services appears to be a crisis of access –through rising prices and discriminatory criteria, or insufficient funding to provide adequate coverage. We will be watching the debate to ensure that these concerns remain at the heart..

### **3.2.5 Structural funds' contribution to delivering active inclusion**

Structural funds, and in particular the European Social Fund, have traditionally focused on employment related measures. Yet this did not prevent the development of integrated approaches going beyond a narrow vision of the labour market, taking into account the root causes of poverty.

Structural funds' contribution to Active Inclusion approaches can therefore not be limited to only one pillar. If used in a positive way, they can directly contribute to *two* of them:

- Access to inclusive employment, through measures such as vocational education and training, counseling, support to workers' mobility, development of "soft skills", language courses, support to job creation and entrepreneurship, support to social economy...
- They can also contribute to access to quality services. This applies both for social services<sup>3</sup> (for example, the European Social Fund, but also in some regions the European Regional Development Fund allow developing projects around as care, community development activities, including physical infrastructures) and to Services of General Interest (such as transport, energy, in particular in the *convergence area*<sup>4</sup>).

In the field of adequate minimum income (first pillar), the support is not direct. Structural funds do not provide income support (which is the role of individual Member States), but they are used for reforming public services at national regional, local level. This includes employment and social services, through for examples training of officials, social services, but also by providing the physical infrastructures for such services (in the convergence area).

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<sup>3</sup> see in particular the [European Social Fund Regulation](#) article 3.1.c.i, about "pathways to integration and re-entry into employment for disadvantaged groups

<sup>4</sup> regions with a GDP of less than 75% of the Community average. See article 3.2.b of the European Social Fund Regulation.

Again, these three dimensions should not be seen in isolation from each other, as a wide range of projects deal with several aspects. This is partly due to the fact that Structural funds have put a focus on innovation and partnership between public authorities, social partners, NGOs and private actors (these were some of the main principle of the former EQUAL programme), which appear as key factors in delivering integrated approaches.

Yet it should be noted that the points above refer to the *opportunities* opened by structural funds in the field of active inclusion. The reality across the EU is often different and in addition, the focus on social inclusion is often limited to the European Social Fund (ESF), at the expense of the European Regional Development Fund. It is essential to monitor how this takes place in practice, through the development of adequate social inclusion indicators applying to all programmes, and by stating active inclusion as a clear goal for structural funds.

#### **3.2.4. Implementing Active inclusion through a strengthened OMC**

Detailed guidance should be given to Member States for the implementation of Active inclusion according to these recommendations. Beyond the adoption of common principles, the Open Method of Coordination should provide further opportunities to strengthen the EU action on Active Inclusion. In addition, instruments such as a Directive on Social Standards should be considered.

#### **3.2.5. The openness of the process** for the shaping of the guidelines

Between the Commission proposal on the common principles (September 2008) and their adoption by the Council (December 2008), it will be crucial that a dialogue is actually taking place and that there is room for adapting the Commission proposal, on the basis of NGOs reaction as well as conclusions from the October Round Table in Marseille.

#### **3.2.6. Mobilization of public opinion**

Beyond the mobilization of stakeholders, the mobilization of the public opinion is also essential for starting to overcome negative images associated to people experiencing poverty and to social benefits in order to ensure the investment and the positive approach needed for Active inclusion.

Steps leading to the shaping and the implementation of Active inclusion policies should be used as opportunity of public debate and greater visibility of the issues at national as well as EU level.

## **Annex 1 - Resources and documents**

- Commission documents: DG Employment social protection site:  
[http://europa.eu.int/comm/employment\\_social/social\\_protection/index\\_en.htm](http://europa.eu.int/comm/employment_social/social_protection/index_en.htm)  
**Active inclusion web page on Europa website**

- **MISSOC/EUROSTAT**: data on social protection schemes at Member State and EU level.

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In 2006 the **Independent Experts network** funded by the Social Exclusion programme, carried out independent reviews of each member state's implementation of the NAP Inclusion and specifically focused on policies relating to Active Inclusion and Minimum Income. See **the independent experts national reports** and the synthesis report: [Trends, recent developments, active inclusion and minimum resources](#).

## **Annexe 2 - EAPN past action and references**

### **Active inclusion/Minimum income**

EAPN has been concerned to defend and improve minimum income across the EU as part of an overall commitment to minimum social standards. The underlying position has been the need to defend adequate minimum income levels that enable a dignified life, and together with the access to services, provide people with a secure basis in which to build their routes into work or into other activities. In the response to the new Communication, other key concerns are the need to develop supportive activation measures which lead to more and better jobs, as well as developing strategies that empower and meet the needs of all people at risk of poverty and social exclusion, without insisting on work as the only route

EAPN has not developed a position paper on the issue until 2006, although it has been an underlying theme in the work of both the Employment and Social Inclusion Review Group. In 2005 EAPN participated in a workshop at the Social Platform Conference on Fundamental Rights on the subject and produced a special Network News edition. EAPN also contributed to the development of the Social Platform response, and participated in the Parliamentary 4<sup>th</sup> World Intergroup Meeting on the subject on the 15<sup>th</sup> March 2006. EAPN supported the development of the Intergroup Response to the consultation.

**In 2006 and 2007**, EAPN responded to the **two successive stages of the Communication** (see below)

In 2007 EAPN expressed their worries after the EPSCO Council that the wording Minimum resources has replaced Minimum Income and questioned the political will to deliver on this issue. See EAPN press release [Cause for serious concern for the poorest in Europe: EAPN responds to the conclusions of the EPSCO Council \(23/O2/2007\)](#), and took part in the Stakeholder conference on [15 June](#).

EAPN also participated in the EU funded project on Social standard.

Parallel to its policy lobbying it has been decided that EAPN will set a wider campaign re the issue of Minimum Income, and the new Minimum Income Campaign working Group(MICG) has been established in 2007

### **EAPN key references**

All key references are available on the website. [www.eapn.org](http://www.eapn.org), including the relevant edition of Network News, a briefing on Minimum Income, and the final EAPN Response to the Consultation "[Ensuring a Decent Income and a Better Life for All](#)".

Key documents are also available on the Social Platform site: [www.socialplatform.org](http://www.socialplatform.org) including [Social Platform response to the consultation](#). EAPN Ireland has coordinated an EU funded project on Social Standards, several papers have been developed on the issue of minimum income. See website:

[www.eapn.ie/standards](http://www.eapn.ie/standards)

[special issue of EAPN Network News](#) on EAPN Minimum Income campaign

### **Services**

EAPN has formed an adhoc Services Group, which has been focussing on helping EAPN engage with the developments at EU level related to the Services Directive, the Communication on Services of General Interest and Social Services. The group has looked at the implications for EAPN of the Services Directive and the new Lisbon Treaty.

**See EAPN Explainer:** implications for EAPN of the Services Directive and Terms Explained

EAPN has also been active in the **Social Platform Services of General Interest Working Group** and in developing the Platform's position on Services of General Interest ( April 2007) and the current proposals on developing quality principles for social services.  
(See [www.socialplatform](http://www.socialplatform.org) org.)

EAPN has become increasingly concerned to highlight the serious impact of the developments in SGI and particularly of **liberalisation of services** of people in poverty. EAPN has been working with the social platform on highlighting the limitations of the current horizontal evaluations on Services of General Interest, carried out by the commission and lack of social or poverty impact assessment. EAPN has become actively involved in lobbying on **Energy Poverty**, ( At EU and national level) working together with CECODHAS and the public sector union EPSU together with the European Parliament's rapporteur Eluned Morgan on getting specific measures related to Energy Poverty in the new Energy Package and pressing for a legally binding EU Charter for Energy Consumer's rights.

**See EAPN response to the EU Charter and upcoming network news on Energy Poverty (out end of June 2008).**

In July, EAPN is organizing with ATD and the Fourth World intergroup a specific meeting on Energy Poverty involving the rapporteurs on the Energy Package and the Charter and EAPN which will press for further action on Energy Poverty and the Charter.

### **Good Activation for employment**

EAPN has developed a set of criteria for good employment activation see (<http://www.eapn.eu/content/view/135/34/lang,en/>) EAPN has also produced a publication on Jobs and Unemployment in the EU under the title 'Voices form the Poverty Line' see <http://www.eapn.eu/content/view/127/lang,en/>.