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■ BOSNIA AND HERZEGOVINA

Social Exclusion in Bosnia and Herzegovina

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One World Platform for South East Europe and Network for Building Peace¹

The social, political and economic portrait of Bosnia and Herzegovina (BiH) shows a country undergoing a difficult transition to a market economy, ruled by an irresponsible political elite and by global organisations such as the International Monetary Fund, World Bank and various European Union bodies active in its territory. Bosnia and Herzegovina, with its 14 political and administrative decision-making centres², remains unable to address the needs of vulnerable groups of citizens and is incapable of transforming the numerous declarations, statements, ratified conventions, policies, strategies and action plans into reality – and lacks the political will to do so.

Policy and legislation

In 2001, Bosnia and Herzegovina, with the support of the World Bank and the United Nations Development Fund (UNDP), addressed the issue of poverty reduction in its first Poverty Reduction Strategy Paper (PRSP). At the same time, the issue of social exclusion emerged on the agenda of BiH institutions, politicians and civil society on the path to EU accession. In 2007, UNDP released a National Human Development Report on Social Inclusion, which provided a foundation for the development of a government social inclusion strategy (UNDP 2007a). The next step was the establishment of the first Medium-Term Development Strategy (MTDS/PRSP) 2004–2007 and a Social Inclusion Strategy (SIS) for 2008–2013. The Government of Bosnia and Herzegovina is currently working on two strategic documents: the Country Development

Strategy and Mid-term Review of the Social Inclusion Strategy.

Key domestic actors

Institutions responsible for poverty reduction policy and combating social exclusion are the Directorate for Economic Planning BiH, the Ministry of Finance and Treasury BiH and the Ministry of Civil Affairs BiH (national level); the Ministry of Social Policy of the Federation BiH and the Ministry of Health and Social Welfare of the Republic of Srpska (entity level); and the various statistical agencies as expert bodies for the provision of baseline information and benchmarks. Involved in the process, although not directly responsible, are the Council of Ministers BiH, the Ministry of Justice BiH, the Directorate for European Integration BiH, and the Ministry of Human Rights and Refugees BiH.

Civil society organisations have been involved in social inclusion and poverty reduction in Bosnia and Herzegovina for years, and, even if not consulted by the Government, have been monitoring government activities and lobbying for the implementation of social inclusion policies. Worthy of mention is the Social Inclusion Foundation, which will be the mechanism for the involvement of NGOs and will fund medium and small organisations active in the area of social inclusion in the territory of Bosnia and Herzegovina. The first round of funding disbursed more than 1.2 million convertible mark (KM) (€600,000) to 21 organisations. The Foundation's further development is supported by the Swiss Agency for Development and Cooperation, Soros Foundation and the European Union. The Foundation is starting a new funding cycle, which should positively impact on the sustainability of small and medium NGOs in Bosnia and Herzegovina, as well as on transparency and the standard of NGO management.

Another organisation working in the area of social inclusion is the Center for Civil Initiatives, which monitors the actions of institutions. The Centre is conducting a campaign to support the inclusion of Roma people in the labour market and another for the allocation of a percentage of lotto and other gamble revenue to civil society organisations for relevant social projects.

Social exclusion in Bosnia and Herzegovina

As part of its preparations for accession to the EU, Bosnia and Herzegovina must harmonise national social policies with the EU definition of social inclusion. This implies the use of the

five elements of the 'Open Method of Coordination': (i) common goals, (ii) national action plans (NAPs) for social inclusion, (iii) joint inclusion memorandum (JIM), (iv) joint social inclusion reports and social exclusion indicators (Laeken indicators), and (v) exchange of experiences.

In the second draft of the Development Strategy of BiH (for PRSP 2003–2007), the Government defined poverty as:

[T]he term 'poverty' is applied in the sense of insufficient revenues for purchase a minimum basket of goods and services. Today we take that poverty manifests itself in various ways, including lack of income and assets to ensure sustainable livelihood, hunger, malnutrition, poor health, limited or no access to education and other basic services, increased mortality, including mortality from illness; homelessness and inadequate housing conditions, unsafe environments, social discrimination and isolation. Non participation in decision-making in the civil, social and cultural life of the community [is] also an essential characteristic of the negation of human rights. Multidimensionality of poverty as a phenomenon that enables us to think about it as a state characterized by permanent or chronic deprivation of resources, capabilities, choices, security and power necessary for an adequate standard of living and the realization of other civil, economic, political, cultural and social rights. (Second draft material Development Strategy, PRSP 2003–2007)

This broad definition applies the EU definition of the two key terms – social exclusion and (its opposite) social inclusion – to the local context in Bosnia and Herzegovina. The implementation of social inclusion strategies and measures in Bosnia and Herzegovina should particularly focus on sectors such as education, employment, social protection, housing, healthcare and rural development (UNDP 2007a).

UNDP's National Human Development Report 2007 shows that a massive 50% of the population of Bosnia and Herzegovina suffer from various form of social exclusion and the poverty rate is at 18%. Based on a study by Borislav Brozek conducted in 2008, among those living at risk of poverty there are some that are living under the absolute poverty line (on less than USD 1 per day): in the Federation BiH 4.2%; in the Republic of Srpska 13.1%; and

1 Network for Building Peace (MIM) is an informal network of 36 civil society organisations, mainly from BiH, but also a few international organisations, working in all parts of the country that united in February 2010 to promote constructive conflict transformation and peace-building strategies to political stakeholders and citizens to contribute to democratic stabilisation, reconciliation and the development of BiH.

2 Bosnia and Herzegovina has a central state and is divided into two entities: the Republic of Srpska and the Federation. These entities have their own political structure and administration. There is also the District of Brčko, under the exclusive sovereignty of the State of BiH, with a single, multi-ethnic, democratic government (Organization for Security and Co-operation in Europe 2010). This has led to a lack of agreement between the political bodies, mostly at the entity level, making it difficult for BiH to move forward in one direction.

in Brčko District 25.8% (Brozek 2009).

What emerges from the different analyses and data interpretation is that there are no sensible differences in the statistics for poverty between the Federation of BiH and Republic of Srpska. However, some indicators show that the rural population is more vulnerable, due to lack of access to education and social services, very often combined with the specific status of being a returnee or displaced person, and being a 'minority' in a country still heavily polarised around the issue of ethnicity and nationalism. This population is especially affected by the absence of agreement between institutions (mainly at the entity level) that share competence over education, healthcare and social care. As a result, many people do not have access to public healthcare services and pensions. Estimates indicate that around 20% of the population is without health insurance (Brozek 2009). Moreover, employers are not paying the contributions required by law. So, some people discover, once they retire, that they actually have no pension rights. Another preoccupying issue is that about 16.4% of employed people are poor (Brozek 2009), highlighting the fragility and social injustice within the labour market where minimum salaries are applied without incentives or provisions for worker skill improvement, keeping workers locked in a survival cycle.

Over the years, the situation has not evolved; so we reach a point where, as Steven Allen, Regional Director of UNICEF for Central and Eastern Europe and Central Asia, recently pointed out, 170,000 children in Bosnia and Herzegovina live below the poverty line, most of them coming from vulnerable social groups such as Roma or from internally displaced families (One World SEE 2010). Families with three or more children are especially vulnerable, with more than two-thirds of them living in serious poverty (One World SEE 2010). It is important when looking at these figures and groups not to forget that gender adds a transversal and intrinsically related layer of vulnerability. Women with disabilities, single mothers and girls suffer severe social exclusion in an environment where scarcity of resources is combined with a patriarchal belief system. This results in women becoming second-class citizens or second-class members of local communities (UNDP 2007b, p 43).

Incompetence and corruption – A strategy of 'cut and take from the poor'

The injustice in the public sector is highlighted by the income earned by parliamentarians and ministry officials, whose salaries are 11 to 13 times higher than the average salary in Bosnia

and Herzegovina (which is €394 per month), and increasing every year. The monthly salaries of some government officials are given below (Brozek 2009):

1. Chair and Vice-Chair of House of Representatives Federation BiH is 4659 KM (€2335)
2. Chair of Political Party Club and People's Club is 4552 KM (€2281)
3. Parliamentarians and delegates is 4498 KM (€2254)

If we add the lack of control and limits on the use of public cars, telephones, subsidies for apartments and payments for attending working groups, combined with the inefficiency and incompetence generated by non-transparent employment procedures, we get the picture of a public sector that is exploiting its own country and misusing citizen's taxes and international grants and funds.

In this environment, the global economic crisis represents both a challenge and an opportunity. It is a challenge because it has led to the collapse of the private sector in Bosnia and Herzegovina, and also because of the pressure from the International Monetary Fund to reduce social guarantees and expenditure. It is an opportunity because the International Monetary Fund has requested the Government to reduce public administration expenditure. As a response to the crisis, Bosnia and Herzegovina decided to cut public expenditure by a flat 10%. This sparked protests and a call for more articulate measures that would impact on different social groups in proportion to their income. The protests of pensioners, disabled people, invalids, and workers from private and privatised enterprises went unnoticed, while the protests of ex-combatants and war veterans took precedence. On 21 April 2010, after months of promises and negotiations, a protest erupted into several hours of riots in front of the Federal Government Building in Sarajevo. Sixty people, including 22 members of the riot police, were injured in the protest. The protest was led by a group of veterans who, despite receiving the maximum privileges, did not want to accept the 10% cut. Ultimately, the cut was enforced, but ex-combatants saw their salary base increase later in the year. This situation is typical of the way authorities in Bosnia and Herzegovina have responded to the crisis and underlines its unsustainable strategy of ensuring continuity in power by buying 'social peace'.

Before the general political election in 2007, as a social support measure, ex-combatants from the war of 1992 to 1995 were entitled to receive financial support. A group of 109,000 people who fought in this war, whether for a day or the whole war, became entitled to lifelong

privileges and state contributions, with monthly allowances ranging from €150 to €1000. For the year 2008, the Ministry for Veterans and Invalids Federation of BiH had the highest budget of 407,253,864 KM (€208,225,594), followed by the Ministry of Work and Social Policy Federation of BiH, which is responsible for all the other vulnerable categories whether they are disabled, children, single mothers or unemployed, with a budget 292,494,778 of KM (€149,613,697). Other strategic ministries such as those for education and health had budgets that were 20 or more times smaller (CPI 2010b).

The lesson we learnt from this event is that a reverse strategy of 'cut and take from the poor' is being applied by authorities in Bosnia and Herzegovina to balance public finances. Despite protests, the salaries of parliamentarians have continued to increase; this small group of 120,000 (in a country of 4 million) have succeeded in having their privileges protected. To make the paradox even more striking, the average family of four members with one working member pays 757 KM (€379) in taxes and other payments annually to state budgets and public funds, despite the fact that their salary is insufficient to meet their own basic needs.

Recommendations

Bosnia and Herzegovina has a long way to go to build an inclusive society. The process requires a change in the mindset of the people, an understanding of the territory as a fluid and open space where the destiny of one is related to the destiny of everyone else. It requires building a horizontal partnership against vertical hierarchical and ethnic decision lines. It requires citizens and civil society organisations to see themselves as part of a community sharing rights and obligations in a specific geographical area or sector, regardless of ethnicity, religion or sexual orientation.

When it comes to recommendations or concrete steps, it is more about strengthening and ensuring continuity than about starting something new. However, there are some main lines along which there is a need to build knowledge, understanding, participation and consensus. The following steps need to be taken to build an inclusive and just society in Bosnia and Herzegovina:

1. Increase the use of the law on access to information as a way of holding the government accountable for its policies and allocation of resources.

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■ BULGARIA

Impact of the Global Economic Crisis on Social Exclusion in Bulgaria

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The global economic crisis hit Bulgaria in 2009 and its macroeconomic impact continued in 2010. Household income shocks have been experienced primarily through a contraction of the labour market. The most significant impacts have been concentrated among the most vulnerable and distributed unevenly across ethnic groups. Poor households have been unable to cope with the decline in income and have had to reduce expenditure on health, education and social contributions such as healthcare.

Defining poverty in Bulgaria

Bulgaria is the poorest country in the EU with an annual income per capita of USD 12,600 in 2009 (Eurostat 2009). Bulgaria adopted the Eurostat official poverty line for the first time in 2007. At the end of 2009, a new poverty line was set at Bulgarian lev (BGN) 211 per month (about €108 as at 8 February 2010). The minimum wage is established by the Government after consultation with trade unions and employers. Table 1 shows that the minimum wage came very close to the poverty line in 2009 (BGN 240 per month compared to a poverty line of BGN 194) and is expected to come even closer in 2010 (BGN 240 per month compared to a poverty line of BGN 211).

The trade unions and civil society in Bulgaria have raised the question of the applicability of the Eurostat methodology for determining the poverty line in Bulgaria. The Eurostat method is referred to as the 'at risk of poverty rate' and set at 60% of the median equivalent income. The poor in Bulgaria are a relatively constant share of the population – about 1.1 to 1.2 million people out of 7.6 million (Economic and Social Council of Bulgaria 2009).

Data from international comparisons shows

that the relative share of the poor in Bulgaria does not differ a lot from that in the EU Member States, including newly acceded countries. However, there are considerable differences in the poverty lines used by the different Member States. For example, in Bulgaria, the poverty line in euro is 2.8 times lower than the average for newly acceded countries and 13 times lower than the average poverty line for the old EU Member States (EU15).

The differences in poverty lines are reduced considerably when measured in purchasing power parity (PPP). Using PPP, the poverty line in Bulgaria is two times lower than that in newly acceded countries and about five times lower than that in the EU15.

It should be noted that pensions, as a basic social safety net, are of the utmost importance in reducing poverty in Bulgaria. Despite their low nominal amount, pensions (mostly received by older members of households and disabled persons) constitute a relatively high share of total household income. Other social security benefits have considerably less influence on poverty reduction. Data for 2008 show an at risk of poverty rate of 43.5% before social security payments, which declines strongly to 18.3% when pensions are taken into account, and to barely to 14.4% when other types of social security are included (Economic and Social Council of Bulgaria 2010).

Mechanisms for setting the minimum wage and the social security system according to the poverty line are under discussion. At present, the poverty line is not used to determine the level of social security benefits and allowances. The Government is committed to improving the method used to set the poverty line, including developing appropriate political mechanisms for linking the poverty line and the minimum wage. However, given the current crisis, it might be more appropriate to postpone any decisions

on these issues until better economic times. At the end of 2009, the promise was that 2011 will be the turning point. This remains to be seen.

Social impact of the global economic crisis

The Bulgarian economy was moderately affected by the global economic crisis in 2009, experiencing a 5% decline in GDP (compared to growth of 6% in previous years). The impact of the crisis tended to be felt by households after the peak of the macroeconomic contraction. The World Bank partnered with the Open Society Institute in Sofia in late 2009 to assess the impact of the crisis on households. The primary tool used to conduct this assessment was a Crisis Monitoring Survey, which quantified the economic impact of the economic crisis on households and individuals.

The first results of the Crisis Monitoring Survey were presented in May 2010 to the Government and the public (World Bank and Open Society Institute 2010). Some of the main findings of the survey are presented here.

Who has been affected and how?

The global economic crisis has affected household income through salary cuts, reduced working hours and even job losses. Vulnerable groups, like those with low levels of education and Roma people, have been the worst affected.

- **Decline in household income:** Approximately 30% of households reported a decline in income between March 2009 and February 2010 due to labour market shocks, a decline in family businesses, decreased remittances, increased mortgage payments and the cessation of social security benefits.
- **Salary cuts and reduced working hours:** Approximately 34% of workers reported an income shock through their job, primarily through lost or reduced employment or reduced wages. Salary cuts and reduced working hours affected close to 30% of workers (salary cuts 15.6%; reduced working hours 15.9%). Salary reductions have been concentrated in the private (informal) sector.
- **Unemployment:** Job loss resulting in unemployment, which is the most severe type of labour market shock, has affected 6.3% of workers in Bulgaria. Job losses were concentrated in construction and manufacturing.

Table 1: Correlation between minimum wage, poverty line and average wage 2007–2010

Year	2007	2008	2009	2010
Official poverty line (in BGN per month)	152	166	194	211
Minimum wage (in BGN per month)	180	220	240	240
Average wage (in BGN per month)	430	524	578*	600**
Minimum wage/official poverty line (%)	118.4	132.5	123.7	113.7
Minimum wage/average wage (%)	41.9	42.0	41.5	40.0

Notes: EUR 1 = BGN 1.96

* Figures are for the first nine months of 2009, ** Estimates are for the first nine months of 2010

Source: Institute for Social and Trade Union Rights (2009)

Table 2: Poverty in Bulgaria 2004–2009

Laeken indicators of poverty	2004	2005	2006	2007	2008	2009
Median equivalised disposable income per month (BGN)	237.03	253.51	277.64	322.52	352.38	384.37
Mean equivalised disposable income per month (BGN)	261.21	276.02	298.38	348.94	391.69	418.67
At risk of poverty threshold (BGN)	142.22	152.10	166.59	193.51	211.43	230.62
At risk of poverty rate (%):						
• Total before social security benefits	40.1	39.1	40.5	40.5	43.5	46.9
• Total including pensions, but before other social security benefits	17.6	17.2	16.9	17.2	18.3	18.4
• Total including pensions and social security benefits	15.3	14.2	13.9	14.1	14.4	14.7

Note: The at risk of poverty rate is discriminated by various criteria in Table 3.

Workers from the most vulnerable groups – those with only a primary education or less, or Roma people – were most likely to suffer from unemployment (World Bank and Open Society Institute 2010).

How have people coped with the crisis?

Bulgarians have tried to cope with the crisis by seeking additional work, relying on savings and taking loans, and drawing on remittances and social security benefits.

- **Additional work:** Most households have tried to cope with the reduction in income by sending non-working family members to look for work or by seeking additional part-time work – but only the well-educated and rich have succeeded in finding additional work. Of the households that are crisis-affected and

poor, 60% have looked for additional work and failed to find any.

- **Savings and loans:** Only 22% of Bulgarian households reported having any savings. Most of the crisis-affected households reported having no savings and being in debt.
- **Informal transfers:** Approximately 20% of households reported relying on some type of informal transfer (14% of households received remittances from abroad), and 6.7% of households sought, but did not receive, informal transfers.
- **Social security benefits:** Key social assistance programmes (child allowance, heating allowance and the guaranteed minimum income programme) are responding to the crisis – however, only 60% of households

from the poorest quintile who suffered an income shock are receiving at least one benefit from these three programmes (World Bank and Open Society Institute 2010).

What are the impacts of the crisis on people's social rights?

The crisis has impacted on people's social rights by reducing consumption including forcing some to skip meals, as well as reducing spending on health, education and social safety nets like insurance.

- **Consumption:** Households responded to the economic contraction by reducing expenditure on basic necessities: 41% reported reducing use of basic utilities, 29% reduced consumption of staple foods and 8% reported skipping meals.
- **Health:** As in other Central and Eastern European countries, crisis-affected households have significantly reduced expenditure on health, including stopping use of regular prescribed medications and skipping visits to doctors.
- **Social contributions/insurance:** Crisis-affected households were more likely to stop paying social contributions and health insurance – increasing their vulnerability if exposed to additional shocks (falling ill or becoming unemployed) (World Bank and Open Society Institute 2010).

Pension system

Recent changes in the pension system in Bulgaria have led to the provision of higher pensions, but they have put significant pressure on Bulgaria's budget. While this is partly a result of the recession, it also reflects a number of policy changes. The National Social Security Institute estimates that pension payments were raised by about 17% in 2009. At the same time, the compulsory pension contribution rate was lowered from 22% to 18%. In combination with the economic downturn, this has reduced pension contributions by over 11% (NSSI 2009).

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Table 3: At risk of poverty rate according to different factors in Bulgaria 2004–2009

Factor	2004	2005	2006	2007	2008	2009
According to age						
• 0–15	21.5	17.8	15.1	18.8	17.1	21.4
• 16–64	13.9	12.4	12.3	12.0	12.5	13.4
• 65+	15.7	17.5	18.0	17.7	17.8	14.9
According to gender						
• Male	13.0	12.8	11.8	11.3	12.7	12.8
• Female	17.4	15.4	15.7	16.6	15.8	16.4
According to other factors						
At work – total:	6.8	5.9	5.5	5.0	5.0	5.7
• Employed	6.9	5.6	5.7	4.9	4.5	5.3
• Self-employed	6.1	8.7	2.8	5.9	10.0	9.8
Not at work – total:	19.3	19.5	20.2	20.5	21.4	20.4
• Unemployed	33.8	34.2	35.8	37.9	43.3	44.0
• Pensioners	14.8	16.4	16.9	17.5	17.0	15.5
• Other/inactive	17.3	14.8	15.6	15.5	19.9	17.0
Household type:						
• Households without children	12.7	13.3	13.4	12.9	13.9	12.8
• Households with children	17.8	15.1	14.4	15.4	14.9	16.9
Ownership status:						
• Owners and rent free	14.8	13.7	13.9	14.4	14.5	14.6
• Tenants	29.6	24.6	14.7	2.8	10.4	18.2

Note: The total at risk of poverty rate including pensions and social security benefits is shown in Table 2.

■ CYPRUS

Poverty and Social Exclusion in Cyprus: Progress and Pension Reform amidst a Global Economic Crisis

Odysseas Christou, Charalambos Vrasidas, Michalinos Zembylas and Sotiris Themistokleous
CARDET

Poverty and social exclusion in Cyprus have remained essentially unchanged since it joined the European Union in 2004. The most significant group at risk of poverty remains the elderly (65 and over) of both genders. Policies have been enacted targeting poverty among the elderly, as well as poverty in general, in line with EU and global initiatives. However, the achievement of policy goals needs to be monitored and policies need to be re-evaluated in a timely manner.

Introduction

In 2010 – the year designated by the European Union for Combating Poverty and Social Exclusion – approximately 84 million Europeans are living at risk of poverty – almost 17% of the EU's population (Wolff 2010, p 1). During this year, EU Member States aim to raise awareness about these issues and bring them to the fore of their respective national political agendas. Particular attention is being paid to recognising vulnerable groups, that is, individuals who may not have access to social, political and cultural rights due to social exclusion and marginalisation. In this way, it is hoped that the EU will combat stigmatisation and the proliferation of stereotypes (see official website <www.2010againstopoverty.eu/homepage.html?langid=en>).

Within the framework of actions associated with this campaign is a renewed effort to advance the state of knowledge on poverty and vulnerable groups. The EU has called for surveys and studies that examine the link between poverty and the basic rights of indi-

viduals to identify policies that prevent and combat poverty and social exclusion. These initiatives are being carried out within an Open Method of Coordination (OMC) framework. The fundamental principles of an OMC framework are: the determination of common overarching objectives, the definition of specific measures (such as statistics and quantifiable indicators) by which to accurately assess the current state of specific policy areas, and the use of benchmarking to facilitate the comparative analysis of policies and the exchange of best practices.

One of the key issues concerning both the causes and the effects of poverty is a clear definition of the phenomenon. There are two fundamental understandings of the term. The first is a lack of basic necessities for survival, commonly referred to as absolute, extreme or abject poverty. The World Bank defines poverty as “pronounced deprivation in wellbeing” (Haughton and Khandker 2009, p 1) and sets the poverty threshold at USD 2 per day (2005, in Purchasing Power Parity terms) as a consistent metric with global applicability. The same logic is used by the United Nations in setting the first Millennium Development Goal of eradicating extreme poverty and hunger: the primary target of the Millennium Development Goals is to halve the proportion of people who have an income of less than USD 1 per day by the year 2015.

The other metric in common use is that of relative poverty, which is employed by the European Union (European Anti Poverty Network 2009, p 5). This method is more context-dependent, as it establishes a comparative benchmark for inequality among the more and less affluent, usually within a particular national setting. This metric is called the ‘at risk of poverty’ threshold

and is set by the EU at 60% of the median household income for each Member State.

An additional area of concern is the segment of the population referred to as the ‘working poor’ (Eurofound 2009, p 23). These are fully employed individuals whose level of income is sufficiently low that they face the same conditions and challenges as those associated with poverty. This relationship has additional consequences, as certain groups, such as women and third country nationals, tend to disproportionately fall into this category of full employment and poverty. In other words, poverty and social exclusion cannot be considered in isolation from other socioeconomic phenomena. Rather, they should be examined as one component of complex – and possibly interdependent – processes that are best addressed through multifaceted policies with specific goals.

Measuring poverty at the national level in Cyprus

Using the methodology described above, some clear patterns emerge as to the relative levels of poverty – and associated social exclusion – when comparing Cyprus to the rest of the European Union. According to data from EU Statistics on Income and Living Conditions (Eurostat 2009) collected between 2005 and 2008, there are some distinct groups that face particular challenges. The most prominent among these are women of all ages, individuals aged 65 and over of both genders, single-parent families and people with disabilities.

The data show that at risk of poverty patterns remained largely consistent between 2005 and 2008, both at the national level in

Table 1: At risk of poverty in Cyprus and EU27 by age group (%), 2005–2008

	Male				Female				Total			
	2005	2006	2007	2008	2005	2006	2007	2008	2005	2006	2007	2008
Cyprus, aged 0-17	14	13	11	13	12	12	12	14	13	12	11	14
EU27, aged 0-17	19	19	19	19	19	19	19	20	19	19	19	19
Cyprus, aged 18-64	10	8	9	9	13	12	13	13	11	10	11	11
EU27, aged 18-64	14	14	14	14	15	15	15	15	14	15	15	14
Cyprus, aged 65+	47	47	50	43	53	54	54	54	21	21	52	49
EU27, aged 65+	16	17	16	16	21	21	21	21	19	19	19	19
Cyprus, Total	15	14	14	14	18	17	18	18	16	16	16	16
EU27, Total	15	15	15	15	17	17	17	17	16	16	16	16

Source: Eurostat 2009

Cyprus as well as in the EU as a whole. Cyprus generally ranks lower than the EU average for at risk of poverty rates for both genders and all age groups, except for one major caveat; the Cypriot elderly (65 and over) are at much higher risk than the average EU citizen in the same demographic group (Table 1). In 2008, only Latvia had a higher rate for over 65s at 51%, compared to Cyprus' 49%. By way of contrast, Hungary's rate was a mere 4%. According to Andreou and Pashardes (2009, p 48), "the very high poverty rate associated with old age in Cyprus is due to the immaturity of the current old age pension system guaranteeing a decent pension to private sector retirees".

Cyprus' national strategy and programme for combating poverty and social exclusion

Cyprus' strategic approach to combating poverty and social exclusion is elaborated in its National Strategy Report on Social Protection and Social Inclusion (NSPSI) for the period 2008–2010 (Social Welfare Services 2008). The four pillars of the current strategy are: reducing the risk of poverty, promoting the active participation of vulnerable groups in the labour market, preventing the social exclusion of children, and modernising institutions for reinforcing procedures and policies of social cohesion. The National Strategy Report acknowledges the link between unemployment and social exclusion and places both variables in the context of the same overarching process. In this regard, it is a positive sign that Cyprus exhibits one of the lowest rates of long-term unemployment in the European Union at 0.7% and an overall employment rate of 71%, which is above the EU average of 65.4% (Eurofound 2009, p 6).

The 2009 Joint Report on Social Protection and Social Inclusion of the European Commission identifies a series of challenges for Cyprus (European Commission, Directorate-General Employment, Social Affairs and Equal Opportunities 2009). A key priority is improving the position of women and vulnerable groups – especially people with disabilities, immigrants and asylum seekers – through comprehensive policies for their active inclusion in employment and social life and through equal access to services. Moreover, the Report calls for continued efforts towards achieving better governance and increased social participation in the development, implementation, monitoring and evaluation of policy interventions. The Report also pays particular attention to the most vulnerable demographic group of all and calls for the management of the high poverty risk for persons aged 65 and over. Andreou and Pashardes (2009) assert that pension reforms

enacted in 2009 will help alleviate this particular challenge by dealing with the deficiencies of the current old age pension system through targeted increases in pension fund apportionments for this group.

The National Programme of the Republic of Cyprus for the implementation of the 2010 European Year for Combating Poverty and Social Exclusion promotes the recognition of the rights of poor and socially excluded persons (European Social Fund Unit 2010). This may be accomplished by encouraging a sense of shared responsibility and participation among private individuals in efforts to combat poverty and social exclusion and to promote a more cohesive society. Considering the multi-dimensional nature of poverty and social exclusion, the National Programme aims at the development of a comprehensive approach, connecting poverty and social exclusion with other relevant issues such as equality of opportunity for all and combating discrimination. In this way, the issues of poverty and social exclusion are further integrated into a holistic approach to targeting social problems. This approach illustrates the alignment of the specific goals of this Programme with the broader objectives of the Millennium Development Goals.

More specifically, the four thematic priorities of the National Programme for the implementation of 2010 as the European Year for Combating Poverty and Social Exclusion concern:

1. The promotion of multidimensional, comprehensive strategies to prevent and reduce poverty including child poverty, the transmission of poverty from generation to generation and poverty within families;
2. The promotion of inclusive labour markets and comprehensive approaches for active inclusion and the eradication of obstacles to access to education and training;
3. Ensuring equal access to adequate resources and services (housing, health and social insurance), and the facilitation of access to culture and leisure opportunities; and
4. The tackling of gender, age and ethnic origin dimensions of poverty, overcoming discrimination and the promotion of the social inclusion of immigrants and ethnic minorities, as well as the development of mechanisms that address the needs of people with disabilities and their families and other vulnerable groups.

While this strategy targets the right objectives, its likelihood of success is dependent on external factors, such as the state of the economy at national, regional and global levels. Given the current economic conditions, it is difficult to determine whether specific funded

programmes will be deemed sustainable in the near future, especially in areas that have redistributive consequences such as pension reform. Whether these improvements can be further refined, as the full impact of the global economic crisis on Cyprus' vital tourism industry is assessed, remains to be seen.

Conclusions and recommendations

An assessment of the situation in Cyprus regarding poverty and social exclusion places it at close to the average in the European Union. However, Cyprus faces a serious challenge regarding the conditions experienced by those 65 years and over due to the inability of the current pension system to meet their needs. The strategic policy framework at the national level in this area reflects a convergence towards the overarching objectives of the 2010 European Year for Combating Poverty and Social Exclusion and the UN Millennium Development Goals.

1. A future assessment of Cyprus' national policy framework and its implementation is necessary to evaluate the level of progress achieved and remaining gaps that need to be addressed at the policy level.
2. Monitoring is also necessary to ensure that measures enacted do not introduce other economic issues, such as by placing an undue burden on the economy at a time of global recession. ■

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■ CZECH REPUBLIC

Discrimination and Social Exclusion in the Czech Republic

Jana Fialová and Markéta Kovaříková
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Discrimination and social exclusion still exist in the Czech Republic, especially among the Roma Community, but there have been ongoing improvements. The goal of the State, local authorities, civic associations and individuals should be to strive to promote equality and social inclusion and to eradicate poverty.

Legal framework for protection against discrimination

How does discrimination influence social relations in Czech society? To answer this question, we must realise that a common reason for social exclusion in the Czech Republic is discrimination itself.

Policies must be formulated and implemented carefully; some strategies can negatively affect the social status of vulnerable individuals and groups, impacting on their already limited access to education, employment or services. To ensure equal treatment, it is necessary to have an effective tool to fight discrimination. In September 2009, the citizens of the Czech Republic finally received such a tool in the form of the Equal Treatment and Legal Resources Act (Coll. 198/2009), commonly known as the Anti-discrimination Law. This newly enacted protection against direct and indirect discrimination, as well as molestation and vexation, complies with European standards and represents a translation of EU anti-discrimination guidelines into Czech national legislation. The law defines basic concepts and sets a clear boundary as to what shall and what shall not be regarded as discrimination. It grants victims of discrimination the right to pursue justice in court, both to stop unlawful action and to remove its effects. Victims can also demand an apology and, in justifiable cases, financial compensation for non-financial damage. The position of a victim of discrimination in a judicial proceeding is also strengthened by the fact that the onus is on the defendants to prove they are not guilty of unlawful conduct. Only time will tell if this enactment is effective, but the active participation of the target group and their awareness of their own rights will be a key issue.

Social exclusion as one of the results of discrimination

There are a number of factors affecting social exclusion, and this condition can lead to a cycle

in which the situation of the affected person deteriorates until they reach the very bottom of society. In the Czech Republic, the term 'social exclusion' is usually associated with regions where the Roma form the majority. Although being part of an ethnic minority does not presume a higher risk of social exclusion, an enquiry by the Ministry of Labour and Social Affairs in 2006 (Gabal Analysis and Consulting 2006) revealed the existence of as many as 300 Roma localities affected by social exclusion. The issue of social exclusion, however, should not be regarded as solely a Roma issue, as it affects other social groups as well. Nevertheless, it is a part of life for many Roma families.

The results of the research by the Ministry reveal that the key factor causing the exclusion of Roma people from the social life of the majority is their excessively high unemployment rate. Roughly speaking, the high percentage of unemployed people in the Roma community is the result of limited access to elementary education. Apart from very obvious discrimination and the segregation of Roma children in schools, their parents' unawareness and underestimation of the importance of education is an important factor in the low enrolment rate of Roma children. Low education and qualification levels are symptomatic of socially excluded people and, unfortunately, pre-determine their future life to their disadvantage. It is very hard for a person with a low level of education to find a good job, and the situation is even more complicated if this person is a member of a discriminated social group (the disabled, Roma).

Low levels of education, together with commonly experienced unequal treatment, greatly disadvantage Roma people in the labour market. To be unemployed is to be dependent on the social security system (government benefits). Over time, such a person loses work habits, ceases to plan for the future and lives from one day to the next. After losing the income from employment, housing conditions usually deteriorate or housing is lost altogether. A consistently bad financial situation can lead to high indebtedness and, sometimes, to addictions (alcohol, gambling) or even criminal activities. The longer the person remains socially disadvantaged, the harder it is for them to re-integrate into society. The vicious cycle is complete: Dependence on social security payments can lead to low economic standards,

usury, indebtedness, unpaid rent, execution and often eviction.

Discrimination in housing

The issue of discrimination in housing has been relatively neglected. Just like any other kind of discrimination, this issue is not limited to the Roma population, but, in their case, it is again part of a set of interrelated problems that complicate their access to decent housing and contribute to their social exclusion.

To understand discrimination in housing, the following case is presented from the work of the Czech Helsinki Committee in collaboration with *Zvule Prava*. At the beginning of the 1990s, the Roma citizens of a city in the Czech Republic were moved into residential houses near the city centre. Over the course of time, these new localities proved to be desirable and the price of property increased, and so the Roma were no longer welcome. In 2009, the city council sold the houses and land to a private company for just a fraction of their real value. The council justified the low sale price by pointing to the bad condition of the buildings, the need for reconstruction to be financed by the buyer and, foremost, the obligation of the buyer to provide all the tenants in the buildings with an equivalent housing alternative. In reality, the company failed to do so. Sometimes the housing offered to existing tenants did not meet elementary sanitation standards or was owned by a private proprietor charging more than three times the rent.

It is common practice in the Czech Republic to sign a temporary lease for three months to ensure that tenants fulfil their obligations. Their disadvantageous position is exacerbated by the fact that housing benefits are dependent on permanent residence. Landlords usually do not want tenants to have their domicile in the rented house. Although the law does not explicitly state that consent of the landlord (lease giver) is necessary to obtain domicile, landlords often prohibit this possibility as a condition of the lease contract. Tenants without social security benefits who are unable to pay rent find themselves in a social trap. After eviction they either end up in an overpriced commercial lodging or asylum, or they are moved into a *holobyť*, which is the most basic form of housing provided to people who have been evicted for not paying rent. Although this form of accommodation has existed since 1994, there is no legal definition of a *holobyť* (Baršová 2001). It is basically a

minimum space, with minimum furnishings and usually with shared sanitary facilities in the corridor. It is not uncommon for *holobyt* facilities to be considered social housing, even in cases where they are constructed from containers, which is, unfortunately, not rare. Housing is the most pressing and most common concern on the agenda of social guidance bureaus.

Organisations working in the field of social exclusion

Since 2008, the Agency for Social Inclusion has been active in Roma localities as a newly created department of the Office of the Government of the Czech Republic. In March 2010, the Agency extended its activities to 10 new socially excluded localities, reaching a total of 33 municipalities or regions. Legal steps are being prepared to transform the Agency for Social Inclusion into an independent authority with a nationwide reach.

The task of the Agency is to monitor these localities, especially with regard to the needs of their inhabitants (for housing, education, employment and access to social services) and, later, to use this knowledge in setting up social inclusion programmes in which a local partner organisation cooperates with local authorities, representatives of the public administration, and other organisations, especially local non-profit organisations. One of the benefits of this co-operation is the creation of dialogue between organisations working to find permanent solutions and source financial resources from the structural funds of the European Union for individual integration measures. With their integration programmes, especially social fieldwork and social and legal guidance, a whole range of non-governmental and non-profit organisations and associations in the Czech Republic are

contributing significantly to the improvement of the quality of life of people threatened by social exclusion.

State support and a social safety net for people at risk of poverty is an integral part of the executive and legislative functions of every democratic society. In the Czech Republic, however, one can expect significant changes and cuts in the social system due to the current high budget deficit and the global economic crisis. All these issues will be discussed with the newly forming Government of the Czech Republic during the coming years.

Conclusion and recommendations

The Czech Republic, as well as other EU Member States and the Union itself, has a long way to go to achieve equality and social inclusion and to eradicate poverty. The impacts of the global economic crisis on individual economies have slowed this process even more, a fact that the highest representatives of the EU have duly noted. Meeting at a Summit in Brussels on 16 and 17 June 2010, they defined five main goals for the incentive 'Europe 2020', one of them being to decrease (originally by 25%) the number of people living below the poverty line by approximately 20 million. The Eurobarometer estimates that there are around 80 million EU citizens living under the poverty line (which means their income does not exceed 60% of the average income in the country) (European Commission 2009). While Eurostat speaks of 17% as the European average, only 9% of people in the Czech Republic are at risk of poverty, the lowest number among all the EU Member States. But sociologist Jan Keller points out that the conclusions of this study are misleading, as there are a great number of people in the Czech Republic who live just above

this line (Pešička and Piroch 2010). Mareš and Sirovátka report that:

Some dimensions of social exclusion, on the other hand, such as the political or cultural dimension, lie mostly outside the field of action of social policy. For these reasons it is necessary to accept the assumption that while a complex approach of social policy to social inclusion is indispensable, it does not cover all dimensions of social exclusion and can therefore present no entirely reliable and sufficient solution. The scheme covers areas/dimensions of social exclusion and its indications, together with the conditions of social inclusion and types of social policy measures enabling such inclusion. While social policy measures have a great influence on the economic dimension of social exclusion (consumption, activity on the labor market) and these dimensions are traditionally in the focus of social policy, their influence on the social dimension is only partial. The effect of social policy measures on the political or cultural dimension of social exclusion is even more limited. (Mareš and Sirovátka 2008)

Key factors in the resolution of the problem of social exclusion include:

1. The targeted elimination of individual causes of social exclusion, e.g., focusing on education, improving the employment rate, provision of leisure activities for youth, and the creation of conditions for social housing and its availability.
2. The establishment and cultivation of co-operation between the public administration, local authorities and non-profit organisations at the local level. ■

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Table 1: Dimensions of social exclusion and inclusion, areas of social policy

Social exclusion		Social inclusion	
Area	Indication	Precondition	Social policy
Economic activities	<ul style="list-style-type: none"> • consumption • poverty and material deprivation 	resource redistribution: <ul style="list-style-type: none"> • income • housing • other resources 	<ul style="list-style-type: none"> • income support • social services • housing support
Market activities	<ul style="list-style-type: none"> • jobs • un/employment • working conditions 	<ul style="list-style-type: none"> • flexible approach (principle of equal chance + social capital) • abilities (human potential) 	<ul style="list-style-type: none"> • work incentives • measures against discrimination (such as positive discrimination, active employment policy, lifelong learning, social services)
Social activities	<ul style="list-style-type: none"> • (non-)participation in social contact • limited width and quality of contact 	<ul style="list-style-type: none"> • social contacts and networks • quality of contacts and networks • trust in other people 	<ul style="list-style-type: none"> • social work • prevention of isolation • empowerment • participation • partnership
Political activities	<ul style="list-style-type: none"> • (non-)participation in political activities such as elections • membership in associations 	<ul style="list-style-type: none"> • trust in institutions • legitimacy of representation and the political system 	<ul style="list-style-type: none"> • access to realisation of political and civic rights • recognition policy

Source: Mareš and Sirovátka (2008)

■ FRANCE

Poverty and Social Exclusion in France: Worrying Tendencies

French Platform on Economic, Social and Cultural Rights¹

Inequalities in economic, social and cultural areas have increased significantly in France in the recent past, reflected in the increasing inequality in salaries; a sharp increase in the number of poor workers; the strengthening of French immigration policy to the detriment of the economic, social and cultural rights of immigrants; and challenges to access to the right to education, particular for disabled people and non-sedentary people like the Roma. The Roma people are a particularly vulnerable group who, in the process of becoming sedentary, often live in situations that are not conducive to health and wellbeing, and are repeatedly the victims of eviction and deportation. In view of these rising inequalities and serious fundamental rights violations, it is clear that the public policies implemented in France in recent years have not resulted in a convincing solution, but have exacerbated the situation.

Poverty and social exclusion in France

As a signatory to the International Covenant on Economic, Social and Cultural Rights (ICESCR), France has an obligation to respect, protect and implement these rights. However, it is clear that current practices in France actually impede access to economic, social and cultural rights for many people. During the current economic crisis and with the elaboration of policies aimed at addressing the effects of the crisis, groups, families and individuals in France are increasingly being excluded.

The issue of the 'justiciability' of economic, social and cultural rights is particularly decisive and demonstrates the importance of access to effective avenues of appeal in the implementation of these rights. This leads us to our first recommendation.

¹ The French Platform on Economic, Social and Cultural Rights is composed of 56 organisations, associations and unions and works for the ratification of the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights by France. The following member organisations were involved in the writing of this report: Mouvement International ATD Quart Monde, Coordination Nationale des Comités de Défense des Hôpitaux et des Maternités de Proximité, Coordination Sud, Fédération des Associations pour la Promotion et l'Insertion par le Logement, Fédération Syndicale Unitaire, Union Syndicale Solidaires, Sherpa and Terre des Hommes France.

Recommendation

1. France should ratify the Optional Protocol to the ICESCR, which has direct relevance to the fight against social exclusion and the improvement of living conditions for all.²

Right to education

Education enables economically and socially marginalised adults and children to move out of poverty and fully participate in the life of their community. The right to education is essential for the exercise of other human rights (French Platform on Economic, Social and Cultural Rights 2008).

The strengthening of France's immigration policy has led to a questioning of the right to education: the education of many children, teenagers and young adults from undocumented migrant families is compromised or interrupted by deportation measures, which are increasing. The schooling of students with disabilities in 'ordinary' classes has been compulsory since February 2009, but due to the lack of accessible rooms and staff to accompany these students, between 10,000 and 15,000 disabled children are still not in school. Although school is compulsory for children from non-sedentary families, it is often too difficult to access due to lack of welcoming classes, and deportation. The support provided to socially excluded minors by way of student counselling is often late and the attendance of classes uncertain. In the French Overseas Departments, such as French Guiana, official figures indicate that there are 3,383 children without schooling. The school system remains

² The Optional Protocol to the International Covenant on Economic, Social and Cultural Rights was adopted by the United Nations on 10 December 2008. To date, 33 states have signed it, but only 2 states have ratified it: Equator and Mongolia. This Protocol has still not entered into force and, thus, it is not applicable. In order to be applicable, at least 10 states need to ratify it. The Protocol represents a historical improvement for human rights by foreseeing two new protection mechanisms for economic, cultural and social rights: (i) a mechanism enabling individuals, groups and organisations that act in their own name, to lay charges at the Economic, Social and Cultural Rights Committee of the United Nations in order to obtain justice at the international level for violations of economic, social and cultural rights, and (ii) an inquiry mechanism that will allow the Committee to go to countries concerned in order to verify allegations, if it is informed that a state has seriously violated the rights encompassed by the Protocol.

characterised by exclusion and strong inequalities linked to students' social origins.

Recommendations

1. Ensure the right to education for all by putting in place, among other things, an immigration policy and a policy towards non-sedentary people that is in conformity with fundamental rights, human dignity and liberty, particularly in relation to children's rights.
2. Create welcoming classes for non-French-speaking students.
3. Welcome disabled students by adapting classrooms to make them accessible, and by recruiting qualified staff in sufficient numbers to meet their needs.
4. Improve teacher training to enable teachers to better deal with socially excluded students and students with special needs.

Right to work

Around 13% of workers in France are precarious workers (i.e., have short-term contracts, temporary employment, or assisted contracts). About 28.3% of 15 to 29 year olds who work, have precarious work, compared to 8.4% of 30 to 49 year olds. Short-term contracts constitute the majority of the appointments following unemployment.

The various government plans aimed at combating poverty, such as the employment subsidy (*prime pour l'emploi*), which is aid for returning to employment or pursuing a professional activity, and the income of active solidarity (*revenue de solidarité active*), which is a monetary benefit aimed at guaranteeing a minimum income to its beneficiaries, whether or not they have the capacity to work, reinforce this tendency. However, the number of working poor is increasing. Even though employed, increasing numbers of workers lack financial autonomy and, hence, cannot access their fundamental rights.

Discriminatory working conditions particularly affect women, disabled people and non-EU citizens. Eighty per cent of employees who receive a salary below the minimum salary (*Salaire minimum interprofessionnel de croissance – SMIC*)³ are women. For the same work, women are paid 27% less than men and

³ Since 1 January 2010, the gross value of the SMIC is €8.86 per hour in France.

their pension is on average 40% lower than that of men.

Disabled people also suffer discrimination in accessing their right to work. In France, every public or private company of more than 20 employees is obliged to recruit 6% disabled workers; however, this quota has never been attained, and the unemployment rate of disabled people is now more than double that of able-bodied people (French Platform on Economic, Social and Cultural Rights 2008).

Non-EU citizens are denied access to around 7 million posts (approximately 30% of jobs), essentially in the public sphere. They are sometimes employed to do the same job as an EU citizen, but with fewer rights and for a lower salary. Since the Law of 24 August 1993, foreigners without a job permit cannot be registered under the social security regime.

Recommendations

1. Remove nationality conditions on working in the private and public sectors.
2. Integrate a gender perspective into companies to ensure an equitable balance of genders in all positions.
3. Controls are needed to ensure the enforcement of the law in relation to the obligation to employ disabled people; make all work places accessible to the public, including disabled people; and take steps to ensure that the measures provided for in the Law of 2005 in relation to the accessibility of educational structures (classrooms and other facilities) are implemented. Towards this, it is necessary to compensate employers for the additional costs related to employing disabled people.

Right to housing

Thirteen per cent of the French population live in poor housing conditions. The Law of 5 March 2007, which entered into force on 1 December 2008, creates a right to housing (*droit au logement opposable* – DALO), which puts the onus on the State to make housing available to any person who does not have access to housing.

The Law of 5 March 2007 concerns those with priority demands (homeless people, people in poor housing conditions) and, from 2012, will apply to all people eligible for social housing who have not received a response after an ‘abnormally long’ delay (a notion that varies according to the department). However, the follow-up committee on the right to housing notes that people declared as having priority by the Mediation Commissions remain expellable, and without offer of alternative accommoda-

tion.⁴ This is against their right to housing.

Moreover, the *Conseil d’Etat* (Council of State) notes that the State budget for housing has continuously diminished; the DALO should have been accompanied by adequate resources to re-launch the construction of social housing and shelter centres accessible to people identified as having priority.

The budget for housing assistance represented 1.8% of France’s GNP in 2009, compared to 2.2% in 1984. The building subsidies provided in the State budget, for example, have decreased by 30% between 2000 and 2007, and the assistance to the less privileged, which was already very low, has almost stagnated. The 15th report by the Abbé Pierre Foundation on the state of poor housing in France underlines the fact that:

Since 2001, the State has collected more from housing than it redistributed: between 2001 and 2008, more than €35 billion was recovered; the net balance represented €9.38 billion for the year 2008 alone. (Fondation Abbé Pierre 2010)

Recommendations

Only an active policy by the State in the area of housing can improve the situation of those living in poor housing conditions.

1. Sanction the administrative districts that do not allocate 20% of housing construction to social housing in their territories as required by the Code of Construction and Habitation.
2. Ensure the implementation of the policy of prevention of expulsions, as foreseen by the Law on Mobilisation for Housing of 25 March 2009, including by establishing commissions to coordinate actions to prevent expulsions and to synchronise with different local actors.
3. Increase the capacity of shelters and stop the expulsion of their inhabitants with a proposal for relocation, including for non-sedentary people.

French Overseas Development Assistance

In 2005, France, together with its European partners, committed to spend 0.7% of GDP on Overseas Development Assistance (ODA), with an intermediary objective of 0.51% in 2010. In 2009, France officially increased its ODA by 17%, from 0.39% of GDP to 0.46%, which indicates that it is on the right track to fulfilling its commitment. However, in 2010, France will only allocate between 0.44% and 0.48% of its

4 For a recent case example see: <www.stopauxexpulsions.org>.

national wealth to ODA, a shortfall of between €600 million to €1.3 billion. Moreover, the increase in ODA is largely due to a significant increase in debt cancellation (debt of €1.123 billion was cancelled in 2009, an increase of 60% compared to 2008) and the inflation of ODA by other amounts (ODA now includes expenses for students from developing countries coming to study in the French system of higher education: €605 million in 2009⁵; refugee costs in the donor country: €224 million in 2009⁶; and funds allocated to the French Overseas Territories of Mayotte, and Wallis and Futuna: €381 million in 2009⁷).

According to available estimates, ‘genuine’ French ODA in 2009⁸ was not more than 0.34% of GDP. This inflation of genuine ODA by 21% is explained by the following opposite trends:

1. Loans to developing countries exploded in 2009, reaching €1.3 billion (+178%). Yet these loans were made under market conditions – at minimal cost to the State. These loans are essentially allocated to emerging states or medium income countries.
2. At the same time, funds available for bilateral projects or donations, which benefit social sectors, especially in Sub-Saharan Africa have been reduced (by 46% since 2006), which led to, at the end of 2009, the cancellation of almost all new ongoing projects.

French aid is becoming more instrumentalised in order, for example, to further the objectives of the fight against immigration (notably through the ‘concerted management of migration flows’) or to promote French companies: 51% of the business activities granted by the French Development Agency (*Agence Française du Développement*) in 2008 consisted of income to French companies or their subsidiaries.

Recommendations

Following the recommendations of the OECD DAC, in 2010, France decided to adopt a new medium term strategic framework for development cooperation policy, on which French NGOs would be consulted.

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5 Following critiques of the OECD Development Assistance Committee (DAC), France accepted to review this amount downwards.

6 These expenses are part of the efforts towards the regulation of migration flows and the management of asylum seekers on the French territory.

7 These expenses contribute to the local development and coherence of the French territory.

8 ‘Genuine’ aid excludes 90% of debt relief and all artificial expenses evoked.

■ HUNGARY

Worsening Social Circumstances and Exclusion in Hungary

Péter Farkas
ATTAC Hungary

After the capitalist transition of 1989, 1.5 million Hungarian jobs (out of 4.8 million) disappeared, and only 0.4 million have been recreated. In April 2010, there were 3.7 million jobs. The activity rate of the population is very low, only about 55% of the people aged between 18 and 62 are working. Unemployment is the main reason for the impoverishment of a considerable proportion of the population. The average real income per capita regained its pre-transition level only in the early 2000s. Income differences and social inequalities have increased, and a large proportion of Hungarian society lives in poverty. With the present economic crisis, the situation in Hungary has deteriorated further.

The vulnerable

Most of the poor in Hungary belong to one of the following groups:

- Permanently unemployed (48% of those permanently unemployed are poor)
- Roma population (there are 600,000 to 700,000 Roma people in Hungary, the majority of which are very poor)
- Families with children (41% of families with children, 60% of families with three or more children and 45% of single parent families are poor)
- Pensioners (50% of pensioners are poor); in the future, the aging population – without or with low pensions (as a result of having been unemployed and forced into illegal employment) – will grow
- People with disabilities and those suffering from permanent illness
- Homeless people

These groups are joined by the impoverished 'lower middle class', the members of which do their best to avoid poverty, but who, as a result of their low incomes, are increasingly vulnerable.

There are enormous regional differences in unemployment and poverty in Hungary. The poorest regions are located in Eastern Hungary, North-Eastern Hungary and Southern Transdanubia, which experienced the collapse of their former industry. Urban and rural slums have arisen in these regions, from which it is extremely difficult to escape. Most of the Roma population also live in these regions.

Poverty and the misery of children

Poverty in Hungary is defined using the subsistence level calculated by the Hungarian Central Statistical Office. According to the Central Statistical Office, 30% of the population, or about 3 million people, live at or below the subsistence level, approximately €270 per month. Using the EU's measure (which puts the poverty level at 60% of the average national income), the 'at risk of poverty rate' is 17%, approximately 1.7 million people. There are 1.1 million Hungarians (out of a total population of 10 million) who have permanently fallen behind and who live in social exclusion. These people are in deep poverty (Central Statistical Office 2008), which means, that their revenue is permanently low, and they are in a multi disadvantageous situation (in relation to job opportunities, education and so forth). According to charity organisations, the number of homeless people is estimated to be around 30,000 to 50,000. According to police data published in daily newspapers, about 250 people die of cold every winter, most of them in their own homes due to lack of heating.

Twenty per cent of Hungarian children live below the EU poverty line. This is about 440,000 if we take the population of children as 2.2 million. About 750,000 children are in a detrimental situation.¹ Most alarmingly, 20,000 to 25,000 children are suffering from hunger and 100,000 from structural malnutrition in Hungary today. Many of them are given hot food only at kindergarten or school (ADHAT 2002).

Most poor families spend a large proportion of their income on basic needs and education for their children. Maintaining flats and acquiring firewood pose serious difficulties for them. Nearly 25% of poor families have already taken up usury loans (Bass et al. 2008, p 16).

The problems of poor children are often exacerbated by the behaviour of privatised 'public service' companies, which turn off electricity, gas and water services in homes and, in some cases, even in kindergartens and schools administered by impecunious municipalities.

Roma and the poor in ghettos

The socialist era integration process, which was introduced to help Roma people and non-ethnic Hungarians with employment and social

adaptation, was stopped as part of the capitalist transition. During the socialist era, almost 90% of Roma men were employed; today, this rate has fallen to 20 to 25% (Kertesi 2005, p 61).² Roma people also tend to have lower education levels than the general population.

However, the majority of the poor are not Roma, as Roma people make up only 6 to 7% of the population. A great number of ethnic Hungarians are also poor. Roma families make up a quarter of those living below the subsistence level and about half of those living on social security benefits (for a different analysis by the Social Professional Association, see <3sz.hu>).

From the early 1990s, the results of the Government's Roma development projects were very poor. Since 2004, no new programmes have been started for the Roma people. Projects supporting the Roma have been integrated into projects for disadvantaged people in the labour market.

In times of economic crisis, racism and xenophobia usually increase. In Hungarian society, racism towards the Roma people is strengthening, especially since the crisis began. Racist paramilitary organisations march through Roma settlements, and, in 2008 and 2009, more than 10 Roma people were killed for racist reasons. In 2010, an extreme right party, barely hiding its anti-Roma attitude, gained 17% of votes in the parliamentary election.

The high rate of permanent unemployment among Roma people has led to social problems. Permanent unemployment mentally breaks most marginalised people; it increases alcoholism, suicide rates and can lead to crime. This further exacerbates their social exclusion.

Social protection system

In Hungary, the system of family allowances, which is based on subjective right and inherited from the socialist era, is more extensive than in other countries, although amounts paid are rather low. A family allowance (approximately €60 per children/month) is paid for almost two million children in Hungary. Families bringing up children under three receive higher amounts. The family allowance is complemented by social subsidies paid to poor families by the local municipalities.

Most of the poor in Hungary have no oppor-

¹ Legally in Hungary, children who are taken into protection by the parish of the local municipality and whose parents receive regular child protection subsidies are classed as being in a detrimental situation.

² Studies on Roma employment are also available on the website of the Hungarian Roma portal <www.romaweb.hu/romaweb/index.html>.

tunity to earn a living by working. In addition, the active labour market programmes have been gradually taken away over recent years. Less than 50,000 adults are involved in vocational adult education. About the same number of people are employed in public works for the minimum wage for 6 to 7 months per year (Ferge 2008). Employers are given support if they give a permanent work contract to an unemployed person, but when this support ends these people are often dismissed. The State spends billions of Hungarian forints (HUF) – most of it EU money – on projects supporting labour market return, most of them unsuccessful because of the low number of jobs created.

In many villages, social care services provided by local municipalities are limited. Subsidies from municipalities are at a low level – about 0.5% of GDP. Support is paid by municipal governments to local families in many forms including regular social benefits, regular or special child protection support, flat maintenance support, public health benefits and special subsidies.

According to the Hungarian Central Statistical Office, in 2008, 194,000 people (families) were paid regular social subsidies. In other words, less than 20% of the people living in deep poverty were given regular social subsidies. The average amount of such subsidies was HUF 26,600 (€100) per capita per month (Budapest, Central Statistical Office 2008).

Social subsidies are not a long-term solution, as they are not enough to live a decent life. Many of the poorest people are not aware of their right to social security benefits or know how to access them; some are just unable to fill in the application form.

Impacts of the economic crisis and mounting racism

In April 2009, to meet the conditions of the loans granted by the International Monetary Fund and the European Union, the Hungarian Government introduced 'austerity measures' including raising taxes and cutting public spending. In the public sector, nominal gross wages were frozen for two years, the 13th month wage and the 13th month pension were cancelled, the retirement age is to be gradually be raised from 62 to 65 years, sickness benefits were reduced by 10%, the amount of the family allowance was frozen for two years, the housing support system was suspended, VAT was raised from 20 to 25%, accession tax was also increased, and gas and heating support for the poor was reduced. The 2007, CXXI Social Act no longer guarantees the preservation of the real value of these subsidies. All of these measures hit the poor the hardest.

The official unemployment rate grew from 7.5% at the beginning of 2007 to 11.8% by April 2010. Half a million people are searching jobs through the government labour agency. The number of unemployed grew by 170,000 in two years from 2007 to April 2010 (Budapest, Central Statistical Office online database: <portal.ksh.hu>).

This growth in unemployment and restriction of social policies has undermined the livelihoods of a great number people. At the beginning of 2010, 1.7 million public service debts (for gas, heating, electricity) and housing instalment debts exceeding 90 days were registered – concerning a quarter of Hungarian families. In mid-2010, 90,000 families were directly threatened by the possibility of eviction (ADHAT 2010), at the same time the government announced a moratorium on eviction. It is impossible that so many people are at fault; the blame rests with the social and economic system for not providing an economic environment that enables these people to live a decent life, including the provision of work and an adequate social minimum.

Other labour market legal amendments introduced in spring 2008 in response to the crisis are also unfavourable to most of the unemployed and poor, and sometimes even to the municipalities. During the preparation for austerity measures, sociologist Zsuzsa Ferge wrote:

[E]xcept for the fifteen-day obligatory public employment every three months provided to one member of each family, all other supports for integration have been cancelled: the unemployment insurance benefit has almost disappeared; minor offences (e.g., black market work) may result in permanent exclusion from the subsidy system; and if a municipality is unable to organise public work (which often happens in small and poor villages), they will not be given support for subsidies from the national budget. (Ferge 2008)

Public opinion is moving right; this is reflected in the increase in the level of 'hidden' racism among white Hungarian nationals at the government (including municipal government) level, who give preference to non-Roma people in the distribution of resources and jobs. Instead of the former social security benefit paid to the unemployed by subjective entitlement, those considered capable of work get 'availability support', for which, in principle, they have to do 90 days of public work a year. However, the municipalities can offer little work and have very little money. The provision of availability support

is decided by the mayor based on his/her opinion of whether a member of a family deserves (e.g., owing to his/her lifestyle and other factors) the work opportunity. There are settlements where Roma and non-Roma people seriously compete for public work and availability support, and non-Roma people usually get the work. The name of the new system is also misleading: 'A Way to Work Programme'. According to well-known sociologists, the programme does not aim to lead those supported back to the labour market. Júlia Szalai points out:

[T]his programme] institutionalised and legalised a, roughly speaking, 'slave-like relationship' between the subjects of the programme and the municipalities, which violates basic citizen rights in a democratic state. [...] The text of the Act is almost openly directed at the Romas, making it a racist text. (Szalai 2008)

In addition, only one member of each family can be given availability support, excluding 30,000 to 35,000 people who earlier received social support (Szalai 2008).

Another sign of this prejudiced way of thinking is the so-called 'social card' already in use in many municipalities. Beneficiaries are paid support through electronic cards, and they are allowed to spend this support only in certain shops and on certain products. The card discriminates against marginalised groups such as the Roma because it is only used by those municipalities in which the poor people are Roma. Human rights activists believe that this card is unconstitutional in its operation because it restricts freedom.

Conclusion

According to sociologist Júlia Szalai:

[T]he subsidised groups may be the biggest losers of the crisis; it seems that no one is protecting them. The Roma people may become even more desperate. Eternal stigmatisation and continuous frustration may lead to depression or an increase in aggression. [...] Also, the maintenance of deep poverty is backed by hidden interests. It is worth considering that caring for the poor provides regular income and jobs to several thousands of people. And the majority in any society needs the poorer members: they are the cheapest source of labour for any kind of work. The poor are a readily available workforce. (Szalai 2008)

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■ ITALY

Italy: No Country for Young People

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The global economic crisis has affected the weakest members of Italian society, and especially those dependent on the welfare system, which is being threatened by cuts as part of the Government's public debt reduction policy. These cuts will extend the number of people suffering from poverty and exclusion. But there is a deeper and structural form of exclusion in Italy, one that challenges our future. It is the exclusion of young people – all young people, beyond membership of any social group. Their number is constantly decreasing and they are being increasingly marginalised. If we do not take action soon, our future will be at risk.

Introduction

Life expectancy in Italy has increased: men now live to 78.3 years on average and women to 83.8. According to Istat, in 2050, Europeans could have a life expectancy of 86 years. Over the last century, life expectancy has already almost doubled in Italy. One out of five Italians is now over 65, and the so-called 'great elderly' (over 80 years) represent 5.3% of the Italian population. This is definitely a positive achievement based on an increase in living standards; between 1981 and 2007 alone the average age has increased by more than 5 years. However, this achievement is accompanied by a low birth rate and Istat projects that by 2050 young people (up to 14 years) will make up only 12.9% of the population, the active population will shrink to 54.2% and the population over 64 will increase to one in three. In short, the "elderly dependency ratio will double" (Istat 2010a, pp 181–182).

Many of today's young people, who will be tomorrow's elderly, do not work, do not pay contributions to pensions and insurance schemes, and still live with their parents even when they become adults. Statisticians have coined an acronym to define them: NEET meaning, not in education, employment or training. In 2009, the number of NEETs had grown to over 2 million – 21.2% of the 15 to 29 year-old population (Istat 2010a, p 186)

According to the latest data published by Istat in June 2010, youth unemployment in the first quarter of 2010 has reached 30%, an increase of more than 3% compared to March 2009. There are also 3 million people engaged

in informal or irregular employment, many of whom are in the agricultural sector, but also in services, trade and tourism. Many of these people are young. It is clear that the economic crisis has worsened the problems of the labour market and penalised young people in particular as holders of precarious and short-term labour contracts. The inactivity rate is also growing, standing at 37.6% in 2009. This rate not only includes students and homemakers, but also "the discouraged, those who have no fixed or temporary employment, but are not even trying to get one" (Istat 2010a, p 120). These are alarming figures, and well describe the fatigue of the younger generation in finding a path to autonomy that allows them full participation in community life.

Young Italian graduates are struggling to find employment. The findings of Almalaurea for the first two months of 2009 show a decrease of 23% in the demand for graduates. Young people are often employed in short-term, informal collaborations, which do not necessarily lead to a permanent position: 73.1% of young people who at the end of 2006 were employed under a precarious contract of collaboration were still in the same position after one year (Almalaurea 2010). Young people also tend to earn less, and the gap in earnings is increasing. A report released by the National Youth Forum and CNEL found that in 2003 the average gross earnings of young people aged between 24 and 30 years was €20,252, compared with €25,032 earned by people over 50; in 2007, the gap widened significantly to €22,121 for young people under 30 and €29,976 for people over 50 (Forum Nazionale dei Giovani and CNEL 2009).

Among temporary workers, youth and women earn wages below two-thirds of the median. This is the identikit of the 'working poor': low-wage earners who are highly vulnerable in economic and contractual terms. According to the Organisation for Economic Co-operation and Development (OECD) data, there are 3 million working poor in Italy, approximately 15% of the total number employed.

Atypical contracts, combined with low wages and the lack of support offered by the Italian State in the event of unemployment, are creating insecurity. The family has become the only social safety net for young people, which is having considerable impact on their autonomy and on the loss of social ties. It is no coincidence that the prolonged cohabitation of children with their parents is largely for economic reasons

(40.2%): in 1983 the proportion of youth aged 18 to 34, unmarried, still living with their families was 49%; in 2000 it increased to 60.2%, standing at 58.6% in 2009 (Istat 2010a, pp 183–184).

The situation will persist until family income levels allow it to change. But what happens when the layoffs of the 'fathers' becomes unemployment or, worse, inactivity? More and more unemployed people are becoming 'inactive' (i.e., they are no longer looking for work). In 2009, 37 to 44% of those categorised as unemployed became inactive, and inactivity increased more than unemployment (by 329,000 people). The fall in household disposable income¹ (2.8% in 2009) has already had consequences: between 2008 and 2009 the proportion of "families unable to deal with unforeseen costs" increased from 32 to 33.4%, those in arrears with the payment of debts other than mortgages from 10.5 to 13.6% (among those who have debts) and those who are in debt from 14.8 to 16.4% (Istat 2010a, p 155).

No wonder a growing number of young people are going abroad to seek employment or to obtain jobs that fit their skills, acquired through years of study, and that offer adequate remuneration. Fondazione Migrantes reports that over half of Italians abroad – about 2 million people – are under 35 years and have a rewarding working and social life. Fondazione Migrantes also reported that 5 years after graduation, 52 out of 100 Italians working abroad consider returning to Italy "very unlikely" (Fondazione Migrantes 2008).

Other processes of exclusion linked to social status also contribute to the social exclusion of youth. The introduction of compulsory education has cancelled social differences in the achievement of high school education. But, as noted by Istat, the achievement of higher education levels continues to be hampered by a strong inequality linked to social class of family of origin (Istat 2010a, p 190). Neither the school, therefore, nor new technologies help young people break the mechanism of a locked society.

Young migrants and second generation migrants excluded by law

'Second generation immigrants', i.e. children of immigrants, often born in Italy, are slightly more likely to be among the vulnerable youth. Eyed

¹ Disposable income refers to the amount of income that remains after taxes have been paid.

with hope as a way of mitigating the progressive ageing of the population, children of foreign origin in Italy numbered 862,453 in 2008, representing 22.2% of the total foreign population in the country and this number is growing.

Second generation immigrants face various problems related to the relationship between their families and the communities in which they live. Almost always they have interests, lifestyles and aspirations quite similar to their native Italian peers. They usually do not accept the socioeconomic position of their parents and target highly skilled jobs, trying to gain social recognition, which may have eluded their families. Although feeling equal to other children of the same age, they have specificities arising from their family cultural system. Even though their unique conditions can give rise to opportunities for wealth and social mobility, they also produce discomfort. Second generation immigrants often face complex problems relating to solitude while constructing their identity and are at greater risk of school failure. With regards to employment, they face an imbalance between their expectations and their ability to realise them, mainly because of discrimination, weak educational processes and a shortage of social capital. They also face difficulties in accessing opportunities for socioeconomic mobility. In particular, the negation of citizenship and lack of political representation of immigrants in Italy are obstacles to the social inclusion of second generation migrant youth.

The integration of these young people into the social fabric of the country depends on various factors and is a challenge that can only be addressed through farsighted and well-timed policies. As integration policies seem to be more effective during childhood and adolescence, schools play a vital role in creating a truly inclusive society. However, the messages conveyed by the Government about the path of social integration are not encouraging. In many cases, the presence of immigrants' children in schools is considered more as a problem to be solved than an opportunity to create cross-cultural communities.

Although the European Parliament has recommended to its Member States to "avoid the creation of schools as ghettos, or the creation of special classes only for immigrants' children", the Italian Parliament approved in October 2008 a motion (I-00033 Cota) of the Northern League party relating to the admission at school of foreign students who do not speak Italian or speak it poorly. The motion approved at the Deputies Chamber of the Italian Parliament, contains some very controversial aspects and binds the Government to:

...review the access system of foreign students to the school system at any level, promoting their entrance by having to pass tests and specific evaluations. In addition, to establish 'introductory classes', which allow the students who do not pass the above mentioned tests to learn Italian, in order to prepare their entry in permanent classes.

This text also binds the Government to "a distribution of foreign students proportional to the total number of alumni per class". To establish a fixed or low percentage as maximum allowed per class could have completely contrary effects to integration, but the measure was paradoxically presented to the public as a useful way to promote "full integration" and "to avoid the risk" of classes made up of only foreign alumni. This provision has yet to be approved by the Senate, the second Chamber of the Italian Parliament.

At the same time, the law that regulates the acquisition of citizenship for the children of immigrants reflects problems relating to the conception of social inclusion by the Italian State. For the second generation, obtaining citizenship is a long and complicated journey. Law no. 91 of 1992 provides that:

- Children who are born in Italy to non Italian parents who are legal residents can obtain Italian citizenship if registered at the Registry and if they have legally resided in Italy until reaching 18. In this case they have to submit to the Registry a relevant declaration requesting Italian citizenship before the age of 19. If they do not comply with the above-mentioned terms, they will have to apply for residence and reside in Italy for at least 3 years.
- Children who are not born in Italy to non Italian parents obtain citizenship by residence (10 years minimum plus a proof of income), or by getting married to an Italian citizen.

It is expected that children of immigrants can receive Italian citizenship if their parents manage to obtain it, but only if the child is still a minor when the parent becomes Italian and if the two live in Italy. Immigrants who live in Italy are not entitled to vote, a further denial of their rights and a noticeable factor in social exclusion.

Youth participation in an ageing society

As a large proportion of Italy's youth are unemployed, or at best work in marginal positions earning little, leadership in recent years has aged relentlessly. An analysis conducted on the 'Who's who' database of top public and private

managers indicates a significant increase in the age of the Italian ruling class: it went from an average of 56.8 years to 60.8 years. The power system is ageing year by year in all areas: new members of parliament have an average age of 51 years. Since 1992, members of the Deputies Chamber of the Italian Parliament under 35 years have never reached the threshold of 10% of those elected to the House (except for in the XII Legislature, 12.4%). Indeed, in the 1990s, there seemed to be a momentum for young people, but in the current decade it has definitely been broken. In Parliament, youth between 25 to 35 years old, who constitute 18.7% of the adult population, are represented only by one third. (Forum Nazionale dei Giovani and CNEL 2009)

Is this a cause or a consequence of the fact that among young people there is also a growing distrust of politics? In just 12 months, the number of those who "never inform themselves on politics" upturned sharply. Among 18 to 19 year olds it increased three and a half points: 32 to 35.4%. Increases between ages 20 to 24 and 25 to 34 were less marked, although significant. Most of them are "not interested in politics". Many made their "distrust in politics" explicit (28.3% of 25–34 years old), and consider politics "too complicated" (Istat 2010b).

Despite these attitudes, forms of participation such as 'active citizenship', in particular in associations, seem to be able to stimulate the individual growth of young people and foster a greater responsibility and awareness of the problems of the community. In short, active citizenship allows young people to become aware citizens and contribute to political, social and economic life. Young people are becoming increasingly involved in volunteering, youth exchange and associations, conscious of the value of these experiences.

On the other hand, compared to formal education, which is increasingly losing its character as 'universal' and is only interested in providing young people with technical expertise for their future recruitment in companies, informal education is playing a progressively important role in fostering the formation of critical knowledge and human growth, and in empowering people.

According to the Foundation for Italian volunteers (FIVOL), 12.5% of people under 30 dedicate themselves to volunteer work in Italy, representing 21.5% of all volunteers. However, their participation, both as individuals and in associated forms, is not fully recognised and supported by institutions (FIVOL 2006).

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■ MALTA

Poverty and Social Exclusion in Malta

Joseph M. Sammut
Kopin

At the end of the outgoing millennium, Maltese society was portrayed as an 'affluent society' (Galbraith 1999), with every individual enjoying the modern consumer lifestyle. National statistics and the media claim that extreme poverty has been eradicated in Malta and that poverty exists only as a relative measure. However, there are people in Malta who are living so far below the general standard of living that they have to struggle, and who lack the necessities to live decently and participate in ordinary economic, social and cultural life. This report gives a grassroots perspective on poverty and social exclusion in Malta based on official statistics and a close-up look at the 'different' poor.

Official poverty statistics

In 2008, 15% of Maltese were estimated to be living under the poverty threshold (Eurostat 2010, Wolff 2010). The 'at risk of poverty rate' in Malta (60% of the median national income) calculated for 2005, 2006 and 2007 in the Survey on Income and Living Conditions 2007 (National Statistics Office 2009) was stable at 13.8% for 2005 and 2006, rising to 14.2% in 2007.

The median National Equivalised Income (NEI) stood at €9,129 per year over this period, with a resulting at risk of poverty line of €5,477 (National Statistics Office 2009). In 2007, 57,444 people fell below this line out of a population of about 410,290 (nearly 15%). In comparison, the at risk of poverty rate in the EU27 was 16% for all three years under review (2005–2007). The other main indicators of monetary poverty in the Survey on Income and Living Conditions 2007 include the S80/S20 ratio, which shows that the income of top 20% of income earners in Malta is nearly four times that of the lowest 20%.

The Eurobarometer report 2010, (Eurostat 2010) shows that Malta's poverty rate of 15% is slightly better than the EU average of 17%, but the island's elderly seem to be in a more vulnerable position, with 22% of those over 65 considered to be at risk of poverty, which is 3% more than in the EU as a whole.

Research shows that the higher the educational attainment level, the lower the risk of poverty. For example, the at risk of poverty rate among persons aged 16 or over with a lower secondary level of education or below is 16%, while only 7% of persons with upper secondary

education are at risk (National Statistics Office 2009). The report also notes that persons who are renting are more likely to be subject to monetary poverty than homeowners, with an at risk of poverty rate of 19%, compared to 13% for homeowners (National Statistics Office 2009).

Although the at risk of poverty rate in Malta is lower than the EU average, material deprivation is significantly higher among Malta's population. In 2008, 13% of Malta's population was considered to be materially deprived, meaning they had difficulties in obtaining three out of a list of nine essential items (Eurostat 2010). The list includes the ability to meet unexpected expenses; ability to pay for a one-week annual holiday away from home; ability to keep up with bills (mortgage payments, utilities, loan repayments); capacity to afford a meal with meat, chicken, fish or a vegetarian equivalent every second day; capacity to keep the home adequately warm; and possession of a washing machine, colour television, telephone, and private car. An annual holiday away from home seems to be the most unattainable luxury for Maltese, according to Eurostat. The study showed that 65% of Maltese are unable to commit to an annual holiday. This is one of the highest rates in the EU. In the Eurostat survey, 10% of the Maltese population said they could not eat meat, chicken, fish or a vegetarian equivalent every second day, while 9% had difficulty keeping their home warm during the winter (Eurostat 2010). This material deprivation was also replicated in the Survey on Income and Living Conditions for 2005, 2006 and 2007 (National Statistics Office 2009).

In 2008, the minimum wage in Malta was a mere €142.7 per week (Government of Malta 2009) and has been referred to as a 'poverty wage' (Abela and Tabone 2008). Caritas Malta Director, Monsignor Grech, has called for the minimum wage to be redefined to an adequate amount, pointing to the rising cost of living and medicine and the high cost of property as factors causing hardship among the poor (Times of Malta 2010). He added that a redefinition of the poverty line is also necessary, pointing out that utility tariffs were pushing those who had been at risk of poverty into actual poverty.

The 'different' poor

A recent report about poverty in Malta, published by the Jesuit Centre for Faith and Justice (Cardona 2010), and based on interviews with people working among the poor and the poor

themselves, sheds light on the different facets of poverty in Malta. The report identifies some vulnerable groups that perhaps are not always recognised in the statistics, including single parents, families, those aged over 65, people with drug, alcohol and gambling problems, and irregular migrants. This section takes a look at some of these groups and the reasons for their vulnerability.

The research indicates that single-parent families are most affected; around half of all single parent families in Malta live below the poverty line. Single mothers who are caring for very young children find it hard to access childcare facilities. Many rely on grandparents or extended family. Those without family support or access to childcare facilities are precluded from taking part-time or full-time work. Young girls who become pregnant may spend the rest of their lives dependent on social security benefits.

Limited financial means preclude many single parents from investing in informal education for themselves, and in education and the socialisation of their children. Thus poverty is being passed on through single parents to the next generation. The report also found that children of some single parents suffer from neglect as their parent's time is consumed in earning a living. This can result in higher rates of absenteeism at school, especially if their parents do not value education. Some children from single parent families dropout of school early to take care of younger siblings or to enter the workforce.

Statistics show that families with dependent children have a slightly greater chance of falling below the poverty line than households without. Families with three or more dependent children have an even higher chance of being at risk of poverty. Financial problems can preclude both adults and children within these households from accessing basic necessities and education.

There is also a high percentage of people aged 65 and over living below the poverty line in Malta – 22% in 2008 (Eurostat 2010). Lack of access to financial resources is not the only problem that impinges upon the social condition of the elderly. Many old people live in apartment blocks that have several flights of stairs; the elderly can feel trapped in their homes when flights of stairs restrict their movement.

Other vulnerable groups identified by this report include those with drug or gambling

problems, people aged 40 and over who find themselves unemployed, those with low levels of education, people with mental health problems and disabled people.

In 2010, new rent laws came into force (Malta Parliament 2009), lifting the cap on tenancies from €30 per year to €185¹, with provision for rent increases every three years against inflation indexes. This will impose further hardship on vulnerable groups. People who find it hard to pay rent and buy basic necessities are especially vulnerable as their situation can force them to take high interest loans from informal moneylenders, which can trap them in a cycle of poverty and debt.

The Jesuit Report (Cardona 2010) also identifies a new category of people living on the verge of absolute poverty – irregular migrants, mainly from Sub-Saharan Africa – who are not noted in official statistics. Immigrants who are instructed to leave the open centres that house migrants in Malta find it very difficult to find regular employment and housing, and are very likely to end up in bleak conditions (Social Watch 2009). A study conducted by Advocacy Network on Destitution (ANDES) found that migrants in Malta are falling into destitution because the benefits given are not enough to cover subsistence costs, accommodation and medical services.

The Maltese Government has been urged by many Maltese civil society organisations to do more to foster a climate of understanding and integration between the Maltese and irregular immigrants. It is felt that the civil rights of irregular migrants, refugees and asylum seekers are being violated. Long stays in detention centres in inhuman conditions have been criticised by the UN (United Nations 2009), EU (European Union 2006), and human rights organisations such as MDM (Medicine du Monde 2007) and MSF (Medecins sans Frontieres 2009). When irregular migrants are released from detention, they often have no other choice than to move into one of the three open centres in Malta, which are ghetto-like complexes in the industrial areas of the island. This concentration of immigrants is leading to hostility towards immigrants in the villages around the open centres and utter indifference in the rest of the island towards the problems of both the immigrants and the Maltese people, who feel that the social life in their town has been unjustly disrupted. A report by the European Network Against Racism

(2008) states that the segregation of migrants in Malta and their reliance on social security benefits has led to an increase in xenophobia in Malta. Although those outspoken are few, they tend to be voicing the general feelings of the Maltese population.

Conclusion

Poverty may be hidden in Malta, but it exists and is very real to the people experiencing it. Statistics show that between 2005 and 2008 there was an increase in the gap between the 'haves' and the 'have-nots'. In 2010, this is expected to worsen with increases in food prices, rents and the cost of utilities. The Maltese economy over the past two decades underwent market liberalisation and the deregulation of the labour market to create flexibility, more jobs and more profit. However, this flexibility has resulted in the erosion of labour standards, insecure work status, unemployment and lower incomes for Maltese families.

Globalisation has also eroded the labour market; the trend of 'outsourcing' production weakens companies' sense of responsibility towards workers, suppliers, consumers, the natural environment and broader society in favour of shareholder profits. Globalisation has made the world a village, but it creates neighbours not brothers. The pursuit of profit by the few does not establish fraternity between nations and does not ensure the balanced distributed of wealth and opportunity.

Since the 1990s, values in Malta have started shifting away from the traditional and institutionalised values towards individualism (Tonna 1997). The consumerist and utilitarian trends of the market are reflected in individualistic trends and the growing number of family breakdowns and single mothers. These are all factors that generate and reinforce poverty.

It is the responsibility of the state to work for the common good, create wealth and equally distribute this among its people. When economic action is conceived merely as an engine for wealth creation, it creates grave imbalances within the community. In our market economy, politicians must be guardians and work for distributive and social justice among all members of society. The market must not become a place where the strong subdue the weak.

Approaches to poverty reduction should, therefore, be developmental and holistic, integrating economic and social policies to achieve people-centred development outcomes. Social policy should focus on the determinants of wealth and income distribution to improve equity, as well as generate decent employment. The system should provide universal coverage

for basic risks, particularly for ill health, ageing and unemployment, in an integrated package.

It is the responsibility of both the state and society to see that schools do not reproduce the inequalities found in society at large, but rather address these imbalances. Investment in education can play a key role in poverty reduction, owing to its growth promoting effects.

With rising inequality, social integration becomes more elusive. Social cohesion and solidarity are fundamental for development and social progress, and efforts to develop and reinforce institutions and mechanisms encouraging social integration must be sustained. Promoting inclusion and reducing deprivation strengthens democratic institutions and processes, making social and economic relations more harmonious, and providing a firm foundation for long-term development and prosperity. Strategies that promote social cohesion and the realisation of the rights of individuals and groups complement other poverty reduction strategies.

It is our responsibility to make possible a new social order that will lead to the humanisation of all. One will attain his/her own humanisation by helping others obtain theirs. It is our responsibility to work to bring about changes in the social, political and economic order that will create social justice and solidarity among all. ■

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1 Rent of houses in Malta 40 or more years ago were around euros 2.5 a month. Children still living in their parents' home had the right to inherit and continue paying the same rent. With the new Law, children cannot inherit the same rent.

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■ POLAND

Poland – A New Reality, Old Problems

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In 1989, Poland started a successful transition to a market economy. Changes affected the whole of Polish society; economic benefits were not distributed evenly and social difference deepened. Long-term negligence of certain issues and vulnerable groups has begun to manifest in Poland. This report presents two aspects of such negligence – homelessness and discrimination against women – and examines how the authorities are addressing them. The place of gender equality in Polish development assistance is also discussed.

Poverty and social exclusion in Poland

Poverty and social exclusion have escalated in Poland in recent years. The rate of relative poverty risk¹ in Poland was 17% in 2008 and remains at the European average (Central Statistical Office 2010a). Poverty has become the subject of many discussions and its alleviation a priority for the government and social projects. Unfortunately, Poland's continuing neoliberal transition into a market economy, in conjunction with the global economic crisis, may further exacerbate the situation.

The most common measures of poverty in Poland are the 'social minimum' and the 'subsistence minimum'. The social minimum indicates a particular threshold needed for a household to lead a decent life and is based on the cost of a 'basket of goods' considered necessary for this. The subsistence minimum is based on a more restricted 'basket of goods' considered necessary for survival, i.e., to sustain one's vital functions and psychophysical capabilities. Researchers from the Institute of Labour and Social Studies (IPISS) calculated the social minimum at 854.9 Polish Zloty (PLN) (€206.26) per person for a one-person household, 703.6 PLN (€169.75) per person for a two-person household, and 705.2 PLN (€170.14) per person for a three-person household in September 2008. For elderly people, the social minimum was calculated as 860.6 PLN (€207.63) for a one-person household and 700.7 PLN (€169.06) for two-person household (IPISS December

2008). In comparison, the average monthly gross wage/salary in the national economy amounted to 3102.96 PLN (€788.33) (Central Statistical Office 2009a).

The IPISS report also showed that the subsistence minimum for a person in a one-person household was 386.3 PLN (€98.14), 329.6 PLN (€83.74) per person for a two-person household and 316.6 PLN (€80.43) per person for a three-person household in 2007. The subsistence minimum for elderly people amounted to 364.7 PLN (€92.66) for a one-person household and 308.0 PLN (€78.25) for a two-person household in 2007 (IPISS April 2007).

The Central Statistical Office reported that the percentage of people living below the subsistence minimum dropped from 12.3% in 2005, to 7.8% in 2006, 6.6% in 2007 and 5.6% in 2008. The number of Poles living on the border of relative poverty fell from 18.1% in 2005 to 17.6% in 2008. The number of people living below the poverty threshold fell from 18.1% in 2005, to 15.1% in 2006 and 10.6% in 2008 (Central Statistical Office 2010b). However, despite this decrease in poverty, significant improvements are still needed.

Homelessness in Poland as the result of poverty

The dire situation of many Polish families may result in failure to fulfil basic needs. It may also lead to social marginalisation and social exclusion in a broad sense. Poles who live on the border of the social or subsistence minimum should be treated as threatened with homelessness. Unfortunately, the Polish Government is not well prepared to deal with this problem. The homeless assistance system functioning in Poland is aimed primarily at immediate assistance (intervention), and less at prevention (directed to people threatened with homelessness) and re-integration (directed to the homeless). In addition, Poland has not developed strategies at the national level to combat homelessness. The Ministry of Labour and Social Policy was working on the development of such a strategy, but stopped during the final stages.

Despite the various ways in which social workers are working with homeless people (street work, assistance, life coaching), only a small percentage of homeless people manage to obtain their own house and become self-sufficient. The typical homeless person in Poland is male, over 50 and has been homeless

for at least 7 years. He usually has a low level of education and is an abuser of alcohol.

The exact number of homeless people living in Polish territory is unknown. Researchers estimate the number of homeless Poles to be in the range of 30,000 to 200,000. Such a large difference in the reported data is related to the lack of reliable assessment of the number of homeless people living in institutions (institutions, night shelters) and other places (allotments, gardens, garages, and railway and bus stations). Research among homeless people, irrespective of their place of abode, is conducted only by the Pomeranian Forum in Aid of Getting Out of Homelessness.

Poland is also being confronted with the problem of homeless Poles outside the country, for example, in the United Kingdom, Belgium and Ireland. Unfortunately, no data is available on this.

Homelessness and municipal housing resources

The issue of homelessness, and the low number of homeless people who become independent, should be considered in the context of the dismal housing conditions in Poland. In 2008, the Supreme Chamber of Control negatively evaluated the municipal housing policies (Gazeta Wyborcza 2008). It found that municipalities showed very weak commitment to preparing sites for housing and measures to streamline the process of starting and implementing housing projects were inadequate. There has also been no significant increase in the surface area allocated to housing in recent years, which does not help to increase the pace of housing investment.

Due to the lack of consistent action in the field of housing, and other external factors, 35.5% of Poles live in poor or very poor housing conditions. The number of dwellings per 1000 inhabitants is very low in Poland at only 327 in 2002. Data gathered during the National Census conducted in 2002 show that 3.2 million households are not self-sufficient, and 6.5 million people live in substandard conditions (e.g., without sanitation or water supply, in old buildings that are in poor condition, or without enough space per person). The problem of overcrowding (by European standards – more than 2 persons per room) affects 11.9 million Poles. Seventy per cent of people aged 18 to 29 live with their parents, and a quarter of them never move out. It should also be added that house-

¹ A level of poverty defined as below the relative poverty threshold.

holds are often in debt. In addition, the number of municipal houses is usually insufficient.

The majority of homeless people are aware that there is little chance of obtaining a dwelling from the municipality. The municipality allocates few places for people in difficult circumstances. The number of places is often insufficient, and people sometimes have to wait a number of years to obtain social housing or a communal apartment. Such housing often needs expensive repairs. Taking into consideration the conditions described above, it may be assumed that a homeless person obtaining a flat is highly improbable. Unfortunately, statistics published by the Central Statistical Office and independent reports show that little has changed since the National Census in 2002.

Social exclusion and discrimination against women

The social exclusion of women is becoming an urgent issue in Poland. It is caused by many different factors, some of which are outlined here. Despite the fact that official statistics and independent reports prepared by non-governmental organisations highlight the difficult situation of women in Poland, little has been done to improve it. As sociologist Izabela Desperak noted, “despite constitutional provisions and numerous anti-discrimination laws, gender equality seems to be a fiction in Poland” (Desperak 2009). This situation is well recognised and the European Commission recently sent reasoned opinions to Poland about the non-transposition of EU rules prohibiting discrimination in the work place (Gazeta Prawna 2008).

Discrimination against women is mostly reflected in lower than average wages. Data provided by the Central Statistical Office shows that women's salaries are generally lower than men's. On average, women earn 23% less than men. Inequalities can also be seen in the number of executive positions held by women – women hold only 35% of executive positions and most of these are lower-level management positions. Differences in salary are most visible at the executive level: men earn 28% more than women at this level (Central Statistical Office 2009a).

This unequal situation is clearly shown in the survey of professional activities of the population: in the fourth quarter of 2009, 17.4 million Poles were professionally active – 9.5 million of them were male, 7.9 million were female. Women are more often professionally passive (neither working nor unemployed); in 2009 there were 5.4 million professionally passive males compared to 8.7 million females (Central Statistical Office 2010b).

Occupational segregation and the feminisation of some professions are also important issues. Rates of pay in ‘female’ professions are inherently lower than in ‘male’ professions. According to the Central Statistical Office report, ‘Women and men in the labour market’, the most feminised sectors of the national economy are health and social work (412 women to every 100 men), education (337 women to every 100 men) and financial mediation (243 women to every 100 men). The most feminised professional group were ‘office workers and shop-assistants’; in 2007, there were 199 women to every 100 men in this profession. Feminised professions also have the lowest average gross salaries (Central Statistical Office 2004).

Poland has an increasing number of self-employed women. The situation is officially presented as an example of resourcefulness. However, some cases of self-employment are forced by the employer and others are the result of an inability to find other forms of employment. Women are often forced into self-employment under threat of losing their jobs. Sociological studies indicate that, compared to other European Union countries, Poland has the highest percentage of women opting for self-employment. They constituted 36.3% of all Poles who decided to launch their own business in 2006 (Ministry of Labour and Social Policy 2006)

Discrimination against women in the labour market is often justified by the fact that they benefit from maternity leave. Poland introduced paternity leave at the beginning of 2010. However, paternity leave is too short – one week, with the possibility of it being lengthened to two weeks in 2012 – to be considered a problem for employers. The length of paternity leave also prevents it from being effective. Firstly, its duration does not allow fathers to spend a sufficient amount of time with their newborn babies. Secondly, it does not improve the situation of women, who are still perceived as less ‘flexible’ workers.

The reconciliation of professional activities and family duties is another serious problem for women. According to the Central Statistical Office, Poland is ranked one of the lowest in terms of enrolment in pre-school education (Central Statistical Office 2009b). The number of places in kindergartens is insufficient. Pre-school education is also very expensive, which excludes poor families and single mothers.

This situation is accompanied by a lack of awareness that it is women who are mostly responsible for the family budget. This is clearly visible in the case of single mothers. Difficulties in the collection of child maintenance, discrimi-

ination in the labour market and lack of real support from authorities, such as effective social care and social protection, make single mothers one of the social groups most threatened with social exclusion.

Polish Official Development Assistance and gender equality

EU policy regarding development assistance programmes places special attention on gender equality, defining it as a crosscutting issue that should be a core idea in all strategies and policies regarding development (European Commission, 2010). The ‘EU Action Plan on Gender Equality and Women’s Empowerment in Development’ for the period 2010 to 2015, adopted by the European Council in June 2010, recommends the implementation of a twin-track approach entailing gender mainstreaming and specific actions targeting the promotion of women’s rights and the empowerment of women (European Commission 2010)

At the international level, Poland has signed and accepted all instruments dealing with gender issues in Official Development Assistance (ODA). But, in reality, the Polish Government has done little or nothing to put these principles into practice. The truth is that all guidelines for organisations that implement development projects contain requirements for the equality of opportunities for men and women, but, in reality, the level of this equality depends on the organisation implementing the project.

Regarding the gender dimension in Polish ODA, there is no gender disaggregated data. The Polish Ministry of Foreign Affairs is about to announce figures for Polish foreign assistance according to recipient country and sector, not for particular actions. In 2010, Grupa Zagranica published a commentary on Polish Development Aid Programmes (Grupa Zagranica 2010), which points out the lack of any reference to gender or women’s issues. As the EU recommends prioritising gender equality in every project implemented, it is very important to take gender into consideration in Polish Official Development Assistance programmes. The Ministry of Regional Development is not able to even estimate the funds spent on projects aimed at women or on the promotion of gender equality in 2008. There is a strong need to create and implement special tools and indicators to measure gender mainstreaming, including the collection of gender disaggregated data regarding ODA. Unfortunately, the Polish Development Aid Department of the

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■ SERBIA

Serbia: Social Inclusion Needs Socially Responsible Governance

Mirjana Dokmanovic
Victimology Society of Serbia

In recent years, Serbia has adopted a set of anti-discrimination laws and developed strategies and policies aimed at increasing the social inclusion of marginalised groups. However, these measures have remained mainly on paper, while in practice vulnerable groups are at increasing risk of poverty due to cuts in budgetary allocations for social services.

Social impact of the global economic crisis

At mid-decade, the Serbian economy was experiencing positive growth, but this growth was not based on strong foundations. To a large extent, it was the result of an inflow of foreign capital, including support from international financial institutions. Thus, Serbia had a large payment deficit, which reached 18% of GDP in 2008 (Matkovic et al. 2010, p 9). Serbia became highly dependent on capital imports, making it sensitive to turbulence in the global financial market. An analysis of the impact of the global economic crisis on the labour market in Serbia conducted by the Center for Liberal Democratic Studies in April 2010 (Matkovic et al. 2010) indicates that all main economic tendencies were unfavourable: decreasing economic activity, decreasing employment rate, and a high rate of unemployment.

The first signs of crisis in the labour market were apparent towards the end of 2008, but a more significant impact was felt in the first quarter of 2009. In April 2009, there was a large decrease in employment of 5.8% as a result of a substantial decrease in economic activity. Unemployment grew significantly in October 2008, by 5.5%, and again in April 2009, by 6.9%, reaching almost half a million people. The most vulnerable to the crisis were people with secondary and lower levels of education, as well as those aged 15 to 30, followed by those aged over 50 (Matkovic et al. 2010, p 6). These three categories of labour have the least chance of finding a job, as discrimination on the basis of age persists in the labour market, as well as on the grounds of gender, marital status, disability and ethnicity.

The global financial and economic crisis influenced a sharp decrease in the income of the population, due to unemployment, the freezing of pensions, and an increase in debt servicing

obligations, as well as decreases in foreign capital inflow and a decrease in the availability of bank loans for citizens. As a consequence, living standards deteriorated and poverty increased. Nonetheless, the poverty level in 2009 was still lower than the level in 2006 and 2007 (Matkovic et al. 2010, p 6). The headcount poverty index reached 7.4% (approximately 550,000 people), while the poverty gap index¹ increased to 1.6% (Matkovic et al. 2010, p 7). Poverty in Serbia is strongly correlated with employment status and education level. Those who are unemployed have a higher incidence of poverty. A recent report, 'Monitoring Social Inclusion in Serbia – Overview and Current Situation of Social Inclusion in Serbia', published in April 2010, confirms these negative trends and warns of the need to implement a consistent and comprehensive policy to combat rising economic and social insecurity (Social Inclusion and Poverty Reduction Unit and National Statistical Office 2010).

Social protection and access to social services

The position of vulnerable groups (the Roma, internally displaced people, single mothers and social assistance beneficiaries) has been aggravated during the crisis by the decreasing availability of jobs in the informal economy on which they rely heavily, loss of formal employment, less chances of finding a new job, and decreasing wages, both in the informal and formal economy (Matkovic et al. 2010, p 7). These groups have experienced serious hardship in meeting their basic needs since the fall of 2008. Price increases have further deteriorated their situation, particularly the increased cost of healthcare. For the poorest among the poor, studies suggest that the most important coping strategy is to find work in the informal economy, such as seasonal jobs, home assistance, cleaning and construction work, followed by a reduction in consumption. Savings are also made on clothing and footwear, expenditure on children and the use of utilities. The poorest often depend on government assistance, such as child allowances and other social security benefits (Matkovic et al. 2010, p 8).

¹ The mean distance below the poverty line as a proportion of the poverty line where the mean is taken over the whole population, counting the non-poor as having zero poverty gap.

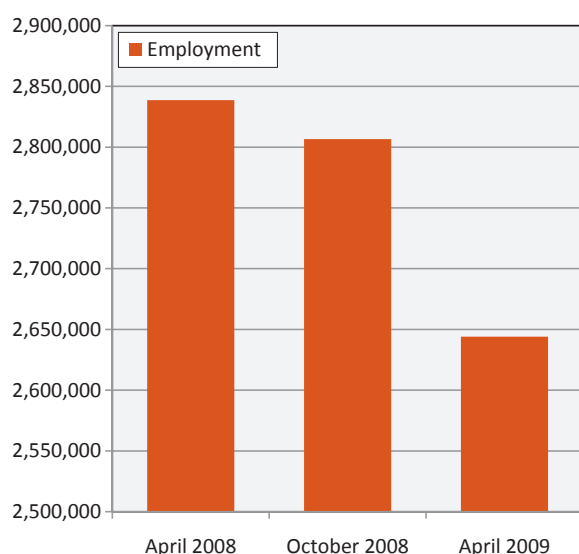
In December 2008, the Serbian Government adopted a 'Framework of Measures' (Government of the Republic of Serbia 2008) as a response to the negative impact of the economic crisis, designed to preserve the living standard of the population and assist those in need. However, the measures implemented were mostly shaped and guided by the demands of the International Monetary Fund and the World Bank, as a condition of their financial assistance given to mitigate the impact of the global financial and economic crisis.² Evidently, the country lost policy-making freedom and fiscal space in developing anti-crisis measures. As a consequence, Serbia has continued to pursue serious cuts in allocations to social services including to social security benefits, healthcare and education. The budget savings have led to the freezing of pensions, a review of subventions, the closure of a number of healthcare institutions, a reduction in the number of healthcare workers and teachers, and an announcement of the closure of special schools for children with disabilities. This shifting of the burden of public services ultimately increases women's unpaid work within the family, because women are taking up the work previously provided by public institutions.

People with disabilities – Invisible people

People with disabilities are one of the most vulnerable groups in Serbia, and they are not visible enough. It is estimated that they make up approximately 10% of the population (800,000), and that every fourth citizen is impacted, directly or indirectly, by the issue of disability. The legal framework has been improved in recent years by the adoption of the Law against Discrimination (2009), the Law against Discrimination of Persons with Disabilities (2006), and the Law on Professional Support and Employment of Persons with Disabilities (2009). The Convention on the Rights of Persons with Disabilities and its Optional Protocol were ratified by Serbia in 2009. The Law on Construction obliges investors and constructors to respect standards in relation to the accessibility of public, business and residen-

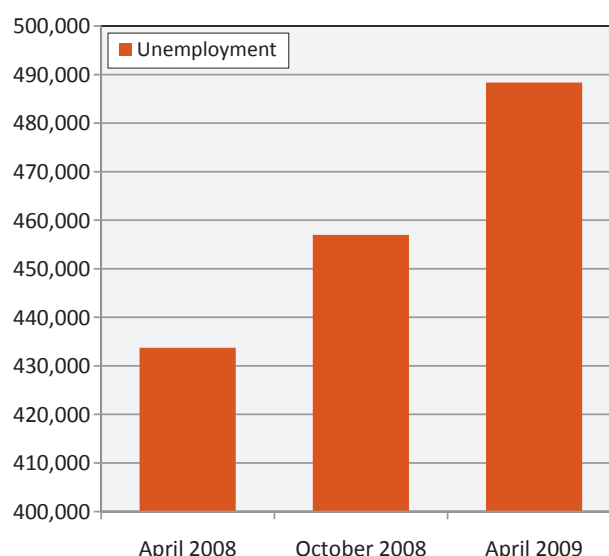
² In early 2009, Serbia signed two Standby Agreements with the IMF, worth USD 530.3 million and USD 4 billion, to maintain economic and financial stability. In addition, it signed a World Bank loan worth USD 400 million for the development of private and financial sectors (International Monetary Fund 2010).

Figure 1: Employment in Serbia (April 2008 to April 2009)



Source: Labour Force Statistics (Matkovic et al. 2010, p 21)

Figure 2: Unemployment in Serbia (April 2008 to April 2009)



Source: Matkovic et al. 2010, p 25

tial buildings. The Law on Tenders also requires that these standards be respected. The National Employment Agency has introduced affirmative measures to enhance the employment of people with disabilities. The newly adopted Law on Professional Support and Employment of Persons with Disabilities obliges every employer of more than 20 employees to employ persons with disabilities. Still, these measures have not yet resulted in a higher employment rate for persons with disabilities.

In 2009, 80% of people with disabilities were unemployed, and 70% of them lived in poverty, barely surviving on social security benefits. The National Employment Agency recorded 22,758 unemployed people with disabilities, and only 68 of them found a job. The Serbian Ombudsperson has warned that their position is worsening due to the high level of unemployment, poverty, discrimination, political underrepresentation and the prevalence of violence, particularly against women (Mrsevic 2010). Disabled people are almost unrepresented in political parties and decision-making positions. The majority of disabled people (87.4%) are members of NGOs and other associations dealing with improving their position.

Disabled people also face institutional discrimination, which includes difficulties in accessing public institutions, difficulties in enjoying social rights and healthcare, and lack of protection against violence. Sexual violence against a woman in a marriage, as defined in the Criminal Code, is not prosecuted ex officio, but under a private lawsuit. Out of Circle³, an NGO

3 Out of Circle started in Belgrade as a hotline for victims of

that has been working with disabled women in Serbia since 1997, has warned that people with disabilities, particularly women, are four times more exposed to violence (Out of Circle 2010). After divorce, the custody of children is usually given to a violent husband in preference to a wife with disabilities, because she is considered “not physically capable to take care of children” (Ombudsman of the Republic of Serbia 2010). In 2009, the Office of the Ombudsperson received 78 complaints from disabled people, mostly about difficult social status, taxes, housing, and access to healthcare and spas. In April 2010, the Ombudsperson organised a roundtable called ‘Networking for Eliminating Violence against Persons with Disabilities’ (Ombudsman of the Republic of Serbia 2010) to make these issues visible and to call on other state institutions to make more efforts to improve the economic and social position of people with disabilities.

Monitoring social inclusion

As part of its preparations for accession to the European Union, Serbia has started developing an institutional framework for its policy on social inclusion. In July 2009, the Government established the Social Inclusion and Poverty Reduction Unit and, at the beginning of 2010, the Working Group on Social Inclusion. The Unit

domestic violence. Since then it has influenced the establishment of a network of similar NGOs in other regions of the country, and organised a great number of campaigns, training and activities aimed at empowering women with disabilities and making their voices heard. It also provides psycho-social assistance, legal counselling, education and healthcare programmes. See more on their website: <www.izkruga.org>.

publishes bulletins on this issue, and its first report giving an overview of the current state of social inclusion in Serbia using European and national indicators was published in April 2010 (Social Inclusion and Poverty Reduction Unit and National Statistical Office 2010).

The Unit has invited civil society organisations, scientific and research institutions, and experts to take part in the development of the First National Report of the Republic of Serbia on Social Inclusion and Poverty Reduction, to be published at the end of 2010. This Report will also outline the key interventions and policies with a view to approximation to the joint EU objectives and prepare the country for the development of the Joint Memorandum on Social Inclusion.⁴

These intentions and policy measures are welcomed, but to eliminate poverty and social exclusion more attention needs to be paid to the implementation of policies than to drafting nice statements and laws. Achieving this goal needs the establishment of a socially responsible government and a social welfare state, the development of corporate responsibility, and the elimination of corruption and discrimination of any kind. Policies driven by big capital, foreign investors and international financial institutions seldom benefit the middle class and can undermine the social role of the state. The realisation of economic and social rights needs real policy change and governance in the service of its citizens.

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4 The role of this document is preparation of an EU candidate country for their full participation in social protection and social inclusion policy after their accession to the EU.

■ SLOVAKIA

Slovakia: Economic Problems Exacerbate Inequality and Social Exclusion

Daniel Klimovský

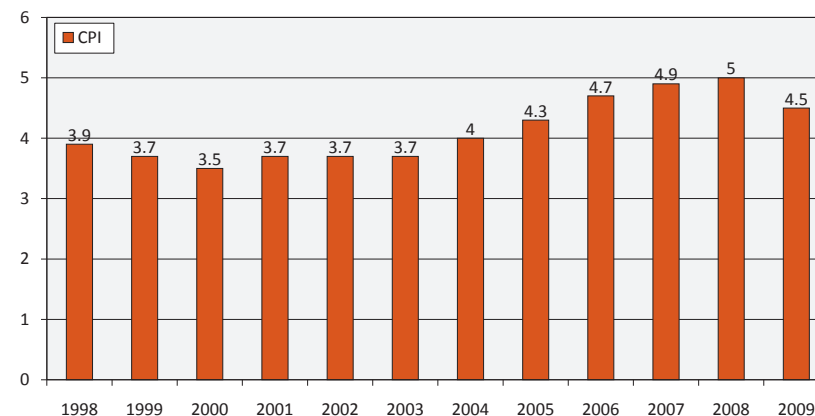
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With the highest economic growth in the EU in 2008, Slovakia used to be known as the 'Central European Economic Tiger' and the 'Detroit of Europe'. However, the global economic crisis caused a rapid increase in unemployment in 2009, accompanied by a significant fall in GDP (although the country is now again among the best performers in the EU in terms of the pace of GDP growth). Slovakia also faces issues to do with social exclusion including a long-standing Roma problem; the members of this ethnic group are generally the poorest in Slovak society.

Internal and external political tensions

From 1998 to 2006 Slovakia instituted several important social and economic reforms. However, the subsequent Government, led by Prime Minister Róbert Fico, which held office from 2006 to 2010, did not build on this success and implemented policies that were in conflict with the policies of the preceding governments. Among the achievements of the Fico Government were meeting the criteria for entry into the European Economic and Monetary Union, implementation of the common euro currency in Slovakia on 1 January 2009, and entry into the Schengen system. These achievements led to a slight increase in the level of prices and to significant changes to migration policy. Despite these achievements, politics and governance in Slovakia have a long way to go to reach European standards, and are characterised by

Figure 1: Changes in the Corruption Perceptions Index in Slovakia (1998–2009)



Source: Transparency International Slovakia 2009

political tension, both internal (between parties) and external (with Hungary); the vulgarisation of politics, including verbal attacks on minority groups by members of political parties; an increase in corruption (Slovakia's rating on Transparency International's Corruption Perceptions Index dropped between 2000 and 2008, see Figure 1); and a failure to move forward on important social issues such as housing and discrimination (against Roma and women). These present real challenges for Slovakia in overcoming social exclusion.

Of these challenges, Slovakia's failure to move forward on sensitive social issues has exacerbated social exclusion. The Centre for Housing Rights and Evictions, which is situated in Geneva, gave its '2007 Housing Violator Awards' to Burma, China and Slovakia. The Centre criticised Slovakia for persistently dis-

criminating against its Roma population, which frequently faces segregation and forced eviction by local authorities. Unfortunately, there has been no major change since that time and the previous Government continued to neglect this issue (Klimovský 2009).

There is a similar story in relation to gender equality. Despite the fact that in 2008 the Committee on the Elimination of Discrimination against Women pointed out its concerns about ongoing discrimination against women in Slovakia and advised the Government to be more active in this field, the previous Government paid little attention to this issue.

Regional disparities

Many European countries face problems due to regional disparities between rural and urban centres, with metropolitan or central regions

Table 1: Regional GDP and regional GDP per capita in Slovakia in 2007

NUTS 2 level (GDP in million EUR)	NUTS 3 level (region)	Regional GDP (2007)		Number of residents	GDP per capita
		million EUR	%		
Bratislava Region (16,444.249 million EUR)	Bratislava	16,444.249	26.72	616,578	27,015
Western Slovakia (20,761.297 million EUR)	Trnava	7,678.522	12.48	559,934	13,810
	Trenčín	6,333.203	10.29	599,859	10,560
	Nitra	6,749.572	10.97	706,375	9,548
Central Slovakia (12,135.745 million EUR)	Žilina	6,642.644	10.79	696,347	9,552
	Banská Bystrica	5,493.101	8.93	653,697	8,385
Eastern Slovakia (12,205.778 million EUR)	Prešov	4,987.000	8.10	803,955	6,225
	Košice	7,218.778	11.72	775,509	9,333
Slovakia total		61,547.069	100.00	5,412,254	11,405

Source: Eurostat News Release 2007

Note: The nomenclature of territorial units for statistics (NUTS) classification is a hierarchical system for dividing up the territory of the EU for statistical purposes.

Table 2: Regional unemployment and the structure of people looking for work in Slovakia

NUTS 2 level (number of people looking for work)	NUTS 3 level (region)	Unemployment rate in % (March 2010)	Number of people looking for work (May 2010)		
			Total	Men	Women
Bratislava Region (16,462 people)	Bratislava	4.42	16,462	8,944	7,518
Western Slovakia (112,367 people)	Trnava	8.62	29,493	15,354	14,138
	Trenčín	10.25	34,668	19,342	15,326
	Nitra	12.44	48,206	24,935	23,271
Central Slovakia (111,601 people)	Žilina	11.36	42,319	23,184	19,135
	Banská Bystrica	19.57	69,282	36,928	32,354
Eastern Slovakia (153,307 people)	Prešov	18.24	81,567	45,508	36,059
	Košice	16.85	71,740	39,640	32,100
Slovakia total		12.88	393,737	213,836	179,901

Source: UPSVaR 2010

Note: The nomenclature of territorial units for statistics (NUTS) classification is a hierarchical system for dividing up the territory of the EU for statistical purposes.

developing rapidly, and peripheral and rural regions developing slowly and irregularly. Such economic disparities are usually accompanied by variations in the territorial distribution of prosperity as well as poverty.

Slovakia is characterised by huge regional disparities. These disparities are especially visible when looking at regional GDP per capita (Table 1) and regional unemployment rates (Table 2).

While Bratislava Region produces almost 27% of Slovakia's total national GDP, Banská Bystrica Region and Prešov Region produce less than 9% of the GDP of Slovakia. Looking at long-term development, Bratislava Region and other Western Slovak regions are developing much faster than Banská Bystrica Region and the regions of Eastern Slovakia.

The regional unemployment rate is consistent with the regional disparities in GDP. In Bratislava Region, unemployment was less than 4.5% in March 2010 and in Trnava Region only 8.62%, while in Košice Region it reached almost 17%, in Prešov Region more than 18%, and in Banská Bystrica Region almost 20% for

the same period.

The industrialisation of Slovakia after the Second World War created serious problems in the Slovak regions, especially those situated in the peripheries. Many Slovak regions were industrialised in a mono-segment way, and their dependence on one or few industrial companies was high. This led to social and economic troubles in the 1990s, and it may well be a 'timebomb' in the years to come (Kling 2002). Moreover, the Roma, who are generally some of the poorest in Slovak society, are concentrated in the peripheral regions (i.e., especially in the east and south-eastern parts of the country), which complicates the problem.

Poverty in Slovakia and the Roma

In order to assess the level of poverty in Slovakia and to compare it among the Slovak regions, it is helpful to use a composite indicator of poverty. The indicator for the purposes of this report is constructed using a simple method of multi-criteria evaluation based on the sum of ranks (i.e., at risk of poverty rates; long-term unemployment rates; populations with primary

or no education; material deprivation rates; and Gini coefficients). The results are presented in a thematic map (Figure 2).

The south-eastern and eastern parts of Slovakia have a much higher incidence of poverty as economic activity is heavily concentrated in the west, particularly around the capital of Bratislava (Habitat for Humanity International 2010).

Although official data indicate that the Roma minority constitutes only 2% of the Slovak population, the reality is very different. For instance the London-based Minority Rights Group NGO estimated the total number of the Roma in Slovakia to be 480,000 to 520,000, or 9 to 10% of the entire Slovak population (Liegeois and Gheorghe 1995). Roma are strongly affected by poverty in Slovakia. Manifestations of discrimination against Roma include limited or lack of access to education, health services and other basic services; bias in the labour market; inadequate housing (Puliš 2002; Šoltéssová and Fotta 2007; Jurová 2008; Klimovský 2008, 2009, 2010; Želinský 2009, 2010); social bias and exclusion (Radičová 2001; Džambazovič and Jurásková 2002; Džambazovič and Gerbery 2005).

The Roma are very often segregated in squatter settlements (ghettos)¹ called *osada* outside municipalities or towns. In 2000, there

(continued on page 82)

Figure 2: Composite indicator of poverty in the Slovak regions



Source: Klimovský and Želinský 2010

¹ The term Roma settlement, as defined by Jakoubek and Hirt (2008, p. 723), describes "relatively autonomous social formations located in Slovak countryside inhabited primarily by the Roma population. The advantage of this term is based on its practicality and general use. Any attempts to introduce new terminology either by the Slovak Government (e.g., dwelling formations on low socio-cultural level) or scientific circles (e.g., cumulated/Roma/settlements, by S. Kužel) ended up as a failure and were not accepted neither by the general public nor the specialists".

■ SPAIN

Spain's Scoreboard after the Global Economic Crisis: Finance Sector: 1; Social Rights: 0

Pablo José Martínez Osés
Plataforma 2015 y más

The Spanish Government has submitted to neoliberal economics, announcing in 2010 a programme to reduce public spending, which basically affects civil servants, pensioners, social protection programmes and development aid. Most social and union organisations condemn this 'breakdown' in the Government discourse and propose a way out of the crisis based on people's rights.

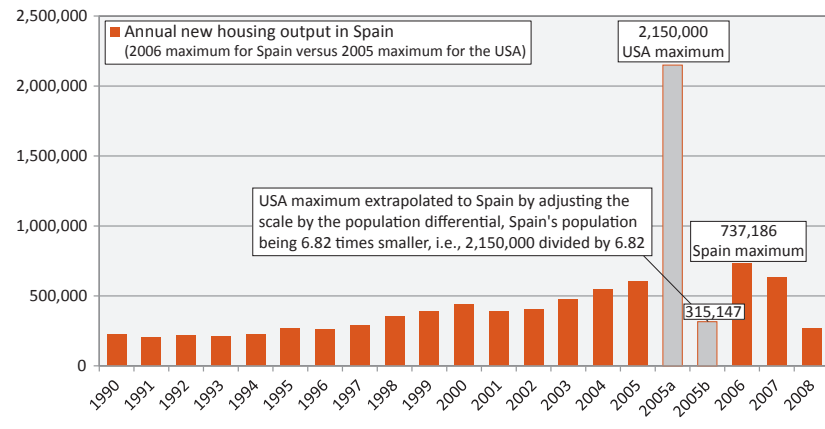
Spain's EU presidency: 'Hot' finances and structural adjustments

The Spanish Government took over the presidency of the European Union on 1 January 2010, soon after the entry into force of the Lisbon Treaty, which, among other things, weakens the powers and capacities of the rotating presidency system. The expectations raised by the Spanish Government with regard to its presidency were jeopardised, mainly due to its necessary coexistence with the new European Council President, Herman Van Rompuy, and the High Representative of the Union for Foreign Affairs, Catherine Ashton. Tensions between supranationalism and intergovernmentalism have detracted from the visibility that the Spanish Government wanted for its turn at the helm. The political crisis in the Belgian Government during Spain's presidency also undermined the work accomplished by the 'trio'.¹

On the other hand, the European political agenda has been driven more by the fallout from the global economic crisis than by the development of the institutional changes stemming from the Lisbon Treaty. Since the first few months of 2010, the volatility of the euro in international currency markets has been consistently linked to the struggle of some of its members and, therefore, of the monetary union, to keep macroeconomic data within the limits set by the international institutions of the economic orthodoxy. The lack of confidence of investors (individual and corporate) in the sustainability of

1 As of 2007, the system of collaboration between six-month presidencies changed in favour of coordination among three consecutive presidencies in developing a common agenda. This was done for greater coherence and to extend the core elements of the presidential agenda to at least 18 months. Spain will be succeeded in its presidency by Belgium and Hungary.

Figure 1: Annual new housing output in Spain (2005)



some countries' public debt and in the viability of government action to stabilise their economies has strengthened the position of those advocating for neoliberal economic solutions: cut public expenditure, raise taxes, deregulate key sectors, and privatise public enterprises and services to achieve budget stability. Spain has been particularly affected.

In 2009, most proposals for a way out of the economic crisis were domestic in scope and left the analyses and proposals for a global recovery to the successive G20 meetings. In contrast, in 2010, the European Central Bank and the Economic and Financial Affairs Council (ECOFIN)² took back the initiative, assessing and negotiating reforms of economic policies at the national level. The case that opened Pandora's Box was that of Greece, after the key macroeconomic data supplied by the country in recent years was found to be false. In such a situation, concerted action is required on the part of the Union to prevent one country's woes from spreading to the other Member States using the same currency. A very harsh structural adjustment was forced onto the Greek economy, based on steep cuts in public spending, deflation and deregulation. After the structural adjustments seen in recent decades, this was more of the same. The European Union agreed to create a financial stability fund with contributions from its Member States³ and to allow the European

2 Usually a monthly meeting of the economic and finance ministers of the EU Member States, typically preceded by an informal meeting of the Member States of the monetary union (known as the Eurogroup).

3 Just a few weeks later, the European Union announced

Central Bank to invest in national public debt for the first time, thereby intervening in the volatility of the price of such debt on the stock markets.

Breakdown in the Spanish discourse on ways out of the crisis

The rating agencies started lowering the solvency ratings for Spain and Portugal's public accounts in 2010, causing fluctuations in financial markets. Spain's Prime Minister surprised the Parliament by announcing a programme to reduce public spending that basically affects civil servants, pensioners, social protection programmes, care for dependent persons, maternity benefits and development aid. This was only the first step, and with it came the announcement of a labour reform that will, in essence, make it cheaper to fire employees. For most social sectors in Spain, this is an about-turn in the Government's policy and a breakdown in the discourse that has placed welfare policies at the core of the present Government's six years in office. Once again, the agenda against social exclusion will have to wait for better days.

A crisis of the Spanish sort: Stagnation, unemployment and the role of real estate

It seems that nobody in Spain's Government was able to foresee the consequences that

that the successive rescue packages would receive funding from the European Commission, which would be the body granting loans to national economies at risk. The European banking sector made brisk business out of this plan by lending to clients who were not creditworthy to increase their debt at prices above those of the private banking sector.

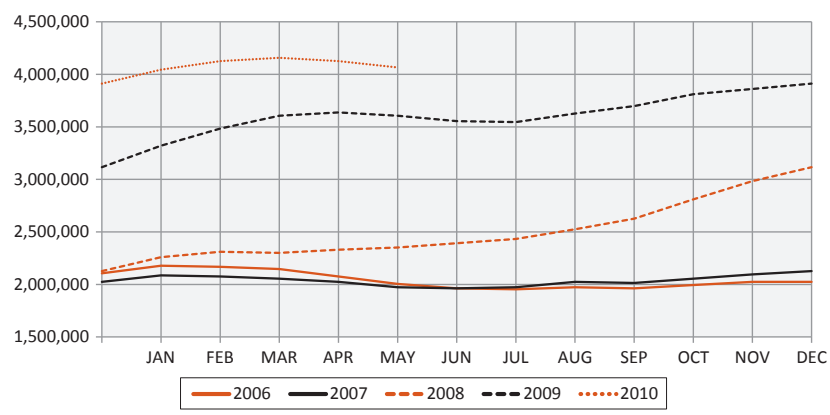
the financial market crisis would have on the so-called 'real' economy⁴. The Government has focused on the global scope of the crisis, implying that the problem was 'foreign' and that the political management in Spain is not directly to blame. Nor has the opposition owned up to its part in the making of the crisis, whose devastating effects on the population have been used for electoral gain. The reality is rather different and takes us back to the economic growth and development model promoted in Spain in recent decades. Over the past 12 years, the country's economic growth has been linked to the construction sector and the so-called 'real estate bubble'. Growing land deregulation provided an incentive to fund municipal budgets through land revaluation. The gains made were passed on to investors and developers and ended up with their clients, thanks to the low interest rates offered by the European banking system. Nobody seemed concerned about the fraud surrounding the land revaluation or the spectacular surge in private and domestic debt. The banks were profiting, GDP was growing, and jobs and investments were far too closely tied to a market that was building more than twice the homes needed; this completed the picture of a supposedly booming economy. Calls for the regulation and structural reform of 'brick-based' growth seemed out of place while Spain was striving to be the eighth largest economy in the world.

In fact, from 1998 when Spain entered the Eurozone, interest rates (12-month treasury bills) dropped from 10.3% in 1995 to 4.5% in 1998 and kept falling until, with ups and downs, they reached 1% in 2005. As Figure 1 shows, before 1998 the growth in the number of new homes built hovered at around 220,000 homes annually. In 2005, the number of new homes built in Spain outstripped the maximum built in the United States by two to one in relation to population size.

Two of the main outcomes of this have been a rise in unemployment and difficulties experienced by families in managing their household debt, in particular mortgages. The private debt of businesses and households in Spain amounts to 178% of GDP, more than three times the rate of government debt. In the context of the economic slowdown, the credit squeeze due to the new risk valuations on debt and the resulting rise in unemployment, the challenges facing the Spanish economy call for solutions to household

4 The real economy is all the economic activity, except for the financial sector. It is the side of the economy dealing with goods, services and resources, as opposed to the financial economy.

Figure 2: Unemployment in Spain (2006–2010)



debt before a reduction in government deficit and debt. Similarly, the difficulties of the *cajas de ahorros* (regional savings banks), which have lately been the focus of merger and concentration plans, are also rooted in their overexposure to the real estate sector. In the end, the Government announced a bill to privatise the *cajas*, thereby abandoning political intervention in the banking sector, which for decades had supported and promoted the distribution of profits and lending to the working classes. Their managers had also fallen into the real estate trap.

Meanwhile, the unemployment rate has soared over the last three years, from close to 8.6% in 2007 to 20% in 2010. Bearing in mind the most recent data gathered over two months of job creation, in June 2010 the unemployment rate was 18.5% – which is the level last seen before the real estate boom of 1998. More than four million people are currently out of work, with the most vulnerable groups being particularly hard hit: immigrants, women and the youth (National Statistics Institute 2010). What makes Spain stand out from other European nations is the speed at which millions of jobs were wiped out, essentially due to overreliance on the building sector.

Persistent social exclusion in Spain, worsened by the economic turmoil

In terms of social exclusion, the figures that should be used for Spain are those pre-dating the worst fallout from the economic crisis. FOESSA's recent report on social exclusion in Spain prepared using 2007 data indicates that some 800,000 Spanish households have suffered severe exclusion while 1.8 million have suffered moderate exclusion (representing 5.3% and 11.9% of households, respectively) (FOESSA 2008a)⁵. According to the National

5 Moderate exclusion (or 'exclusión moderada o relativa-

Statistic Institute, interpreted by FOESSA in 2008, 19.6% of the Spanish population lives below the poverty line (FOESSA 2008b).⁶ Even in times of sustained economic growth (1993–2006), the situation in Spain was never favourable for significant advances in social development. The key indicators in this sense are clear: between 1994 and 2008 the proportion of the population living below the poverty line remained virtually constant at around 19.5%. In 2007, Spain's social expenditure as a share of GDP was below the European average by five percentage points, at 22.7% versus 27.5% in the EU27.

The fallout from the economic crisis on this persistent reality has been swift. Organisations focusing on social assistance such as Caritas have reported that for the 18 months between 2007 and 2009 the number of requests for help doubled from 400,000 to nearly 800,000 (Caritas Spain 2009). The applications listed in the order of their importance were for food, housing, employment, legal assistance in matters relating to alien status, and psychological support. In short, with this crisis the most vulnerable sectors have seen their chance of access to adequate social protection and distribution policies disappear. The growth model is being entrenched at the expense of other more inclusive models.

Conclusion: Social mobilisation for a way out of the crisis based on people's rights

Most social and union organisations have condemned both the powerful effects of the crisis and the about-turn in the Spanish Government's discourse and policies. The distrust in the growth model that led to the crisis ensures that we are about to enter a phase of increased

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mente compensada' in Spanish) is defined as a score between 2 and 4 on the FOESSA social exclusion index, severe exclusion is defined as a score above 4.

6 For these data, the modified OECD scale is used for the poverty threshold: 60% of the median income in 2006.

■ Bosnia and Herzegovina

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2. Implement governance tools at state, entity and municipal levels to enhance transparency and the accessibility of information.
3. Increase monitoring of public expenditure by civil society organisation and lobbying for the implementation of laws and strategies to combat poverty.
4. Conduct awareness campaigns to make citizens understand how government action or inaction is impacting on their wellbeing.
5. Fight corruption, promote citizen's involvement, and support an independent judiciary and investigative journalism. ■

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■ Bulgaria

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Even with the general pension freeze in 2010, the financing gap for pensions is expected to widen to 6.2% of GDP in 2010. Estimates by the National Social Security Institute indicate that this gap will remain broadly unchanged until 2012, if pension increases return to the indexation rule for 2011–2012 (NSSI 2009).

Given Bulgaria's low level of public debt and favourable budgetary position, such an increase was considered sustainable until now (European Commission and Economic Policy Committee of the European Communities 2009b). As a result of revisions, the long-term outlook has become much less rosy. By the end of 2010, the pension-to-GDP ratio is expected to have risen by 2.3 percentage points compared to 2007 (more than two-thirds of the estimated long-term increase). Moreover, the global economic crisis has substantially reduced the country's economic output and it may take a while to return to the pre-crisis growth path.

Simulations by the European Commission for a 'lost decade' scenario show that this could raise pension spending (European Commission and Economic Policy Committee of the European Communities 2009a).

The gap in financing for the pension system is creating trade-offs with other policy targets of the Government, notably to lower the tax burden. Such budget priorities may affect other areas such as family benefits, healthcare, and education, and deepen the social exclusion of some groups of people.

Healthcare system

Healthcare output indicators for Bulgaria indicate that a gap remains between Bulgaria and the EU, including new Member States.

Output indicators, such as life expectancy and infant mortality, are still below the average for new Member States. But, accounting for Bulgaria's lower per capita income – per capita income being one of the factors generally associated with better health outcomes – it fares above average. Nevertheless, only a third of Bulgarian citizens are satisfied with the availability of quality healthcare in Bulgaria, compared to about half in the new Member States and two-thirds in the EU (National Statistical Institute 2010b).

Public health expenditure is low and reliance on private health spending is high in Bulgaria. At about 3% of GDP, public healthcare spending in Bulgaria was less than two-thirds of the new Member States and half of the EU average in 2007 (European Commission, Directorate-

General Employment, Social Affairs and Equal Opportunities 2010).

Bulgarians spend less money than most other EU countries on private healthcare, but their relative spending on private healthcare is high (40% of all healthcare spending is for private healthcare, which is one of the highest rates in the EU). This is also reflected in the significant share of out-of-pocket spending in Bulgaria of 38%.

Recommendations

1. Efforts should be made to address the financing gaps in the pension system through revenue and/or expenditure measures, to avoid further strains in other social sectors.
2. Job creation should be a priority as Bulgaria's labour market participation rate is still below the average for new Member States.
3. The completion of comprehensive health sector reform should be a policy priority of the Bulgarian Government. Comprehensive reform plans have been drawn up with a view to increasing the system's efficiency while improving the quality of care; these must be completed to achieve the financial and other targets of the National Health Care Strategy. ■

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■ France

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1. This framework should take a rights-based approach and focus on fighting poverty and inequality.
2. The framework should incorporate three fundamental (and binding) principles: ownership, participation of all actors and mutual accountability.
3. The framework should include a gender perspective.

The control of French companies operating abroad

Thanks to the mechanism of public guarantee for exports managed by the French Company for the Insurance of Foreign Trade (*Compagnie Française pour l'Assurance du Commerce Extérieur* – COFACE), the French companies that are beneficiaries of this assistance need to contribute to social progress and the protection of the environment of Southern countries, as well as the reduction of global poverty and a more equitable distribution of wealth. When a case is accepted by COFACE, it is in charge of compensating for any 'damage' incurred by companies investing in Southern countries and for asking the importing State for reimbursement.

This mechanism clearly follows different logic than development as, in reality, it reinforces the debts of Southern countries – those which generally cannot reimburse the amount of the compensation. The French companies then often invest in an inappropriate manner, and are not required to give an account of their contribution to social progress or to the protection of the environment in Southern countries.⁹

Recommendations

1. The suppression of support for exports and investment from the calculation of French ODA.
2. The thorough reform of the conditions by which public guarantees are granted by integrating measures that would reinforce the judicial and social responsibility of investing companies.
3. Measures to ensure that companies respect a corpus of fundamental international texts regarding human rights, the fundamental rights of workers and protection of the environment.
4. The granting of support for exports, by contract, based on companies' respect for human rights, the fundamental rights of

⁹ According to the results of studies carried by Coordination Sud.

workers and the protection of the environment (following Article 14 of the Code of Public Markets). Social and environmental clauses could then be integrated into these contracts at all stages of the process, from the attribution of support to the conditions of execution. If companies do not meet these obligations, the State should be able to sanction them for breaches of the clauses of these public contracts by questioning the contractual responsibility of the beneficiary company.

5. Recognition of the responsibility of parent companies for the human and ecological impacts generated by the companies over which they have a power of control, de jure or de facto. ■

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■ Hungary

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According to another acknowledged expert, György Lukács, the present social system has one aim, which is perfectly fulfilled: to avoid hunger revolts (Lukács 2009).

Without social security, democracy and rule of law remain elusive concepts.

Recommendations

1. The global economic crisis has proved that the current (neo-liberal) capitalist model is unsustainable as it reduces the welfare system, increases social differences and destroys the natural environment. The economy must serve the people. The role of the State is to support the livelihoods of the great majority, not just to serve corporate interests. Alternative labour markets, social cooperation, community production and marketing, and opportunities for reasonable public employment must be supported. All of these can increase budget funds and market demand, and decrease social and other budget expenditure.

2. The economic and social rights of all Hungarians should be raised to a European level. Hungarian civil society organisations demand European level common social policies and a European social minimum (including the right to adequate food, housing, public utility services, free education, healthcare and an old-age pension). The deprived should be entitled to receive greater support by subjective right.
3. There must be an end to social and local segregation, which is particularly strong in Eastern Europe and within the ghettos. The formation of production cooperatives based on social solidarity and built on local resources is necessary to work for job creation and spur regional and local development, as well as reduce inequalities and segregation in education.
4. All tools must be used to fight populist and anti-Roma racist trends and apathy, and the lack of solidarity with the poor. ■

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Italy

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An example of the lack of support is the cutting of funds to the National Civil Service, which is aimed at boys and girls aged 18 to 28 years. The purpose of the National Civil Service is the promotion of solidarity and cooperation, the protection of social rights, and to contribute to the civic, social, cultural and professional training of the new generation. In 2010, projects were funded for about 18,000 positions, compared to 25,000 in 2009 and 45,000 in previous years. This is the lowest number since 2003. Funding for the National Civil Service has decreased from 250 million euros allocated for 2008, to 170 for 2010 and only about 110 million is foreseen for 2011.

At the same time, a proposal by some members of the Italian Government (already re-named the 'Balilla Law' after the Fascist law of 1926) is being passed, under which 15,000 young people aged between 18 and 30 will be 'enrolled' in a three-week course in barracks where they will be trained in various disciplines (including firing guns supplied individually). At the end of the 'internship' they will be given military status. The cost of this will be 20 million euro over three years.

Interventions and specific projects to promote youth protagonism cannot make up for the lack of structural policies, which are able to activate, maintain and link with various forms of youth participation. For a long time, youth policies carried out in different sectors and by different actors (national institutions, private foundations, cooperatives, associations) have been rendered less effective because of the normative vacuum and lack of coordination among the different participatory experiences of young people. According to Law 328/2000, which identified a welfare model based on concerted and shared programming, the Italian regions, provinces, municipalities and state should recognise and facilitate the role of the third sector in the planning, organisation and management of an integrated system of interventions and social services; but this law has not been fully implemented, which is again due to the lack of a holistic approach necessary to promote youth participation.

The National Youth Forum, a platform for Italian youth organisations created in 2004 and

recognised by law (as well as by the National Youth Agency), was established by the Italian Parliament to implement Decision 1719/2006/EC of the European Parliament and Council on the Youth in Action programme for 2007–2013. In practice, the Forum did not spur any real inclusion of, and leadership by, young people, neither as individuals nor as a group (within informal education contexts). In 2006, the Fund for Youth Policies was created by the Ministry of Youth to promote cultural enrichment, offer professional training, and foster initiatives of civic engagement and volunteerism. The ProvincEgiovani Action Programme was later established to intervene and promote integrated youth policies involving youth associations and the third sector. But even these legal measures have been haphazard. Only through a structured effort and collaboration between the formal education institutions (e.g. schools) and informal education institutions (e.g. associations) can the participation of youth in community life be promoted.

Recommendations

1. The Italian Government should support unemployed young people by guaranteeing a safety net for those employed in precarious jobs and by fostering policies for employment-oriented training for the unemployed.
2. The Government should introduce housing benefits (to help pay rent) for young couples and students, as well as rent control to keep housing affordable for low income youth.
3. Simplify the norms in the labour market for new workers and apprentices, cancelling atypical work contracts, requiring internships and collaborations to be formalised, and ensuring that minimum wages are effectively paid.
4. To facilitate and support young families and working mothers, the Government should provide a variety of services to help reconcile work and family care (in an evolving society where it is shared between parents).
5. The Government should reform the Italian laws that regulate the acquisition of citizenship. Under a law more open to and tolerant of second generation migrants, children of immigrants should be treated equally to children of Italian nationals.
6. The Government should support schools to play a key role in promoting full integration among young people. The proposal to establish a fixed percentage of foreign students per class does not help to build an inclusive society. If provided with the right tools, schools could facilitate daily exchange among students from different countries and

help to shape the attitudes of young generations towards different cultures.

- The Government should work to develop a coordination system among all social/institutional actors engaged in social inclusion activities for young people in order to facilitate the wider impact of those activities. At the same time, more funds must be allocated to support informal education activities for young people. ■

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■ Poland

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Ministry of Foreign Affairs does not see a need for a strategy to promote gender equality and women's empowerment. The common belief is that the Government takes a 'holistic approach' to gender issues, so there is no need to create a new strategy.

As Grupa Zagranica suggests in the report on Polish Development Aid in 2008 (Grupa Zagranica 2008), Poland should undertake a twin-track approach to ODA. Meanwhile, there is a huge gap between commitment and action on behalf of the Polish Government. Although the Polish Government has declared its commitment to human rights and democracy, there are neither policies nor programmes aimed at improving the situation of women. Also, and very importantly, within the priorities of ODA defined by the Ministry of Foreign Affairs, there is not a single word about women's rights and gender equality (Grupa Zagranica 2010, p 42).

Recommendations

- Gender disaggregated data should be col-

lected in a comprehensive way. In addition, gender disaggregated data that takes into account the various aspects of gender differences such as age, ethnicity and background is needed.

- Changes to housing policy are needed to take into account the financial capacity of the poorest group of Poles, and, in particular, to ensure that an adequate number of council flats are provided.
- The Government should develop a unified piece of legislation defining Polish ODA. This Act should define the approach to gender aspects of ODA and provide a mechanism for implementing gender equality. ■

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■ Serbia

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Recommendations

1. Economic policy should pay more attention to creating new jobs in small businesses and developing entrepreneurship to provide livelihoods for many.
2. Fighting corruption, increasing taxation of the rich, and protecting economic and social rights would contribute to improving the status of the most vulnerable. This goal cannot be reached by legislation and administrative measures alone; there must be a focus on implementation. ■

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■ Slovakia

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were approximately 620 known settlements in Slovakia, where more than 125,000 inhabitants were living in approximately 14,500 houses or shacks – and only a little more than 6,000 of those inhabitants were employed (Habitat for Humanity International 2010). Most of the people living in such settlements have no access to proper sewerage, clean drinking water or electricity. Adults and children often live in one-room shacks and share just one bed. Many of those shacks are not properly insulated and protected from harsh winter conditions. Low-income families cannot afford to renovate their homes and install proper windows and doors, and are forced to pay lavish sums for heating with the recent sharp rise in the price of utilities. At the same time, they are unable to obtain loans from commercial banks, as they are deemed unreliable borrowers (Habitat for Humanity International 2010).

There have been extraordinary cases of race discrimination in recent years: for instance, on 7 April 2009 a short video was aired on public television showing policemen with dogs forcing six young Roma boys to undress,

scramble among themselves and kiss each other; in 2009 a wall was built to separate a Roma settlement from the village of Ostrovany in eastern Slovakia; and in 2010 local authorities in the western Slovak village of Plavecký Štvrtok bulldozed a nearby Roma settlement. This reality does not mesh with assurances given by the Government that the problems experienced by Roma living in settlements in Slovakia are gradually being addressed. NGOs have continually criticised the Fico Government for failing to develop solutions to the problems of Roma people. Very high levels of unemployment in these communities and the educational segregation of Roma children is coupled with rising unrest among the majority population who, fuelled by extremists who have organised several anti-Roma rallies since mid-2009, say they feel threatened by the spread of crime from these settlements (Stanková 2010).

Parliamentary election 2010 – A turning point?

The parliamentary election in 2010 brought about a change in Slovakia's internal political chessboard. There was a swing away from the previous Government (made up of social democrats [Smer], nationalists [Slovak National Party] and centralists [Movement for Democratic Slovakia]) towards the ruling coalition, which includes more liberal, rightist parties, such as Slovenská demokratická a kresťanská únia (Slovak Democratic and Christian Union), Kresťansko-demokratické hnutie (Christian-Democratic Movement), Most-Híd (Bridge) and Sloboda a Solidarita (Freedom and Solidarity). The new Government is being led by the first female Prime Minister, Iveta Radičová.

It is too early to say whether or not the new Government² will perform any better than the previous one. However, taking into account pre-election promises and the statements of its main representatives, its efforts could herald an improvement in social and economic conditions in Slovakia. On the other hand, several of its very first measures were in violation of its pre-election promises, and the Government has already faced internal tensions between the members of different parties within the ruling coalition. Some analysts evaluated the first weeks of the Government as confusing rather than target oriented. From an international perspective, probably the most serious decision of the new Government, as well as the new Parliament, was made quite recently when Slovakia rejected a direct financial loan to

² This report was completed on 15 June 2010, three days after the parliamentary election, and revised in September 2010.

Greece. The decision was criticised not only by the opposition leaders, but also by the representatives of a few EU institutions.

Recommendations: Reflections on future development and challenges

The new Government will have to face several serious challenges and must be ready to take appropriate action:

1. Corruption must be eliminated and internal and external political tensions should be calmed down: the vulgarisation of politics must be stopped and some concrete anti-corruption measures implemented – e.g., the introduction of obligatory electronic public procurements, and expansion of other ‘e-government’ instruments.
2. Some reform processes of the 1998–2006 Government should be continued – e.g., the re-introduction of territorial consolidation³ involving the reduction of the state apparatus – and social and economic development should be stabilised to reduce both inter- and intra-regional disparities and put the economy back on track.
3. Discrimination against women should be addressed and some concrete measures implemented.
4. Issues of poverty and the situation of the Roma should become a priority of the Government, and complex policy (including not only economic and legal tools but also ‘soft’ tools like systematic civic education) must be formulated and implemented in co-operation with experts.

NGOs and the third sector should play a much stronger role in terms of political engagement with the new Government, especially in relation to policy making linked to social policy, environmental policy and regional policy. The media can also play an indispensable watchdog role and contribute to reversing the trend of corruption in Slovakia. ■

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³ There are approximately 2,900 municipalities in Slovakia with an average population size of only 1,900 inhabitants. Despite this each municipality has its own local government and the same powers – a very expensive system and unsustainable in the long term.

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Spain

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social mobilisation to fight against these measures. The absence of tax reforms and of greater investment in social spending ensures that Spain is focusing more on large personal wealth than on social development.

In tandem with the call for a general strike on 29 September 2010, and in coordination with the European Day of Action announced by the European Trade Union Confederation, social organisations are preparing specific responses in their various spheres of activity. It is about forming strong political consensus around a way out of the crisis based on socially inclusive strategies and equitable income redistribution.

Recommendations

1. Spain needs a model that faces up to the private sector – which is led by a financial sector that socialises losses while privatising profits and keeping the credit tap completely turned off for families and small businesses.
2. Funding an alternative model is entirely feasible in a country with a high tax burden if the interest rates set in the countries around Spain are monitored. Among the most popular demands are calls for progressive tax reform and an effective clampdown on tax evasion. ■

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