



E U R O P E A N
S O C I A L W A T C H

R E P O R T 2 0 1 0

Time for Action

Responding to Poverty, Social Exclusion and Inequality in Europe and Beyond

Social Watch is an international network of citizens' organisations struggling to eradicate poverty and the causes of poverty, to ensure an equitable distribution of wealth and the realisation of human rights. We are committed to social, economic and gender justice, and we emphasise the right of all people not to be poor.

Social Watch holds governments, the UN system and international organisations accountable for the fulfilment of national, regional and international commitments to eradicate poverty.

⊙ EUROPEAN SOCIAL WATCH REPORT 2010

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Responding to Poverty,
Social Exclusion and Inequality
in Europe and Beyond

SOCIAL WATCH

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This report has been produced with the financial assistance of the European Commission – EuropeAid Cooperation Office within the project “Promoting Social Development: building capacities of Social Watch coalitions” – Leading organisation: Ucodep (Italy); Partners: Ecumenical Academy of Prague (Czech Republic), Eurostep (Belgium), Fondazione Culturale Responsabilità Etica (Italy), Karat Coalition (Poland), Lunaria (Italy), Mani Tese (Italy), Oxfam Novib (Netherlands).

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Original layout: MONOCROMO

Printed by:

P.B.O. sprl/bvba
Avenue Dolez 522 Dolezlaan
Bruxelles 1180 Brussel
Tel: +32 2 660 91 77
Fax: +32 2 762 67 77

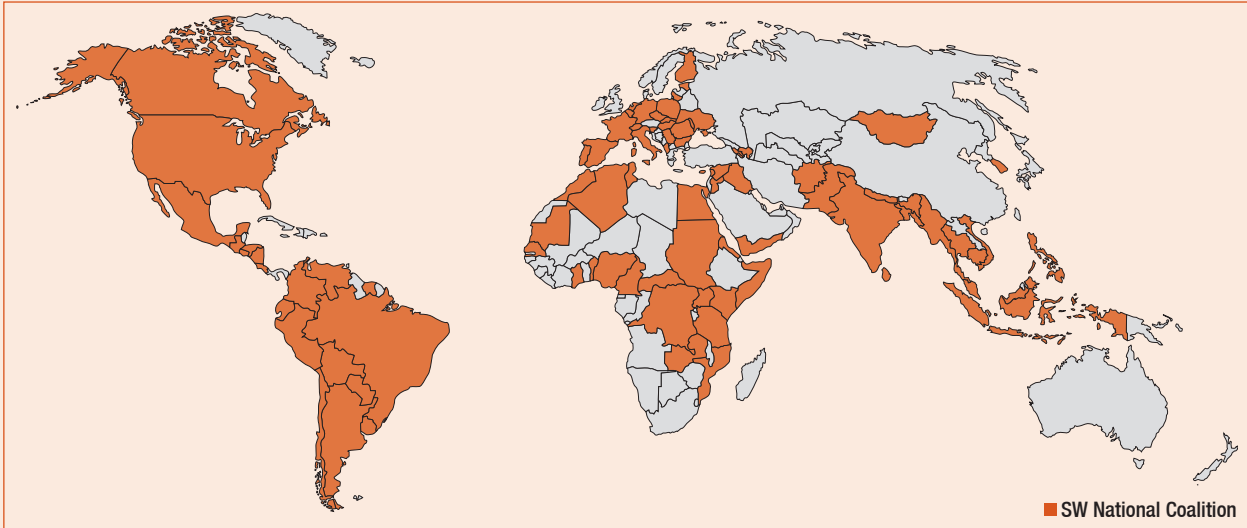
Printed in Belgium

ISSN: 2032-5479

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Executive Summary

Mirjam van Reisen¹

Social Watch Coordinating Committee for Europe

The Universal Declaration of Human Rights defines social security as a universal right for all human beings through national effort and international cooperation (Article 22). Social protection helps reduce poverty: according to the International Labour Organization (ILO), social security transfers reduce poverty by at least 50% in almost all OECD countries and reduce income inequality by about 50% in many European countries (Cichon 2008).

The international commitment to eradicate poverty was adopted by the international community at the World Summit for Social Development in Copenhagen in 1995 and reconfirmed in the 2000 UN Millennium Declaration. At the 2010 UN Summit on the Millennium Development Goals, the idea of a universal 'social floor' was introduced, based on recognition of the fact that it is possible to eradicate poverty and provide social security for all. ILO research has found that less than 2 per cent of global GDP is needed to provide a basic set of social protection benefits for people in poverty (Cichon 2008).

Establishing the EU as a legal personality, which allows it to enter into legal agreements with third countries, the EU Lisbon Treaty codifies the EU's obligation under international law to instigate national effort and international cooperation for social protection and to eradicate poverty. The Treaty makes the eradication of poverty a binding objective in the EU's relations with developing countries. With regards to the internal policies of the EU, the Treaty contains the legally binding provision that "in defining its policies and actions, [it] shall take into account [...] the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health" (Article 9, Treaty on European Union). In these areas the EU complements the activities of the Member States (Article 153, Treaty on the Functioning of the European Union – or Lisbon Treaty). The weight given by the EU to the eradication of poverty and the fight against social exclusion is evidenced by the declaration of 2010 as the Year for Combating Poverty

and Social Exclusion. President of the European Council Van Rompuy points out that the EU 2020 strategy (adopted in June 2010), aimed at the preservation of the so-called 'European economic and social model', emphasises the importance of social inclusion, employment and education (European Parliament of Enterprises 2010).

Poverty and social exclusion are a reality for a large number of Europeans. Up to 17% of people in the EU (approximately 85 million people) live below the poverty threshold. One child in five is born and grows up with economic and social deprivation. Twenty per cent of young people (aged 16–24) are currently living at risk of poverty in the European Union. These figures clearly reflect the weakness of policies to address poverty and social exclusion, which have come under pressure in the aftermath of the financial crisis. The ability of governments to implement their national and international obligation to guarantee social security has been compromised. This response by governments is resulting in massive job losses and cuts in social expenditure, accompanied by a new wave of privatisation of public assets (which even includes key government functions such as air traffic control in Spain) – ultimately placing the loss on the shoulders of the taxpayers instead of the financial sector. The European Union has not been able to tackle the root causes of the financial crisis, leaving it vulnerable to a further spiralling down and aggravation of the crisis. The fiscal constraints that developing countries have experienced in previous decades resulting from International Monetary Fund policies are now confronting European countries (Dearden 2010).

With almost half of the world's population living on less than 2 dollars a day, poverty and social exclusion are also acute beyond Europe. Developing countries have been severely hit by the combination of crises – financial, economic, food, and environmental. Inevitably, the impact falls hardest on women and children, particularly girls. The UN Review of the Millennium Development Goals has introduced the concept of a 'social floor', recognising the need for a global answer to the international poverty crisis. This proposition also makes economic sense: social protection helps in freeing the full potential of a healthy, educated and productive workforce, which is a prerequisite for sustainable economic growth, and for the creation of stability in internal consumption, especially through pensions and child support measures.

ILO argues that evidence is emerging that a minimum package of social security benefits is affordable, even in the poorest countries (ILO 2008).

Time for action: Responding to poverty, social exclusion and inequality in Europe and beyond

This edition of the European Social Watch report examines social exclusion in Europe from different angles, including employment, healthcare, housing and financial exclusion. It also analyses the reality for groups of people that are particularly vulnerable to poverty and social exclusion, such as migrants and the Roma. Special attention is given to the gender dimension of poverty, as well as the age dimension; the report finds that young people and the elderly are especially vulnerable to social exclusion. The Thematic Reports cover the different aspects of social exclusion, while the National Reports give an account of poverty and social exclusion from the perspective of different European countries. The part on Measuring Social Exclusion focuses on education, living conditions and social participation. Each report makes specific recommendations as to the measures needed to address social exclusion.

Forms of social exclusion

The report on labour market impacts, by Janine Leschke and Andrew Watt from the European Trade Union Institute, provides an overview of the impact of the global economic crisis on the labour markets of various countries and on different labour market groups. This report also looks at the different approaches governments have adopted to cope with the effects of the economic downturn. Besides the United Kingdom and Denmark, two paradigmatic cases – Germany and Spain – are presented. The German Government has managed to counter the worst of the crisis through active intervention, notably by expanding existing work-sharing schemes with the agreement of social partners. In contrast there has been a massive rise in unemployment in Spain despite there being less of a drop in output than the EU average. This rise in unemployment is in part due to the absence of effective labour market institutions, and a concentration of the crisis in the construction sector.

This report concludes that active labour policies, and particularly those that keep people in employment, have proved their worth

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during the crisis, and should be maintained and strengthened.

The Spanish national report reviews the devastating effect that the economic crisis is having on the Spanish employment sector: the unemployment rate has soared over the last three years, from close to 8.6% in 2007 to 20% in 2010. The report points out the need for a model that faces up to the private sector, which is led by a financial sector that socialises losses while privatising profits.

The report on access to healthcare by Dorota Sienkiewicz from the European Public Health Alliance argues that, despite the EU's commitment, access to health is only 'universal' in principle. Inequalities in access to health services prevail in all EU countries and are on the rise. A person's socioeconomic status strongly determines their ability to access health services, placing vulnerable groups in an unequal position. The economic crisis has served to worsen this situation as the health sector has been targeted for cuts in public spending.

Cesare Ottolini from the International Alliance of Inhabitants and Jason Nardi from Social Watch Italy argue that lack of access to adequate housing remains a significant problem in Europe, despite the fact that EU Member States have ratified international treaties and conventions that recognise and protect the right to housing. They call for a strengthening of competence for EU bodies in order to address this critical issue. The French report by the French Platform on Economic, Social and Cultural Rights also expresses concern about the lack of budget funds for housing, noting that the budget for housing assistance in France represented 1.8% of France's GNP in 2009, compared to 2.2% in 1984.

In a comprehensive analysis, Stefanie Lämmermann from the European Microfinance Network emphasises that financial exclusion significantly increases the risk of social exclusion and poverty. As European societies move towards relying on virtual money, possessing a credit card and bank account has become essential; lack of access to these tools and services leads to exclusion in other areas. The report suggests that one solution to such exclusion is the use of microfinance in the form of micro-credit, savings, insurance and transfer services for low-income households. The report concludes that microfinance providers need to be given the possibility to grow while keeping their social focus, in order to serve the high level of unmet demand for such services.

Groups vulnerable to poverty and social exclusion

After exploring different aspects of social exclusion, this edition of European Social Watch sheds light on people that are particularly vulnerable to social exclusion, due to their gender, age, or membership of an ethnic group.

Oxfam International and the European Women's Lobby analyse the situation of women living in poverty and social exclusion in the European Union. Exclusion on the basis of gender remains a problem, despite the long-lasting concern and efforts of the EU to counter it. This report provides evidence of the continuing discrimination experienced by women, notably in the area of employment, access to basic services and social benefits, and identifies how this situation is further exacerbated by the crisis. The Polish Report, by Maciej Debski (Network of East-West Women-Polska/Gdansk University), Agnieszka Nowak (Network of East-West Women-Polska) and Monika Popow (Network of East-West Women-Polska), regarding employment conditions, notes that women's salaries are generally lower than men's: on average, women earn 23% less than men. The French report also underlines that, for the same work, women are paid 27% less than men and their pension is on average 40% lower than that of men.

Marco Perolini and Santa Ozolina from the European Youth Forum examine the difficulties experienced by young people in Europe. The report argues that while some vulnerabilities depend on socioeconomic background, others are intrinsically linked to age: transition from childhood to adulthood, from education to the labour market, and from living with their family to running a household of their own. The Italian report highlights the difficult situation experienced by young people in Italy and argues that, as a consequence of the economic crisis, young Italians are increasingly being excluded, making them even more vulnerable. In 1983, the proportion of Italian youth aged 18 to 34, unmarried and still living with their families was 49%; in 2000, this increased to 60.2%, standing at 58.6% in 2009. Moreover, in 2009, the number of NEETs (not in education, employment or training) had grown to over 2 million, 21.2% of the 15 to 29 year-old population.

The social group most at risk of poverty in Cyprus is the elderly (65 and over) for both genders. The authors of the Cyprus report, Odysseas Christou, Charalambos Vrasidas, Michalinos Zembylas and Sotiris Themistokleous (CARDET), argue that it remains to be seen if recent policies targeting poverty among

the elderly will improve their social inclusion. Malta's report, by Joseph M. Sammut (Kopin) also warns that 22% of the elderly in Malta are living under the poverty threshold, which is 3% more than in the EU as a whole.

As a follow-up to the European Social Watch Report 2009, 'Migrants in Europe as Development Actors, Between Hope and Vulnerability' (Social Watch 2009), Pablo Sanchez from December 18 examines the situation of migrants in Europe. This report argues that a coherent labour migration policy for Europe depends on the successful integration of migrant workers and members of their families into host societies. As the European Union lacks competence in this field, the responsibility for integration lies with individual Member States and regional and local entities to implement the 'guidelines' suggested by the EU. The author calls upon the European Commission and the European Parliament to provide a comprehensive legal framework for migrants to ensure that a rights-based integration policy for migrants is a priority.

Laura Renzi from Amnesty International Italy gives an account of the critical situation experienced by the Roma people in Europe. In 21st Century Europe, despite all the groundbreaking laws and mechanisms to ensure that human rights are respected, the Roma are still suffering from blatant discrimination. The report provides a thorough account of the conditions in which the Roma live. This article discusses Roma integration, on which the EU has taken a strong stance, which has not been followed up at the national level with policy, laws and implementation. The author argues that, ultimately, the primary responsibility for ensuring that Europe's Roma can access their rights to housing, health, education, employment and to participate in public life lies with national governments. Slovakia's national report contends that Roma segregation is a serious problem in Slovakia, while poverty at the country-level depends to a large extent on the region, with many Roma people living in the poorest regions.

Europe 2020 strategy: Improving the odds for a social Europe?

Following the Lisbon Strategy, the Europe 2020 strategy is the key overarching strategy for the European Union for the next 10-year period. The Europe 2020 strategy establishes three key priorities, sets five targets and provides for seven flagship programmes. One of the targets is to lift 20 million people out of poverty by 2020 – which is not sufficient to lift all people out of poverty in the EU. One of seven Flagship Programmes is the 'Platform against Poverty'. The Platform will be a key indicator of future European policies

for combating poverty and social exclusion. In this report on the Europe 2020 strategy, Fintan Farrell from the European Anti-Poverty Network engages in an initial assessment of the overall orientation of the 2020 strategy. While welcoming the visibility it gives to the issues of poverty and social exclusion, he points out that the target to lift 20 million people out of poverty could be misinterpreted and lead to a situation where “two-thirds [of society] are doing well and one-third [are] left behind to carry the burdens and risks associated with social exclusion”. He argues that the only acceptable interpretation should be “the ambition to improve the situation of everybody living in poverty, while lifting at least 20 million people above the relatively high EU ‘at risk of poverty threshold’, which is based on 60% of the median equivalised income and material deprivation indicators”. He also raises the concern that actions to tackle poverty may be limited to employment related actions, thus moving the focus away from the broader issue of social protection and social inclusion.

This report recommends that social exclusion should remain an objective in its own right and, at the same time, should be mainstreamed across all policies. Moreover, more efforts should be made to increase stakeholders’ involvement, as it is of central importance for successful policies against poverty and social exclusion. Finally, the report points out that, as long as we lack a common European framework for legally binding social minimum standards, the credibility of the EU’s social goals will be compromised. There is a need for a common set of social standards for the EU that is legally binding on all EU Member States. As a first step towards this, the European Anti-Poverty Network has launched a campaign for the establishment of a European Directive on the Adequacy of Minimum Income Schemes. The EU should also take a leading role in the United Nations framework to promote the Social Protection Floor Initiative (SPFI), to ensure a minimum set of social security benefits for all.

Europe’s role in combating poverty and social exclusion worldwide

Parallel to its efforts to eradicate poverty internally, Europe has a responsibility, based on the Lisbon Treaty and on its own history, to assist developing countries in their own efforts. Barbara Caracciolo from SOLIDAR advocates for the expansion of social protection within EU development cooperation. Social protection is a powerful instrument against poverty; it can promote economic growth by boosting consumption and enabling people to enter the labour market. Expanding social protection to

developing countries is affordable: according to estimates by ILO, only 2% of global GDP would be needed to provide the world’s poor with a basic social security package – including universal access to health and income transfers (ILO 2008). Barbara Caracciolo also argues that the EU, as part of its development cooperation strategy, should support the UN Social Protection Floor Initiative, aimed at ensuring a minimum set of social security for all.

Kinda Mohamadieh and Ziad Abdel Samad from the Arab NGO Network for Development examine the role of the Euro-Mediterranean Partnership – which contains important social dimensions such as supporting universal access to basic social services – in combating social exclusion in the Southern Mediterranean Arab region. The authors point out that these aspirations have remained mainly declaratory and no concrete steps have been taken towards the creation of a common area for social development. Instead, focus has been placed on creating liberalising trade. The Euro-Mediterranean Partnership seems to focus exclusively on the economic partnership, leaving important aspects such as the promotion of democratic values and civil rights aside.

Roberto Bissio, Coordinator of the International Secretariat of Social Watch, highlights the risks associated with cuts in public spending after the onset of the global economic crisis. Policies to restore medium-term debt sustainability, he argues, should be balanced with those to protect and support the socially and economically vulnerable. Public expenditure cuts should not be at the expense of basic social policies and development cooperation. He argues that recognition in the outcome document of the UN Summit reviewing the Millennium Development Goals of the need for a social protection floor was in part the result of EU support. Establishing a common European social standard would be a logical step for the EU. The global community continues to look to the EU to help make this universal social protection floor a reality.

This European Social Watch report 2010 argues strongly for a universal standard for social protection. This will help the realisation of the protection of the economic social model, which is at the heart of the European Union’s establishment. It will also contribute to the realisation of sustainable growth in the European Union and elsewhere. A sustainable economy is important to eradicate poverty and fight social exclusion and to reduce involuntary migration. In addition, joint measures are needed for vulnerable groups in Europe, such as the Roma. A social floor in the EU needs to be realised to build international commitment to the realisa-

tion of the right to social protection globally, as enshrined in the UN Universal Declaration of Human Rights, and to achieve the eradication of poverty and social security as set out in the Lisbon Treaty.

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◎ THEMATIC REPORTS

SOCIAL EXCLUSION IN EUROPE

State of Play of Social Inclusion Policies at the European Level

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At the time of writing (September 2010), much remains unclear about the future of the EU Social Inclusion Strategy. The parameters for the Europe 2020 strategy have been agreed, but the connection between this overarching strategy and the EU's Strategy for Inclusion is still to be agreed. This report makes some comments on the Europe 2020 strategy, looks at how the EU Inclusion Strategy has functioned over the past 10 years and presents some ideas from the European Anti-Poverty Network's (EAPN's) perspective as to how the strategy could evolve.

Europe 2020

The Europe 2020 strategy is the key overarching strategy for the European Union for the next 10-year period. It coincides with the start of a new five-year EU institutional cycle (with a newly elected European Parliament and the ratification of the new set of European Commissioners) and will be reviewed at its midpoint when a new five-year cycle will begin.

The European Commission published the Europe 2020 strategy in March of 2010 (European Commission 2010a). Its broad parameters were endorsed by the heads of the EU Member States and governments at the 2010 Spring European Council. The 2020 strategy does not define all of the key areas of EU work, but attempts to communicate to EU citizen's the EU's key priorities and actions for the coming period. It will be a key driver in the establishment of key priorities for the EU; hence, the importance of ensuring that social policies are integrated into the strategy. It is important to note that social policies were downplayed in the 2005 revision of the precursor to the Europe 2020 strategy – the Lisbon Strategy – which has had an enormous negative impact on the EU Social Inclusion Strategy.

The Europe 2020 strategy establishes three key priorities, sets five targets and provides for seven flagship programmes.

The three key priorities are:

1. Smart growth: Developing an economy based on knowledge and innovation

2. Sustainable growth: Promoting a more resource efficient, greener and more competitive economy
3. Inclusive growth: Fostering a high-employment economy delivering social and territorial cohesion

The five targets are:

1. Employment rate of 75% for people between 20 and 64
2. Investment of 3% of the EU's GDP in research and development
3. The '20/20/20' climate/energy targets met
4. Share of early school leavers under 10%, and at least 40% of the younger generation with a tertiary degree
5. Twenty million less 'at risk of poverty'¹

The Europe 2020 strategy proposes seven 'flagship programmes' to reach the five targets. One of these programmes (the only one dealt with in this report) is connected to the target to reduce poverty: the 'Flagship Programme – Platform against Poverty'. The aim of this Platform is:

...to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society. (European Commission 2010a)

The details of how this Platform will be implemented should be the subject of a Commission Communication to be issued in November 2010.

The Europe 2020 strategy envisages the following:

- Delivery through a 'transformed' Open Method of Cooperation on Social Protection and Social Inclusion (OMC) as a "platform for cooperation, peer-review and exchange of good practice" (European Commission 2010a).

- Concrete action to reduce social exclusion through targeted support from structural funds – particularly from the European Social Fund.
- An assessment of the adequacy and sustainability of social protection and pension schemes and access to healthcare.
- At the national level, Member States are expected to define specific measures for at risk groups and 'fully deploy' social security and pensions to ensure adequate income support and access to healthcare.

Architecture and governance

The Europe 2020 strategy will be delivered through National Reform Programmes and a new set of integrated 'Europe 2020 Guidelines'. The draft Guidelines (European Commission 2010b) have been presented by the Commission and will be formally adopted by the Council in autumn 2010, following consultation with the European Parliament. The draft contains 10 guidelines divided into macro and micro economic guidelines and employment guidelines. One of the employment guidelines (Guideline 10) is a new social guideline meant to ensure follow up of the poverty target. In the recital to the Guidelines there is a new explicit reference to stakeholder involvement:

...the Europe 2020 strategy should be implemented in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society, who shall contribute to the elaboration of National Reform Programmes, to their implementation and to the overall communication on the strategy.

EAPN comments on the Europe 2020 strategy

EAPN broadly welcomes the reintegration of the social element into the EU's overall priorities and strategy for the next 10 years. The establishment of a concrete target to reduce poverty should give issues of poverty and social inclusion high visibility on the EU agenda, as well as ensure the high-level political attention necessary for real progress. However, there is a lot of ambiguity in the way the target has been framed – "to lift

¹ The original version of the poverty target proposed by the Commission was contested at the Spring Council and a final version was agreed at the June European Council, which, in addition to the 60% median equivalised income indicator proposed to measure progress towards the target, contains an indicator for material deprivation and for jobless households.

at least 20 million people out of poverty". For EAPN, the only tolerable interpretation of this target is an ambition to improve the situation of everybody living in poverty, while lifting at least 20 million people above the relatively high EU 'at risk of poverty threshold', which is based on 60% of the median equivalised income and material deprivation indicators. An alternative interpretation could lead to the manipulation of the target through the application of measures to reach the easiest to reach to lift them slightly above the poverty threshold. With such an interpretation the EU would be complicit in developing a 'two-thirds society', with two-thirds doing well and one-third being left behind to carry the burdens and risks associated with poverty and social exclusion. Without an explicit reference to reducing growing levels of inequality in EU societies, and with the focus on 'growth' in the strategy, it is not clear that social cohesion is an objective of the 2020 strategy in its own right. With the knowledge available that "more equal societies are better for almost everyone" (Wilkinson and Pickett 2009), it is difficult to see how we will achieve a society with greater social cohesion without a focus on addressing inequality as well as poverty.

The inclusion of a social guideline within the Integrated Guidelines for the Europe 2020 strategy, and the requirement to have stakeholder involvement (including NGOs) in the preparation, implementation and evaluation of National Reform Programmes, is undoubtedly a great opportunity to ensure the effective mainstreaming of social concerns across all the areas of the Europe 2020 strategy. EAPN and other social stakeholders will work to try to ensure that this opportunity is maximised. However, the inclusion of the social guideline under the employment section of the Guidelines raises fears that actions to tackle poverty will be limited to employment related actions, and that the focus on the broad social protection and social inclusion, which is part of the current Social OMC, will be lost. Early signs in relation to the preparation of national targets to reduce poverty in line with the European target have indicated little willingness to engage relevant NGO stakeholders in the process.

Perhaps the greatest fear of EAPN in relation to the Europe 2020 strategy is that mainstreaming social concerns across the broad strategy will lead to the diminishment of the distinctive role of the Social OMC and, in particular, the process within the Social OMC aimed at active stakeholder engagement at the national and local levels. This report attempts to deal with these concerns.

EU Social Inclusion Strategy 2000–2010

To understand the Europe 2020 strategy, it is important to look at the key elements of the EU Social Inclusion Strategy, or the 'Social OMC'. This section does not try to indicate the subtle, but important, changes that were made to the Social Inclusion Strategy during the course of its development, but rather presents it as it operated in the period 2008 to 2010

The key elements of the Social Inclusion Strategy included: 1) agreement on Common EU Objectives in the fight against poverty and social exclusion, including the objective of mobilising all relevant stakeholders, 2) agreement on common indicators to measure progress, 3) the development of National Strategic Reports for Social Protection and Social Inclusion – which incorporated National Action Plans on Inclusion, 4) mutual learning and exchange through peer review mechanisms, and 5) an annual EU assessment in the form of a Joint Report on Social Protection and Social Inclusion. In addition, an EU Programme (the Progress Programme²) was agreed to support actions to contribute to the strategy.³ While the Social Inclusion Strategy did not succeed in reducing poverty in the EU during its period of operation, some important successes can be noted:

- The strategy has been instrumental in keeping poverty and social exclusion on the EU agenda.
- It has contributed to better common EU statistics on poverty and social exclusion, as well as to the development of some common analyses and understandings.
- It has engaged different stakeholders from the different levels (local, national, EU) in the process, including people experiencing poverty (European Anti-Poverty Network 2010).
- It has facilitated mutual exchange and peer review.
- It has identified key common areas of concern for Member States to work on and key consensus areas to move forward (e.g., active inclusion, child poverty, housing/homelessness, indebtedness, in work poverty, migration).

² For details of the programme see <ec.europa.eu/social/main.jsp?langId=en&catId=327>.

³ A detailed evaluation of the EU Social Inclusion Strategy 2000–2010 is available in 'A social inclusion roadmap for Europe 2020' (Frazer et al. 2010) and the background papers prepared for the Belgian Presidency Conference 'EU Coordination in the Social Field in the context of the Europe 2020: Looking back and building the future'. A published version of these background papers will be available later in 2010, check Belgian Presidency website.

While an assessment of the impact of the global economic crisis on people experiencing poverty and social exclusion is beyond the scope of this report, it is important that it is understood that the failure to pursue a more social Europe and to prioritise addressing growing levels of inequality over the last 30 or more years was a contributing factor to the crisis. Knowing this, it is very difficult to accept that people experiencing poverty and social exclusion are the ones being asked to pay for the crisis through reduced social protection and social services.

With a fairly constant figure of about 17% of people in the EU (approximately 85 million people) facing poverty and social exclusion (Eurostat 2010), it is clear that the Social Inclusion Strategy was too weak to meet its overall objective, as agreed at the Lisbon Council in 2000, of "making a decisive impact on the eradication of poverty". The Strategy's weaknesses include:

- Poverty cannot be dealt with by social policies alone, and necessary efforts were not made to mainstream poverty and social inclusion concerns across all areas of EU policy. This was especially true after the revision of the overall Lisbon Strategy in 2005, which diminished the place of social policies in the overall strategy and prioritised growth and jobs.
- There was weak political leadership for the strategy, demonstrated by the lack of clear targets.
- There was a lack of public and parliamentary scrutiny of the strategy, which was needed to ensure that the strategy really engaged in national priority setting and policy making, and the strategy became a reporting exercise to Brussels, rather than a key tool for policy planning, implementation and evaluation.
- There was a sense that the strategy failed to engage the right actors in the key areas identified in the strategy, for instance, in the area of housing and homelessness.
- The OMC, which is a soft law approach, needed more rigorous monitoring and evaluation to show the extent to which Member States engaged meaningfully in the process and needed to be complemented by harder instruments, such as Directives, in areas where common understandings had been developed.

In moving forward, it is hoped that the Inclusion Strategy, within the Europe 2020 strategy, can build on the strengths of the former Social Inclusion Strategy, while also addressing its shortcomings. That possibility still exists with the opportunity to have a clear 'mainstreaming' of

social concerns across the Europe 2020 strategy and real stakeholder engagement. While at the same time, the 'Platform against Poverty' raises hope for a more effective EU Inclusion Strategy. However, as outlined above, there is concern that the integration of the social dimension into the Europe 2020 strategy may be at the price of abandoning the key elements of the Social OMC, i.e., National Strategic Reports on Social Protection and Social Inclusion and National Action Plans on Inclusion. These national reports allow for the input of national stakeholders and the development of in depth thinking and learning on preventing, as well as alleviating, poverty (as well as on social protection issues), beyond the narrower confines of Guideline 10 for the National Reform Programmes. EAPN believes that abandoning these reports would be an enormous step backwards.

Recommendations: EAPN proposals for the European Platform against Poverty

This section outlines what EAPN considers necessary to ensure that the Platform against Poverty represents a step forward in terms of EU cooperation in the field of social inclusion. When the Commission proposed the Flagship Programme – Platform against Poverty, it was clear that there was much scope for developing the content of this Platform. EAPN took this as a positive opportunity to develop a stronger EU Social Inclusion Strategy and set out proposals for the content of the Platform.

The key EAPN recommendations are:

1. Reinforce the Social OMC by building a dynamic EU and national platforms against poverty that can actively engage relevant stakeholders in developing multi-annual strategies to implement agreed EU priorities: This national approach needs to be complemented by thematic approaches to follow up on the key areas that emerged through the Social Inclusion Strategy, such as child poverty, active inclusion, housing and homelessness, and migration.
2. Develop mechanisms to assess the effectiveness of current instruments and move forward on establishing European frameworks to guarantee EU social standards: The existing soft law instruments of the Social OMC have not been sufficient to enable progress on the agreed objectives, nor to guarantee the European social model. The EU needs to affirm its commitment to implementing fundamental rights and ensuring affordable access to rights, resources and services, and to reducing inequality. While good progress has been made in the environmental, health

and safety fields, the lack of common frameworks to ensure social as well as economic standards is hampering social progress in the EU and undermining the credibility of the EU's social goals. The Lisbon Treaty lends weight to such an approach, and EAPN is spearheading a campaign for a Directive on the Adequacy of Minimum Income Schemes, which could be a first step in this approach.

3. Mobilise EU financial instruments to support the development of social and sustainable service infrastructure, social inclusion demonstration projects, and participation of stakeholders: The Commission's Communication on Europe 2020 makes it clear that policy initiatives can only move forward if EU funding is targeted to delivering the key objectives, priorities and targets. The EU must continue to ensure that the solidarity principle is applied in lagging regions and areas, as well as supporting measures and approaches to tackle poverty and social exclusion. While Structural Funds are given a central role to back the political objectives of the Europe 2020 strategy, all EU financial instruments need to be mobilised as part of the review of the Financial Perspectives. Consideration should be given to a new framework programme to support delivery on the poverty target, with an explicit objective to reduce and prevent poverty and social exclusion.
4. Ensure that social inclusion objectives are mainstreamed across Europe 2020 and linked to effective social impact assessment: The Flagship Programme – Platform on Poverty will need to be given the power to ensure that the social inclusion objective is a central concern and that other policy initiatives within Europe 2020 do not undermine or contradict this. In particular, in the key debates on 'bottlenecks to growth', equivalent weight should be given to identifying the bottlenecks to inclusion, particularly in relation to public policy spending priorities in the exit strategies, which are threatening cuts to public services and benefits.

Conclusion

In assessing the state of play of the EU Social Inclusion Strategy, it is clear that there is a long way to go to achieve cooperation between the EU and Member States to ensure the protection and development of the European Social Model (based on quality employment, high levels of social protection and active participation). However, the way forward is clear and the crisis (economic, social and environmental) has shown that a new direction is needed. There is a growing sense of alienation of citizens from the

European Project, with a recent Eurobarometer survey showing that only 42% of people have trust in EU institutions. Against this background, it remains to be seen if within the Europe 2020 strategy and the Platform against Poverty the EU leaders can fashion a strategy that responds to the need for change. The elements are there to lay the foundations for a fairer Europe, but we must wait and see if the political will is also present. ■

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Labour Market Impacts of the Global Economic Crisis and Policy Responses in Europe

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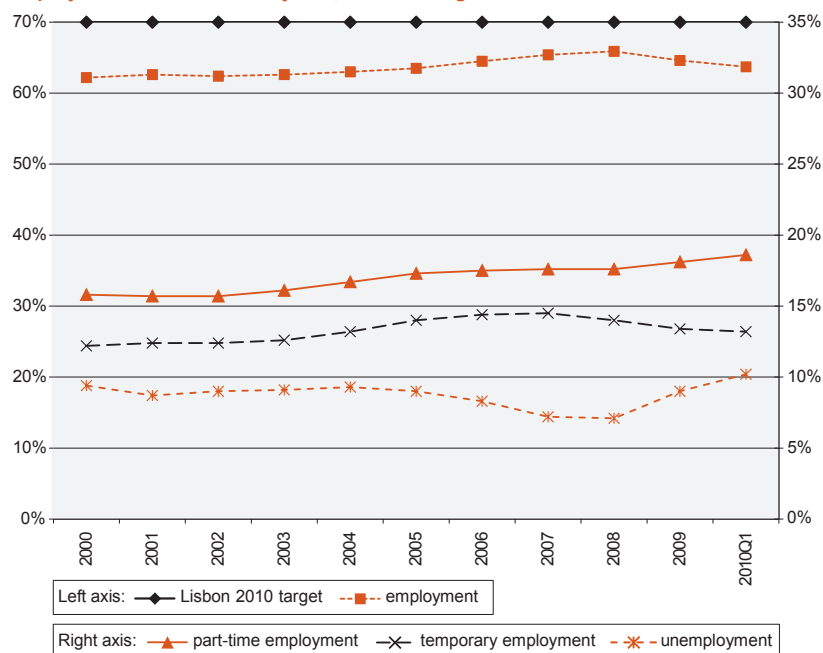
The global economic crisis that began in September 2008 – with roots that go back much further – has had a devastating effect on incomes, government finances and, not the least, labour markets. Over time, impacts in these three areas will feed into ‘social’ outcomes. With high unemployment and fiscal austerity, increases in inequality, poverty and social exclusion seem likely unless effective counter measures are taken. This report provides an overview of the different ways in which the crisis has impacted on European labour markets in different countries and for different labour market groups. It also looks at the way in which policy has attempted – and to some extent succeeded – in mitigating the worst effects of the crisis on the labour market.¹

Labour markets: Achievements during the Lisbon period and impact of the crisis

The employment targets set in the Lisbon Strategy in 2000 for 2010 were ambitious: an overall EU employment rate of 70% and employment rates of 60% for women and 50% for older workers. While there were some positive developments with strong employment growth prior to the crisis, particularly among women and older workers (European Commission 2006, p 38), even at its peak in 2008 at 65.9% the overall EU employment rate remained well below the 2010 target. With the global economic crisis employment rates have fallen by more than 2 percentage points (Figure 1). In the first quarter of 2010, EU employment stood at 63.7% and unemployment was 10.2%. Employment has slipped back to its 2005 level and unemployment is higher than at any time during the Lisbon period. This situation is likely to deteriorate further.

Prior to the global economic crisis, a considerable share of employment growth in Europe was due to the increasing proportion of part-time and temporary employment (European Commission 2006, p 24). Part-time employment as a percentage of total employ-

Figure 1: Developments in employment, unemployment and forms of non-standard employment over the last 10 years, EU27 averages



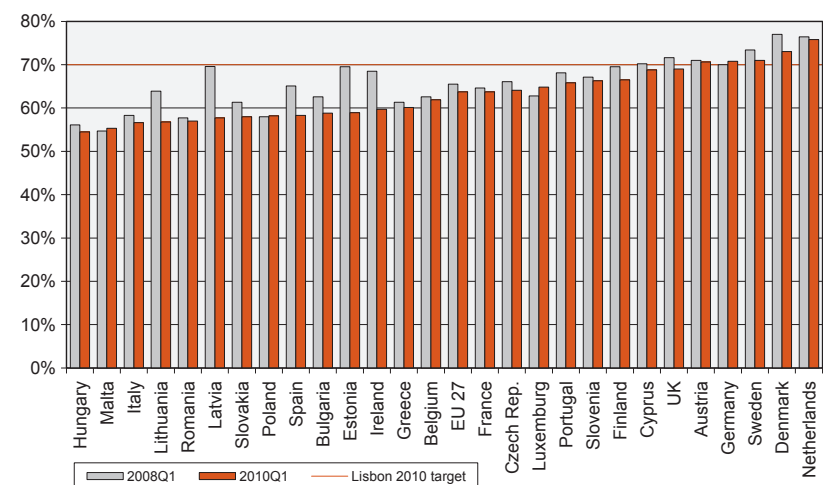
Source: European Labour Force Survey, online database (Eurostat 2010a)

Note: Figures are for age 15–64

ment increased by about 2 percentage points between the beginning of the Lisbon Strategy and 2008. Since the onset of the crisis, part-time employment has increased further and stood at 18.6% in the first quarter of 2010. Temporary employment (all contract forms with limited

duration such as fixed-term employment and temporary agency work) has also increased since the introduction of the Lisbon Strategy – its share of total employment reached 14% in 2008. However, temporary employment fell with the crisis, with workers on temporary contracts,

Figure 2: Employment rates – Impacts of the crisis

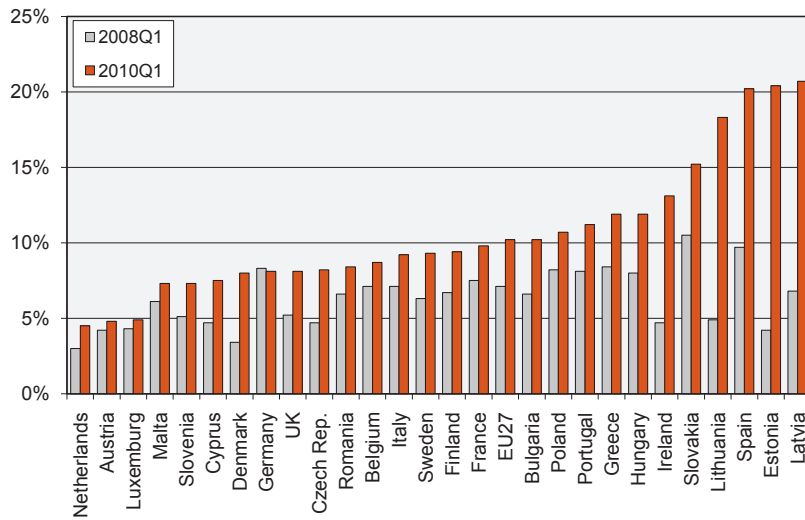


Source: European Labour Force Survey, online database (Eurostat 2010a)

Note: Figures are for age 15–64

1 This report is based on two earlier publications: Chapter 3 ‘Labour Market Developments in the Crisis’. In *Benchmarking Working Europe 2010* (Leschke, in ETUI 2010) and an ETUI working paper, ‘How do institutions affect the labour market adjustment to the economic crisis in different EU countries’ (Leschke and Watt 2010).

Figure 3: Unemployment rates – Impacts of the crisis



Source: European Labour Force Survey, online database (Eurostat 2010a)
 Note: Figures are for age 15–64

particularly temporary agency workers but also those on fixed-term contracts, being the first to lose their jobs. In the first quarter of 2010, temporary employment accounted for 13.2% of all employment. By mid-2010, temporary employment had increased in a number of countries, because in uncertain economic times newly employed are often hired on the basis of temporary contracts.

The Lisbon employment rate target can be used to benchmark European countries. By the first quarter of 2010, only five countries exceeded the Lisbon target: Netherlands, Denmark,

Sweden, Germany and Austria (Figure 2). High employment rates among women (considerably in excess of the 60% target for women) contributed to this positive outcome. The worst performers with employment rates of around 55% (Malta, Hungary) have very low female and/or elderly employment rates. The economic crisis has had an adverse effect on employment rates in all countries but four: Malta, Germany, Luxembourg and Poland. Countries especially hard hit in terms of employment are the Baltic countries, Ireland and Spain.

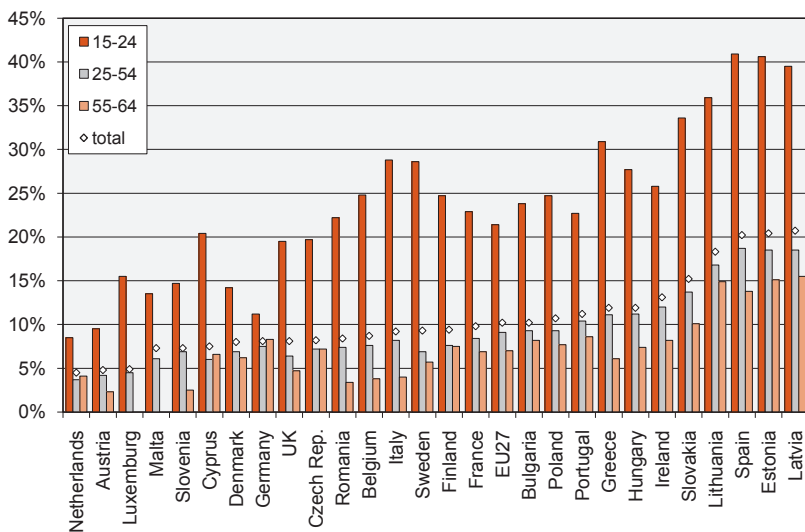
From the first quarter of 2008 to the first

quarter of 2010, only Germany saw no increase in unemployment rates. Unemployment more than doubled in Ireland, Spain and Denmark, and more than tripled in the Baltic countries. By the first quarter of 2010, only the Netherlands, Austria and Luxembourg had unemployment rates of below 5%. In Spain, Estonia and Latvia, every fifth person was unemployed (Figure 3).

In all countries, unemployment rates are considerably higher among youth than among other age groups (Figure 4). At 21.4%, average youth unemployment in the EU is more than double the total unemployment rate. In almost all countries, older workers, who are more likely to enter early retirement or functional equivalents of prolonged unemployment, have the lowest unemployment rate. Italy, Sweden and Luxembourg have youth unemployment rates that are more than three times the total unemployment rate, and a large number of countries have youth unemployment rates that are more than double the total rate. Germany, with its dual vocational training system, is the best performer on this indicator. Persons with low qualification levels have considerably higher unemployment rates than those with medium and particularly high qualification levels. On average, unemployment is higher among migrant workers (and particularly non-EU migrants) than among nationals (Figure 5).

The economic crisis has affected different groups of workers in different ways. Between the first quarter of 2008 and the first quarter of 2010, overall unemployment increased by more than 40%. Due to the fact that certain male-dominated sectors (manufacturing, construction) were particularly hard hit, especially in the first phase of the crisis, growth in unemployment was greater among men than women. Men in the EU now have a slightly higher unemployment rate than women, a reversal of the situation before the crisis (Figure 5). Youth were, in general, much more affected by increases in unemployment in the wake of the crisis than prime-age or older workers. Between the first quarter of 2008 and the first quarter of 2010, young workers experienced an increase in unemployment of more than 6 percentage points² and prime-age and older workers of less than 3 percentage points. In terms of qualification levels, measured in percentage point changes, those with low qualification levels were most affected by rising unemployment.

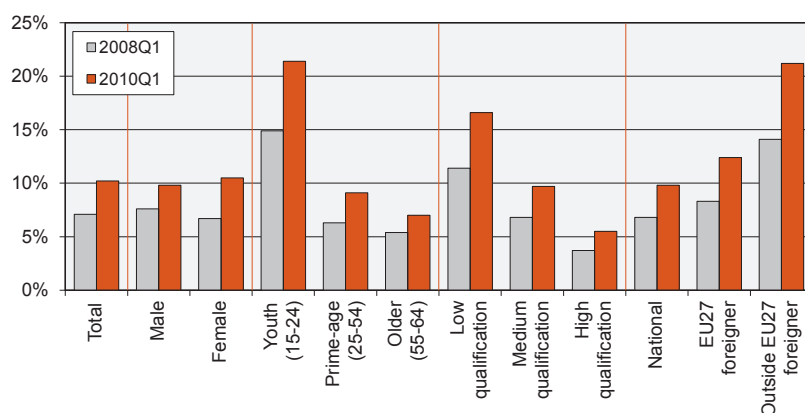
Figure 4: Unemployment rates by age group compared to overall unemployment rates, 2010Q1



Source: European Labour Force Survey, online database (Eurostat 2010a)
 Note: Figures are for age 15–64

² The extent to which young people have been affected is likely to be underestimated by the unemployment data, because young people who lose their jobs or who face problems in finding a first job often return to, or continue their, education.

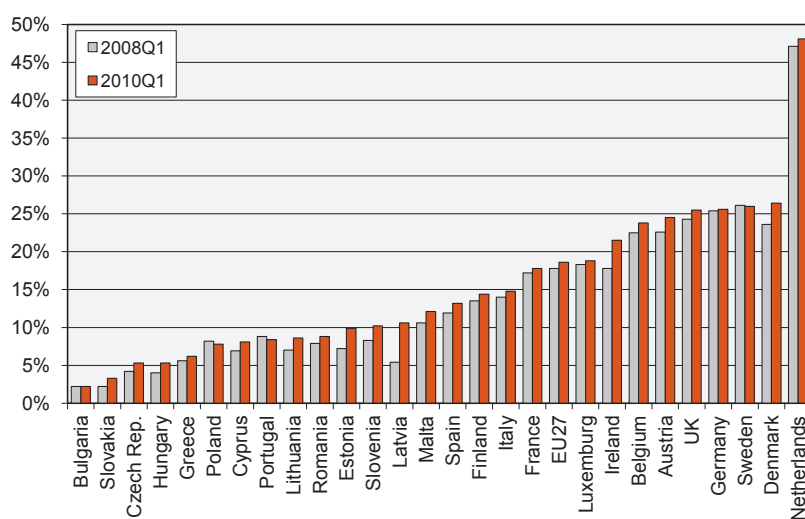
Figure 5: Developments in unemployment rates by labour market sub-group



Source: European Labour Force Survey, online database (Eurostat 2010a)

Note: Figures are for age 15–64 (unless otherwise stated)

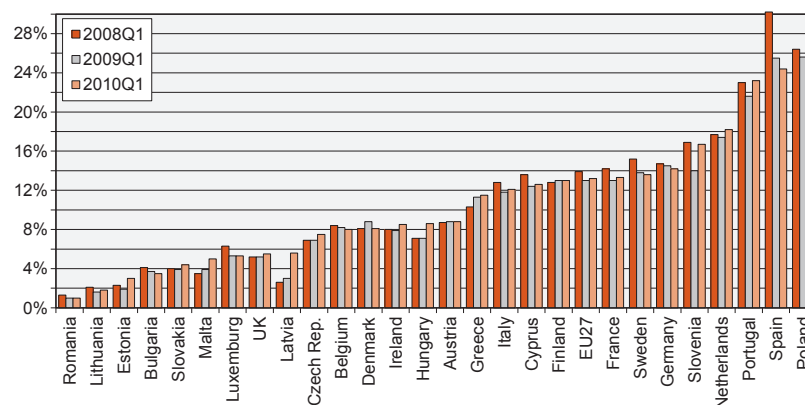
Figure 6: Part-time employment: Developments since onset of Lisbon Strategy and impacts of the crisis



Source: European Labour Force Survey, online database (Eurostat 2010a)

Note: Figures are for age 15–64

Figure 7: Temporary employment: Developments since onset of Lisbon strategy and impacts of the crisis



Source: European Labour Force Survey, online database (Eurostat 2010a)

Note: Figures are for age 15–64

Also, in general, foreigners (both from the EU and outside the EU) were more affected by rising unemployment than nationals, but again with large country variations around the average.³

Forms of non-standard employment have been actively promoted at the EU and national levels as a remedy for unemployment and a way of helping to boost employment rates. Particularly part-time work can be in the interest of workers who want to, or have to, combine work and other activities such as caring. However, both part-time and temporary employment have been shown to lead to spells of unemployment or inactivity, and to have an adverse effect on wages, social security benefits and career advancement (Eurofound 2003; Leschke 2007).

The incidence of part-time employment is much more pronounced in the old Member States; in five countries (the Netherlands, Denmark, Sweden, Germany and the United Kingdom) more than 25% of the working population are employed on a part-time basis (Figure 6). In the Netherlands, this share amounts to 48%. At the other end of the scale, we find Bulgaria and Slovakia with the proportion of part-time employment at below 5%. Reflecting the traditional gender division of wage and care work, there are significant gender differences in part-time employment rates. Part-time employment increased during the global economic crisis from 17.8% in the first quarter of 2008 to 18.6% in the first quarter of 2010. This trend is visible for most countries. The largest growth in part-time work took place in Latvia, Slovakia, Hungary and Estonia, all of which have well below average part-time employment rates.

Temporary employment as a share of total employment varies greatly. At well above 20%, it is highest by far in Poland, Spain and Portugal (Figure 7). Spain has recorded huge declines in temporary employment since the onset of the crisis. Temporary employment is below 4% in Romania, Lithuania, Estonia and Bulgaria.

The share of temporary employment decreased in the initial phase of the crisis and picked up slightly during the last phase: the EU27 average decreased from 13.9% in the first quarter of 2008 to 13% in the first quarter of 2009, and increased again slightly to 13.2% in the first quarter of 2010 (Figure 7). Country trends in this regard were somewhat more diverse. Some countries with comparatively low initial levels of temporary employment – such as Latvia and Malta – saw relatively large increases, possibly

³ In regard to migrant workers, the unemployment records may not tell the whole story as some migrant workers may not have access to unemployment benefits or may return to their home country upon losing their job.

because during the crisis employers preferred contracts of short duration, which can easily be terminated. Other countries saw relatively large declines (e.g., Spain, Sweden, Bulgaria and Luxembourg), as temporary agency workers and workers on fixed-term contracts were first to lose their jobs during the crisis. About half of the countries replicate the EU average trend with decreasing temporary employment in the initial phase of the crisis (2008Q1–2009Q1), picking up in the second phase of the crisis (2009Q1–2010Q1).

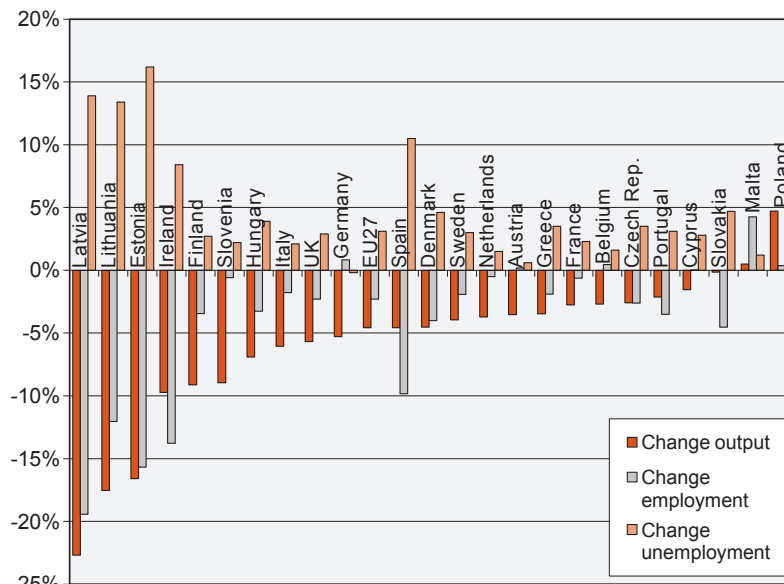
Although not the main focus here, it should be noted that an additional important labour market effect is on wages (for details see O’Farrell 2010; Glassner and Watt 2010). In many countries, real wages – for those who kept their jobs and did not suffer cuts in working hours – initially held up during the crisis, helping to stabilise demand; they were boosted by lower than expected inflation, the lagged effect of existing collective agreements and, in some countries, statutory minimum wages. Increasingly, however, wage cuts and freezes were implemented, both in the private sector – by firms threatening job losses unless wage concessions were made – and in the public sector. In the latter, the drive to reduce wages was fuelled by a perceived need to reduce government deficits quickly and, in the euro area, as a way of driving down wage and price levels in order to regain lost competitiveness. It is too early to see this in the data, but it is clear that such (relative) wage losses will affect those with the weakest labour market position most severely. In the absence of counter measures, this can be expected to increase income inequalities at the bottom of the labour market.

Role of labour market policies in the crisis

Because economic output (goods and services) is produced by human labour, when output contracts sharply, as happened in the crisis, the demand for labour, and thus employment, is expected to fall and unemployment to rise. If productivity growth remains constant, the fall in employment will be proportional to the fall in output.

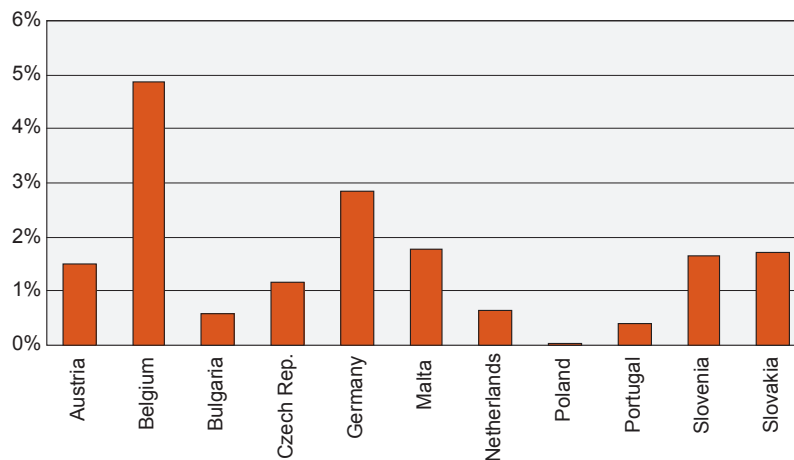
Figure 8 compares the changes in output, employment and unemployment for EU countries between the first quarter of 2008 and the first quarter of 2010. Overall, there is a reasonably high correlation between short-term changes in output and those in employment and unemployment. However, there is considerable variation in the sensitivity of employment to output changes for different countries. The Baltic countries and Ireland show the expected pattern of large output losses combined with

Figure 8: GDP, employment and unemployment, 2010Q1 (percentage change compared to 2008Q1)



Source: European Labour Force Survey and National Accounts, online database (Eurostat 2010a, 2010c)

Figure 9: Share of employees taking part in short-time and partial unemployment schemes, 2009



Source: Arpaia et al. 2010, p 34

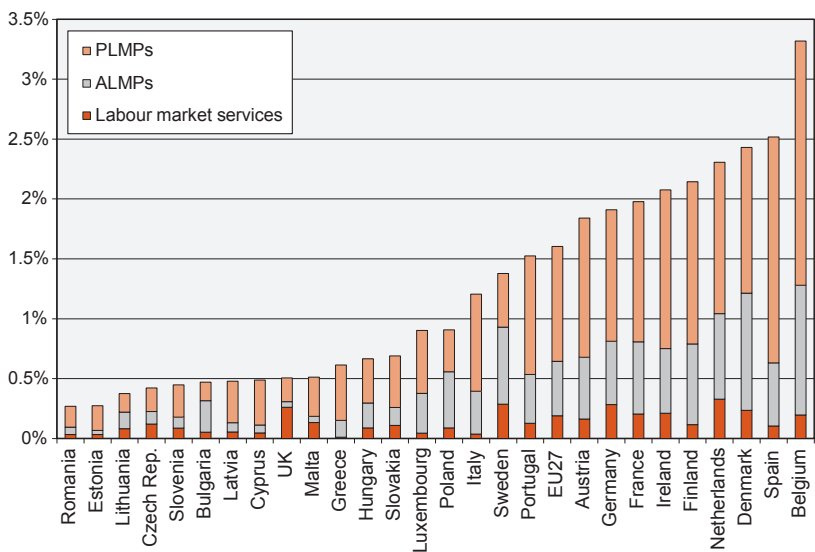
large declines in employment and a substantial hike in unemployment. Spain, however, although experiencing below average output losses, displayed large labour market reactions. Germany represents the opposite case: despite larger than average output losses, employment and unemployment levels barely changed.

There are a number of reasons for these differences including so-called ‘buffers’ between output, employment and unemployment (discussed in detail in Leschke and Watt 2010). To some extent they reflect productivity differences (for instance, job losses concentrated in Germany’s high-tech export sector compared with Spain’s low-productivity construction

sector). But other buffers between changes in output and employment are of greater relevance here. Firms can simply hoard labour, keeping workers on despite the lower output; economically this is reflected in falling labour productivity. Or employment can be maintained through various work-sharing schemes (annual accounts, short-time⁴ working schemes, temporary lay-offs); economically this is reflected in falling average working hours. Both labour hoarding and work-sharing schemes are positively affected by workers’ (firm-specific)

⁴ Short-time work is when employees are laid off for a number of contractual days each week or for a number of hours during a working day.

Figure 10: Expenditure on active and passive labour market policies as % of GDP, 2008



Source: Labour market policy, online database (Eurostat 2010b)

skill levels because firms are keen to retain qualified workers that they may have difficulty rehiring once the crisis is over. But also, and crucially, they are conditioned by labour market institutions (such as unemployment benefits that can be used flexibly to finance parts of the lost wages at short-time working). These include both 'preventive' measures (employment protection legislation) and 'supportive' measures (notably government-supported work-sharing schemes). Lastly, job losses can be prevented from showing up in open unemployment by various labour market and other policies (and changes in labour supply). All of these measures have been used to different extents by EU countries during the crisis. Thus, the situation experienced by outliers⁵, such as Germany and Spain, can be explained, at least in part, by the application of (or lack of) labour market policies or other institutions that help to cushion the effects of the crisis on labour market outcomes.

As an illustration of the importance of short-time working measures, Figure 9 (taken from Arpaia et al. 2010, p 34) indicates the quantitative effect of measures taken in eight countries expressed as a proportion of the labour force. Without such measures – which also have the positive effects of maintaining workers' skills and attachment to the labour market and aiding firms in recovering quickly once demand picks up – the drop in employment and concomitant rise in unemployment would have been considerably greater in these countries, even allowing

5 An 'outlier' is an observation that is numerically distant from the rest of the data.

for the fact that the figures are not expressed as full-time equivalents.

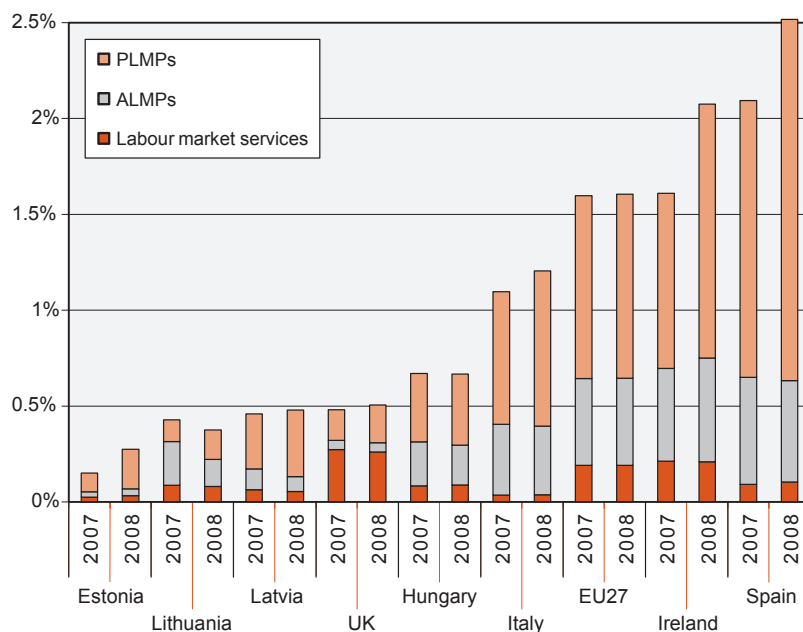
In addition to such employment-maintaining measures, active labour market policies (ALMPs) have been deployed, in most cases with a view to preventing a rise in unemployment given the existing scale of job losses. In the relatively short term considered here, the effectiveness of ALMPs depends primarily on the scale of existing measures, on timing (whether or not 'activation' policies kick in at an

early stage of unemployment) and on the mix of measures implemented (e.g., long-term training versus short-term employment subsidies). Financing systems are also important: where both passive (i.e., unemployment benefits) and active measures are financed from the same 'pot', active measures risk being crowded out when unemployment rises sharply, which is when they are needed most.

Looking at the expenditure figures (expressed here as a share of GDP), we see that in the year the crisis broke expenditure on unemployment benefits (passive labour market policies) and active labour market policies including labour market services varied greatly among EU Member States (Figure 10). There is also no apparent link between the amount of expenditure and the level of unemployment. Taking the three countries on the right of the graph, Denmark has massive ALMP spending despite (at that time) very low unemployment; the figures for Denmark are very similar to Belgium where the unemployment rate was several times higher. Active spending in Spain, with the highest unemployment rate in Europe, was comparatively modest.

Unfortunately the most recent data available are for 2008, so we cannot analyse the extent to which ALMP expenditure has reacted to the crisis across the whole of Europe. This is also reflected in the almost identical 2007 and 2008 figures for the EU27 (Figure 11). However, it is interesting to compare a number of countries

Figure 11: Developments in active and passive expenditure on labour market policies in selected countries already hit by the crisis in 2008



Source: Labour market policy, online database (Eurostat 2010b)

where the crisis struck early and where the rise in unemployment was already well underway in 2008. Unsurprisingly, there was a substantial increase between 2007 and 2008 in the share of GDP spent on the payment of unemployment benefits of various types (passive measures). This reflects both the hike in unemployment and measures implemented to extend coverage. There has been no parallel increase in spending on active measures, however. In fact, Estonia and Ireland appear to be the only countries that increased spending on active measures, although the increases are small. In most other cases, active spending has remained unchanged or decreased slightly as a share of GDP, and in Lithuania and Latvia it has actually fallen considerably. This may well be an expression of the 'crowding-out' phenomenon mentioned above. There is also no evidence of a short-term increase (i.e., already in 2008) in the staffing of public employment services to cope with the increased caseload. However, it is too soon to conclude that active labour market policy has not been effective in the crisis. We need to wait for more recent data: for example, an expansion of public employment services was announced as part of some countries' stimulus packages in 2009 (Watt 2009).

Conclusion

The economic crisis – the result of macro-economic mismanagement and an out-of-control financial sector – has had a devastating effect on labour markets, and thus on the livelihoods and prospects of ordinary working people. A heavy price has been paid in terms of lost jobs, reduced hours and associated income losses. In some countries, the effective use of policy instruments by both governments and social partners (Glassner and Keune 2010) has helped to ease the burden on working families and stabilise the economy. Active labour market policies and effective labour market institutions have proved their worth in the crisis, and should be maintained and strengthened.

Increasing inequality was a feature of the prevailing economic growth model prior to the crisis. Given high unemployment and fiscal constraints, there is a real risk of poverty and social exclusion increasing as we come out of the crisis. The question of 'who pays' for the crisis will, in various forms, dominate political debate for the foreseeable future, as is already evident in the discussions about the austerity measures announced in a number of countries. So that the burden is not foisted upon those who can least afford it, thereby increasing social exclusion, appropriate measures, such as financial trans-

action taxes and taxes on inherited wealth or high incomes, will need to be taken. ■

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Access to Health Services in Europe

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European Public Health Alliance

Universal access to health services is a commitment made by all European Union Member States. Yet, for many, health services are 'universal' in principle only and this principle has not led to equal access to and use of healthcare. Health and access to healthcare in Europe are strongly determined by socioeconomic status, which puts the most socially disadvantaged groups in an unequal position. Access to health services can be significantly restricted or conditional, and the types of services provided may be inappropriate for some social groups.

Introduction

Eighty million European citizens – that is 17% of the population of the European Union – live in poverty. One child in five is born and grows up with economic and social deprivation. These figures are likely to be even greater if we include that section of the population for which official records are not kept. Although known for its commitment to the universal right to health (a key element of the so-called European social model), and despite the fact that its population has a much better health status than the rest of the developing world, access to health services in the European Union is not straightforward or legally ensured for all.

Recognising health and wellbeing as a human right imposes specific obligations on the global community to build an environment that facilitates the realisation of this right. It was with this obligation in mind that the United Nations Member States committed to achieving the Millennium Development Goals in 2000. However, full realisation of the right to health (globally and in Europe) is often constrained by the existence of inequalities, and their reinforcement. How does this impact upon access to health services in Europe? How does this fit with the European vision for universal social protection, social inclusion and solidarity? This report examines these and other issues in relation to access to health services in Europe.

Definitions

The World Health Organization (WHO) defines accessibility as “a measure of the proportion of the population that reaches appropriate health services” (WHO, Regional Office for Europe 1998). Research indicates that access to health services is closely linked to the affordability, physical accessibility, and acceptability

of services, and is not based merely on the adequacy of service supply (Gulliford et al. 2002). Access to health services, including health prevention and promotion, means that people have the power to demand appropriate health resources in order to protect or improve their health. A certain population may 'have' access to specific health services, while other groups within this population encounter obstacles while trying to 'gain' access to such services. Social, financial and cultural barriers limit the availability and affordability of health services for such groups.

Universal access to health services is generally considered a fundamental feature of health systems in the European Union. Not only is the principle of universal access explicitly stated in several Member State constitutions, it has also been incorporated into the European Union Charter of Fundamental Rights. Article 35 of the Charter states: “Everyone has the right of access to preventive health care and the right to benefit from medical treatment under the conditions established by national laws and practices” (Council of the European Union 2001). It is the responsibility of governments to put in place health services, and to enable, promote and improve access to health and health services.

While WHO recommends that primary healthcare¹ should be at heart of every healthcare system, the inclusion of more specialised health services, such as sexual and reproductive health or mental health services, should be considered when assessing access to health services.

Access to health services goes beyond the traditional treatment-oriented approach to health and should also include health promotion and disease prevention. Health promotion defines actions aimed at enabling people to increase control over their health and its determinants such as income, housing, food security, employment and quality working conditions (WHO 2005). Disease prevention refers to measures taken to prevent disease or injury, rather than to cure or treat symptoms.

¹ Declaration of Alma-Ata from the International Conference on Primary Healthcare definition (1978): “essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individuals and families in the community through their full participation and at a cost that the community and the country can afford to maintain at every stage of their development in the spirit of self-determination.” (WHO 1978)

Social determinants of health and access to health services

It is well recognised that differences in health status at the population level are closely linked to socioeconomic status. Health is affected by the political, social and economic framework in which people live: the poorer a person, the worse his or her health. Good health or ill health is not a matter of individual choice. Access to health services and the quality of the service that can be accessed are determinants of health in their own right, and have a strong social dimension.

WHO's final report on the social determinants of health 'Closing the gap in a generation: Health equity through an action on the social determinants of health' points out that:

The poor health of the poor, the social gradient in health within countries, and the marked health inequities between countries are caused by the unequal distribution of power, income, goods, and services, globally and nationally, the consequent unfairness in the immediate, visible circumstances of peoples' lives – their access to health care, schools, and education, their conditions of work and leisure, their homes, communities, towns, or cities – and their chances of leading a flourishing life. This unequal distribution of health-damaging experiences is not in any sense a 'natural' phenomenon but is the result of a toxic combination of poor social policies and programmes, unfair economic arrangements, and bad politics. Together, the structural determinants and conditions of daily life constitute the social determinants of health and are responsible for a major part of health inequities between and within countries. (WHO, Commission on Social Determinants of Health 2008)

In the European Union, social affairs ministers agreed in 2010 that:

In all EU countries, social conditions are linked to the existence of avoidable social inequalities in health. There is a social gradient in health status, where people with lower education, a lower occupational class or lower income tend to die at a younger age and to have a higher prevalence of most types of health problems. (Council of the European Union 2010)

Despite overall improvements in health, striking differences remain, not only between Member

States, but within each country between different sections of the population according to socioeconomic status, place of residence, ethnic group and gender – and these gaps are widening (European Commission, Directorate-General for Employment, Social Policy and Equal Opportunities 2010).

Barriers to access to health services (for different social groups in Europe)

While healthcare systems have contributed to significant improvements in the health status of Europeans, access to healthcare remains uneven across countries and social groups. This varies according to socioeconomic status, place of residence, ethnic group, gender and other stratifying factors (Mackenbach et al. 2008).

Legal, financial, cultural and geographical barriers to access exist including lack of insurance coverage (especially affecting those without residency or citizenship, migrants, ethnic minorities, the long-term unemployed and the homeless in countries with social security contribution systems), inability to afford the direct financial costs of care (affecting low-income groups), lack of mobility (affecting disabled and elderly persons), lack of language competence (affecting migrants and ethnic minorities), and lack of access to information (affecting the poorly educated and migrants/ethnic minorities), as well as time constraints (particularly affecting single mothers). Specific gender issues overlay all of these barriers.

Financial barriers to access to health services particularly affect low-income groups and chronic patients. Poverty and income inequalities can affect insurance coverage and ability to meet the cost of certain (specialised) types of care (such as reproductive, mental, anti-retroviral, dental, ophthalmic, ear and rehabilitation healthcare). The increasing role of private health insurers and out-of-pocket payments (the amount of money paid by the patient and not reimbursed) may increase inequalities in access to health services as some social groups (women, low-income groups, the elderly, and those employed in the irregular economy such as informal carers and especially older women [AGE Platform Europe 2010]) are less likely to be covered by private insurance.

Cultural barriers to access to healthcare include health literacy and health beliefs and affect specific social groups. The distinct roles within, and behaviours of, specific social groups in a given culture give rise to differences and inequalities in access to healthcare, as well as to differences in risk behaviours and health status. Cultural prejudices, stereotypes and lack of knowledge among healthcare providers about

the particular needs of certain social groups and the types of care appropriate for them may deepen access inequalities. Certain traditions and cultural practices can mean that some groups of immigrant women and women of ethnic origin experience more difficulties when trying to access health facilities and information on sexual and reproductive health.

Uneven geographical coverage and provision of healthcare is another obstacle to access to healthcare services. Large cities and more densely populated areas are typically better supplied with healthcare facilities, services and workers. Small, rural and remote areas often lack both basic and specialised healthcare services and workers. Due to physical distance and the particular landscape (islands or mountains), people can experience problems when accessing healthcare facilities. Lack of accessible and affordable transport is more likely to affect socioeconomically disadvantaged groups.

Main groups at risk and access to health services in Europe

Europe has a great diversity of vulnerable groups that may experience unequal access to different types of health services. Socially disadvantaged groups are sometimes denied access to services or experience barriers. Although it is not possible to list all of these groups, they include Roma people, people with physical disabilities, people suffering from chronic diseases, people suffering from mental disorders, the unemployed, people with poor working conditions, those experiencing homelessness, immigrants, refugees and asylum seekers, undocumented migrants, the elderly and women.

In relation to gender inequalities, a range of barriers can prevent women from enjoying their fundamental right to health and health services. These barriers may stem from factors within the health system itself – gaps and specificities in the coverage of health insurance, the scope of the public health benefits, payment co-sharing, geographical factors such as distance or lack of infrastructure, organisational factors like waiting lists and opening hours, or lack/inappropriateness of information. They may also stem from factors related to the characteristics of the service user – income, education, age, language, disability, sexual identity, cultural background and civil status (Huber et al. 2008). All of these are significantly more likely to negatively affect women, as the health insurance and healthcare systems are frequently connected to women's position in the labour market and their employment and civil status (such as being married,

single, widowed or divorced). Moreover, some of the typical gaps in health services in several EU countries include limited coverage for dental and ophthalmic services, and limited access to specialised services (obstetric and mental health services). Several treatments are prohibited or constrained in some countries on moral and bio-ethical grounds including fertility treatments and abortion (Huber et al. 2008). In countries with a politically present Catholic Church (like Ireland or Poland), such health services are considered inappropriate and even illegal, and are, therefore, unavailable.

Migrants, asylum seekers and undocumented migrants are at high risk due to difficult living and working conditions, as well as their specific migration history. They often face considerable barriers in accessing health services. Barriers exist not only due to legal status, but due to lack of interpreters/mediators, lack of information on the system at all levels, as well as a lack of cultural sensitivity and appropriateness of services provided. The combination of higher health risks, social isolation and deprivation, and less access to health services puts the health of these groups at higher risk (Huber et al. 2008).

The most universally disadvantaged group of people living in Europe is the Roma. The great majority of the Roma population is found at the very bottom of the socioeconomic scale. The Roma suffer from worse health than other population group in the countries where they live due to their higher exposure to a range of health-damaging factors (WHO, Regional Office for Europe and Council of Europe Development Bank 2006). Poverty, inadequate education, unemployment and low levels of social integration result in poor health outcomes. Discrimination and unregulated civil status (including lack of personal documents, birth certificates and insurance) make it particularly difficult for Roma to access health services. Pregnant Roma women are most likely not to have an ID card, excluding them from pre-natal and birth assistance. For similar reasons, Roma people cannot benefit from health screening programmes and Roma children cannot take advantage of health checks or immunisations. When more frequent use of healthcare services is required (due to chronic disease or old age), it can be extremely difficult for Roma people to meet out-of-pocket healthcare payments or to make pension/disability allowance claims. In relation to access to health services for Roma people, a number of additional barriers have been identified, namely, lack of knowledge of disease prevention, lack of knowledge about health service rights and lack of physical access

to services. Many Roma are not registered with a general practitioner, which may be due to a lack of documents, as well as reluctance on the part of health service providers to accept Roma patients. Their access to health services may also be influenced to a certain extent by their beliefs and cultural norms, evidenced by the fact that Roma people tend to access services for severe problems only, as hospitalisation is sometimes perceived as preceding death (WHO, Regional Office for Europe and Council of Europe Development Bank 2006).

EU initiatives on access to health services

The Treaty on the Functioning of the European Union (TFEU) makes it clear that the main competence over health services lies with Member States (Article 168) (European Union 2008). However, Member State authorities have to respect the shared overarching values of universality, access to good quality care, equity and solidarity, which are widely recognised through the European Council Conclusions on Common Values and Principles in European Union Health Systems (Council of the European Union 2006).

Although the main competence lies with the Member States, several EU actions and initiatives impact on access to health services, such as the Open Method of Coordination on Health and Long-term Care, the Cross Border Healthcare Directive and the Anti-Discrimination Directive.

Access to health services is one of the priorities of the Open Method of Coordination on Health and Long-term Care, which aims to facilitate the exchange of best practices among Member States. Unfortunately, according to NGOs, this method has not received enough political support to deliver concrete results (Social Platform 2009).

The European Union is currently negotiating two Directives that could impact upon access to health services at the national level. The draft Directive on the application of patients' rights in cross-border healthcare (Commission of the European Communities 2008a) aims to improve the possibility for patients to obtain cross-border healthcare. Although cross-border healthcare represents only 1% of public expenditure on healthcare, increasing patient mobility could put over-stretched budgets under more pressure. Cross-border care is not a total solution, but may be an instrument to improve accessibility, quality and cost-effective care. Its potential – and its relationship with the quality, equity and cost-effectiveness of care – needs to be carefully evaluated.

Member States are also negotiating a

draft Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation (Commission of the European Communities 2008b). While the EU has already legislated on racial discrimination and gender equality, there is no consistent level of protection in the European Union against discrimination on the grounds of religion, disability, age or sexual orientation. The current draft Directive would offer a common legal framework of minimum protection against all forms of discrimination across all 27 Member States, including discrimination in relation to access to health services. Although Member States will remain free to organise their own health systems, they will have to ensure that all people living in their territory have access to health services and are not discriminated against on the basis of their sex, gender, race, disability, sexual orientation, religion or age.

Conclusion

[EU] Member States are committed to accessible, high-quality and sustainable healthcare and long-term care by ensuring access for all to adequate health and long-term care and that the need for care does not lead to poverty and financial dependency; and that inequalities in access to care and in health outcomes are addressed. (European Commission, Directorate-General for Employment, Social Policy and Equal Opportunities 2009)

And yet, universal access to health services tends to be 'universal' in principle only. Inequalities in access to and use of health services prevail in all Member States of the European Union, and they are on the rise. Health and access to health in Europe are strongly determined by socioeconomic status, which puts the most vulnerable groups in an unequal position when trying to access health services both in terms of prevention and treatment. Access can be significantly restricted or conditional, and the types of services provided may be inappropriate for the certain groups.

With the current economic downturn, most European governments have already decided to cut spending on social and public sectors – health is one of the sectors that has been targeted for cuts. This may translate into more out-of-pocket payments for people, which will impact on people with low resources increasing their vulnerability. Less affordable and accessible health services will inevitably mean increased inequalities in the European Union;

this will impact on its future social progress and development. ■

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Housing in Europe: The Impact of Globalisation on a Once Local Issue

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In 2010, the European Year for Combating Poverty and Social Exclusion, the Belgian Presidency has been preparing the European Consensus Conference on Homelessness, which is to take place in Brussels in December 2010 (European Commission 2010). Activities have included the exchange of experiences and best practices, and a lot of 'big statements'. However, until now there has been no substantial commitment to deal with the deteriorating housing situation and the need for structural 'supranational' intervention.

The EU and its (lack of) housing policies

The European region is strongly influenced – politically, socially and economically – by the European Union on the matter of housing. This influence is increasingly evident since globalisation, which has encouraged the free movement of capital and enterprises, heavily changing urban structures and attracting massive migration from within and outside Europe.

Despite the increased need for housing policies in Europe, and the legal obligation of individual states to provide this as signatories to the International Covenant on Economic, Social and Cultural Rights (ICESCR) (Office of the High Commission for Human Rights 1966, Article 11) and as members of the Council of Europe (Article 31 of the European Social Charter), the EU does not have dedicated structural funds for housing, as housing is not within its competence under the Lisbon Treaty. While the statistics confirm a need for housing policies at the European Community and supranational levels, the fact that housing is not a Community competence is a backward step from the policies of the European Coal and Steel Community, which until 1997 managed 13 low-cost housing programmes benefiting about 220,000 housing units.

As housing is a national competence, the EU has no specific legislation on poverty and housing. However, with the entry into force of the Lisbon Treaty, the Charter of Fundamental Rights now has the same value as EU treaties. The EU has to respect Article 34 (Official Journal of the European Union 2010a) and enact legislation to protect this 'right to housing assistance' and take measures to ensure that the legisla-

tion is implemented, such as providing financial support through the European structural funds and European Regional Development Fund. Most urgently, the EU should introduce a ban on evictions without adequate relocation.

As the right to housing assistance is a fundamental right, its impact should be analysed in order to better understand its implications for EU policy. This could be executed by the Commissioner for Fundamental Rights of the Council of Europe and the EU Agency for Fundamental Rights. The recommendations of the Commissioner for Human Rights (Council of Europe 2009) should also be implemented at the EU level.

The entry of new countries into the EU, many of which have inherited disastrous policies and have undergone the privatisation of entire neighbourhoods (often degraded), gave a push to policies for housing recovery at the EU level, starting with the restoration of public urban patrimony in new Member States. This policy has been re-launched with the Directive on Energy Efficiency 2010/31/EU (Official Journal of the European Union 2010b), which sets a standard of zero emissions for public buildings by 2018, and the European Regional Development Fund, as regards the eligibility of Energy Efficiency and Renewable Energy Investments in housing (European Parliament and Council of the European Union 2009). However, the structural funds are still directed to property (buildings), not to the right to housing and to who lives there: they don't address the development of public housing or provide support to those who live in substandard or too expensive housing.

CECODHAS, the European Federation of Social, Cooperative and Public Housing, is now facing threats from rising real estate prices and financial groups seeking tax breaks and land to help a market in crisis, and who see the public sector as a competitor. In Italy, for example, in addition to the zeroing of public intervention in the sector, there is a push by the Government to entrust public-private partnerships with the development of 'social housing' with a guaranteed return for investors. Such a proposal conflicts with the policy of the European Commission, which limits social housing to the marginalised sector of the population and prohibits the use of state-aid for private gain, considering it a violation of freedom of competition. In fact, the EU Commission has accepted the complaint of the European Property Federation asking

Sweden and Holland to eliminate state-aid for the public housing sector.

There is a growing tendency for the managers of social housing, for example in France and Italy, faced with cuts in public spending, to leave houses in more attractive areas vacant and derelict, preferring to demolish or sell them. This approach confuses neoliberalism with assisted capitalism, and does not favour the social dimension of housing at all, but only the real estate 'market'.

The impact of the global economic crisis

The global economic crisis is affecting all countries equally, but some are more equipped than others to deal with its impact. In countries where there has been a policy of public housing, there is a higher level of resilience. The data show a rise in the insecurity of tenure: according to Eurostat, 17% of the EU population, i.e., about 85 million people, are ill-housed, of which about 3 million are homeless. Thirty-eight per cent of people at risk of poverty spend a very large share (i.e., more than 40%) of their disposable income on housing – compared to 19% of the overall population (Eurostat 2010a). This is evidenced by the increase in the number of slums since the crisis, which are more visible and often are located on brownfield sites, where the speculators want to make money through redevelopment.

Perhaps the most striking example of the conflict between the right to housing and speculative priorities is Milan, where, to make way for the investment for the Expo 2015, the Government carried out 117 evictions of irregular settlements from January to July 2010, often with a racist matrix (Caritas 2010).

In countries where welfare is weak, such as Italy and Spain, there has been a significant increase in property prices, reduced only in part by the collapse of the housing market (RICS 2010).

In Italy, 150,000 families are at risk of losing their home because they cannot pay their mortgage; the same number are under threat of eviction (over 80% for non-payment) and 600,000 are on the waiting list for public housing. In the United Kingdom, there are 1,763,140 families on the waiting list for public housing (Government of United Kingdom 2009). Immigrants often are cited as the reason for the lack of housing for the indigenous people, but this does not hold true because migrants often

live in poor or substandard housing rejected by the locals.

The absence of adequate public response to the inaccessibility of the market, as well as the housing benefit cuts, are leading to the collapse of family social safety nets, with children staying in their parents' house for longer and the co-habitation of new couples with their parents (Eurostat 2010b). The coalition of housing benefit cuts proposed by the Government of the United Kingdom (£1,820m by 2014/15) (CIH 2010), are driving poor people out of inner cities. London councils revealed they were preparing for a mass exodus of low-income families and they had already block-booked bed and breakfasts and other private accommodation outside the capital to house those who will be priced out of the London market (Helm and Ashtana 2010).

It is expected that the next census will show that, while the number of homeowners has fallen, there has been an increase in overcrowding and a deterioration in the quality of housing, as well as a growth in slums in Europe, as is already happening in the United States.

At the European Social Forum in Istanbul in 2010 (IAI 2010a), the International Alliance of Inhabitants (IAI) met with dozens of organisations on the continent to take stock of the Zero Eviction Campaign (IAI 2010b). This campaign is based on the defence of Article 11 of the International Covenant on Economic, Social and Cultural Rights (Office of the High Commissioner for Human Rights 1966) and on general comments n. 4 and 7 prohibiting eviction without provision of adequate re-housing agreed with the inhabitants. The campaign is working to develop multilevel resistance to eviction by organising appeals and protests in front of the embassies and by calling for UN intervention. The presence of the International Alliance of Inhabitants and other civil society networks inside the Advisory Group on Forced Evictions of UN Habitat, which monitors, informs and advises the UN, reinforces the campaign at the institutional level.

In France, mobilisation by civil society in support of the right to housing is very strong (IAI 2010c), despite the historically developed social housing, which is in any case insufficient. Traditionally, there is a winter 'truce' on evictions from October to March, but many are excluded from this, including the Roma people (IAI 2008a). There have also been innovations introduced by progressive local authorities: 40 local mayors have signed decrees to stop evictions and the cutting off of electricity (IAI 2008b), resulting in confrontation with the central Government.

The situation is worse in many of the new EU Member States. In Hungary, the housing situation

is critical, forcing the centre-right Government to block almost all evictions, including those for non-payment (IAI 2010d). The movement for housing rights (IAI 2010e), following the example of the Cooperative Vivere 2000 (IAI 2008c) and others in Rome, is proposing the self-managed recovery of abandoned buildings. In the Czech Republic, homelessness is a growing problem; the Government had planned to build camps for homeless people to 'clean up' the city centre (IAI 2010f), but this plan was shelved after protests.

Civil society is active in Belgium, led by the Front des sans abri (Union of the Homeless) (IAI 2010g), and some organisations are proposing the establishment of Community Land Trusts (IAI 2010h) for the collective ownership of land on which to build homes.

People are also active in Spain (IAI 2010i), where the housing bubble exploded and corruption and speculation connected with entire municipalities has come to light. Meanwhile, real estate contractors are moving off the coast to North Africa.

In Germany, the mobilisation has been massive – not just for the privatisation of the housing sector, but more generally for the 'Right to the City' (IAI 2010j).¹ In the United Kingdom, tens of thousands of 'travellers' are at risk of eviction; their plight is symbolically represented by the resistance of the community at Dale Farm (IAI 2010k).

In the Russian Federation, privatisation has led to the exclusion of millions of people whose houses were connected to their workplace. The privatised companies were sold to speculators and employees and tenants evicted. This resulted in some large demonstrations (IAI 2008d), particularly at Togliattigrad. There were also some clashes, some quite violent, between residents and security guards of companies wanting to build in the green areas of cities like Saint Petersburg (IAI 2009a) and Moscow (IAI 2009b), for which public officials had given

¹ The 'Right to the City' is an idea and a slogan that was first proposed by Henri Lefebvre in his 1968 book *Le Droit à la ville*. Lefebvre summarises the idea as a "demand... [for] a transformed and renewed access to urban life. David Harvey has recently defined 'The Right to the City' (Harvey 2008) as being about "far more than the individual liberty to access urban resources: it is a right to change ourselves by changing the city". He has also stressed that: "It is, moreover, a common rather than an individual right since this transformation inevitably depends upon the exercise of a collective power to reshape the processes of urbanization." A number of popular movements have incorporated the idea of the 'Right to the City' into their struggles and some cities, like Mexico DF, have signed (in July 2010) the 'Right to the City' chart. Brazil has even approved the Law on the Statute of the city, introducing the 'Right to the City'.

illegal building permits.

Large-scale infrastructure has also led to substantial expropriations – often with the co-interest between public officials and constructors. This was the case with the London Olympic Games 2012 and Sochi (IAI 2009c) on the Black Sea for the Winter Olympics in 2014. Both cases spurred resistance from people and committees, including hunger strikes.

In Turkey, the emergency is related to the neoliberal approach to the global crisis and to Turkey's candidacy for the EU membership – which has led to the destruction of popular neighbourhoods like the historic Roma district of Sulukulé to make way for speculative investment in property for high-end tourists. Great building contracts, such as the third bridge over the Bosphorus, are being granted to attract capital, putting hundreds of thousands of people at risk of eviction and erasing entire popular neighbourhoods (IAI 2009d).

Call for a new social urban pact

The solutions to modern European housing issues are varied and involve different actors. The most innovative is a proposal to develop a public housing service through cooperatives of inhabitants for self-managed construction and recovery. The resources would come from local government budgets and the inhabitants themselves, beginning with the recovery of vacant properties. This could result in significant immediate and future savings, as the inhabitants would play an active role in the process and would not be mere customers of the market or users. The goal is the security that comes with lifelong housing rights and the re-appropriation of the right to the city through inclusive processes at different levels (IAI 2007).

Concurrently, to tackle the causes and deal with the effects of the global economic crisis on the housing sector, supranational policies are needed that assume the right to housing and the responsibility of all stakeholders, including residents, in the construction of future cities. These are essential elements in a structural change, not just patches to the existing system.

At the European level, a great lobbying role is being played by FEANTSA, an umbrella not-for-profit organisation that fights against homelessness in Europe (FEANTSA 2010). Another important organisation fighting against social exclusion is the International Union of Tenants, which recently made an appeal for 'A new deal for affordable rental housing' (International Union of Tenants 2010). Also of note is the European Housing Forum, whose members are all major international or European organisations working in the area of housing, represen-

ting consumers, providers, professionals and researchers (European Housing Forum 2010).

Last, but not least, international networks for the right to housing (such as the Habitat International Coalition [HIC], IAI and No Vox) have called for an alternative approach during the 'informal meetings' of the Housing Ministers of the EU Member States and in conferences such as the European General State of Housing Rights (IAI 2010). The global economic crisis has generated a call for a 'Global Social Pact for Equitable and Sustainable Habitat' (IAI 2008f) among these networks, addressed to the G20. The emphasis is on the need for a new social compact at the global level to improve the urban living conditions of at least one billion people currently homeless or badly housed, including funding a 'Green New Deal', which would encompass developing international instruments for the public control of prices and land use, which are essential conditions for sustainable settlements respectful of human rights and environmental concerns. The first step is a moratorium on evictions.

Convinced of the need for such a pact, and careful that any proposal involves the whole of continental Europe, the International Alliance of Inhabitants and others are engaged in a European platform to fight for these rights (IAI 2009d). The main objectives are the explicit recognition of the right to housing in the EU constitution; the launching of a New Deal for Social Cohesion through a coordinated European Public Housing Service; a stop to the privatisation, commercialisation and deregulation of the housing sector; ensuring the affordability of housing costs; and supporting the creativity and social inclusion of inhabitants.

These proposals, which are a fundamental reference point for various initiatives across the continent, are still far from influencing the political choices of individual countries and of the EU overall. Therefore, it is interesting to note the development of international meetings, notably inside the Social Forums, as space for the construction of common strategies and initiatives.

World Zero Evictions Days (IAI 2010b), which involves grassroots organisations from all continents during the entire month of October, is a test of the potential of this bottom-up approach. A development that might be made possible by the aggregation taking place in the construction of the World Assembly of Inhabitants (World Social Forum [WSF] Dakar, February 2010) (IAI 2010m), and which should lead to the creation of the Via Urbana, a real unitary subject of inhabitants organisations and of urban social movements, which is able to be a strong coun-

terpart to the supranational and international bodies like the EU.

Platform for housing policies and European directives on the right to housing

All of the European Union Member States have ratified international treaties and conventions that recognise and protect the right to housing. Despite this legal recognition, and their commitment to achieving Millennium Development Goal 7, Target 11 and the Lisbon Strategy for social inclusion, housing rights are increasingly being violated.

In light of the failure of the neoliberal approach, social organisations working in the field of housing would urge their respective governments and the European Union to take up the following proposals to promote coordinated policies among the EU Member States, accompanied by the strengthening of the related competencies of the EU bodies.

The following recommendations were made by IAI in its publication '*European platform on the right to housing*' (IAI 2009d).

1. Explicitly recognise the right to housing in the EU Constitution

The EU should adopt the international conventions on the right to housing, and public bodies including the European Commission should respect the legal obligations and resulting responsibilities by implementing policies based on these rights at all levels, including:

- Directives for legally enforceable housing rights.
- Directives to reinforce legal regulations in favour of the right to housing and the provision of effective instruments to all Member States for their implementation (such as legal standards and public guarantees as to the accuracy and security of rental contracts; legal mechanisms to oppose extra-legal pressure and mobbing; and a prohibition on eviction without rehousing).

2. Launch a 'New Deal for Social Cohesion' through a coordinated European Public Housing Service

The objectives of the coordinated European Public Housing Service would be to:

- Address the relative housing deficit through the construction, recuperation or purchase of at least 18 million new affordable homes in 5 years.
- Improve the energy efficiency of the existing housing stock, beginning with the not-for-profit sector, by establishing by 2010 a European Directive for Zero Energy Proper-

ties.

- Provide funding for the housing sector: the EU should develop a specific Housing Cohesion Fund, which could partly be financed by national taxation on financial and real estate speculation, as well as the European structural funds.

3. Stop the privatisation, commercialisation and deregulation of the housing sector

- The public housing sector should be totally excluded from the Bolkenstein Directive for the liberalisation of public services of general interest.
- Member States should immediately stop the privatisation of public housing and develop alternatives for the housing stock within the framework of a new European public housing service.
- The introduction of new national or European Real Estate Investment Trusts (REITs)² should be stopped. The EU should instead develop a model of Housing Finance Trusts under public control.
- Public control, legal regulations and taxation on existing Real Estate Investment Trusts should be reinforced.
- Highly speculative derivatives and securitisation instruments like mortgage-backed securities should be banned within the housing sector.

4. Ensure the affordability of housing

- The EU should develop a strategy that ensures that housing costs (rent or mortgage plus service charges) in all Member States do not exceed a certain proportion of household income. In no case should these costs force households to drop below the poverty line.
- Possible tools for reducing housing costs include the provision of public and social housing; legal means of price and rent control; social tariffs for utilities; direct housing subsidies for the poorest households; the introduction of a guaranteed minimum income; public credit for housing investment at reduced rates; the concession of public land for social housing; public investment in housing and subsidies to improve energy and water efficiency; the optimisation of infrastructure; and transparent costs for public

² A Real Estate Investment Trust or REIT is a tax designation for a corporate entity investing in real estate that reduces or eliminates corporate income taxes. In return, REITs are required to distribute 90% of their income, which may be taxable, into the hands of the investors. The REIT structure was designed to provide a similar structure for investment in real estate as mutual funds provide for investment in stocks.

services.

- Social welfare and unemployment benefits should guarantee at least the payment of the average cost of decent housing according to local standards, without discrimination.

5. Support the creativity and social inclusion of inhabitants

- The EU should develop a programme supporting the development of alternative housing solutions and experimental projects for new types of social housing, which are sensitive to multiculturalism and the issue of social exclusion, in partnership with local authorities, civil society and social investors (e.g., housing co-operatives for collective ownership and adaptive reuse and self-build communities).
- Such programmes should be accompanied by support for international exchange, inhabitants' networks and international studies.
- The EU should support the development of legal standards for the social use of vacant properties and their restoration or adaptive reuse.
- To this end, the criminalisation of squats, resistance against evictions and rent strikes must be stopped. ■

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Financial Exclusion and Access to Credit

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Financial exclusion can be described as the inability of individuals, households or groups to access necessary financial services in an appropriate form. It can stem from problems with access, prices, marketing or financial literacy, or from self-exclusion in response to negative experiences or perceptions. Financial exclusion is a reality for many European citizens. Two in ten adults in the EU15 and almost half in the EU10 (47%) do not have a bank account, and many more have no savings or access to credit. Financial exclusion significantly increases the risk of social exclusion and poverty. Microfinance – the provision of financial services such as microcredit (for business or personal use), savings, insurance and transfer services to low income households – can be a tool for social as well as financial inclusion, as it helps to prevent and address all the aspects of exclusion – poverty, low income, lack of employment. These aspects are both major components of, and reasons for, social exclusion.

What is financial exclusion?

As European societies and economies move towards relying on virtual money, simple tools such as a credit card and a bank account to receive income into have become essential to daily life. Lack of access to these tools and services, or the inability to use them, is a serious obstacle to economic and social integration.

A person is considered financially excluded when they have no access to some or all of the services offered by mainstream financial institutions in their country of residence or do not make use of these services. The study 'Financial services provision and prevention of financial exclusion' (Réseau Financement Alternatif 2008) establishes a list of basic financial services considered essential to daily life: a bank account to receive income; a transaction account to make payments from; a savings account to store money; and access to unsecured credit to manage temporary cash shortages and unexpected expenses.

Access to banking (and transaction banking services in particular) is considered a basic necessity in most developed countries. The provision of transaction banking services is key to accessing other financial services such as credit and savings. Lack of transaction banking services runs parallel with social exclusion, as people are not able to receive

salaries or remittances, pay bills by direct debit or use safe means of payment such as cheques or cards. This distorts their access to broader economic opportunities and increases their risk of poverty.

Similarly, access to credit has become necessary for various aspects of daily life. Credit is the main financial tool that enables access to goods or expenditures that oversize the monthly budget, such as equipment goods. Lack of access to, or use of, credit impacts on access to the minimum national standard of living, and can stigmatise people. 'Credit excluded' people, i.e., those who are refused access to credit by mainstream lenders, are exposed to informal moneylenders who loan money at extortionate rates. Lack of access to appropriate and flexible credit impedes the averaging out of financially difficult periods and may lead to over-indebtedness.

In contrast, lack of access to savings services is usually considered less of a problem in European societies, as it concerns far less people than lack of access to other banking services and credit. Still, it remains a problem for some people who either lack the necessary documents to open a deposit account or who do not see the point in opening one.

Access to insurance services has increasingly come under scrutiny. Although it is compulsory to have some kinds of insurance (e.g., car insurance), it has not yet been determined what kinds of insurance are considered essential when talking about financial exclusion.

It is important to acknowledge that financial exclusion is not an absolute concept (excluded or not), but a relative one, rather like poverty, with degrees of exclusion. People vary as to the extent of their engagement with specific services, and they also vary in terms of the number of types of financial products to which they have access. It is, therefore, useful to use the term 'financially excluded' for those who lack all products and 'marginally' excluded for those who have limited access.

Levels of financial exclusion

The Eurobarometer reports that 7% of the population in the EU15 is considered to be financially excluded, meaning that they have neither access to a transaction/deposit bank account, savings account nor revolving credit (European Commission 2004b). Levels of financial exclusion vary widely. The lowest rates occur in countries where the standard of living is universally high. In the EU15, Greece has the

highest rate of financial exclusion, followed by Portugal and Italy. Luxembourg has the lowest rate, followed by the Netherlands, Denmark and Sweden. At the same time, in the EU10, one-third (34%) of the adult population is financially excluded (some countries in the EU10 still have a transition economy and levels of gross domestic profit are low). In the EU10, Latvia and Lithuania have the highest rate of financial exclusion and Slovenia the lowest. It has to be noted that the Eurobarometer may overestimate levels of financial exclusion. National surveys have only been undertaken in some countries, but they generally indicate lower levels of banking exclusion than estimated by the Eurobarometer. This is probably because of problems in defining the different types of bank accounts in a way that can be applied across Europe, as well as differences in sampling and the timing of surveys.

Financial exclusion affects some groups of people more than others, and, on the whole, similar types of people are disproportionately affected regardless of the prevailing level of exclusion in their country. Generally speaking, people with low levels of income, less education, who are part of an ethnic minority or with a migrant background, and who are either very old (over 65) or very young (18–25) are more likely to be financially excluded than others. Women are twice as likely to find themselves completely excluded from financial services than men. People who are completely financially excluded are also more likely to be found in households with no wage earner or in single parent households. As regards working status, students and unemployed people are most likely to be affected. The occurrence of financial exclusion is higher in rural than in urban areas (this is most noticeable in the new Member States), and is also higher in deprived areas. There is also evidence that financial exclusion is linked to people's knowledge of, and exposure to, financial services.

Causes and consequences of financial exclusion

Several factors are considered major causes of financial exclusion in European countries. They can be broadly grouped into three categories: societal, supply and demand factors.

A range of societal factors have been identified as having an impact on people's access to, and use of, financial services. With the increasing diversity of financial institutions and services caused by the liberalisation of

financial services markets, it is hard to gain a general overview of the sector and the opportunities available. Studies also reveal a strong correlation between levels of income inequality (measured by the Gini coefficient) in a country and the incidence of financial exclusion. Furthermore, societal changes such as structural changes in the labour market and the rising number of single people and single parents, as well as other demographic evolutions, increase people's vulnerability to financial exclusion. The regulatory context, together with government social and economic policy, also needs to be considered.

Supply factors take into account a financial institution's criteria for accepting a client, the fees it charges for access to its services and its requirements (e.g., its risk assessment procedures). These can lead a bank to refuse services to a person and can act as a strong deterrent to a potential client seeking a particular financial service. Supply factors encompass the geographic location of the institution, which in several cases is a primary cause of financial exclusion.

On the demand side, the potential client's priorities, concerns and cultural context need to be taken into account. This is crucial in understanding a person's personal and psychological relationship with money and how they view the financial sector. For instance, savings exclusion can be the result of the lack of a habit of saving money in a bank or an unwillingness to deal with banks because of negative past experiences or prejudice; this is referred to as 'self-exclusion'.

Financial exclusion is deeply interrelated with social exclusion: when social exclusion automatically leads to financial exclusion, financial exclusion is considered as belonging to a process that reinforces the risk of social exclusion. Hence, the consequences of financial exclusion on the individual and the society must not be underestimated. Those unable to access finance for enterprise development or personal consumption have greater difficulties in integrating socially and economically. No access to financial services may bar people from accessing vital services and activities, including employment, as some companies pay their employee's wages by electronic transfer only. Equally, financially excluded people can have difficulty participating in mainstream social activities and events specific to their cultural reference group. Financial exclusion also results in less ability to face financial shocks and unexpected expenses. People excluded from savings services are more vulnerable to theft, as they are forced to keep their cash and savings at home. Moreover, people excluded from financial services such as cheques and transfers by the

mainstream financial sector are likely to turn to institutions that offer these services at a much higher price. This is also true for access to credit, as people who are refused credit from mainstream financial institutions are forced to turn to private intermediaries or informal moneylenders, who charge more and offer less favourable conditions, further exacerbating their vulnerability and exclusion, and putting them at risk of becoming over-indebted.

Microfinance: Addressing social and financial exclusion

Microfinance is a new and innovative instrument that first emerged in developing countries to fight poverty. It refers to the provision of financial services – microloans, savings, insurance services and transfer services – to low income households. Studies worldwide on the impact of microfinance generally support the proposition that microfinance reduces vulnerability by helping clients to protect themselves against future risk and to cope with shocks and economic stress events.

In the European context, microcredit (the provision of loans for microenterprise creation and development) predominates. Although this tool has been used to reach millions of people worldwide, it has only quite recently been applied in the European Union. In the EU context, microcredit is "the extension of very small loans (usually below €25,000) to entrepreneurs, to social economy enterprises, to employees who wish to become self-employed, to people working in the informal economy and to the unemployed and others living in poverty who are not considered bankable" (European Union 2007). Microcredit assists people in creating or expanding income-generating and job-creating activities or microenterprises. But microcredit can also be used by people who have no access to traditional lines of credit for unexpected expenses (such as healthcare, a deposit on an apartment, or to pay for a driver's license or purchase a vehicle).

Although the sector is still young in Europe, microfinance organisations are steadily growing and professionalising their operations. A range of different organisations are providing microfinance in the various Member States, depending on the regulatory environment in each; these include non-governmental organisations, foundations, government bodies, savings banks, banks, credit cooperatives, credit unions and non-bank financial institutions (NBFIs). The main model for microfinance in Western Europe, where most actors entered the market after 2000, is linkage banking – a model that reaches out particularly well to

at risk-groups. As generally only traditional, licensed financial institutions (usually banks or government agencies) are allowed to conduct microfinance operations in these countries, microcredit is disbursed by microfinance focused non-profit organisations in partnership with banks. The non-profit organisations establish contact with the microloan clients and provide Business Development Services to them, thereby increasing the business survival rate and minimising the risk of non-repayment. They also sometimes provide loan management services to the banks. In contrast, in Eastern Europe, microcredit is mainly provided by for-profit NBFIs, which have evolved from NGOs or have been downscaled from banks.

According to a report commissioned by the European Microfinance Network, 'Overview of the Microcredit Sector in the European Union 2008-2009' (Jayo et al. 2010), which gathered data from 170 microfinance providers, 63% of microlenders in Europe define their mission as job creation and 62% as social inclusion and poverty reduction, in addition to their focus on microenterprise promotion (70%). Moreover, 'unbankable' persons, i.e., financially and often socially excluded persons who will remain excluded from the mainstream financial services in the mid to long term, make up 70% of microfinance clients in Europe. Nearly half (47%) of EU microlenders explicitly target people excluded from mainstream financial services, 44% target women, 41% immigrants and ethnic minorities and 32% target the rural population.

Microcredit can, therefore, be a tool for social as well as financial inclusion, as it helps to prevent and redress all aspects of exclusion – poverty, low income, lack of employment – which are major components of, and reasons for, social exclusion. Moreover, programmes that provide training, advice, mentoring and networking opportunities, enhance the skills and social empowerment of underprivileged groups, further contributing to their inclusion. Microfinance, through its broader range of services, such as savings and insurance, can assist poor people to plan for future lump sum needs, reduce their exposure to income changes or sudden expenses, and increase their participation in social life.

The European Union has acknowledged microfinance as a tool for inclusion and has played an important role in the development of microfinance since 1998. The EU has provided partial guarantees to cover portfolios of microloans under its growth and employment initiative (1998–2000), the multi-annual programme for the promotion of enterprise and entrepreneurship, and, in particular, small and medium size

enterprises (SMEs) (2001–2005), and under the Competitiveness and Innovation Framework Programme (CIP) (2003–2007). In Central and Eastern Europe, the European Investment Fund has partly encouraged microfinance through the Phare SME Finance Facility. Only recently has the European Union re-affirmed this engagement through three new programmes. As such, in 2007, the EU established the Joint European Resources for Micro and Medium Enterprises (JEREMIE) to improve access to finance for SMEs, including microfinance, as well as the Joint Action to Support Microfinance Institutions in Europe (JASMINE). In March 2010, the EU set up the European PROGRESS Microfinance Facility for Employment and Social Inclusion to cushion the effects of the global financial and economic crisis¹. With a budget of €20 million in the case of JASMINE and €100 million for PROGRESS (expected to leverage €500 million), JASMINE and PROGRESS are the largest single programmes ever for promoting microcredit in the European Union. They will provide additional guarantees and financial capital, as well as technical assistance for new and non-bank microfinance institutions, with the ultimate aim to increase access to, and the availability of, microfinance, especially for at-risk groups such as the unemployed, vulnerable people, and people at risk of unemployment or social exclusion, and to support the development of entrepreneurship and microenterprises.

Recommendations

There are several possible responses to financial exclusion. The following is a non-exhaustive list of recommendations for the different stakeholders involved in the provision of financial services: financial providers, national governments and the European Union.

Financial providers:

1. In several European countries, the banking sector has developed voluntary charters and codes of practice in relation to the provision of basic low transaction bank accounts to meet the needs of people with low and unstable incomes. Codes of practice and voluntary charters should be further promoted by financial providers and their effective implementation ensured.
2. Banks and other financial providers have become increasingly involved in microfi-

¹ The European Community Programme for Employment and Social Solidarity (2007–2013) PROGRESS was established to financially support the implementation of the objectives of the European Union in the employment and social affairs area, as set out in the Social Agenda. It is managed by the Directorate-General for Employment, Social Affairs and Equal Opportunities.

nance activities, either through partnerships or by setting up their own programmes. The linkage banking model (non-profit organisations linking low-income clients with banks) should be further strengthened through joint programmes and reinforced cooperation between banks and NGOs, as it has proved to be a particularly successful way of promoting access to finance. Both sides benefit from this model: banks obtain specific information on this customer segment and can outsource part of their operating costs, while non-profit organisations learn techniques from banks such as customer evaluation and scoring.

3. Initiatives to produce easily understandable, honest and comprehensive advertising and promotional material and to work with trusted intermediaries to promote take-up among potential clients should be promoted by financial providers.
4. Microfinance providers need to grow in order to be able to serve the high level of unmet demand, while at the same time ensuring that they reach out to their respective target groups. They should recognise that they serve a unique market and be more innovative in developing marketing approaches, products, services and cost-effective delivery mechanisms. Moreover, they need to be able to monitor the social impact of their work and communicate it to the public and possible funding sources.

National governments:

5. Governments can establish a favourable legislative framework to promote financial inclusion. In several countries, pressure from the government and public opinion have successfully encouraged the banking sector to adopt voluntary codes of conducts regarding basic bank accounts provision (e.g., in Belgium, France and Germany). Governments should also remove specific obstacles to the involvement of some people in the banking system (for example, people 'blacklisted' for not repaying loans) and limit practices of financial services institutions that exploit financially excluded people through high credit fees and lack of transparency.
6. Governments can contribute directly to the provision of financial services to low-income people by providing funds to non-profit associations conducting financial education programmes, commissioning research projects to investigate the causes of financial exclusion, and recommending measures to combat them.
7. Governments should recognise that microfinance can be an effective tool for combating

poverty and financial exclusion and recognise the uniqueness, difficulty and, therefore, costs of serving microfinance clients. Governments should encourage microfinance initiatives and networks on a national level and provide funding, especially for associated non-financial services such as advice and counselling.

European Union:

8. The fight against financial exclusion should be constantly included in the National Strategic Reports on Social Protection and Social Inclusion elaborated by each country within the EU framework.
9. Clear indicators of the extent of the financial exclusion problem need to be developed, as well as common definitions of the different types of financial exclusion.
10. The microfinance schemes supported by the European Union (like JASMINE) should be based on clear development targets and objectives, which should be agreed with any microfinance provider that receives support under these schemes. ■

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- <www.fininc.eu>

Women's Poverty and Social Exclusion in the European Union at a Time of Recession. An Invisible Crisis?¹

Oxfam International and European Women's Lobby²

The research

In October 2009, Oxfam and the European Women's Lobby (EWL), commissioned research to explore and analyse the hidden impact of the current economic recession on women's poverty in EU countries. The research was conducted with EWL member organisations, and supplemented with other research and information available at the end of 2009. Oxfam and EWL conclude that the research gives a snapshot of the current position of women in poverty, reinforcing what is already known about the persistent social exclusion experienced by many women. It also provides some evidence that the impact of the recession is making the inequality faced by women even worse. It is difficult to separate out evidence of women's long-term poverty, from the effect of the current recession – and further research is needed in this area. But the evidence here clearly indicates that the recession is already having a significant negative effect on the lives of women, not only in relation to the labour market, but also, crucially, outside it. However, the impact of the recession – direct and indirect – on women remains largely invisible and further in-depth analysis is urgently required. This report documents evidence of: precarious working conditions;

increasing discrimination in the labour market with a subsequent shift to informal work; rising levels of poverty; reduced access to services; and rising levels of domestic violence, accompanied by cuts in vital support services.

Women and poverty in Europe

Existing poverty

All over the world, women remain poor in relation to men. This is true in every Member State in Europe, although differentials vary from country to country. Just under 17% of women in the EU's 27 countries are classed as living in poverty, and across a range of indicators in the labour market and in social protection, the structural causes of poverty have a disproportionate impact on women. The continued existence of women's poverty has long been a concern of the European Union, and a range of measures supporting gender equality and tackling poverty demonstrate the continuing significance of women's social inclusion as an issue. The persistence of poverty in such a rich region of the world is shocking, even before the impact of recession has been considered. This report provides evidence of the continuing and underlying poverty experienced by women in the EU, and adds some evidence of the additional impact of the recession.

Debate about tackling recession among policymakers currently focuses on attempts to regulate the financial sector and on whether governments should withdraw financial stimulus packages (and if so, when). But it is essential not to lose sight of the huge and continuing social impact of the recession, and of the different consequences for women and men – especially those facing poverty and social exclusion.

Limitations of the data

Existing limitations and gaps in the data on women and poverty make it hard to assess the impact of the recession on women. For example:

- The data available lags behind the reality, reflecting delays in the collection and publication of information. This is especially important given the rapidly shifting nature of the issues involved.
- Women are more likely to change jobs frequently, and to be in temporary and/or informal work. Measures of unemployment

and redundancy therefore often fail to capture adequately their specific experiences.

- There has been far less gender-disaggregated study of increases in economic inactivity, or in informal or vulnerable work, or on the quality of life for women beyond the labour market (e.g., access to quality services and participation in community activities).
- Existing statistics often treat women and men as homogenous groups, and fail to address adequately the differences within each category (according to class, race, age, disability, faith and sexual orientation).

Impact of poverty on women at a time of recession

At the beginning of 2010, most EU countries had officially moved out of recession. However, recovery from the effects of the banking crisis in autumn 2008 remains very fragile. The massive sums spent by EU governments to bail out the banks and provide support to failing industries, although necessary to stave off widespread economic collapse, have resulted in large public spending deficits. Action to reduce these deficits is likely to fall – or in some cases, is already falling – unfairly, on people in poverty, especially through cuts to health, education and social protection budgets. In Ireland, for instance, a series of budgets have cut child benefits by 10%, public-sector pay by up to 15%, and raised prescription charges by 50%. In Greece, a raft of measures has been announced which will cut the public sector and increase taxes significantly.

The research for this paper was carried out in 10 Member States, and it is important to emphasise that not all countries in Europe have the same starting point in their economic and social development, for example, on gender equality, or the nature and extent of social protection. Drawing on the evidence from EWL members, this research highlights the following themes:

- **Poverty and standard of living:** Greater difficulty in obtaining work (Austria); rising housing, energy, and living costs (Austria and Romania); higher levels of debt and difficulty with repayments, less and poorer quality food (Romania); increasing levels of debt among Roma women (Slovakia); and increasing fears about unemployment and incomes (UK).

1 The material on pages 29–31 is adapted by the publisher from Oxfam International/European Women's Lobby (2010) 'Women's poverty and social exclusion in the European Union at a time of recession'. In: Oxfam International/European Women's Lobby (2010) *An Invisible Crisis? A Gender Works Paper*. Brussels: Oxfam International/European Women's Lobby. Available at: <www.oxfam.org.uk/resources/ukpoverty/resources>, with the permission of Oxfam GB, Oxfam House, John Smith Drive, Cowley Oxford OX4 2JY UK, www.oxfam.org.uk. Oxfam GB does not necessarily endorse any text or activities that accompany the materials, nor has it approved the adapted text.

2 The European Women's Lobby (EWL) is the largest umbrella organisation of women's associations in the European Union. The Secretariat is based in Brussels, but EWL has member organisations in all 27 Member States of the EU and 21 European-wide organisations in full membership. EWL aims to promote women's rights, and equality between women and men in the EU. The Lobby is active in relation to a range of issues at EU level, including gender equality policies and gender mainstreaming, economic and social justice for women, women in decision making, violence against women, and gender and immigration/asylum.

- **Changing employment patterns:** Increased precariousness of work and reductions in social protection – particularly for poorer groups of the population. The pressure of reduced income in households means that recession drives people, particularly women who are less able to find other work, to accept jobs below their education and qualification levels.
- **Discrimination against women in the workplace:** Some employers use the crisis as an alibi to exploit women, who are more often willing to work in precarious conditions, for less salary, and without social security. Some employers may be tempted to restrict policies and initiatives that assist women or even to adopt illegal practices (e.g., dismissing pregnant workers) in order to save money.
- **Maternity protection:** Mothers are very vulnerable to changes in the labour market. Many of them depend on social benefits provided by the state during their maternity leave, or on child benefits, which may be subject to cuts in a time of recession. In the UK, there has been pressure from business not to implement previously agreed improvements to maternity leave on the basis that this cannot be afforded at the current time.
- **Unpaid work and care economy:** Reductions in public expenditure are likely to result in the transfer of services such as care back onto women, preventing them from fully participating in all aspects of life. Similarly, the impact of expenditure cuts to support services in socioeconomically disadvantaged communities will result in a greater reliance on women, both within families and in the community.
- **Migrant and ethnic minority women:** The recession is causing a heightened sense of job insecurity for millions of migrant and ethnic minority women, and making migrants more vulnerable to abuse. Migrant women are increasingly providing the infrastructure that enables higher numbers of native-born women to enter paid employment. However, the unregulated, insecure, and privatised nature of many migrant women's work – as cleaners, housekeepers, hotel and tourism staff – leaves migrant women open to abuse and exploitation.
- **Violence against women:** Economic recession puts pressure on families and creates conditions associated with increased domestic/intimate relationship violence. Evidence from the current study reveals increasing numbers of victims of domestic violence (Bulgaria, Estonia, Ireland, the

Netherlands, Romania, Scotland and Slovakia); increases in trafficking in various countries (Germany, Hungary and the UK); and a rise in prostitution and attacks on prostitutes (Germany and the UK).

- **Social benefits:** In response to the crisis, most EU Member States have affirmed their commitment to support the most vulnerable people through their benefit systems. There is evidence, for example, of a temporary relaxing of eligibility criteria for unemployment benefits in some countries (e.g., France, Italy). But in other states (e.g., the UK, Sweden, the Netherlands and Ireland) 'activation policies' and welfare reforms have tightened eligibility criteria in order to compel claimants to take up employment – even though jobs are very hard to come by.
- **Access to essential services (health, education, childcare):** Particular concern surrounds women's access to sexual and reproductive health services during the recession. Sexual and reproductive health services are crucial in giving women control over their bodies, and therefore in efforts to achieve gender equality.
The impacts of the recession on education are already visible, including: closure of schools (Bulgaria), rising pupil-teacher ratios (Estonia), and cuts to support services for children with special needs and those needing help with the English language (Ireland).
The number of childcare centres has reduced (e.g., Bulgaria), opening hours have been cut (e.g., Estonia), and the cost of places has increased (e.g., Ireland). Other evidence suggests a reduction in support for books and materials (Estonia), and, in Hungary, subsidies on meals in kindergartens and schools have been cut by two-thirds.
- **Support for women's NGOs:** Women's NGOs have contributed to significant changes in legislation, policy, and public attitudes across Europe, and their campaigning role on behalf of women remains essential at a time of recession. However, the evidence from this research highlights the precarious circumstances of women's NGOs in Bulgaria, Hungary, Ireland, Latvia, Romania, Slovakia and the UK. Budgetary cutbacks as a result of the recession are clearly an important factor.

Policy responses

National government actions and recovery plans

Over the past year, most Member States have launched stimulus packages and recovery plans to cope with the financial, economic and social problems created by the recession. The analysis in the report suggests that the actions

taken by Member States may have failed to address gender issues adequately, adding to existing differences in the poverty of women and men. For example, support for industrial sectors and companies appear to have prioritised saving the jobs of car and construction workers, most of whom are men. Given that women are over-represented in temporary and part-time work, it is likely that they will be significantly affected by changes to working time. And whilst some positive, short-term measures to support household purchasing power (e.g., tax reductions, adjustment in social security contributions and income support measures that target low-income households) have been introduced, these are insubstantial compared to the amounts spent on banks and businesses. Moreover, without more detail on the precise measures, it is not possible to discern the gender impact of these policies with any certainty.

All policy responses and recovery plans should recognise the importance of building the resilience of women experiencing poverty. Resilience means the ability to cope with day-to-day shocks, such as using up savings paying for day-to-day foodstuffs, or longer-term shocks, such as the loss of previously available childcare due to public spending cuts and the consequent need to run down social capital in finding substitutes. Policy and recovery plans need to focus on preventing the running down of assets, and focus on building resilience to coping with shocks.

EU actions and recovery plans

Alongside efforts to restore and maintain a stable financial system, the EU's efforts, with those of Member States, have focused primarily on infrastructure and employment initiatives. As yet, however, it has been less clear what the role of the EU's Social Protection and Social Inclusion process can and should be, and what initiatives are being developed. Expert studies are underway in all Member States of the social impact of the crisis, however, there are currently no plans to make this information publicly available. As a result, public debate about, and oversight of, the impact of the crisis on the most vulnerable is to some extent hampered. One consequence of this is that the impact on women remains relatively hidden.

Key findings of research

- Policy responses to poverty in general, and to economic recession in particular, need to acknowledge that poverty is gendered. Poverty has a differential impact on women and men, based on their different roles and responsibilities, and on the responses of

governments. Both men and women lose jobs and earnings, but who loses what depends on the structure of the economy, and the extent to which policies are gender-blind or gender-sensitive.

- Existing macro-economic data is not sufficiently sensitive to reveal both existing poverty, and the effects of recession, on women's lives. For example, the data available on the first 'wave' of the recession tends to show a significant loss of jobs in the manufacturing and construction sectors (where more men work). But the impact on women's poverty is less visible, because women are less likely than men to register as unemployed. Women are also more likely to work in part-time and poorly-paid sectors of the economy, which are less well measured.
- The impact of the recession is significant and damaging for both men and women living in poverty. This report tracks the impact for women as a whole, and particularly for members of vulnerable groups, who face multiple disadvantages. The latter are likely to include the young and the elderly, migrants and ethnic minorities, the low-skilled, those with short term contracts, single mothers, women in rural areas, those aged over 45, and women with disabilities.
- Priorities for government action are often based on a norm which prioritises subsidies to, for example, car plants and the construction industry, which tend to employ men, over subsidies to sectors such as textiles or retail, which employ more women.
- Reductions in public expenditure will always have a major – and disproportionate – impact on women's livelihoods, as women are in the majority in the public sector workforce. For example, across the EU, whereas 80% of construction workers are male, 78% of health and social services workers, and over 60% of teachers in primary and secondary education, are female.
- The impact of the recession on women is likely to become more acute over time as the effects of labour market shifts are increasingly felt within households, and cuts in public expenditure affect public services and the many women who work in them and use them.

Recommendations

Main recommendations:

1. Governments and public bodies should undertake gender impact assessments of the recession and track subsequent changes over time – especially because women are likely to be disproportionately affected by any future cuts in public spending and services (both as workers and users).
2. Governments and public bodies should use these gender impact assessments to help them focus on building the resilience of poor women to further shocks.
3. Gender-specific indicators in the field of poverty eradication and the promotion of social inclusion should be further identified, adopted and monitored by the European Commission and the Member States, in line with the Portuguese EU Presidency Conclusions on 'Women and Poverty' (Council of the European Union 2007).
4. Monitoring of the gendered impact of the crisis on poor communities should be increased. For example, little or no research has been conducted as yet on the impact of the recession at community/household level (e.g., on informal caring patterns, on family life and domestic violence, on financial assets such as savings or pensions, housing arrears or repossessions, or on the costs and availability of childcare).
5. The current indicators to determine income related poverty should be revised to better reflect gender differences. Poverty figures are based on accumulated household income and assume that income is distributed evenly within households, with the consequence that income-related poverty among women is likely to be underestimated.
6. Gender-disaggregated data should be developed and impact assessments undertaken to explore the changing nature of employment conditions and the effect of this on women's vulnerability to poverty and social exclusion. The following should be monitored: changes of contracts from long to short/fixed term; changes of flexible working hours to part-time work, subcontracts, second jobs and any other forms that undermine standard labour protection laws; and changes affected on return from statutory leave, especially maternity leave, according to different sectors of the economy (including in small and medium enterprises).
7. Gender impact assessment should be undertaken on the impact of changing working contracts and conditions on access to social protection (e.g., unemployment benefits, maternity pay, sickness benefits, disability benefits and pensions).
8. Gender budgeting should be adopted as a standard approach to assess spending on men and women within economic recovery plans and other public budget processes. Alternative accounting measures should also be developed to ensure that women's unpaid activities in the reproductive economy are recognised in systems of national accounts.
9. Women's participation should be ensured in decision-making processes affecting the design, implementation and monitoring of stimulus packages and other measures to aid recovery. Women's groups need to be supported to develop greater participation in economic discussions at both national and international levels.

Specific recommendations:

1. **Discrimination against women:** The relevant national authorities (statistics agencies, equality bodies, government departments) should compile data on the number of women who have filed complaints on the basis of sex discrimination in the workplace since the recession in 2008, and undertake analysis of the causes on an ongoing basis.
2. **Migrant and ethnic minority women:** Immigration and integration policies should seek to break down structural obstacles to migrant women's full labour market participation so that they are not restricted to part-time and insecure work with few, if any, employment rights.
3. **Violence against women:** Ongoing and systematic monitoring should be established to measure progress in relation to violence against women. In particular, issues of violence against particularly vulnerable groups of women should be addressed.
4. **Social benefits:** Gender-sensitive universal social protection standards (including access to good quality education and healthcare, and income security) should be established in all Member States to address the needs of women, men and children facing poverty and social exclusion.
5. **Access to services:** The gender impact of expenditure cuts on access to high standards of healthcare and education should be assessed. Member State commitments to the Barcelona targets on childcare, fixed until 2010, should be renewed. New childcare targets should be developed which recognise not only numbers and costs, but also the quality of care. ■

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Ensuring Social Inclusion of Young People by Tackling Multi-faceted Vulnerabilities in Employment and Other Areas

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The specific vulnerabilities to social exclusion experienced by young people are complex and originate from a wide range of factors. Distinguishing the causes of social exclusion from the effects is a difficult task. This report sheds light on the intersection between lack of access to employment, or employment in precarious conditions and the discrimination experienced by young people in other areas of life. These two components are at the core of the European Youth Forum's (YFJ's) work on social affairs and equality, in which crosscutting perspectives have been developed through policy development and research, advocacy, and the lobbying of institutional stakeholders.

Introduction

Poverty and social exclusion are two intertwined phenomena that often manifest together. Exclusion and precariousness in the field of employment not only lead to lack of financial means, but also to multiple forms of exclusion in other areas of life. In this sense, social exclusion experienced by young people encompasses a wide range of disadvantageous situations and violations of fundamental rights such as ill health; poor access to healthcare services; lack of affordable and decent housing, education, goods and services; a sense of alienation from society; lack of opportunities to participate in public life; and stigmatisation.

The cycle of poverty is indeed a vicious one, both from inter-generational and inter-sectorial perspectives; young people experiencing poverty are not likely to exit poverty in adulthood (inter-generational) and are likely to simultaneously experience violations of fundamental rights in many areas of life (inter-sectorial).

Although some specific groups of young people are likely to be more vulnerable to poverty and social exclusion, a general vulnerability linked to age should be acknowledged and effective measures taken. Children represent a

vulnerable group, but young adults are also particularly exposed. According to statistics, 20% of young people (aged 16–24) are currently living at risk of poverty in the European Union. Phenomena not directly relating to income poverty – such as early school leaving, discrimination and harassment at school, and lack of youth friendly healthcare services – have had a definite impact on the social exclusion of young people. For example, early school leavers are more likely to experience violence, discrimination and ill health (YFJ 2008; Eurostat 2010). Discrimination experienced by lesbian, gay, bisexual, transgender and intersex young people at school has an extremely negative impact on their health and fundamental right to education (Takacs 2006). Discrimination against young migrants and the challenges they face in the fields of education and employment are also alarming. Indeed, young migrants' educational performance is lower than that of their native peers (OECD-PISA 2006) and the employment rate of migrants averages 3.3% lower than the general population (Eurostat 2010).

Although legal protection against discrimination exists to some extent, gaps in European and national laws pose a major challenge to breaking the vicious cycle of poverty and social exclusion. Although young Europeans are protected against discrimination in the field of employment (Council of the European Union 2000), they can be discriminated against in the field of education. They can also be discriminated against on the grounds of age, sexual orientation, religion or belief, and disability in any field but employment and occupation (YFJ 2009). This is at odds with other European policies, including the Education and Training Work Programme 2010 (European Commission 2010), which included the 85% benchmark to be attained in the field of secondary education before 2010. This benchmark was not achieved and secondary education attainment is currently at only 78.5% (Eurostat UOE and LFS 2009). While Article 19 of the Lisbon Treaty is a key provision for combating discrimination, it covers only six grounds of discrimination. Article 21 of the Charter of Fundamental Rights of the EU is much broader covering discrimination based on birth, property and political opinions; it prohibits:

Any discrimination based on any ground such as sex, race, colour, ethnic or social

origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

Similarly, the Council of Europe's Revised European Social Charter (ESC) foresees a more inclusive list of protected grounds, such as social origin, birth and national extraction. Article E of the Revised Social Charter reads:

The enjoyment of the rights set forth in this Charter shall be secured without discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national extraction or social origin, health, association with a national minority, birth or other status. (Council of the European Union 1997)

The rights set forth in the ESC should also be ensured for third-country nationals legally residing in one of the Council of Europe Member States.

Youth poverty and the lifecycle

Due to the changes occurring within European societies, young people are becoming more and more at risk of poverty. While at the beginning of last century, young people were identified as the group least vulnerable to poverty (Rowntree 1901), in 2007, 20% of young Europeans aged 16 to 24 were at risk of poverty, compared to 17% of the general population (Eurostat 2010, p 48). Youth are no longer at such an economically untroubled stage of the lifecycle as they once were. Research on youth poverty very precisely captures the core of the changed reality:

With increasing levels of participation in higher education, young people are spending longer dependent on the state or their families for financial support, and without earned incomes of their own. Additionally, changes to youth labour markets over recent decades mean that when young people do enter the labour market, they may spend considerable periods without a job, or in low-waged or insecure employment. (Aassve et al. 2005, p 1)

This situation is confirmed by figures relating to average income; in 2007, close to 10% of young

¹ The European Youth Forum (YFJ) is an independent, democratic, youth-led platform, representing 98 National Youth Councils and International Youth Organisations across Europe. The YFJ works to empower young people to participate actively in society to improve their own lives, by representing them and advocating for their needs and interests and those of their organisations towards the European Institutions, the Council of Europe and the United Nations.

European households (the oldest member of which is aged under 30) were unable to afford a meal with meat or fish every second day or to buy a computer, with one in six also being unable to afford a car. In addition, one-third could not afford one week's holiday away from home per year (European Commission 2009b, p 45).

It is important to note that at risk of poverty rates tend to be higher in countries where young people actually can afford to start an independent adult life; while those who still live in their parents' households and share their income, are less likely to be recorded as poor. When asked why they live longer with their parents, 44% of young respondents indicated that they cannot afford to move out, and 28% mentioned lack of affordable housing (European Commission 2009b, p 30).

Vulnerability and exclusion in the labour market

Nowadays, employment is often perceived as the answer to poverty; however, figures relating to 'in work poverty' portray a different reality and shed light on the importance of decent working conditions as well as access to the labour market to prevent poverty.

Inclusion in the labour market is key to ensuring social inclusion. Indeed, working is not only a way of securing adequate financial means, it also allows us to keep in touch with society. Working is a meaningful way to fulfil one's ambitions, realise personal development, learn new skills and qualifications, and keep up to date.

Paradoxically, the current young generation, while being the best-educated generation ever, familiar with new technologies, and more mobile and open to new opportunities, faces a higher degree of vulnerability in the labour market. Every sixth young European (15–24) is unemployed, 40% of those working are on temporary contracts and the level of in work poverty among young people is 10% (European Commission 2009b).

The young are the segment of European population that works most in low-quality jobs which require low qualifications and are poorly paid. Many young people are denied access to the rights of social citizenship which the European social model has up to now guaranteed its workers. These factors help to delay access to an adult life based on economic independence from families of origin and on the possibility of making responsible choices connected to creating a family and parenthood. (European Commission 2008c)

Discrimination and exclusion in other areas of life

As previously mentioned, the exclusion of young people from the labour market and income poverty are linked with vulnerabilities experienced in other areas of life. In particular, although achievements in the field of education could potentially lead to inclusion in the labour market, for many young people this relation is not a causal one as they can find themselves unemployed or at risk of poverty even though they have successfully completed tertiary education.²

Many factors, including socioeconomic ones, hamper young people from completing their education, putting them at risk of exclusion, particularly considering the positive role played by education in inclusion in the labour market and in the fight against income poverty. Worryingly enough, the percentage of early school leavers in the EU27 in 2008 was 14.9%³ (Eurostat 2010).

Research has shown that students coming from socioeconomically disadvantaged backgrounds are more likely to leave school earlier than their peers (Simon 2003). Socioeconomic disadvantages include low income household, parents with a low level of education, numerous families or single parent families. These factors might also be combined with discrimination on other grounds such as ethnic origin, religion or migrant status.

It is striking to observe the vicious cycle of disadvantaged socioeconomic background, migrant status, difficulties in the field of education and vulnerabilities in the labour market experienced by migrant youth and by young people from a migrant background. Young migrants are more likely to leave school earlier than their native peers (European Commission 2008b), perform poorly at school and experience extremely high levels of unemployment (OECD-PISA 2006). In Belgium, the unemployment rate among young second-generation migrants is four times the unemployment rate among native Belgians. Moreover, the length of unemployment is 30%

² Obtaining good qualifications is, however, helpful for job seekers, as unemployment rates tend to decrease the higher the level of education attained. This was a characteristic noted in almost every Member State in 2009, as the average unemployment rate in the EU27 for those having attained at most a lower secondary education was 12.8%, much higher than the rate of unemployment (4.5%) for those who had a tertiary education (see Eurostat < http://eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics >).

³ Indicators defined as the percentage of the population aged 18 to 24 with at most lower secondary education and who are not in further education or training.

longer among young Belgians with a migrant background than native Belgians (Timmerman et al. 2003). It is interesting to note that both in France and Belgium, although some inter-generational mobility takes place in the field of education, the positive patterns are not reflected in the field of employment. Multiple discrimination on the grounds of ethnic origin, migrant status, age and religion could be reasons behind this, as surveys show a high prevalence of discrimination against migrants in employment and education (European Union Agency for Fundamental Rights 2009).

Structural flaws in education systems certainly lead to exclusion and vulnerability among young people. For instance, schools that fail to embrace the positive aspects of diversity by not providing teachers with appropriate training on equality and non-discrimination, and that refuse to develop curricula to include human rights education to avoid the reproduction of stereotypes, play a role in reinforcing the cycle of social exclusion. Research shows that schools that give value to multiple identities and, more specifically, that positively impact on the acculturation of young migrants and young people with migrant backgrounds, are key to ensuring better achievement by these students (Nekby et al. 2009).

Living at risk of poverty, lack of financial means, social exclusion and discrimination also have negative consequences on the fundamental rights of young people to the attainment of the highest standard of health. Although this relation is a complex one, young people from more affluent families are more likely to report better health outcomes than their peers from less affluent backgrounds. In particular, obesity and being overweight are clearly associated with low family affluence (WHO 2006, Section 2: Health Outcomes).

Mental ill health experienced by young people is often associated with racism, sexism and discrimination. Research undertaken in England found that more than 40% of respondents identified discrimination, racism and sexism as issues for which they would need counselling (Youth Access 2000). Bullying at school, a form of discrimination according to European standards, often leads to anxiety, depression and suicidal ideation (McNamee 2006; Baldry 2004; Ybarra 2004; Smokowski and Kopasz 2005; Kim et al. 2005). Although it is difficult to assess the incidences of bullying, some studies show that it is a widespread phenomenon, occurring in different countries and across different socioeconomic strata. According to a cross-national study carried out in 2001 on 10 to 14 year-old pupils, 12.2% of respon-

dents in England, 13.9% in the Netherlands and 10% in Norway reported having been bullied more than just once or twice in the previous six months. In some countries, a positive association has been identified between victimisation and low family affluence, especially for young females (WHO 2006, p 159).

Sexual and reproductive health and rights is another area where young people are particularly vulnerable and where discrimination on different grounds could expose them to serious risks of ill health. According to statistics, young people tend to have poorer access to reliable information on sexually transmitted diseases than adults (Panchaud et al. 2000).

Lack of, or poor, sexual education at school, unavailable or inaccessible youth-friendly family-planning services and family background significantly contributes to this scenario. For example, research in the Netherlands, involving the largest ethnic minorities (Turkish, Moroccan and Surinamese) showed that partnership choices and sexuality for these groups significantly differ from their peers of Dutch origin. Indeed, family is often heavily involved in marriage choices, with forced and arranged marriages taking place. The high level of stress generated by these interferences can have severe consequences: suicide attempts are widely reported among girls of Turkish and Surinamese origin. Young men of Surinamese and Turkish origin are more likely to commit suicide than their peers of Dutch origin (IPPF 2005). The results of an Internet survey undertaken in 2005 showed that young people from ethnic minorities in the Netherlands appeared to know less about sexual risks and contraception than young people of Dutch origin (IPPF 2005).

Conclusion and recommendations

Young people in Europe have multi-faceted vulnerabilities in different areas of life, which expose them to the risk of poverty and social exclusion. Some vulnerabilities are linked to the specificities experienced by certain groups of young people, in particular relating to socio-economic and family background, migrant background, sexual orientation, ethnic origin, religion and disability. Others are intrinsically linked to the peculiar transitional phase of life young people are going through: transition from childhood to adulthood, from education to the labour market, from living with their family to running a household on their own.

Tackling poverty and social exclusion stemming from these factors requires a strong political commitment on different levels (local, national and European), as well as the effective coordination of policies in the areas of equality, non-

discrimination, employment, social inclusion, migration and youth. Some of the major issues to be tackled by these policies include:

- 1. Ensuring better access to education:** Education should be made more accessible and affordable to ensure the full autonomy of young people; this can be done by making scholarships and other types of financial support available as students develop, especially for secondary and tertiary education. This way, children can progressively gain independence from parental means. Financial support should cover additional costs such as the cost of educational materials, costs related to practical engagements as part of a curriculum, and travel expenses for people from rural areas, as well as the provision of accessible housing. Financial incentives for staying in education could also be provided to young people, or their families, in the case of minors.
- 2. Developing inclusive educational systems:** School curricula should be revised to include human rights education and to combat stereotypes and prejudices. Training on equality, diversity and non-discrimination should be provided to teachers. Democratic school management should be promoted in cooperation with students' unions. Effective policies combating discrimination and bullying at school should be put in place, including counselling services for victims.
- 3. Providing protection against discrimination in all areas of life:** Despite Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation (Council of the European Union 2000), discrimination based on age still manifests itself. Young people should have equal access to social protection systems, and minimum wage and benefits should not be dependent on age.⁴ Towards this, key provisions in the Revised European Social Charter relate to the right to social security and decent working conditions including fair remuneration; these should be fully implemented.⁵

Discrimination on the basis of age, and the intersection between age and other forms of discrimination, have extremely negative

⁴ Recent ECJ case-law on discrimination on the ground of young age in the field of employment and occupation include: case C-229/08 *Colin Wolf v. Stadt Frankfurt Am Main*, case C-88/08 *David Hütter v. Technische Universität Graz*, case C-555/07 *Seda Küçükdeveci v. Swedex GmbH & Co. KG*.

⁵ Article 1 – the right to work; Article 2 – the right to just conditions of work; Article 4 – the right to fair remuneration; Article 12 – the right to social security; Article 13 – the right to social and medical assistance; Article 14 – the right to benefit from social welfare services

consequences on the lives of young people. Protection against all forms of discrimination, including multiple discrimination, should be provided at both the European and national levels in all areas of life including education, social security, social advantages, health, and access to good and services. Accordingly, the proposal for a new EU anti-discrimination Directive should be adopted by the Council of the European Union without delay (European Commission 2008a, European Parliament 2009).

- 4. Ensuring decent jobs and internships:** Young people are by far the most flexible group on the labour market, but the security balance next to it is clearly lagging behind. This dangerous trend of precariousness must be reversed by adapting and modernising social security system to ensure that young people have a stable and autonomous life, even when they are on short-term contracts. There is also a need for specialised youth-targeted income support for situations when the labour market fails and young people, due to their little or nonexistent labour market experience, are not entitled to the standard support.

Internships and apprenticeships have become a reality for many young people, through which they complement their formal education and make the transition from education to work. In many cases, young people enter precarious and underpaid work that provides them with no or little learning. It is vital that the learning dimension of internships is ensured and that internships do not replace paid work. To guarantee this, the European Youth Forum is campaigning for EU wide quality standards for internships, such as length, nature of tasks, remuneration and social guarantees.

- 5. Providing ad hoc labour market support measures:** Measures should be put in place that specifically target young people and help to speed up the school-to-work transitional, make it quality driven and ensure that it leads to longer lasting work placements. No one can afford to waste the potential of graduates by keeping them away from the labour market. Special measures, early intervention and back-to-work policies have to be in place to address the current unprecedented high levels of youth unemployment and to prevent further regression in this area. The introduction of such measures has to be coupled with relevant incentives for both private and public employers, and career guidance and training opportunities for young people. The European Social Fund should be used to support such initiatives. ■

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Migration and Integration at the EU Level: A Rights-based Perspective

Pablo Sanchez
December 18

European Union policy on the integration of migrants was first formulated in 2002 when the European Economic and Social Committee (EESC) released an own initiative opinion on Immigration, Integration and the Role of Civil Society (European Economic and Social Committee 2002). This kick-started a process that is still going on today, but which, from a human rights perspective, is rather uneven. An effective and coherent labour migration policy also depends on the successful integration of migrant workers and members of their families into the host society. However, the European Union does not have specific competence in this field. It is up to the Member States and the relevant regional and local entities to implement EU 'guidelines' in this area. This, together with the lack of a comprehensive universal legal framework, like the UN Migrant Workers Convention, leaves the EU patchy terrain for migrant integration, characterised by good intentions, but lacking a consistent approach. It is also important to note that the situation faced by migrants in the EU Member States is barely scrutinised by civil society actors and government agencies in the migrants' countries of origin.

Recent developments

In 2005, the European Commission set the stage for the development of new initiatives in the field of integration. It published a Communication on a Common Agenda for Integration – Framework for the Integration of Third-Country Nationals in the European Union (European Commission 2005), which provided the basis for the priority areas identified in the November 2008 Council Conclusions: promoting European values, working on the public perception of migrants and legal immigration, and identifying indicators to evaluate the results of integration policies. Part of this Framework is the European Commission's policy plan on Legal Migration, which is intended to create a "coherent approach to legal migration". It initially looked like the European Commission was going to present a "horizontal framework for admission and a minimum set of rights", but in the end the European Commission, backed by the European Parliament and the Council, preferred a fragmented approach favouring highly skilled migrants, short-term

stays and curtailing rights. This approach has been seen as promoting 'circular migration' and raises questions about the will of the European Union to integrate migrants within its society as it encourages short-term stays of a particular group of migrants. This approach is in blatant contrast to the EU's otherwise 'soft' approach towards integration. A series of interventions and initiatives followed this Framework, such as the European Integration Forum, the European website on Integration and the Handbook on Integration, of which the third edition was published by the European Commission in April 2010.

In 2010, the Council also adopted the Framework Decision on Racism and Xenophobia (Council of the European Union 2010), and discussions continued on the proposed Framework Directive, which prohibits discrimination outside employment (Council of the European Union 2007b). In March 2010, the European Council agreed that the better integration of migrants would help it to achieve the Europe 2020 target of 75% employment for 20 to 64 year olds (Council of the European Union 2010).

Little else has been done since then at the European level that can be considered meaningful. It has mostly been left to local and national authorities to deal with the problem. From 2007 to 2010, the European Commission put in place the skeleton of its migration policy with the Return Directive, Blue Card, Common Procedure and other legislative pieces with the idea of creating a framework for legal labour migration. This policy applies soft law to integration matters and hard law to matters relating to borders (e.g., border security). Considering the growing volume of European legislation in the field of security (e.g., the establishment of FRONTEX¹), the EU is not sending an integration-friendly message to its citizens, nor is it creating a positive environment for the integration of migrants into host communities. Civil society actors will have to monitor the implementation of the Stockholm Programme² in light of

1 FRONTEX is the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union. FRONTEX was established by Council Regulation (EC) 2007/2004 and commenced operations in 2005. The EU is currently debating a new and more powerful mandate for this agency.

2 The Stockholm Programme is a five-year plan with guidelines for justice and home affairs of the Member States of the European Union for the years 2010 through 2015.

the developments in the field of integration and compare both approaches in terms of this contrast between soft and hard law.

In terms of "fostering a more coherent approach to integration", the implementation of integration policies is left to the national level, with the Commission doing the assessment (European Commission 2005, final point 3). Key EU institutions that play an important role in this field are the Vienna-based Fundamental Rights Agency (FRA)³ and the European Foundation for the Improvement of Living and Working Conditions (Eurofound), which is based in Dublin (European Commission, Directorate General Justice, Freedom and Security 2010).

At the 2010 Ministerial Conference on Integration of the Spanish Presidency in 2010, the European Commission admitted that despite its efforts migrants continue to face all sorts of problems: worse results in education and lack of training and skills, among other things (Spanish Presidency 2010). Despite this, the European Council has continued to focus on the 2020 Strategy and the "development of core indicators in a limited number of relevant policy areas (e.g., employment, education and social inclusion) for monitoring the results of integration policies in order to increase the comparability of national experiences and reinforce the European learning process" (Council of the European Union 2010). The approach taken by the EU can be summed up as encouraging the application of best practices of EU Member States and 'soft' law. A more engaging approach needs to be adopted by the EU to close the gap between good intentions and reality.

With the economic crisis, local authorities in most Member States have been forced to cut social services, including services that are linked to integration programmes. The European social model has been put under stress. Although poverty and social exclusion existed before the crisis, there has clearly been an increase over the past couple of years, and this has impacted on migrant communities. Out of the 79 to 84 million Europeans living below the poverty line, many are migrants or from a migrant background (sometimes with an EU national identity card); to these figures we should add the several million undocumented migrants.

3 The FRA is built on the former European Monitoring Centre on Racism and Xenophobia (EUMC).

These developments are starting to have an effect on how migrants are perceived by 'host' societies. Migrants are increasingly becoming scapegoats for various problems: they are portrayed as stealing jobs and profiting from social services without contributing to them. The lack of a strong EU-wide structural policy on integration, as well as the growing number of what is referred to as 'securitarian' measures are contribute to this anti-immigrant climate. It remains to be seen if national, regional and local authorities will continue to provide the necessary funds and set up or encourage initiatives that will contribute to an effective integration policy, or if integration will be limited to the lofty principles promoted by the European Commission.

Defining integration and exclusion

It is useful here to look at social exclusion and how it can block the integration of migrants. Social exclusion is a multidimensional process of gradual social rupture, and the detachment of groups and individuals from social relations and institutions, preventing them from fully participating in the normal, normatively prescribed activities of the society in which they live (Sen 2000). In this sense, migrants are particularly vulnerable as they are not an integral part of the host society and their access to rights is usually limited, especially in relation to the democratic political process. This can result in a situation where the multiple deprivation of rights prevents individual migrants or groups from participating fully in the economic, social and political life of the society in which they live.

It is in relation to the multidimensional process of social isolation (when social integration is not achieved) that the migration angle becomes very important in the definition of migrant communities as vulnerable, as they live to a large extent outside the social and political processes of the host society. Migrants are, by definition, aliens in their host society and do not have all the opportunities to access and enjoy the rights granted to citizens. If we add to that the persistent lack of several basic rights for migrants in some European societies (political participation, equal treatment of migrants with irregular status), we find a group that is on the frontline of the isolation process.

European projects on integration can and have been questioned. Let's take, for example, those training projects that involve employers' and employees' organisations. A plethora of such projects are available in many European Member States. However, all too often, migrant workers are excluded from company in-house training and skills' development schemes

(Collett and Sitek 2008). Integration projects need to be built on the reality facing migrants, and not just on the objectives set forth in the calls for proposals from the EU. More importantly, such projects need a European framework, and not just encouragement from EU institutions.

The wages of migrants are typically lower than those of native workers. For example, despite its longstanding history of immigration flows, econometric models of assimilation suggest that in the United Kingdom it takes a typical male migrant some 20 years to eradicate the wage penalty compared to their native counterparts. Interestingly, for women, assimilation is faster with wage differences disappearing after some 4 to 6 years. There are also important differences in assimilation between different nationalities and also different entry cohorts.⁴ More recent cohorts of migrants appear to be faring better in terms of their wages (Dickens and McKnight 2008).

To eradicate this differential it is important that 'Decent Work', as a productive and meaningful way of providing adequate income to migrants, is accepted as a principle for migrants and native workers alike. EU institutions need to ensure that workers' rights are recognised and effectively protected by law, as described by the ILO in its Decent Work campaign.⁵

Integration as a social process

Integration is a two-way process that involves both hosting societies and migrant communities. This is an approach shared by the EU, but its current policies leave the responsibility solely to local level actors at the ground level, which shows a lack of understanding, or will, on the part of EU authorities to successfully integrate migrants into the societies they live in. A society is by definition an ensemble of institutions, authorities and powers, but the EU seems to rely solely on effectiveness at the ground level. If those that implement policies have other priorities, then integration disappears from the local political agenda.

Equal rights are the starting point for all debates on integration, in particular the right to free education, proper housing and a decent job. The European Union does not have a universal piece of legislation to ensure that basic rights are provided in an equal manner to migrants regardless of their legal status.

An EU whose Member States had ratified the UN Migrant Workers Convention would be held

⁴ Groups of subjects who share a particular experience during a particular time span.

⁵ For the ILO definition of Decent Work, see: <www.ilo.org/global/About_the_ILO/Mainpillars/WhatIsDecentWork/lang--en/index.htm>.

accountable by the international community. The EU must stop paying lip service to human rights principles and ensure that internationally recognised rights are respected in practice.

Let us take the example of the European Integration Fund, established by the European Commission and in operation since 2008. This Fund, although a good initiative, promotes policies for migrants in a range of sectors (access to public services, education, professional training and so on); but the beneficiaries are migrants who have been living in the EU for a specific length of time, creating inequality among migrants based on the time they have been in the host country. This is in line with the current focus on circular migration programmes, which in the minds of the policymakers probably means that there is no need for integration programmes as these migrants are only staying for a limited time.

The latest report on the situation of fundamental rights in the European Union (2004–2008) states that the Member States continue to refuse EU scrutiny of their own human rights policies and practices, and endeavour to keep protection of those rights on a purely national basis, thereby undermining the active role played by the European Union in the world as a defender of human rights and damaging the credibility of the EU's external policy in the area of the protection of fundamental rights (European Parliament 2008). This clear lack of willingness by the Member States to be held accountable for their integration policies demonstrates the weakness of the initiatives at the EU level.

Migrants' organisations and other civil society actors play an important role in the integration processes. However, for this to be truly a two-way process that is respectful of the fundamental human rights of all, migrants need to be active participants in the democratic and political processes of the societies they live in and contribute to. Furthermore, the host society needs to take up an active role in the integration processes. The will of the European Commission seems to clash with the reality at the local level, where migrants have little access to the democratic process and the creation of their own media, and to social networks that exist outside their migrant communities.

A good example of this is voting rights for foreigners. The first European country to recognise the right of migrants to stand as candidates in local elections was Sweden in 1975, followed by Denmark in 1981 and the Netherlands in 1985. In Sweden, non-EU residents have the right to vote in regional and municipal elections after three years of

residency. Whilst the Nordic countries were the ones that spearheaded this process, today 13 EU Member States acknowledge the right to vote and to stand for elections⁶ and 4 Member States recognise the right to vote.⁷ However, 10 countries still do not provide any voting rights to third-country nationals or the right to stand for election.⁸

Because this is a barrier to the integration of migrants in the democratic policy-making process, the EU did make mild attempts to create a residence citizenship. Unfortunately, this proposal did not reach port (GUE/NGL 2008, p 15). Asking migrants to adopt 'European values', while denying them access to local elections is not an effective way to avoid the political exclusion of migrants legally residing in European societies, let alone those with an irregular status.

To be socially excluded is to be deprived of social recognition. In political life, social recognition is obtained by full citizenship; in the economic sphere, it means earning enough to be able to participate fully in the life of the community. In both spheres, the current policies leave much scope for improvement and there is a long way to go before the Common Basic Principles on Integration are really put into practice (Niessen and Kate 2007).

The European Commission has often expressed the view that there is a close connection between a common migration policy and a common integration strategy. However, the current focus on a utilitarian approach – Blue Card Directive and circular migration initiatives – combined with the securitization of external borders clearly indicates that respect for human rights, decent work and social integration are not always taken into consideration.

Integration and exclusion: Lack of a framework

The lack of a human rights-based framework within which the integration of migrants can take place is contributing to the growing loss of trust of migrant communities in the willingness of host societies to truly build a society based on equality, human rights and respect for the rule of law. The recent Italian law that criminalises undocumented migrants by making being undocumented an aggravating factor in a criminal sentence is a good example of how double standards are being applied to migrant

communities. This is clearly in contradiction to international human rights standards, such as Article 18 of the UN Migrant Workers Convention.⁹

The relationship between civic integration and proportionality is of special concern, given the intrinsically subjective nature of civic integration examinations, their mandatory nature and the sanctions applied in the event of an applicant's non-compliance (Carrera and Wiesbrock 2009, p 41).

Is short-term integration possible?

Short-term integration as an option has a dangerous pitfall: if migrants are an asset to European societies and have a 'value of use', what happens if the host society does not win economically?

The Council Directive 109/2003, dealing with the integration of third-country nationals who are long-term residents, establishes certain rules on the status of this category of migrants. The latest EU legislation on entry access makes a clear distinction between those entering with a Blue Card and who are highly skilled, and those entering through other mechanisms.

The problem applies to those who enter the EU without a Blue Card. How can the European Union talk about fighting discrimination, while its own entry procedures make a distinction between migrants with a clear added value and those without? This paves the way for a totally utilitarian approach, based on EU self-interest, where human rights are an annex added only to prove that the legislators have these old-fashion ideal in mind. Accordingly, it is crucial that civil society organisations continue to monitor the development and implementation of legislative packages in the field of labour migration¹⁰ to promote a rights-based approach.

The abovementioned Council Directive must be applied in accordance with the principle of non-discrimination pursuant to Article 13 of the EC Treaty and Article 21 of the Charter of Fundamental Rights of the European Union. However, in the field of social assistance and social protection, Member States may limit equal treatment to core benefits. In that sense, there should be no different treatment

⁹ This UN Convention clearly states that: "Migrant workers and members of their families shall have the right to equality with nationals of the State concerned before the courts and tribunals. In the determination of any criminal charge against them or of their rights and obligations in a suit of law, they shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal established by law".

¹⁰ These legislative measures will be finished in the coming months with the latest two Directives (on seasonal workers and inter-corporate transferees).

between third-country nationals residing legally or irregularly in the EU Member States.

An EU Directive transposing the main lines of the UN Migrant Workers Convention could be a solution, as well as ratification of the Convention. Ratification would not only be a big symbolic step forward, it would also send a signal that the European Union truly supports the integration of all migrants, regardless of their status.

Conclusion and recommendations

When it comes to the integration of migrants, the EU's policy is still in its early days. However, what is becoming clear is that the European Commission and the European Parliament should give these legislative initiatives more teeth and ensure that the rights-based integration of migrants is a priority.

1. The EU should develop and implement a Framework Directive linking EU policy with the policies and practices of local actors.
2. There should be an EU Directive transposing the UN Convention on Migrant Workers Rights.
3. The European integration fund should be linked to an evaluation process monitored by civil society. ■

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⁶ Czech Republic, Denmark, Spain, Finland, Ireland, Lithuania, Malta, the Netherlands, Portugal, Sweden, Slovenia, Slovakia and the UK

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Roma People in Europe: A Long History of Discrimination

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Racial discrimination, xenophobia and intolerance have proved particularly difficult to eliminate in Europe. The Roma, one of Europe's oldest minorities, have endured a long history of discrimination and disadvantage throughout Europe, which has only recently begun to be acknowledged and addressed. The Roma form one of the largest ethnic minority groups in Europe. Nearly 80% of the European Roma population (around 10 million people) live in EU Member and candidate Member States (Amnesty International 2010a).

Discrimination and human rights violations keeping Roma in poverty

In 21st Century Europe, despite all the groundbreaking laws and mechanisms in place to ensure that human rights are respected, millions of Roma are still discriminated against. Racial discrimination occurs when individuals or groups are treated differently to others on account of their ethnic origin, without objective justification. It can be direct (where a law or policy singles out a particular group for differential treatment) or indirect (where an apparently neutral law or practice has the effect of disadvantaging a particular group). Both forms of discrimination are prohibited under international human rights law; nevertheless, racial discrimination is the thread running through most of the human rights violations suffered by Roma people (Amnesty International 2010e). Amnesty International has documented how, in both the East and Western Europe, the Roma continue to face obstacles in accessing basic goods and services and securing equal rights to housing, healthcare, education and work. Millions of Roma still live in informal settlements with no or inadequate sanitation, startlingly high levels of unemployment and limited access to healthcare services. Throughout Europe, the Roma are poorly represented in political and administrative structures and face considerable difficulties in integrating into mainstream society while preserving their distinct cultural identities.

In many European countries, there is a lack of reliable and up to date data measuring the social inclusion of Roma. This is often due to the reluctance of states to collect ethnically disaggregated data. This lack of data makes it difficult for states to develop programmes tailored to the real needs of disadvantaged

Roma and to measure the success of such programmes. The data that does exist paints a disturbing picture of the marginalisation of Europe's Roma. A World Bank report published in 2005 concluded that the life expectancy of Roma in Central and Eastern Europe was on average 10 years lower than the rest of the population (Ringold et al. 2005, cited in Amnesty International 2010e).

A United Nations Development Programme (UNDP) study of the situation of Roma in Hungary, Slovakia and the Czech Republic published in 2003 found that infant mortality rates among the Roma population were twice that of non-Roma. The marginalisation of Roma is reflected in statistics on their housing situation. The UNDP report on the situation of Roma children across south-eastern Europe estimated that 25% of Roma lived in shacks, compared to 3% of non-Roma, and that 55% of Roma homes were not connected to a sewage system (UNDP Regional Bureau for Europe and the Commonwealth of Independent States 2003, cited in Amnesty International 2010e, p 5).

Across Europe, Roma struggle to find regular employment. A detailed survey of 402 working-aged Roma men and women in Bulgaria, Czech Republic, Hungary, Romania and Slovakia carried out in 2006 by the European Roma Rights Centre found that only 38% were in paid employment; almost two-thirds reported that they had been refused employment because they were Roma (Hyde 2006). A survey of 3,510 Roma in 7 EU countries carried out by the EU's Fundamental Rights Agency in 2008 revealed that 15% of respondents were illiterate and 31% had received less than 6 years of formal education (Fundamental Rights Agency 2009, cited in Amnesty International 2010e, p 6). The result, as the 2003 World Bank report concluded, is that the Roma are "poorer than other groups, more likely to fall into poverty, and more likely to remain poor" (Ringold et al. 2005, cited in Amnesty International 2010e, p 6).

The right to adequate housing

The right to adequate housing is guaranteed under Article 11 of the International Covenant on Economic, Social and Cultural Rights, and in other international and regional human rights treaties. As the United Nations Committee on Economic, Social and Cultural Rights has emphasised:

[T]he right to housing should not be interpreted in a narrow or restrictive sense

which equates it with, for example, the shelter provided by merely having a roof over one's head ... Rather it should be seen as the right to live somewhere in security, peace and dignity. (United Nations Committee on Economic Social and Cultural Rights 1991)

Governments should ensure that everyone has a minimum degree of security of tenure that guarantees them legal protection against forced eviction, harassment and other threats. Governments should seek to ensure minimum standards for housing in relation to habitability (access to safe drinking water, sanitation and energy) and location (housing should be located in areas that are not close to pollution sources and that enable access to employment options and essential services). Housing should also be affordable and housing programmes should prioritise the most vulnerable. Unfortunately, across Europe, governments are regularly failing to fulfil these obligations. Many Roma living in informal settlements or slums lack even a minimum degree of security of tenure because of the irregular status of the settlement or their lack of official documents to confirm tenure arrangements, making them vulnerable to forced eviction. Forced eviction violates international human rights standards. Forced evictions are evictions that are carried out without appropriate safeguards (without adequate notice or prior consultation with those evicted), and without provision of legal remedies, adequate alternative housing or compensation. Victims of forced eviction can lose their possessions, social contacts, and jobs and have their schooling disrupted. They are also at risk of further human rights violations and often end up homeless. Amnesty International has documented forced evictions in Greece, Italy, Romania and Serbia (Amnesty International 2010a).

Minority Rights Group-Greece claims that in 1999 the number of Roma in Greece was between 300,000 and 350,000, comprising around 3% of the total Greek population (Minority Rights Group-Greece 1998). In the past decade, local authorities have forcibly evicted a large number of Romani families and are continuing to ignore obligations under international law. In June 2006, more than 100 Romani families living in Aghiou Polykarpou Street, near the centre of Athens, were forcibly evicted from the land where they had been living for 10 years. With no alternative accommodation offered

by the authorities, these families moved into an abandoned factory in Iera Odos. They were forcibly evicted from there by the police just a few days later. Again, the authorities made no attempt to provide them with adequate alternative accommodation. A few months later, they were forcibly evicted for the third time after they moved to land owned by a private company in Aegaleo, Athens. This time the eviction was ordered by the Magistrates Court of Athens. In January 2008, they relocated again to an unattended plot nearby. They were then ordered to move again. The families were forcibly evicted four times, yet not once were they consulted or offered alternative accommodation (Amnesty International 2010a, p 3).

In Italy, where between 12,000 and 15,000 Roma live (Amnesty International 2010b, p 4), forced evictions have become more frequent since 2007. Romani settlements in Italy fall into three categories: some are 'authorised' and maintained by local authorities; some are 'tolerated' and receive some support; some – the vast majority – are considered 'irregular'. Residents in irregular settlements live in hastily constructed shacks and have limited access to basic services such as water and sanitation. They are also the most vulnerable to forced eviction.

Forced evictions are often carried out at short notice and without consultation. The authorities do not inform residents about alternatives to eviction and do not offer adequate alternative accommodation. Many are evicted before they have the opportunity or the time to challenge their eviction. The majority are forced to find shelter in unauthorised areas from which they may be evicted again. In May 2008, a Presidential Decree declared a 'Nomad Emergency' and gave special powers to local authorities in several regions. In July 2009, the Italian authorities in the city of Rome issued a 'Nomad Plan' with the aim of closing and relocating Roma camps. This Plan – misleadingly titled because the vast majority of Italy's Romani population is not, and has never been, nomadic – is the first scheme based on these special powers and contains several discriminatory provisions. It paves the way for the forced eviction of thousands of Roma from the Italian capital. The Plan, developed without any genuine consultation with Roma and with scant regard for their rights, provides for the resettlement of Romani communities in new or expanded camps on the outskirts of the city. These camps will continue a pattern of Roma living in poor and segregated conditions and will disrupt the lives of the communities affected. Disturbingly, official estimates envisage that at least 1,200

people, most of them foreign nationals, will be left out of the resettlement process.

In Romania, there are almost 2.2 million Roma who make up about 10% of the total population. As a result of discrimination, both by public officials and society in general, 75% of them live in poverty (Amnesty International 2010c, p 2). Although some Roma people live in permanent structures with secure tenancy, many other long-standing Romani dwellings are considered by the Government to be 'temporary' and unofficial. The inhabitants of such dwellings do not have any proof of tenancy, which increases their vulnerability to eviction. The forced eviction in 2004 of more than 100 Roma from a building in the centre of Miercurea Ciuc (Csikszereda), the capital of Harghita County in central Romania, is typical of the way many Roma communities are treated and of the continuing failure of public authorities to guarantee their right to adequate housing. Twelve Romani families had been residing lawfully in a large town house since the 1970s. Over the years a number of other Roma families had joined them. In 2004, following a number of years of discussions with the municipal authorities over the dilapidated state of the building, the municipal authorities decided to evict all the Romani residents. The families legally residing in the building were re-housed in eight metal cabins next to a sewage treatment plant on the outskirts of town. The remaining families were offered no alternative accommodation at all and most resorted to constructing their own shacks alongside the metal cabins. They were not consulted before the decision and no other alternatives to the eviction, or to the location of the new settlement, were offered. In August 2010, most of these Roma families were still living next to the sewage treatment plant, despite the promise that it was only a temporary solution. More than five years after their forced eviction, their right to adequate housing continues to be violated (Amnesty International 2010e).

Between 450,000 to 800,000 Roma live in Serbia and almost 100,000 live in Belgrade: a third of them in around 147 informal settlements (Amnesty International 2010d, p 11). In recent years, large-scale construction projects in Belgrade have threatened hundreds of Roma families with forced eviction. In August 2009, 178 Roma families were forcibly evicted from an irregular settlement under the Gazela Bridge in Belgrade. The eviction was carried out in advance of repairs to the bridge, which are being partly funded by loans from the European Bank for Reconstruction and Development and the European Investment Bank. After a new resettlement plan was approved by city autho-

rities, without any consultation with the Roma communities and without adequate notice, the Roma families were evicted from their homes. The destruction of the camp was completed in less than three hours, leaving families insufficient time to gather their belongings. One hundred and fourteen families were resettled in metal containers at 6 sites on the outskirts of Belgrade, in accordance with the new resettlement plan decided by the city authorities. The rest were transported to municipalities in southern Serbia. On the day of the eviction one resident received papers informing her that she would be resettled in a metal container at a site 47 km south of Belgrade. The new accommodation offered to the Roma does not meet the criteria for adequate housing under international law, either in terms of habitability or location, and perpetuates their social exclusion. None of the Roma people affected have been offered accommodation in social housing units. The best they have been offered is "rights to and opportunities to compete for flats equal to any other socially vulnerable citizens of Belgrade". With 13 other priority groups and an extremely small quota of available housing, their chances of accessing social housing are extremely slim (Amnesty International 2010e, p 10).

Segregation in education perpetuating the situation

Millions of Roma across Europe are severely disadvantaged by low levels of literacy and poor quality or incomplete education. Across Europe, Roma have significantly lower enrolment and completion rates in primary education. National governments and policymakers are increasingly realising that improving the access of Roma to education is crucial to breaking the cycle of poverty that so many are trapped in. However, many Roma still face widespread violations of their right to education, which encompasses the right to free and compulsory primary education, and equal access to secondary, technical, vocational and higher education. Many European governments are failing to implement and adequately fund effective measures to promote the inclusion of marginalised Roma in public education systems. They are also failing to eliminate long-standing discriminatory practices and attitudes within their education systems, despite positive legislative reforms in many countries in recent years. Numerous factors contribute to the alarming rates of educational exclusion and underachievement, including geographical and financial barriers to access to education faced by children living in Romani settlements; the cost of transport, clean clothes and school materials; lack of

teaching materials in Romani language; and the hugely discouraging effect of likely discrimination when applying for jobs, no matter how well qualified the Romani applicant.

Amnesty International has documented how the marginalisation of Roma has been perpetuated by their segregation in the education systems of a number of central and eastern European countries. In several districts in Slovakia, Romani children represent up to 100% of pupils who attend special schools and classes intended for children with 'mild mental disabilities'. Romani children are also ethnically segregated in mainstream schools and classes (Amnesty International 2010f, p 2).

According to a 2009 survey by the NGO Roma Education Fund, in regions with large Romani populations, at least three out of four special school pupils are Roma; across Slovakia as a whole, Roma represent 85% of children attending special classes. Yet, Roma comprise less than 10% of Slovakia's total population (Roma Education Fund 2009).

Roma are segregated not only by their placement in the special education stream, but also within the mainstream school system, where children are often separated into Roma-only schools or classes. Teachers in Roma-only classes often have lower expectations of their students. They also have fewer resources and poorer quality infrastructure at their disposal.

The segregation of Romani settlements, often on the outskirts of towns, is also a factor in their segregation at school, because schools draw pupils from their surrounding areas. But parental choices and school and local authority policies also effect school segregation regardless of this link.

By law, parents have the right to choose their child's school. In theory, this eliminates segregation in schools by allowing Romani children to enrol at any school. In practice, Romani children are often rejected by schools. The Government is obliged under national law to ensure that freedom of school choice does not lead to indirect discrimination (Amnesty International 2010e, p 17). In 2006, only 3% of Romani children reached secondary school in Slovakia, while only 8% enrolled in secondary technical schools (Amnesty International 2009a, p 2). A new Education Act passed in 2008 bans all forms of discrimination in education, particularly segregation. However, this ban was not accompanied by any effective measures to ensure that it is implemented in practice (Amnesty International 2009a, p 2).

In the Czech Republic, authorities are continuing to place Romani children in schools for

pupils with 'mild mental disabilities', leaving them with a sub-standard education. Others are effectively segregated in Roma-only mainstream schools and classes, where they receive a lower quality education. In November 2007, the European Court of Human Rights found that the Czech Republic discriminated against Romani children by placing them in special schools, and the Government was obliged to adopt corrective measures. Two years later, however, the discrimination continues. Government studies reveal that Romani children still lose out in the Czech education system and Amnesty International's research confirms this (Amnesty International 2009d, p 2).

A new Schools Act, which entered into force in 2005, renamed 'special schools' as 'practical elementary schools', but the system which places children in these schools and teaches them limited curriculum essentially remains the same. A disproportionate number of Romani children continue to attend these schools. In some places, Romani children make up more than 80% of the student body of practical elementary schools. The Government has acknowledged that the proportion of Romani pupils attending such schools is much higher than the average percentage of children with mental disabilities in any given population. But the problem is not just in practical schools: in mainstream elementary schools, many Romani children are placed in special classes for pupils with mild mental disabilities (Amnesty International 2010e, p 19).

Call for a comprehensive EU framework strategy on Roma inclusion

The last decade has seen an increase in the attention being paid to the rights of Roma, particularly at the international and intergovernmental level, where a number of initiatives have been developed. These include the Organization for Security and Co-operation in Europe's (OSCE) Action Plan on Improving the Situation of Roma and Sinti within Europe, the establishment of a Roma, Sinti and Travellers Forum by the Council of Europe, various European Union initiatives and, most significantly, the Decade for Roma Inclusion 2005–2015. This last initiative has seen 12 participating Member States commit to improving respect for the rights of Roma in four key areas: education, employment, health and housing, through a series of national action plans. As with other national initiatives, however, these initiatives have suffered from a lack of concrete targets, fitful implementation, particularly at the local level, and ineffective monitoring. As a result, there has been little concrete improvement in respect for the rights

of the great majority of Roma.

Breaking the cycle of prejudice, poverty and human rights violations requires more than piecemeal measures in each of these areas. It requires comprehensive, proactive policies to promote the social inclusion of Roma and combat entrenched discrimination in the provision of essential public services and in society at large. It requires concerted action at all levels – international, national and local. It requires political will and long-term commitment. Above all, it requires the voices of Roma to be heard and heeded.

Sporadic and incomplete responses by the EU and its Member States have failed to secure structural and sustainable improvements in the situation of millions of Roma in access to education, housing, health and employment. The EU has both a responsibility and the tools to take a more active role in addressing one of the most extensive and complex human rights problems within its territory. However, it still has no integrated and comprehensive policy specifically targeting discrimination against Roma. Amnesty International is calling for a comprehensive, human rights-based EU framework strategy on Roma inclusion to make more effective use of existing EU funds and instruments (Amnesty International 2009c, p 30).

Ultimately, the main responsibility for ensuring that Europe's Roma can access their human rights to housing, health, education and employment, and to participate in public life, lies with national governments. For too long governments have failed to develop or implement national plans that effectively reach out to disadvantaged Roma. The policies of national governments and local authorities often actively obstruct the access of Roma to essential goods and services. It is time for governments to put an end to such discriminatory practices and to make the social inclusion of Roma a real priority. ■

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SOCIAL EXCLUSION OUTSIDE EUROPE

Social Protection: An Instrument for Poverty Reduction and Social Cohesion

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"Poverty anywhere is a threat to prosperity everywhere."

ILO Declaration of Philadelphia, 1944

Social protection is a right, and an affordable one. It is also a powerful instrument for poverty reduction and social cohesion. Social security promotes sustainable economic and social development, and countries with social protection systems have been better able to cope with the global economic crisis. As part of its efforts to eradicate poverty and promote decent work and social justice inside and outside its borders, the EU should: 1) provide financial and technical support to developing countries in their efforts to set up and scale up a basic set of social security mechanisms, and 2) support the UN Social Protection Floor Initiative.

Decent work and social protection

"Everyone, as a member of society, has the right to social security" (Article 22 of the Universal Declaration of Human Rights, 1948). More than 60 years after the adoption of the Universal Declaration of Human Rights, it is estimated that only about 20% of the world's working-age population (and their families) have effective access to comprehensive social protection systems (ILO 2009a). Among the 80% living in conditions of social insecurity, 20% are poor (Cichon 2006).

Social security is one of the conditions for sustainable economic and social development. It works as an economic, social and political stabiliser; provides mechanisms to alleviate and prevent poverty; reduces income disparities to acceptable levels; and enhances human capital and productivity.

The global economic crisis has highlighted that investment in social security² systems

is not just a social need, but an economic necessity. The International Labour Organization (ILO) found that the employment effect of automatic stabilisers (including social transfers) were as important as the stimulus package. Governments with social protection systems in place were better able to cope with the crisis as the impact on households was softened and the drop in aggregate demand alleviated (ILO 2009a).

Social protection and decent work in development cooperation

In 2005, the UN MDG Summit agreed on the inclusion of a specific target for Decent Work under MDG 1: "Achieve full and productive employment and decent work for all, including women and young people".³ Nevertheless, progress in this area has been meagre (United Nations General Assembly 2010) and little attention has been given to social protection – a core pillar of the Decent Work Agenda – by public policymakers (OECD 2009). Nevertheless, available evidence demonstrates that:

1. Social protection is an effective tool to prevent and fight poverty

Social transfers⁴ can directly and immediately reduce the vulnerability of the young and the old and are an effective tool to fight poverty. This is particularly important in countries where AIDS has led to a huge increase in the number of orphaned children, leaving older people, particularly widows, to care for grandchildren with no support. Cash transfers that bring about improvements in children's health, nutrition and education have long-term effects on productivity and earnings, and thus contribute to breaking the intergenerational poverty cycle. The impact of social transfers on marginalised groups can be even greater when supported

benefits, employment injury benefits, family benefits, maternity benefits and invalid benefits. 'Social protection' is a broader concept covering actions to address more than risk, such as, for example, measures to address discrimination and safety at work and social services such as health and education.

³ Paragraph 47 of the 2005 World Summit Outcome.

⁴ 'Social transfers' are regular and predictable grants – usually in the form of cash – provided by governments or non-governmental organisations to individuals or households to decrease chronic or shock induced poverty.

by legal measures to combat discrimination in areas such as employment, access to education and healthcare, access to credit, inheritance and land ownership.

Social transfers can reduce vulnerability to shocks. Well-designed social transfer schemes can prevent the non-poor from falling into poverty as a result of economic or environmental shocks. Globalisation is continually creating new groups of people who are poor and excluded, who 'lose out' as market and production patterns change. And climate change threatens to bring unprecedented changes in production and migration patterns, which will create new pockets of poverty. Social transfers will be important in mitigating the effects of this economic and environmental change on people's livelihoods (European Working Group on Social Protection and Decent Work and the Grow Up Free from Poverty Coalition 2010, p 5).

In the last decade, there has been an increase in the number of large-scale cash transfer programmes in developing countries. Overall, these programmes make a significant contribution to addressing poverty and vulnerability among the poor and poorest households in developing countries. One of the best known and successful is the Brazilian *bolsa familia* (family grant). The programme currently covers 12.4 million households and pays mothers around USD 12 per month per child as long as their children attend school and receive medical checkups. According to the Fundacao Getulio Vargas, about one-sixth of the poverty reduction experienced by Brazil (more than 8% every year since 2003) can be attributed to this conditional cash transfer (The Economist 2010).

In Tanzania, it is projected that a combination of basic universal old pension benefits and child benefits to school children under the age of 14 would reduce the overall poverty rate of around one-third (Cichon 2006).

In most developing countries, many people do not have access to healthcare unless they can pay for it. These 'out-of-pocket' payments for healthcare exacerbate social exclusion and poverty. The World Health Organization has estimated that every year around 100 million are pushed under the poverty line just because they have to use, and pay for, health services. Social health insurance mechanisms reduce reliance

¹ This article is a personal elaboration based on a previous briefing published by the European Working Group on Decent World and Social Protection.

² The terms 'social protection' and 'social security' are used interchangeably in this report. A distinction can, however, be made: ILO Convention 102 describes 'social security' as guaranteeing a stable income through medical care, sickness benefits, unemployment benefits, old-age

on out-of-pocket payments. Community-based health schemes (i.e., mutual schemes) are being developed in several developing countries (mainly in Asia and Africa), and currently reach around 40 million people.

2. Social protection promotes pro-poor growth

Social protection promotes pro-poor growth (OECD 2009) enhancing the ability of the poor to participate in, contribute to, and benefit from growth. It does so by increasing access to social services (namely, health and education), which reinforces the productivity and participation of the poor in the labour market, and by protecting the poor against shocks and reducing their vulnerability.

3. Social protection is affordable

ILO estimates that only 2% of global GDP would be necessary to provide the world's poor with a basic social security package (universal access to basic healthcare and basic income transfers⁵) and 6% to cover all those who do not have access to social security (ILO 2008a). In 12 low income countries examined, the cost of introducing a basic social security package would be in the range of 3.7 to 10.6% of GDP in 2010, while individual elements of the package would be more affordable: the annual cost of providing universal basic old age and disability pensions in 2010 would be between 0.6 and 1.5 of GDP; essential healthcare would cost between 1.5% and 5.5% of GDP; providing assistance to unemployed or underemployed would cost between 0.3% and 0.8% of GDP (Hagemeyer 2009, in OECD 2009).

Nevertheless, affordability does not necessarily mean that resources are available, or that domestic resource alone could finance a basic social security package. Developing countries have a big role to play (e.g., by increasing social spending as a proportion of GDP and as a proportion of total government spending, redistributing funds between social policy areas, and so forth) and the international community has to translate its policy commitment into concrete support for national social protection initiatives.

4. Social protection can have a direct positive impact on growth

By raising the income of the poor, social security transfers increase domestic demand and, in turn, encourage growth by expanding domestic markets. In Zambia, for example, 80% of social transfers are spent on local goods.

Moreover, social protection makes growth

equitable, builds social cohesion and, hence, makes growth more sustainable. The importance of equitable growth has been widely recognised. At the same time, the quality of growth can be enhanced through improved income distribution (Cichon 2006).

The case of Europe demonstrates that high levels of social expenditure and economic growth can coexist. In OECD countries, the establishment of universal social security systems has been a determinant of social and economic development and has contributed to reducing poverty and strengthening social inclusion. It is estimated that, today, the 30 OECD countries commit an average of 13% of their GDP to social security (in low-income countries this average is lower than 2%) (Townsend 2009). In the European Union (plus Iceland, Norway and Switzerland), expenditure on total social protection expenditure is on average over 25% of GDP (ILO 2010), and it is generally recognised that – with few exceptions – high levels of social protection expenditure corresponds with low levels of poverty. Hence, ensuring social security coverage to the world's poor is a question of political will in setting the right priorities, rather than a lack of means.

Social protection – A global commitment

The development of comprehensive social security systems in countries where only rudimentary systems exist is a key task to prepare global society for future economic downturns and to achieve other global objectives such as the Millennium Development Goals, sustainable economic development and fair globalisation.

There is increasing recognition among international agencies, donors, governments and civil society organisations that social protection can play a pivotal role in preventing and reducing poverty, and promoting social and economic development.

Social protection is a demand of developing countries

There is a growing demand coming from developing countries for more public action on social protection and employment. An example of this is the 2008 African Union Social Policy Framework, which calls on African governments to implement national social protection plans based on a minimum package.

The UN Social Protection Floor Initiative (UNSPFI)

The need for social protection systems has also been addressed at the global level. The ILO Declaration on Social Justice for a Fair Globalisation (10 June 2008) (ILO 2008b) includes a promotional framework for the implementation

of the four 'pillars' of decent work at national, regional and global levels. Moreover, the concept of a basic social security floor has been taken up by the UN which has launched the Social Protection Floor Initiative (SPFI).

Based on the principle of progressive universalism, the Social Protection Floor Initiative seeks first to ensure a minimum set of social security benefits for all: the social protection floor. Based on that floor, higher levels of social security should then be sought as economies develop and the fiscal space for redistributive policies widens.

The ILO Global Jobs Pact, adopted at the International Labour Conference in June 2009, requests countries to:

*... build adequate social protection for all, drawing on a basic social protection floor including: access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes for the unemployed and working poor.*⁶ (ILO 2009b)

Groups of civil society organisations all around Europe are supporting the ILO Campaign for Social Security and Coverage for All, including the European Working Group on Social Protection and Decent Work in Development Cooperation,⁷ which is working to see social protection given the prominence it deserves in EU aid policy and as part of the Decent Work Agenda.

Conclusions and recommendations

"There is enough for everybody's needs, but not enough for everybody's greed."
(M. Ghandi)

With the Lisbon Treaty, the European Union's development policy has been strongly focused on poverty eradication:

Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty... (Article 208, Official Journal of the European Union 2008)

The EU is also fully committed to ILO's Decent Work Agenda, which includes social protection as one of the four pillars. This has brought about a renewed interest in the role of social security in development, as well as in combating poverty.

⁶ Global Jobs Pact, paragraph 12 (1) ii

⁷ Formed in 2007, The European Working Group on Social Protection and Decent Work in Development Cooperation is made up of civil society organisations including Help Age International, World Solidarity, Light for the World, Stop Aids Alliance and SOLIDAR.

⁵ Basic child benefits, universal basic old age and disability pensions, social assistance for the poor and unemployed.

The EU 2020 strategy reaffirms its commitment to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion.

Moreover, the EU has recognised the importance of social protection in its response to the global economic crisis and food and fuel price hikes. It acknowledges that social protection measures are critical in dealing with these crises at global, national and local levels. In its 2009 Communication 'Supporting Developing Countries in Coping with the Crisis', it recommends that the Commission and EU Member States support developing countries to create and strengthen social protection programmes, such as cash transfers (Commission of the European Communities 2009). The more recent (June 2010) Foreign Affairs Council Conclusions on the MDG Summit review acknowledges that social protection systems, as well as reducing inequality, are essential for each developing country to achieve the MDGs.

Nevertheless, the EU does not have a coherent policy or strategy to promote social protection through development cooperation. It is now time to address this policy incoherence. Based on its economic development history and its technical expertise, the EU should:

1. Provide adequate, long-term and predictable financial assistance and technical support to leverage developing countries' efforts to build social protection systems or to expand the coverage of existing social security mechanisms.
2. Reinforce the International Labour Organization's Social Protection Floor Initiative.
3. Include social protection and decent work as focus sectors in more country and regional strategy papers by providing guidance for sector and budget support policy dialogue in this area. This will ensure that EU funds benefit the most marginalised people, including those living in chronic poverty and those working in the informal economy.

These are the key demands that civil society organisations all around Europe are putting forward to the EU. ■

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Social Exclusion in Southern Mediterranean Arab Countries and Policies of the Euro-Mediterranean Partnership

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This report looks at social exclusion in Southern Mediterranean Arab countries¹ and attempts to address the extent to which the Euro-Mediterranean Partnership (EMP)² and its policy tools help to redress or amplify the factors behind social exclusion in the region. The discussion focuses on the social and economic conditions and main challenges facing the Southern Mediterranean Arab countries, as well as the policies mainstreamed through the EMP. While the focus is on Southern Mediterranean Arab countries, they are considered within the overall context of Arab countries or the countries of the West Asia and North Africa region.

Social policy in the Europe Union

Social exclusion is a multidimensional concept covering a remarkably wide range of social and economic problems. Social exclusion reflects a process of progressive social rupture, detaching groups and individuals from social relations and institutions (Sen 2000, p 7). It extends beyond the economic and social aspects of poverty to include political aspects, such as political rights and citizenship. Thus, social exclusion prevents or marginalises citizens from full participation in the social, economic, cultural, political and civic spheres of society.

European countries have historically tended to focus on providing social and economic rights only to citizens, excluding foreigners living within their territory. European countries have witnessed the serious engagement of social movements and unions in a quest to establish certain minimum social policies, including a social welfare system integrating social protection and social inclusion.

Social inclusion is part of the *acquis* of the European Union, which prospective Member States must accept and be able to formulate and implement policy accordingly. Thus, social policy is one of the pre-conditions for the accession of new states to the Union. The EU *acquis* in the social field includes minimum standards in the areas of labour law, equality, health, safety at work and anti-discrimination. Within this context, European Member States participate in social dialogue in the areas of employment policy, social inclusion and social protection.³

Social policies and objectives are integral to the EU's external relations and partnerships. Among the objectives set by the Barcelona Declaration of 1995, in which the Euro-Mediterranean Partnership is rooted, are the "acceleration of the pace of sustainable socio-economic development" and the "improvement of the living conditions of their populations, increase in the employment level, and reduction in the development gap in the Euro-Mediterranean region".⁴ In its 2005 communication on the Social Agenda, the EU foresaw an "international dimension of employment and social policy" (European Commission 2005). Accordingly, social policies and rights were declared a cornerstone of subsequent programmes of action adopted under the Partnership. Such programmes focused on the need to strengthen social protection systems, achieve better socioeconomic inclusion, increase women's participation in employment, increase labour productivity and create more job opportunities with a special emphasis on young people, among other things. Social inclusion has also been declared one of the four priorities of the 2011 to 2013 regional indicative programme of the EMP. This work focuses on promoting gender equality, culture and intercultural dialogue. In addition, it integrates the promotion of greater regional added value and regional cooperation.

Social exclusion in Southern Mediterranean Arab Countries

Social exclusion in developing countries can take several forms and is defined by internal as well as external factors on economic, social and political fronts. It includes exclusion from livelihood (employment and waged work); exclusion from social services (welfare and security); exclusion from the consumer culture (inability to satisfy basic needs for food and shelter); exclusion from political choice (participation in national and international political decisions); exclusion from bases for popular organisation and solidarity; and exclusion from adequate access to information (Hachem 1996; Wolfe et al. 1995, cited in ESCWA 2007, pp 9, 10).⁵

Some argue that the analysis of social exclusion in developing countries ought to be distinguished from such analysis in developed countries. In the latter, the analysis of exclusion ought to be rooted in economic growth and its distribution, while in less developed economies the political dimension is important in discussing social exclusion. When it comes to Arab countries, research by Bédoui in 1995 noted four broad social problems, namely: illiteracy, gender inequality, unemployment and economic inequality (Bédoui 1995, cited in ESCWA 2007, p 12). It is evident from the various reports on the Millennium Development Goals (MDGs) and Arab Human Development Reports⁶ that these challenges persist and are increasing in the eight Southern Mediterranean Arab countries and the Arab region⁷ in general.

The following section will highlight some factors contributing to social exclusion in Southern Mediterranean Arab countries, including high levels of poverty, unemployment, lack of access to social services and migration.

1 The Southern Mediterranean Arab countries that are engaged in the Euro-Mediterranean Partnership include Lebanon, Palestine, Egypt, Jordan, Tunisia, Morocco, Algeria and Syria.

2 Launched in 1995 with the 'Barcelona Declaration', the Euro-Mediterranean Partnership set as its aim the establishment of a common area of peace, stability and shared prosperity in the Euro-Mediterranean region. In 2004, the launch of the European Neighbourhood Policy (ENP) was undertaken as part of this process, and, in 2008, the 'Barcelona Process' included the launch of the 'Union for the Mediterranean'. Along with the Southern Mediterranean Arab countries mentioned in footnote 1, the Partnership includes Israel and Turkey.

3 The European Social Fund is the main financial tool through which the EU supports the implementation of its employment strategy and contributes to social inclusion efforts (source: <ec.europa.eu/enlargement/enlargement_process/accesion_process/how_does_a_country_join_the_eu/negotiations_croatia_turkey/index_en.htm>).

4 Source: Barcelona Declaration, available at: <europa.eu/legislation_summaries/external_relations/relations_with_third_countries/mediterranean_partner_countries/r15001_en.htm>.

5 In general, Silver (1995), as cited in Sen (2000) gives a list of "a few of the things the literature says people may be excluded from" including the following: a livelihood; secure, permanent employment; earnings; property, credit or land; housing; minimal or prevailing consumption levels; education, skills and cultural capital; the welfare state; citizenship and legal equality; democratic participation; public goods; the nation or the dominant race; family and sociability; humanity, respect, fulfilment and understanding.

6 For more details on these reports please visit: <www.arab-hdr.org> (accessed 28 October 2010).

7 The Arab region encompasses 22 Arab countries, including the 8 Southern Mediterranean Arab countries that are part of the Euro-Mediterranean Partnership.

Factors contributing to social exclusion

There is an overall lack of social integration in the Arab region as a whole. The policy choices of the governments of the region often reveal an assumption that economic growth will automatically bring social development, which is not reflected by reality. While economic development does play a crucial role in social development, economic growth does not necessarily ensure the fair redistribution of income within society. In fact, it was noted by the Economic and Social Commission of West Asia (ESCWA) that:

...economic development experienced in the Arab region has not guaranteed social benefits and most countries are still suffering from poverty, unemployment and inadequate social services... The social dimension of development needs to be aggrandized and brought to the forefront, rather than merely being a supplement to economic policy. Arab countries continue to be intrigued by the assumptions of neo-liberal policy-making. However, negative experiences from across the world prove that this approach has not achieved the equitable, gender-sensitive, and environmentally friendly dividends of development. (ESCWA 2008, p 8)

Weakly studied trade liberalisation policies adopted by Arab countries have worsened the situation, shrinking the policy space, tools and resources available for states to move forward on the social front. This is also true for trade arrangements established under the umbrella of the EMP.

Social policies in the region remain ad hoc and target specific sectors of people living in extreme poverty, whereas comprehensive social policy agendas are often lacking. Support to vulnerable groups is not linked to a rights-based approach ensuring the basic needs of all citizens; instead a 'social assistance' approach is adopted, which is segmented and insufficient. 'Income support' measures are often employed and implemented through food and fuel subsidies, rather than social protection schemes.

In the same manner, social action plans currently developed within the context of the EMP, and reflected in various country action plans, are generally limited to a series of safety nets. They lack a comprehensive vision based on national strategies for social development, including public health, education, job creation and a comprehensive national social security plan. This is rooted in the lack of such plans at the national level in Southern partner countries.

There is also a lack of mechanisms within the Euro-Mediterranean Partnership for setting social policies built on participatory processes. Despite significant progress in articulating conceptual approaches to social policies in action plan frameworks, implementation has been limited.

The challenge of poverty and unemployment

Poverty remains a core challenge facing the Southern Mediterranean Arab countries. Progress on addressing poverty levels in these countries has stagnated since the year 2000. When calculated at the poverty line of USD 3 per day instead of USD 2 per day, the number of people living in poverty in the Arab region doubles from 45 million to 92 million (Pearce and Mohamadieh 2009). The Millennium Development Goals 2010 report, released by the UN Secretary General in preparation for the 2010 MDG Summit held in September 2010, notes that since 1990 the depth of poverty has decreased in all regions except Western Asia (Western Asia encompasses some of the 22 Arab countries, including EMP partner countries Egypt, Lebanon, Syria, Jordan and Palestine) (United Nations 2010). Thus, the region is witnessing increasing numbers of people living in poverty, while a high proportion of the population lives close to the poverty threshold. Large numbers of people are extremely vulnerable to poverty and relatively small reductions in income or small increases in the price of basic goods can push them into poverty.

Moreover, the Arab region as a whole, including the Southern Mediterranean Arab countries suffers from chronic unemployment, which has been exacerbated by the global economic crisis. Even during years of consistent growth, unemployment was high and rising. There are several reasons for the increasing unemployment rates in Southern Mediterranean Arab countries, including high birth rates, a relatively young population, and the concentration of economic activity in sectors with low job creation capacities, such as real estate and the financial sector (Pearce and Mohamadieh 2009). The sustained level of unemployment across the region is one of the reasons for the persistently high proportion of people living in poverty.

Arab countries in general have witnessed some of the highest average unemployment rates in the world (10%), particularly for women (14%) and youth (22%), as well as widespread informal employment. Indeed, in the Southern Mediterranean Arab countries, one in every four has a job and nearly half of these jobs are informal (Martín 2009a). Moreover, official

labour participation rates are the lowest in the world (below 46% of working age population, compared to the world average of 61.2%), and female participation rates remain among the lowest in world (below 25%, as compared to the world average of 42%) (Martín 2009a). It is worth noting that official aggregate data are likely to both underestimate the rate of unemployment in general across the region and mask higher rates in poorer countries, such as Egypt where a rate of 20% would mean well over 10 million citizens unemployed and looking for work (World Bank Data for Middle East and North Africa Region [MENA], 1987 to 2001, from World Bank Global Poverty Monitoring Database, referenced in Iqbal 2006). The MDGs 2010 report highlighted that, globally, the share of women in paid employment outside the agricultural sector has continued to increase slowly, reaching 41% in 2008 (United Nations 2010). However, women in Northern Africa and Western Asia (the region that encompasses the eight Southern Mediterranean Arab country partners of the EU) continue to lag behind, with only 20% of those employed outside agriculture being women. Moreover, the report notes that women are more likely than men to be in vulnerable jobs, with the gap being particularly evident in those regions where paid employment opportunities for women are the lowest, such as the countries of Western Asia and Northern Africa (United Nations 2010).

Access to basic social services

Overall, the Arab region has witnessed a general decline in basic social services, mainly due to the withering role of the state and the lack of comprehensive social plans, as discussed above. As the imperatives of reducing public expenditure and the continuing privatisation of services have taken hold of policy making, this decline seems irreversible. This places further stress on the finances of the most vulnerable groups, reinforcing a cycle of vulnerability, dependence on 'income support' measures and a decline in basic needs satisfaction. Furthermore, high administration and transaction costs in the region, shortages of necessary funds, limited technical and administrative skills in government institutions and weak monitoring make the provision of services unsustainable, while at the same time the need for such services is increasing.

Migration as a source and reflection of social exclusion

The process of social exclusion by migration occurs due to the breakage of social ties and loss of social support, unstable living conditions,

and lack of legal and political rights and security in either or both the host country and country of origin. More than 10 million people from the Southern Mediterranean Arab countries are resident in third countries (Martín 2009b). At current migration rates, and with the growth of the working age population in Southern Mediterranean Arab countries, yearly migration flows of 200,000 persons are expected between 2010 and 2020 from Southern Mediterranean Arab countries (which is approximately 2 million new migrants for this 10-year period). Moreover, migration flows could triple to 6 million over the next 10 years (at average migration rates of 24%) (Martín 2009b).

Despite the seriousness of the situation, migration has not been fully integrated into the social policies of Southern Mediterranean Arab countries or their partnership policies with the EU. The right of movement of persons lies at the heart of economic and social partnerships and the concept of free circulation is core to the idea of a common economic area. This right should be reflected in the trade and economic policies of the sending and receiving countries. Yet, the lack of consideration of such rights will amplify the problems of social exclusion suffered by people of the Southern Arab Mediterranean countries.

Do the policies of the Euro-Mediterranean Partnership reinforce social exclusion?

When discussing social exclusion in the context of the Euro-Mediterranean Partnership⁸, there is a need to question the extent to which the policy tools of the Partnership help Southern Mediterranean Arab countries to build resilience on the social and development fronts. Does the Partnership help to create space for a more sustainable process of social inclusion rooted in a social and economic model that addresses the main factors of social exclusion in the region, including poverty and unemployment? Questions about the long-term viability of the current social and economic model within the Euro-Mediterranean Partnership are clarified when discussing the implications of the global economic crisis for the region and its impact on social conditions.

A closer look at the Partnership and its mechanisms, including common action plans and strategic programmes, reveals that there has been significant progress in the articulation of conceptual approaches to social policies in the communications and action frameworks of the Euro-Mediterranean processes. The

European Commission Communication entitled 'Social dimension of globalisation – How the EU policy contributes to extending the benefits to all' (European Commission 2004, p 2) underlines the EU's approach, which is to:

...exercise its external policies in a way which contributes to maximizing the benefits of globalization for all social groups in all its partner countries and regions. Its external policies have always had an important social dimension, for example, by supporting universal access to basic social services in developing countries.

The Euro-Mediterranean region foreign ministers emphasised the social dimensions of the EMP in the Barcelona Process Conference held in November 2008 (European Commission 2008), so did the employment and labour ministers in their first Euro-Mediterranean Ministerial Conference held in Marrakech on 9 and 10 November 2008. However, these improvements have remained declaratory steps; they have rarely materialised as progressive steps that impact on the lives of the people of the region, nor have they contributed to reducing social exclusion (Martín 2009). Moreover, these objectives lack any system of measurement for monitoring and assessing progress.

The policy tools within the EMP have over-concentrated on trade relations, aid flows and foreign direct investment – an issue highlighted by civil society stakeholders. The lack of balance between the economic, social and political agendas of the Euro-Mediterranean Partnership has been reiterated in various analyses of the Partnership. It is obvious that efforts to establish a common economic area by enhancing free trade schemes between the EU and its various Southern Mediterranean partners have not been paralleled by efforts to create a common area for social development. The resulting threat is not limited to faster progress on the economic liberalisation front compared to other fronts; these interventions could limit the achievement of genuine social progress in the region by tying up governmental policy space and policy tools. These threats to policy space in the Southern Mediterranean countries are highlighted in the Sustainability Impact Assessment of the Euro-Med Free Trade Area 2007, which noted that "unless parallel measures are taken and implemented by the Southern Mediterranean Partner Countries then the Euro-Med Free Trade Area will result in a negative effect on employment, poverty and development" (European Commission 2007). Unfortunately, this analysis has remained marginalised in the process of

policy formulation. Moving forward in tackling social exclusion in the Southern Mediterranean Arab countries necessitates addressing the basis of policy approaches and the coherence of social and economic policy making, not merely addressing symptoms.

The global economic and financial crisis has affected various countries in the Euro-Mediterranean region. It has highlighted the failure of the economic and social model and policy tools adopted by Southern Mediterranean Arab countries to address the main development challenges facing the region. Southern Mediterranean Arab countries have felt the influence of the crisis mainly in a decrease in exports, foreign direct investment, tourism revenue, aid and financial assistance, and remittances. This has led to a decrease in growth and an increase in the budget deficits, unemployment rates and poverty. In facing the crisis, the EU's commitment to neighbourhood countries was slowed down. The relatively quick response to the social challenges resulting from the crisis in Europe were in contrast to slow procedures and weak commitments towards neighbouring countries, which were isolated from any feedback from the Southern partner countries of the EU. Indeed, the crisis revealed a lack of collective mechanisms for policy coordination between both sides during the crisis, which is an obstacle to the advancement of cooperation.

Moreover, the passage of the Treaty on the Functioning of the European Union brought with it the decision to integrate cooperation for development under the EU's foreign policy. This decision reflects a tendency to use the EU's development assistance as a tool to promote European foreign policy. There is a wide perception under the aid effectiveness umbrella that these two policy areas should be separate. Indeed, the social and economic rights of citizens should not depend on the foreign policies of their governments. Furthermore, Europe is one of the promoters of the Paris Declaration on Aid Effectiveness, under which it committed to avoid all kinds of policy conditionality in foreign aid and assistance. This commitment is in direct contradiction to the link being made between foreign policy and development cooperation.

Concluding remarks

Despite the enhanced articulation of social issues in the Euro-Mediterranean region, actual implemented policies have not contributed to addressing the factors contributing to social exclusion. The Southern Mediterranean Arab countries, and the Arab region in general, are in need of comprehensive social policies based on a human rights approach and covering all

⁸ Reference to the EMP in this report assumes consideration of the European Neighbourhood Policy as well.

sections of society. Yet, most Arab countries lack space for democratic political participation, which exacerbates social exclusion. There is little room for the debate of social and economic questions, and states lack capacity for adequate economic and social policy making and reform. As these policies are often implemented in a piecemeal way in response to prescriptions by donors, and without comprehensive national development strategies in place, the state loses its role in directing its own development process towards policies that address social inclusion. To redress this, responsible government bodies are requested to enhance the human rights-based approach in policy making on social policies while making more space available for an effective role by civil society organisations.

The repression of civil society initiatives is also a recurring theme in the region. As there is often no venue for participation and engagement with public authorities, the only recourse for popular movements is contestation, which is often violently suppressed. The situation is particularly bleak for labour activism, as unions are either non-existent or an extension of the regime. Hence, political exclusion is an exacerbating factor in social exclusion in Southern Mediterranean Arab countries.

At the Euro-Mediterranean level, there is a need to revise Euro-Mediterranean social and economic policies in order to operationalise social interventions. Interventions addressing social exclusion ought to consider the political context as a fundamental dimension in addressing access to resources and in establishing a sustainable re-distributive function in the economic system. ■

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Exposing Vulnerabilities to Improve Decision-making

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Social Watch

The 2010 World Summit on the Millennium Development Goals did not produce the ‘acceleration’ required to achieve by 2015 the minimum social development goals agreed upon in 2000. However, the leaders did add to their toolbox of internationally agreed language the concept of a ‘social floor’.

Paragraph 51 of the Summit outcome document states that:

We consider that promoting universal access to social services and providing social protection floors can make an important contribution to consolidating and achieving further development gains. Social protection systems that address and reduce inequality and social exclusion are essential for protecting the gains towards the achievement of the Millennium Development Goals. (UNGA 2010)

Until now, the strategies promoted to achieve the MDGs required attention to be focused on the ‘bottom billion’ – and, thus, the tools of choice were the focused delivery of social services or cash transfers to the ‘poorest of the poor’. In contrast, the Summit outcome document introduces a new balance with emphasis on the reduction of inequalities and universal access. The experience gathered by Social Watch from the reports of its national coalitions around the world has indeed confirmed British economist Richard Titmuss’ conclusion that “services for the poor end up being poor services” (Titmuss 1968).

In fact, analysis of the long-term evolution of the Human Development Index, computed by the United Nations Development Programme, or the Basic Capabilities Index, computed by Social Watch, both show that the progress of social indicators was slower in the first decade of the 21st Century than in the last two decades of the 20th Century – and this despite rapid economic growth in all regions of the so-called third world between 2000 and 2008. Thanks to a combination of abundant capital and high commodity prices, the economies of developing countries boomed. However, tax holidays and international rules imposed by trade and investment agreements curbed the ability of national governments to impose conditions on investors,

such as requiring them to use local inputs. The resulting growth did not generate enough jobs or significant poverty reduction. Instead, disparities increased around the world, in rich and poor countries. In this context, assistance targeted to the poorest of the poor, while welcomed, by itself does not produce development, jobs or sustainable poverty reduction.

It is hoped that the notions newly endorsed last September, at the highest level, of universal social services and a social floor will provide a renewed consensus to defend the social sectors, which are under threat in so many countries. But, to be meaningful, these notions require the setting of minimum standards of what such a social floor could be at a certain time and in a particular social context. The Millennium Development Goals and the different targets associated with them can be read as a step towards setting these minimum standards at the global level: all births should be assisted, water and sanitation should be available to all, no child should be left out of primary education... a list to which the MDG Summit last September explicitly added ‘productive employment and decent work’, in recognition of the fact that creating jobs is indeed the best anti-poverty policy.

Europe actively promoted the social floor idea at the World Summit, and this is consistent with the mandate of the Lisbon Treaty, which states that “[European] Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty”.

To put this principle into practice, the standards of the social floor have to be identified and defined. Minimum universal standards should be consistent with the notion of ‘dignity for all’ enshrined in the Universal Declaration of Human Rights and should certainly be higher than the ‘one dollar a day’ (currently \$1.25, to adjust for inflation) standard set by the World Bank as the threshold of extreme poverty, initially defined as the minimum income needed to feed a person.

The definition of what is essential for a dignified life changes from one society to another and over time. To be consistent with what it preaches abroad, Europe needs to define its own European ‘social floor’ and formulate policies to achieve it. Some European diplomats have pointed out to representatives of Social Watch in informal discussions that the demand for such a minimum European standard – which is certainly going to be higher, much higher than

any global floor – in times of crisis and scarcity could distract attention and resources away from those who need it the most in the South. The experience of Social Watch has been the opposite: Those that defend social expenditure at home are most likely to defend the development cooperation budget, which is only a tiny fraction of the funds spent on health, education and social security.

Social budgets are under threat worldwide. Trillions of dollars were urgently mobilised to rescue the financial industry and save the richest economies of the world from a second Great Depression, similar to the one of the 1930s. The G20 elevated itself from an obscure forum of finance ministers to a regular summit-level gathering, self appointed as the “premier forum for international economic cooperation”, and initially agreed on the need for urgent and massive state intervention to stimulate economies (G20 2009). The Social Watch International Report of 2009, titled ‘People First’ (Social Watch 2009) analysed the social cost of the multiple crises and endorsed the conclusion that the stimulus packages worked best when it was channelled, mainly to the poor and vulnerable (as was the case in Brazil and China), while money put in the hands of financial corporations or already well-off individuals was saved or helped build assets in prevention of further economic contractions. It is not that the poor have a better understanding of the global economy or are more motivated to rescue the system, they just have no option other than to spend. And, thus, the ethically right thing to do matched what was economically sound – at least for a while.

As soon as the financial sector was back making money in late 2009 and early 2010, voices of concern began to be heard about the increasing level of government debt, which was accumulating rapidly as a result of the rescue and stimulus packages. Economists were no longer unanimous, and while some, including Nobel Prize winners Joseph Stiglitz and Paul Krugman, argue that even more money should be thrown into the economies than what the Obama administration and others are doing to fight unemployment rates in the double digits, others worry about unsustainable debt levels and call for cuts to government spending.

Research done by UNICEF, headed by Isabel Ortiz, using fiscal projection data published by the International Monetary Fund, found that a significant number of countries are expected to contract aggregate government spending

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in 2010–2011 (Ortiz et al. 2010). This is of concern, both in terms of GDP (44% of the sample countries are tightening) as well as the real value of total government expenditure (the real value of GDP is expected to contract in 25% of the sample countries). The research identifies common adjustment measures considered by policy makers, such as wage bill cuts/caps, reducing subsidies and targeting social protection, and highlights their potentially negative social impacts. Children and mothers are among the most likely to be hurt.

In times of economic contraction, individuals frequently postpone consumption expenditure to a later time. The money saved earns interest and allows for expenditure in the future. The expected advantages, one of which is the interest received from the banks that use the saved money, exceed the frustration and disadvantages of not consuming in the present.

Governments make similar choices when they cut their budgets. To ‘make ends meet’ when fiscal revenue drops as a result, for example, of the current crisis, governments have to either cut expenses or incur debt. As with families, cutting expenditure might be a reasonable option when the cost of borrowing money becomes too high, for example, as a result of creditors’ belief that the country may become unable to repay its loans. What factors weigh in such a decision? If only short-term economic aspects are taken into account, the social sector might suffer and the very future of a country can be compromised.

According to UNICEF:

[T]he limited window of intervention for foetal development and growth among young children means that their deprivations today, if not addressed promptly, will have largely irreversible impacts on their physical and intellectual capacities, which will in turn lower their productivity in adulthood. This is a high price for a country to pay. (Ortiz et al. 2010)

A careful assessment would be required of the risks facing vulnerable and poor populations. Policies to restore medium-term debt sustainability should be balanced with those to protect and support the socially and economically vulnerable in the immediate term. “Both are necessary to achieve a country’s sustained growth and human development potential” (Ortiz et al. 2010). In practice, such an assessment hardly ever takes place. Politicians take their decisions based on opinion polls – and public opinion can be as volatile as the markets – or according to the pressure they receive. And, within this framework, children do not vote, nor

do they have a powerful lobby.

In the name of recovering future economic growth, Europe seems to be leaning in this global debate to a solution that sacrifices social expenditure and development cooperation. Faced with imbalances resulting from a contracting economy, cuts are imposed on expenditure that may end up contracting the economy further.

This European Social Watch Report 2010 exposes the multiple vulnerabilities within European societies. It is our hope that understanding the social risks better will help improve the quality of decision making. ■

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■ BOSNIA AND HERZEGOVINA

Social Exclusion in Bosnia and Herzegovina

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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.

(continued on page 78)

■ 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

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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

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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

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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.

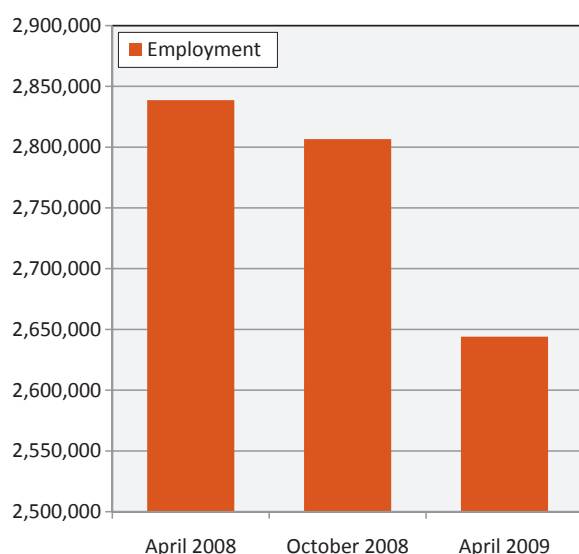
In December 2008, the Serbian Government adopted a 'Framework of Measures' (Government of the Republic of Serbia 2008) as a response to the negative impact of the economic crisis, designed to preserve the living standard of the population and assist those in need. However, the measures implemented were 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-

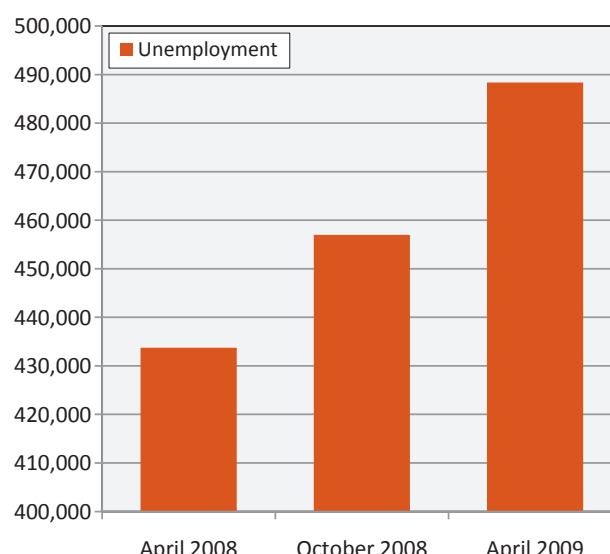
² In early 2009, Serbia signed two Standby Agreements with the IMF, worth USD 530.3 million and USD 4 billion, to maintain economic and financial stability. In addition, it signed a World Bank loan worth USD 400 million for the development of private and financial sectors (International Monetary Fund 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 Ombudsman 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 Ombudsman received 78 complaints from disabled people, mostly about difficult social status, taxes, housing, and access to healthcare and spas. In April 2010, the Ombudsman 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.

(continued on page 82)

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

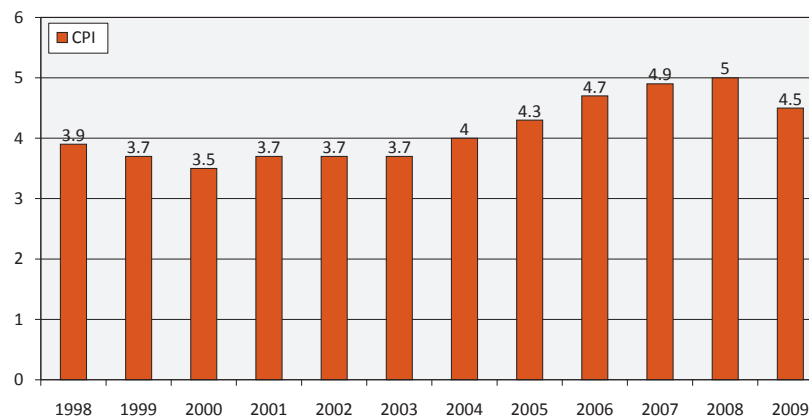
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With the highest economic growth in the EU in 2008, Slovakia used to be known as the 'Central European Economic Tiger' and the 'Detroit of Europe'. However, the global economic crisis caused a rapid increase in unemployment in 2009, accompanied by 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

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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.

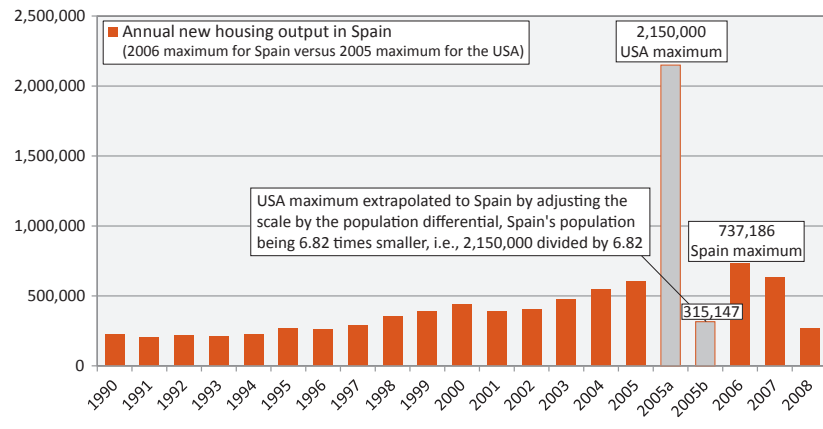
Spain's EU presidency: 'Hot' finances and structural adjustments

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.

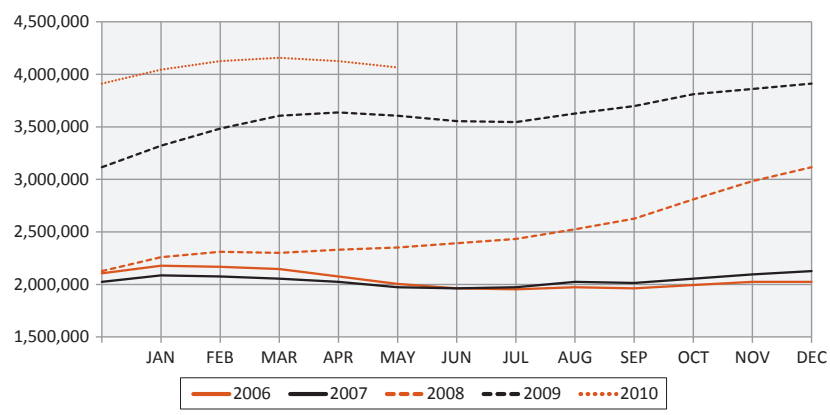
the financial market crisis would have on the so-called 'real' economy⁴. The Government has focused on the global scope of the crisis, implying that the problem was 'foreign' and that the political management in Spain is not directly to blame. Nor has the opposition owned up to its part in the making 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.

7. 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

1. 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.

2. 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.
3. 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

(continued from page 75)

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 cooperation 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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◎ MEASURING SOCIAL INCLUSION

Measuring Social Inclusion

Social inclusion is a complex and multidimensional concept that cannot be measured directly. To represent the state of social inclusion in European countries a number of different factors need to be taken into account, the selection of which is not always obvious. Ideas about social inclusion change over time and between different cultures. Objectives identified to improve social cohesion and the priorities set may change among people and according to political trends. In establishing the European Year for Combating Poverty and Social Exclusion, the European Parliament and the European Council stated that:

The problem of poverty and social exclusion has broad, complex and multidimensional forms. They relate to a large number of factors, such as income and living standards, the need for educational and decent work opportunities, effective social protection systems, housing, access to good quality health and other services, as well as active citizenship. (European Parliament, Council of the European Union 2008)

Measuring a complex concept such as social inclusion is always challenging as the concept never coincides with the measure. This is true, firstly, because the measures of social inclusion (e.g., poverty, employment, literacy, etc.) are clearly definable, but hardly able to represent the complexity of the concept and, secondly, because the measures we believe are most useful are not always available.

Therefore, measuring social inclusion poses two major difficulties:

- **In its definition:** to define social cohesion and identify the dimensions that compose it so as to provide a framework for the indicators to be used; and
- **In its indicators:** to identify a number of indicators for which data are available for most European countries and that are able to represent relevant aspects of the different dimensions of social inclusion.

In the following section we have tried to overcome these obstacles as far as possible. With respect to the identification of the determinants of social inclusion, the approach used in this report follows that of the European institutions. Nevertheless, more dimensions of inclusion are adopted than used by the Commission (which considers mainly poverty, employment, social transfers and health) (European Commission 2008) or contained in the Social Inclusion Indicators used by Eurostat (2010).

For the purpose of this report, seven dimensions of social inclusion are analysed: poverty, employment, education, health, gender, living conditions and social participation. In this way we have attempted to represent the multidimensionality of social inclusion by splitting a complex concept into a number of determinants that may somehow represent the different elements of social exclusion.

With the dimensions identified, the next step is to select the available indicators able to represent them. In this task it is common to face some constraints in relation to the choice of indicators. It is important to stress that when comparing information among countries it is essential that the numbers are comparable and that the phenomenon is measured in the same way across the different countries being compared. This is assured by the use of one source of data for each indicator. Thus, only information already produced by international organisations is used in the analysis.

As we looked for indicators relevant to European countries (intending Europe in its proper geographical sense of 52 countries, not just the EU27 countries), most of the data is produced by UN agencies, ILO and the World Bank. When good coverage was not available, data from Eurostat or OECD was used, which obviously covers only a limited number of countries. Data availability is by far the biggest limitation on the effective representation of complex phenomena such as social inclusion. Nevertheless, a set of more than 40 indicators was selected, providing a broad picture of social inclusion in Europe.

To show the complexity of social inclusion, and in particular of social cohesion, it is important to supplement objective indicators with subjective information. Citizens' perceptions are difficult to compare among countries because of different cultures and languages, which can lead to the different interpretation of the same word; nonetheless, perceptions can be a powerful tool in evaluating phenomena that cannot be measured objectively, such as personal satisfaction with life or trust in neighbours. These aspects may be much more relevant in determining social cohesion and wellbeing than financial availability or the accessibility of public services. Yet these are also aspects in which policymakers can hardly intervene. Policymakers should, therefore, stay focused on income distribution, employment, the quality of services and the promotion of equal opportunities for all.

The large amount of information collected here provides a complex framework from which a number of general conclusions are apparent:

1. The economic crisis has hit all European countries resulting in a massive loss of jobs across the continent. The worst affected appear to be the Baltic states and Spain. Macedonia has the highest level of unemployment, but is the only country, together with Turkey, that has experienced a reduction in unemployment rates.
2. Important differences among European countries still exist in education standards (with very low enrolment in tertiary education in Caucasic republics and the Balkans) and in access to the Internet, which is increasingly becoming a prerequisite for inclusion, with the extreme case of Azerbaijan where only 10% of the population has Internet access.
3. Health statistics differ significantly in Europe. Life expectancy varies from 61 years for Russian men to 84 years for French women. Many countries still have high maternal and child mortality rates.
4. There is a lot of room for improvement in gender equity in many countries. This is particularly true in relation to the participation of women in economic activities, for which Italy, Malta and Turkey rank lowest, and in relation to the presence of women in positions of power. Women hold almost no relevant managerial or political positions in Armenia, Albania and Bosnia.
5. Social expenditure is very low in a number of countries, representing less than 30% of all revenue. In some countries, such as Russia and Armenia, social expenditure is less than 20%.
6. Social participation and trust is also very variable among countries: 74% of Norwegians believe that “most people can be trusted”, while only 10% of people in Cyprus feel the same; 65% of Romanians “would never attend a peaceful demonstration”, compared to only 21% of people in Sweden.

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POVERTY									
Variable	At risk of poverty		Intensity of poverty	Working poor		Child poverty		Gini coefficient	
Indicator	Share of persons with an equivalised disposable income below the at risk of poverty threshold (1) after social transfers (%), 2008	Change 2005-2008 (%)	Relative median at risk of poverty gap (%), 2008	In work at risk of poverty rate (%), 2008	Change 2005-2008 (%)	Poverty rate among children (%), 2006	Point changes since mid-1990s, 2006 (2)	Gini coefficient of income inequality, mid-2000s	Point changes since mid-1990s, mid-2000s (2)
Albania								0.33a	
Andorra									
Armenia								0.30a	-31.8
Austria	12.4	0.8	15.3	6.4	-4.5	6	6.0	0.27	11.5
Azerbaijan								0.17a	-51.4
Belarus								0.29a	
Belgium	14.7	-0.7	17.2	4.8	23.1	10	-0.8	0.27	-5.4
Bosnia and Herzegovina								0.36a	
Bulgaria	21.4	52.9	27.0	7.5	25.0			0.29a	-6.5
Croatia	18.0b		23.0b	9.0c				0.29a	7.4
Cyprus	16.2	0.6	16.6	6.4	-1.5				
Czech Republic	9.0	-13.5	18.5	3.6	2.9	10	1.7	0.27	4.2
Denmark	11.8	0.0	18.0	5.1	4.1	3	0.8	0.23	8.1
Estonia	19.5	6.6	20.3	7.3	-2.7			0.36a	20.0
Finland	13.6	16.2	15.7	5.1	37.8	4	2.1	0.27	18.1
France	13.4		18.1			8	0.3	0.27	0.0
Georgia		3.1		6.8	11.5			0.41a	10.8
Germany	15.2	24.6	22.2	7.1	47.9	16	5.1	0.30	9.5
Greece	20.1	2.6	24.7	14.3	10.9	13	0.9	0.32	-4.4
Hungary	12.4	-8.1	17.3	5.4	-38.6	9	-1.6	0.29	-1.0
Iceland	10.1	4.1	14.9	6.7	-15.2	8		0.28	
Ireland	15.4	-21.8	18.0	6.5	6.6	16	2.3	0.33	1.3
Italy	18.7	-1.1	23.0	8.9	1.1	16	-3.4	0.35	1.1
Kosovo									
Latvia	25.6	33.3	28.6	11.0	22.2			0.36a	16.1
Liechtenstein									
Lithuania	20.0	-3.4	25.7	9.4	-6.9			0.36a	12.5
Luxembourg	13.4	-2.2	16.6	9.4	-4.1	12	4.5	0.26	-0.4
Macedonia								0.43a	53.6
Malta	14.6	6.6	17.7	5.1	6.3				
Moldova								0.37a	0.0
Monaco									
Montenegro								0.37a	
Netherlands	10.5	-1.9	14.9	4.8	-17.2	12	1.0	0.27	-4.0
Norway	11.3	-0.9	22.2	5.4	17.4	5	0.9	0.28	7.8
Poland	16.9	-17.6	20.6	11.5	-17.3	22		0.37	
Portugal	18.5	-4.6	23.2	11.8	-0.8	17	0.0	0.38	7.1
Romania	23.4	30.0	32.3	17.7				0.32a	14.3
Russian Federation								0.44a	-4.3
San Marino									
Serbia								0.28a	
Slovak Republic	10.9	-18.0	18.1	5.8	-34.8	11		0.27	
Slovenia	12.3	0.8	19.3	5.1	10.9			0.31a	6.9
Spain	19.6	-0.5	23.6	10.7	2.9	17	1.9	0.32	-7.1
Sweden	12.2	28.4	18.0	6.8	23.6	4	1.5	0.23	10.8
Switzerland						9	1.2	0.28	
Turkey	26.0c		31.0c	23.0c		25	5.0	0.43	-2.4
Ukraine								0.28a	-20.0
United Kingdom	18.8		20.8	8.6		10	-3.6	0.34	-5.4
Source	Eurostat		Eurostat	Eurostat		OECD		OECD and WB	

Notes:

(1) Elaboration by Social Watch on official data

(2) Elaboration by Social Watch on official data

a: Data signed by a are by World Bank; others are by OECD

b: 2007

c: 2003

- The relative median at risk of poverty gap is calculated as the difference between the median income of persons below the at risk of poverty threshold and the at risk of poverty threshold. It provides an indication of "how poor are poor people".

- The Gini coefficient is a measure of the inequality in income distribution, a value of 0 expressing total equality and a value of 1 maximal inequality.

LABOUR						
Variable	Unemployment		Youth unemployment		Period	Hours worked
Indicator	Unemployment rate (%)	Unemployment change (previous year, same period)	Unemployment rate (%)	Unemployment change (previous year, same period)		Average weekly hours of work in manufacturing – ISCO8, employees (2009)
Albania	12.8	0.1			August 2009	
Austria	5.8	1.2	12.1	2.8	January 2010	39.6
Belarus	0.9	0.0			January 2010	
Belgium	8.2	0.5	22.6	2.8	January 2010	37.2
Bulgaria	8.7	2.6	21.4	7.8	January 2010	40.4
Croatia	11.9	2.7	31.0	5.3	January 2010	41.2
Cyprus	7.1	2.3	15.7a	7.4a	January 2010	39.1
Czech Republic	8.5	3.1	21.6	9.7	January 2010	40.2
Denmark	7.1	3.3	12.9	5.3	December 2009	37.7
Estonia	14.6	8.4			August 2009	38.9
Finland	9.2	1.6	25.7	5.9	February 2010	38.4
France	10.4	1.3	24.7	2.6	January 2010	36.0
Germany	7.9	0.5	10.3	1.3	January 2010	37.8
Greece	9.3	2.1	24.7	3.4	August 2009	41.4
Hungary	11.5	2.3	30.8	7.6	January 2010	40.2
Iceland	6.7	2.7	16.0	5.1	November 2009	42.7
Ireland	13.7	4.4	31.2	13.4	January 2010	37.3
Italy	9.3	1.4	29.9	3.0	January 2010	38.8
Latvia	23.2	10.6	42.9a	24.4a	January 2010	41.2
Lithuania	13.8	7.9	33.3	18.3	August 2009	40.3
Luxembourg	6.1	0.4	20.2	-3.9	January 2010	39.8
Macedonia	32.4	-1.1			November 2009	44.5
Malta	7.3	0.6	14.5	1.3	January 2010	39.8
Moldova	6.2	2.3			November 2009	
Netherlands	4.4	1.2	8.1	1.3	February 2010	37.3
Norway	3.1	0.5	8.0	0.9	December 2009	37.8
Poland	9.5	1.5	24.2	5.3	January 2010	41.8
Portugal	10.7	2.0	22.5	2.7	January 2010	39.9
Romania	6.8	1.4	22.3	3.1	August 2009	41.9
Russian Federation	9.2	0.5			December 2009	
Slovakia	13.8	4.0	33.2	12.7	January 2010	39.0
Slovenia	7.3	2.2	16.9a	6.0a	January 2010	39.2
Spain	19.5	3.1	39.7	6.5	January 2010	39.9
Sweden	9.3	1.3	26.8	2.0	February 2010	36.3
Switzerland	4.4	1.0			February 2010	39.6
Turkey	13.5	-0.5	24.1	-1.9	December 2009	54.2
Ukraine	9.1	2.9			June 2009	
United Kingdom	7.5	1.2	18.4	2.8	December 2009	40.0
Source	ILO		ILO		ILO	Eurostat

Notes:

a: December 2009

b: 2008

EDUCATION									
Variable	Youth literacy	Compulsory studies	Primary completion rate	Drop out rate	Children out of school	Enrolment secondary school	Tertiary education	Studying abroad	Access to Internet
Indicator	Literacy rate, youth (% aged 15-24), 2007	Duration of compulsory education, 2008 (years)	Primary completion rate, total (% of relevant age group)	Percentage of drop outs in primary school, 2007	Rate of primary school age children out of school, total (%), 2008	Gross enrolment ratio for upper secondary, all programmes, (%), 2008	Gross enrolment ratio, ISCED 5 and 6, total, 2008	Outbound mobility ratio of tertiary students (%), 2008	Internet users per 100 people (year)
Albania	99	8							15.1 2006
Andorra		9			18.3	70.56	11.0	262.7	
Armenia	100	8	97.54	2		74.80	34.2a	3.6a	56.3 2006
Austria		8	102.23	2		98.54	54.7	3.6	59.3 2008
Azerbaijan	100	8	113.34	1	3.9	115.65	15.8	3.6	10.8 2007
Belarus	100	10	92.40	0	5.2	72.34a	72.8	2.7a	29.0 2007
Belgium		9	86.38	7	1.4	107.61	63.0	2.5	65.9 2007
Bosnia and Herzegovina		10				77.50	33.5a	14.8a	34.7 2008
Bulgaria	97	9	98.17	6	2.6	90.43	51.0	8.7	30.9 2007
Croatia	100	9	101.36	0		87.62a	47.0a	4.2a	50.6 2008
Cyprus	100		99.95	0	1.0	95.47	42.6	92.6	38.0 2007
Czech Republic		9	93.22	2		91.25	58.6	2.4	48.3 2007
Denmark		8	100.67			121.98b	80.3a	2.2a	84.2 2008
Estonia	100	10	100.34	1	3.5	96.87	63.7	5.1	63.7 2007
Finland		8	97.94	0	3.8	118.18	94.4	2.1	2007
France		10	98.90b		0.9	117.27	54.6	2.1	51.2 2007
Georgia		9	91.74		1.0	89.50	34.3	6.3	81.8 2007
Germany		9	103.17	2		104.39			76.1 2008
Greece	99		101.46	2		99.33a	90.8a	5.4a	32.3 2008
Hungary	99	8	92.25	2	4.6	95.77	65.0	1.7	91.6 2007
Iceland		11	96.78		2.4	117.35	74.6	15.1	54.8 2008
Ireland		9	96.57		2.9	129.07	58.3	10.1	65.0 2007
Italy	100	10	101.86	0		98.86a	67.1a		63.5 2008
Latvia	100	9	89.54	3		95.68	69.2	3.2	48.6 2008
Liechtenstein		13	113.94		10.3	113.90	36.8	109.5	55.0 2007
Lithuania	100	9	94.82	2	3.9	97.54	77.3	3.4	65.2 2007
Luxembourg		10	84.08	10	2.5	86.68			52.9 2008
Macedonia	99		93.79	6		75.97	40.4	8.8	75.8 2007
Malta		10				101.57a	33.0a	10.5a	43.0 2008
Moldova	100		92.91	4		82.84	40.0	8.7	19.1 2007
Monaco		11							2007
Montenegro		13							45.1 2007
Netherlands					1.1	114.31	60.6	1.4	86.8 2008
Norway		11	96.76	1	1.3	127.48	73.2	5.5	84.8 2007
Poland	99	10	96.35	3			66.9a	1.5a	44.0 2007
Portugal	100	9				86.17a		3.0a	41.9 2008
Romania	97	9	120.34	5	3.5	83.81	65.6	2.1	23.9 2007
Russian Federation	100	10	93.38	5		84.19	77.2		21.1 2007
San Marino		11							51.7 2008
Serbia		11			4.2	80.94	47.8		32.1 2008
Slovak Republic		13	94.16	2		90.43	53.6	11.5	51.3 2008
Slovenia	100	11			2.5	97.72	86.7	2.1	48.7 2008
Spain	100	9			0.0	125.02	70.6	1.2	57.4 2008
Sweden		11	95.02	0	5.4	103.75	71.1	3.4	79.7 2007
Switzerland		11	87.56		0.9	84.72	49.4	4.7	75.2 2008
Turkey	96	10	97.27		5.3	72.47	38.4	1.6	33.1 2008
Ukraine	100	9	101.35	2	10.6	91.47	79.4	1.0	22.4 2008
United Kingdom		12			0.0	96.03	57.4	0.9	79.4 2008
Source	WB	UNESCO	UNESCO	UNESCO	UNESCO	UNESCO	UNESCO	UNESCO	WB

Notes:

a: 2007

b: 2000

Values higher than 100 are due to the enrolment of children younger or older than the reference age, or of foreigners, so that the total number of enrolled children exceeds the reference population.

HEALTH								
Variable	Life expectancy		Maternal mortality rate		Infant deaths		Immunization	
Indicator	Life expectancy at birth – male, 2007	Life expectancy at birth – female, 2007	Maternal mortality ratio per 100,000 live births	Year	Mortality rate before 1 year (per 1,000 births), 2007	Mortality rate, under 5 (per 1,000 children), 2007	Immunization, measles (% of children aged 12–23 months), 2007	Improved sanitation facilities (% of population with access), 2006
Albania	72.5	77.3	2.3	2004	6.2	15.2	97	97
Andorra						2.7	94	100
Armenia	70.2	76.6	22.4	2003	10.8	24.3	92	91
Austria	75.5	81.5	2.6	2006	3.7	4.4	79	100
Azerbaijan	69.7	75.1			11.6	39.3	97	80
Belarus	64.5	76.2			5.2	13.4	99	93
Belgium	77.0a	82.7a			4.0	4.6	92	
Bosnia and Herzegovina	71.3c	76.7c			6.8	14.2	96	95
Bulgaria	69.2	76.3	10.0	2004	9.2	11.8	96	99
Croatia			9.7	2006	5.6	5.8	96	99
Cyprus	76.0b	81.6b	11.5	2006		4.5	87	100
Czech Republic	73.7	79.9	2.9	2005	3.1	3.9	97	99
Denmark	75.9	80.5	3.1	2001	4.0	4.4	89	100
Estonia	67.4a	78.5a	13.9	2005		5.6	96	95
Finland	75.8	82.9	6.8	2006	2.7	3.5	98	100
France	77.2a	84.2a	5.3	2005	3.6a	4.3	87	
Georgia	70.5	79.4			13.3	30.2	97	93
Germany	76.9	82.3	6.1	2006	3.9	4.4	94	100
Greece	77.0	82.0	2.7	2006	3.5	4.1	88	98
Hungary	69.2	77.3	5.1	2005	5.9	6.8	99	100
Iceland	79.4	82.9	24.4	2001		2.5	95	100
Ireland			3.3	2005	3.7c	4.2	87	
Italy	78.1b	83.6b	5.1	2003	3.7	3.7	87	
Latvia	65.8	76.5	9.0	2006	8.7	8.6	97	78
Liechtenstein						2.5		
Lithuania	64.9	77.2	13.1	2005	5.9	8.2	97	
Luxembourg	77.6	82.7	18.6	2005		2.8	96	100
Macedonia			3.7	2003	10.3	16.6	96	
Malta	77.2	81.7	50.5	2001				
Moldova	65.0	72.6			11.3	18.2	96	79
Monaco						4.1	99	
Montenegro						10.4	90	91
Netherlands	78.0	82.3	8.1	2006	4.1	5.2	96	100
Norway	78.2	82.7	3.5	2005	3.1	3.6	92	
Poland	71.0	79.7	2.9	2006	6.0	6.8	98	
Portugal	75.2	81.6	7.1	2003	3.4	3.8	95	99
Romania	69.2	76.1	15.5	2006	12.0	14.9	97	72
Russian Federation	61.4	73.9	23.8	2006	9.2	14.5	99	87
San Marino						3.5	92	
Serbia	70.7	76.2	12.7	2006	7.1	7.7	95	92
Slovak Republic	70.5	78.1	3.7	2005	6.1	7.8	99	100
Slovenia	75.0	82.3	15.8	2006		3.9	96	
Spain	77.0b	83.5b	3.9	2005	3.5	4.3	97	100
Sweden	78.9	83.0	5.9	2005	2.5	3.2	96	100
Switzerland	79.2	84.1	5.5	2005	3.9	4.9	86	100
Turkey	69.1	74.0			16.7	23.0	96	88
Ukraine	62.5	74.2	17.6	2005	11.0	24.2	98	93
United Kingdom			6.7	2006	5.0a	5.8	86	
Source	WB		UN		WB		WB	

Notes:
a: 2006
b: 2005
c: 2003

CHILDCARE

Variable	Paternal leave				Enrolment rates of children under age 6 in formal care or early education services (%), 2006	
	Indicator	Spending on maternity and parental leave payments per child born, 2005 (spending per birth as a % of GDP per capita)	Weeks entitlement, 2006/2007	Full-time equivalent (FTE) of paid maternity, paternity and paternal leave, 2006/2007	Unpaid leave (weeks), 2006/2007	0-2 years
Albania						
Andorra						
Armenia						
Austria	15.4	16	16.0	0.0	10.5	74.9
Azerbaijan						
Belarus						
Belgium	15.8	15	11.3	3.7	41.7	99.8
Bosnia and Herzegovina						
Bulgaria		63	56.7	6.3	31.2	69.4
Croatia						
Cyprus					20.0	70.7
Czech Republic	60.8	28	13.7	14.3	2.6	82.3
Denmark	47.4	18	18.0	0.0	63.0	90.7
Estonia		28	28.0	0.0	36.0	85.2
Finland	58.0	17.5	16.9	0.6	26.3	67.8
France	27.5	16	16.0	0.0	42.9	100.2
Georgia	23.0					
Germany		14	14.0	0.0	13.6	89.3
Greece	8.9	17	17.0	0.0	18.2	47.3
Hungary	67.7	24	16.8	7.2	10.5	86.8
Iceland	44.3	13	10.4	2.6	55.7	95.0
Ireland	5.5	48	18.2	29.8	25.2	49.4
Italy	18.7	21	16.0	5.0	28.6	99.4
Latvia		19	19.0	0.0	8.1	77.3
Liechtenstein						
Lithuania		21	21.0	0.0	8.0	60.6
Luxembourg	39.0	16	16.0	0.0	43.4	85.2
Macedonia						
Malta		13	5.9	7.1	6.8	91.4
Moldova						
Monaco						
Montenegro						
Netherlands	12.9	16	16.0	0.0	53.9	57.6
Norway	53.7	9	9.0	0.0	42.3	90.5
Poland	24.6	18	18.0	0.0	8.6	40.7
Portugal	18.5a	17	17.0	0.0	43.6	78.9
Romania		21	15.8	5.3		72.5
Russian Federation						
San Marino						
Serbia						
Slovak Republic	51.3	28	15.4	12.6	4.9	72.7
Slovenia		15	15.0	0.0	32.5	77.5
Spain	14.5	12	12.0	0.0	33.9	97.7
Sweden	59.4	12	9.6	2.4	45.3	85.6
Switzerland		16	12.8	3.2		48.0
Turkey		12	7.9	4.1		16.0
Ukraine						
United Kingdom	10.3	39	9.3	29.7	39.7	90.5

Source: OECD

Notes:

a: 2004

- FTE is an indicator of the overall support = Duration of leave in weeks payment received by the claimant (as per cent of Average Wage earnings)

LIVING CONDITIONS						
Variable	Social contributions	Inflation	Food prices	Rooms per person	Life satisfaction	Financial satisfaction
Indicator	Social contributions (% of revenues), 2008	Consumer price index, average 2009	Consumer price index, food items, 2009	Average number of rooms per person, 2008	0 to 10 worst - best possible life (measure type 31D), latest 2006-2008	Dissatisfied with household financial situation (%) (1) (2)
Albania		2.2	5.1			
Andorra		-1.2	-0.1		4.6	16.4
Armenia	13	3.4	-0.9			
Austria	40	0.5	0.2	1.6	4.7	
Azerbaijan		20.0b	28.5b		7.2	
Belarus	29	13.0	14.0		4.6	
Belgium	35	-0.1	1.1	2.2	5.6	
Bosnia and Herzegovina	37	-0.4	-0.9		7.1	
Bulgaria	22	2.8	-0.6	1.0	4.9	60.2
Croatia	33a	2.4	1.6		4.5	
Cyprus		0.3	4.5	1.9	5.8	15
Czech Republic	45	1.0	0.2	1.2	6.2	
Denmark	34a	1.3	-0.1	1.9	6.5	
Estonia	34a	-0.1	-4.0	1.2	8.0	
Finland	31a	0.0	2.0	1.9	5.5	14.5
France	43a	0.1	0.4	1.7	7.7	20.7
Georgia	17a	10.0b			7.0	62.9
Germany	55a	0.4	-1.2	1.7	4.2	22.2
Greece	36a	1.2	1.9	1.2	6.5	
Hungary	34	4.2	4.4	1.0	0.6	
Iceland	9	12.0	17.5	1.6	5.5	
Ireland	18a	-4.5	-3.5	2.0	6.9	
Italy	36	0.7	1.8	1.4	7.6	11.8
Kosovo		-2.4	-4.4		6.8	
Latvia	30	3.5	-0.1	1.0	5.1	
Liechtenstein						
Lithuania	32	4.4	1.6	1.0	5.6	
Luxembourg	29a	0.4	1.4	1.8	6.8	
Macedonia	29	8.3a	15.3a		4.5	
Malta		2.1	6.4	2.0		
Moldova	29	0.0	-5.6		4.8	48.4
Monaco						
Montenegro					5.2	
Netherlands	34a	1.2	1.1	2.0	7.6	12.7
Norway	17	2.1	4.1	2.0	7.6	8.9
Poland	35	3.5	4.3	1.0	5.9	35.9
Portugal	33	-1.0	-3.5	1.5	5.4	
Romania	33	5.6	9.2b	0.9	5.4	46.1
Russian Federation	16	14.1b	20.9b		5.1	45.8
San Marino		2.2	2.4			
Serbia	35	7.8	4.3		4.8	44.2
Slovak Republic	41	1.6	-3.2	1.1	5.9	
Slovenia	38	0.9	0.6	1.1	5.9	18.3
Spain	52	-0.3	-1.1	1.9	7.3	19.8
Sweden		-0.3	2.9	1.7	7.5	15.1
Switzerland	36a	-0.5	-0.2		7.5	7.5
Turkey		6.2	8.0		5.1	19.4
Ukraine	36	15.9	10.9		5.2	47.8
United Kingdom	21	-0.5	5.3	1.8	7.0	14.6
Source	WB	ILO	ILO	Eurostat-SILC	World Happiness Database	World Values Survey

Notes:

a: 2007

b: 2008

(1) Percentage of people giving a score 1-4 out of 10 on the question 'How satisfied are you with the financial situation of your household?'

(2) Andorra [2005], Bulgaria [2006], Cyprus [2006], Finland [2005], France [2006], Georgia [2008], Germany [2006], Great Britain [2006], Italy [2005], Moldova [2006], Netherlands [2006], Norway [2007], Poland [2005], Romania [2005], Russian Federation [2006], Serbia [2006], Slovenia [2005], Spain [2007], Sweden [2006], Switzerland [2007], Turkey [2007], Ukraine [2006]

Social contributions include social security contributions by employees, employers and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments.

SOCIAL PARTICIPATION 1

Variable	NEETs (not in education, employment or training)		Suicides and violent death			Trust		Political action	
Indicator	Percentage of people aged 15-19 who were not in education or work in 2004		Estimated deaths by intentional injuries (per 100,000 inhabitants), 2002			Agree on 'trust completely' + 'trust a little' your neighbours (%) (1)	Agree on sentence 'Most people can be trusted' (%) (1)	Would never attend a lawful/peaceful demonstration (%) (1)	Would never sign a petition (%) (1)
	Men	Women	Total	Self-inflicted injuries	Violence				
Albania			0.3	0.1	0.2				
Andorra			0.0	0.0	0.0	51.3	20.1	19.3	8.3
Armenia			0.2	0.1	0.1				
Austria			1.6	1.5	0.1				
Azerbaijan	7.2	7.5	0.6	0.4	0.2				
Belarus			5.1	3.8	1.3				
Belgium	5.8	3.9	2.3	2.1	0.2				
Bosnia and Herzegovina			0.7	0.6	0.1				
Bulgaria			1.6	1.3	0.2	74.5	22.2	52.6	59.1
Croatia			1.0	0.9	0.1				
Cyprus			0.0	0.0	0.0	51.1	9.9	34.2	34.6
Czech Republic	5.0	6.4	1.8	1.7	0.1				
Denmark	0.7	2.3	0.8	0.7	0.1				
Estonia			0.6	0.4	0.2				
Finland	5.1	5.5	1.4	1.2	0.2	85.9	58.9	50.8	17.4
France	6.2	4.5	9.9	9.5	0.4	82.3	18.8	30.7	10.4
Georgia			0.4	0.2	0.2	92.0	18.1	56.0	74.3
Germany	3.5	3.7	12.0	11.4	0.6	76.2	36.8	30.2	20.1
Greece	7.6	10.7	0.5	0.4	0.1				
Hungary	6.6	5.8	3.0	2.8	0.2				
Iceland	1.4	3.8	0.0	0.0	0.0				
Ireland	8.3	8.7	0.5	0.5	0.0				
Italy	9.1	10.3	4.5	3.9	0.6	69.0	29.2	31.0	13.9
Latvia			1.0	0.7	0.3				
Liechtenstein									
Lithuania			1.9	1.6	0.4				
Luxembourg	2.1	3.1	0.1	0.1	0.0				
Macedonia			1.0	0.2	0.1				
Malta			0.0	0.0	0.0				
Moldova			1.3	0.8	0.5	54.3	17.9	48.9	57.5
Monaco			0.0	0.0	0.0				
Montenegro			1.6	1.4	0.2				
Netherlands	2.5	2.2	0.6	0.5	0.0	69.7	45.0	43.1	16.4
Norway	4.2	2.8	7.4	6.7	0.7	90.6	74.2	25.6	9.7
Poland	3.0	2.1	0.8	0.7	0.1	75.4	19.0	59.4	46.7
Portugal	9.7	11.0							
Romania			3.6	2.8	0.8	49.6	20.3	64.8	65.7
Russian Federation			123.6	59.0	47.5	67.6	26.2	55.6	69.0
San Marino									
Serbia			1.8	1.6	0.2	65.8	15.3	42.0	36.2
Slovak Republic	8.6	7.1	0.9	0.7	0.1				
Slovenia			0.6	0.6	0.0	59.7	18.1	38.3	33.8
Spain	10.0	10.8	3.8	3.4	0.4	76.0	20.0	24.5	30.0
Sweden	7.8	4.0	1.2	1.1	0.1	89.7	68.0	21.3	5.1
Switzerland	7.6	6.8	1.4	1.3	0.1	86.7	53.9	33.5	8.3
Turkey	24.7	47.1	7.9	4.7	2.4	74.6	4.9	63.1	52.7
Ukraine			25.1	17.5	7.6	73.4	27.5	56.1	66.5
United Kingdom	10.2a	10.5a	5.6	5.0	0.6	80.4	30.5	38.6	8.5
Source	OECD		WHO			World Value Survey		World Value Survey	

Notes:

(1) Andorra [2005], Bulgaria [2006], Cyprus [2006], Finland [2005], France [2006], Georgia [2008], Germany [2006], Great Britain [2006], Italy [2005], Moldova [2006], Netherlands [2006], Norway [2007], Poland [2005], Romania [2005], Russian Federation [2006], Serbia [2006], Slovenia [2005], Spain [2007], Sweden [2006], Switzerland [2007], Turkey [2007], Ukraine [2006] a: 2005

SOCIAL PARTICIPATION 2											
Variable	Voluntary work		Active participation in voluntary organizations, % (1)								
Indicator	Proportion of people engaged in voluntary work, %, 2006 (2)		Charitable and humanitarian	Environmental	Sport or recreation	Art, music, educational	Professional	Church or religious	Political party	Labour unions	Any other
	15-29 years old	30-49 years old									
Albania											
Andorra			12.7	5.5	31.8	22.9	9.6	11.8	2.9	2.4	1.2
Armenia											
Austria	52.2	57.7									
Azerbaijan											
Belarus											
Belgium	38.1	38.4									
Bosnia and Herzegovina											
Bulgaria	7.9	7.1	0.7	0.4	1.3	1.2	1.2	1.9	2.1	3.2	78.4
Croatia											
Cyprus	50.0	48.2	6.0	1.1	12.8	7.6	6.5	8.6	8.3	7.1	4.3
Czech Republic	34.7a	31.1a									
Denmark	50.8	48.3									
Estonia	22.3	19.7									
Finland	51.3	52.8	8.3	1.6	21.6	9.5	2.3	17.6	3.3	12.0	2.7
France	33.4	33.9	8.8	6.3	22.7	11.3	6.4	4.4	2.6	5.8	1.9
Georgia			0.1	0.1	0.3	0.7	0.2	3.1	0.3	0.8	0.1
Germany	45.4	48.4	4.7	1.5	26.8	8.2	3.8	12.9	2.3	3.4	5.1
Greece	38.4a	42.5a									
Hungary	16.7	23.4									
Iceland	19.7a	39.6a									
Ireland	42.0	48.5									
Italy	26.7a	28.3a	9.3	1.4	17.3	10.0	7.0	9.2	3.4	3.3	9.4
Latvia											
Liechtenstein											
Lithuania											
Luxembourg	32.7a	29.0a									
Macedonia											
Malta											
Moldova			2.5	1.9	6.4	7.9	7.0	12.9	2.7	6.8	1.0
Monaco											
Montenegro											
Netherlands	43.6	51.2	6.8	4.1	37.4	20.5	6.0	14.4	4.2	7.8	1.9
Norway	64.3	69.7	12.3	1.3	27.1	12.6	7.5	8.3	4.3	13.6	12.5
Poland	20.1	13.8	3.1	1.6	4.2	4.6	2.6	12.9	1.1	4.4	3.3
Portugal	33.7	38.6									
Romania	17.0	18.7	0.8	0.2	1.0	1.1	1.2	5.4	2.5	3.8	0.3
Russian Federation			1.1	0.4	5.9	4.2	1.6	2.6	0.8	3.4	
San Marino											
Serbia			1.2	1.1	6.9	2.5	1.9	3.9	2.7	2.2	69.2
Slovak Republic	21.6	26.4									
Slovenia	39.3	39.8	7.7	2.7	18.2	9.2	6.4	12.4	2.1	8.9	3.8
Spain	31.7	43.1	5.1	1.1	10.0	5.7	3.4	9.1	1.1	2.7	4.4
Sweden	26.2	32.1	10.0	1.0	29.8	12.8	6.4	6.9	2.8	10.2	21.8
Switzerland	55.7	55.7	11.2	5.2	36.3	21.2	15.8	22.1	8.1	4.7	82.3
Turkey	1.8a	1.7a	0.8	0.8	1.9	1.5	1.5	1.3	2.3	1.1	0.4
Ukraine			1.9	1.1	4.2	4.0	2.1	5.6	2.1	4.4	
United Kingdom	41.5	42.5	20.9	6.0	30.0	21.7	14.6	19.2	3.3	10.1	0.8
Source	European Social Survey and World Value Survey		World Value Survey								

Notes:

(1) Andorra [2005], Bulgaria [2006], Cyprus [2006], Finland [2005], France [2006], Georgia [2008], Germany [2006], Great Britain [2006], Italy [2005], Moldova [2006], Netherlands [2006], Norway [2007], Poland [2005], Romania [2005], Russian Federation [2006], Serbia [2006], Slovenia [2005], Spain [2007], Sweden [2006], Switzerland [2007], Turkey [2007], Ukraine [2006]

(2) In the 2006 European Surveys, respondents were asked whether, over the last 12 months, they have been involved in work for voluntary or charitable organizations. The estimates derived here correspond to the proportion respondents who answered positively.

a: Data for Czech Republic, Greece, Iceland, Italy, Luxembourg and Turkey are from the World Value Survey. In the 1999-2002 World Values Surveys, respondents were asked if they were currently doing unpaid voluntary work for any group they belong to. The estimate shows here the proportion of respondents doing unpaid work for at least one group.

GENDER EQUITY INDEX (GEI)				
	GEI 2009	Education gap	Economic activity gap	Empowerment gap
Albania	55	96.3	61.9	6.6
Andorra				
Armenia	58	97.1	71.2	4.6
Austria	71	95.1	61.0	56.6
Azerbaijan	60	91.1	73.3	15.3
Belarus	66	96.6	72.7	28.9
Belgium	72	96.0	64.2	56.2
Bosnia and Herzegovina	61	93.3	76.0	13.0
Bulgaria	73	96.1	71.6	52.6
Croatia	75	99.4	70.7	56.0
Cyprus	65	97.9	68.2	29.0
Czech Republic	68	96.8	64.0	43.4
Denmark	79	97.6	78.6	61.1
Estonia	73	97.6	71.2	50.8
Finland	84	98.6	78.5	75.7
France	72	96.6	71.7	47.8
Georgia	62	94.7	49.7	42.5
Germany	78	93.8	67.6	73.0
Greece	65	95.9	61.2	38.6
Hungary	70	96.1	68.3	44.9
Iceland	78	98.7	78.8	55.2
Ireland	69	98.1	63.3	46.9
Italy	64	96.8	54.6	42.1
Latvia	75	97.1	71.0	57.0
Liechtenstein				
Lithuania	76	97.3	75.6	53.8
Luxembourg	61	98.2	60.1	23.5
Macedonia	67	96.1	55.5	50.1
Malta	58	96.7	49.5	28.5
Moldova	74	97.9	71.8	51.9
Monaco				
Montenegro				
Netherlands	77	95.7	70.7	65.4
Norway	83	96.2	82.0	69.8
Poland	70	96.2	68.8	45.2
Portugal	73	97.6	69.1	52.8
Romania	71	97.3	74.6	42.0
Russian Federation	71	97.3	71.2	45.1
San Marino				
Serbia				
Slovak Republic	69	97.0	67.2	42.2
Slovenia	65	81.8	70.7	42.8
Spain	77	98.4	58.3	74.1
Sweden	88	96.3	83.8	82.9
Switzerland	62	91.8	71.3	23.4
Turkey	46	85.3	35.8	17.3
Ukraine	69	97.4	66.9	44.0
United Kingdom	74	97.5	72.8	51.1
Source	Social Watch	Social Watch elaboration on UNESCO data	Social Watch elaboration on UNESCO and IPU data	

Social Watch developed the Gender Equity Index (GEI) to make gender inequities more visible. The GEI is based on information available that can be compared internationally, and it makes it possible to classify countries and rank them in accordance with a selection of gender inequity indicators in three dimensions: education, economic participation and empowerment. In most societies men and women are assigned different responsibilities, rights, benefits and opportunities in the activities they perform, in access to control of resources and in decision-making processes.

In order to measure inequities we have established the proportions or ratio between the sexes in different indicators. This is used as a basis for inferring the structure of opportunities and so countries can be compared in an agile way that is direct and intuitive. What the GEI measures is the gap between women and men, not their wellbeing. For example, a country in which young men and women have equal access to a university education receives a value of 100 on this particular indicator, and a country in which boys and girls are equally barred from completing primary education would also be awarded a value of 100. This does not mean that the quality of education does not need to be improved; it just establishes that, in this case, girls education is not inferior than that of boys.

The way the GEI is calculated is a response to the need to reflect all situations that are unfavourable to women. When there is a situation in which women are at a proportional disadvantage with respect to men, the GEI does not reach its maximum value of 100 points. The final value of the index depends on the degree of negative inequity for women prevailing in a given country or region regardless of whether there may also be inequities that are positive for women (that is to say negative for men).

GAP IN EDUCATION

We measure the gender gap in the following indicators:

- Literacy rate
- Enrolment rate in primary education
- Enrolment rate in secondary education
- Enrolment rate in tertiary education

GAP IN ECONOMIC ACTIVITY

The estimation of the gender gap in economic activity is based on the gender gap in the following indicators:

- Rate of economic activity
- Estimated perceived income

EMPOWERMENT GAP

The estimation of empowerment is based on the following indicators:

- % of women in technical positions
- % of women in management and government positions
- % of women in parliament
- % of women in ministerial level positions



Acronyms

ALMP	active labour market policy
BGN	Bulgarian Lev
BiH	Bosnia and Herzegovina
COFACE	French Company for the Insurance of Foreign Trade
DALO	Droit au Logement Opposable
EAPN	European Anti-Poverty Network
EC	European Commission
EMP	Euro-Mediterranean Partnership
ESC	European Social Charter
ESCWA	Economic and Social Commission of West Asia
ETUI	European Trade Union Institute
EU	European Union
EWL	European Women's Lobby
FRA	Fundamental Rights Agency
GDP	gross domestic product
GEI	Gender Equity Index
GNP	Gross National Product
HUF	Hungarian Florint
IAI	International Alliance of Inhabitants
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILO	International Labour Organization
IMF	International Monetary Fund
IPU	Inter-Parliamentary Union
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
JASMINE	Joint Action to Support Microfinance Institutions in Europe
KM	Convertible Mark
MDG	Millennium Development Goal
MSF	Médecins sans Frontières
NAP	National Action Plan
NBFI	non-bank financial institution
NEET	not in education, employment or training
NGO	non-governmental organisation
NSPSI	National Strategy on Social Protection and Social Inclusion
NUTS	Nomenclature des Unités Territoriales Statistiques (Nomenclature of territorial units for statistics)
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OECD DAC	OECD Development Assistance Committee
OMC	Open Method for Coordination
PLMP	passive labour market policy
PLN	Polish Zloty
PRSP	Poverty Reduction Strategy Paper
SILC	Statistics on Income and Living Conditions
SME	small and medium size enterprise
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WB	World Bank
WHO	World Health Organization
YFJ	Youth Forum Jeunesse (European Youth Forum)

Glossary

- **'At risk of poverty' threshold (or poverty threshold)**
The at risk of poverty threshold is a metric set by the EU at 60% of the median household income for each Member State.
- **Equivalentised income**
Equivalentised income is the income that a household needs to attain a given standard of living and depends on its size and composition.
- **Europe 2020 strategy**
The Europe 2020 strategy is the key overarching strategy for the European Union for the next 10-year period. The Europe 2020 strategy establishes three key priorities, sets five targets, and provides for seven flagship programmes.
The three key priorities are: 1) Smart growth: developing an economy based on knowledge and innovation; 2) Sustainable growth: promoting a more resource efficient, greener and more competitive economy; and 3) Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.
The five targets are: 1) employment rate of 75% for people between 20 and 64; 2) investment of 3% of the EU's GDP in research and development; 3) the '20/20/20' climate/energy targets met; 4) share of early school leavers under 10%, and at least 40% of the younger generation with a tertiary degree; and 5) 20 million less at risk of poverty.
- **Financial exclusion**
Financial exclusion can be described as the inability of individuals, households or groups to access necessary financial services in an appropriate form.
- **Gini coefficient**
The Gini coefficient is a measure of the inequality of a distribution, a value of 0 expressing total equality and a value of 1 maximum inequality.
- **Lisbon Strategy**
The Lisbon Strategy was an action and development plan for the European Union between 2000 and 2010.
- **Microfinance**
Microfinance refers to the provision of financial services – microloans, savings, insurance services and transfer services – to low income households.
- **Open Method of Coordination on Social Protection and Social Inclusion (OMC)**
The Open Method of Coordination is a voluntary process for political cooperation based on agreeing common objectives and common indicators to measure progress towards these objectives. Through the Open Method of Coordination on social protection and social inclusion, the EU provides a framework for national strategy development, as well as for coordinating policies between EU countries on issues related to poverty and social exclusion, healthcare and long-term care as well as pensions.
- **Optional Protocol to the ICESCR**
The Optional Protocol to the ICESCR 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.
- **Out-of-pocket payments (in the healthcare sector)**
The amount of money paid by the patient and not reimbursed.
- **Social transfers**
Regular and predictable grants, usually in the form of cash, provided by governments or non-governmental organisations to individuals or households to decrease chronic or shock induced poverty.
- **Treaty of Lisbon**
The Treaty of Lisbon, which entered into force on 1 December 2009, is an international agreement that amends the two treaties (the Treaty on European Union and the Treaty Establishing the European Community) that comprise the constitutional basis of European Union.
- **Working poor**
Fully employed individuals whose level of income is sufficiently low that they face the same conditions and challenges as those associated with poverty.

POVERTY: About 17% of people living in the EU (approximately 85 million people) are facing poverty and social exclusion.

UNEMPLOYMENT: In Spain, Estonia, Lithuania and Latvia every fifth person was unemployed in the first quarter of 2010.

CHILDREN: One child in five in Europe is born and grows up experiencing economic and social deprivation.

FINANCIAL EXCLUSION: Two in ten adults in the EU15 and almost half in the EU10 (47%) do not have a bank account, and many more have no savings or access to credit.

MIGRANT UNEMPLOYMENT: The unemployment rate among young second-generation migrants in Belgium is four times the unemployment rate among native Belgians.

GENDER ISSUES: Just under 17% of women in the EU27 are classed as living in poverty. Across a range of indicators in the labour market and in social protection, the structural causes of poverty have a disproportionate impact on women.

ROMA: A United Nations Development Programme study of the situation of Roma in Hungary, Slovakia and the Czech Republic in 2003 found that infant mortality rates among the Roma population were twice that of non-Roma.

EDUCATION: The percentage of early school leavers in the EU27 was 14.9% in 2008.

SOCIAL PROTECTION: ILO estimates that only 2% of global GDP would be necessary to provide the world's poor with a basic social security package (universal access to basic healthcare and basic income transfers) and 6% would be sufficient to cover those who do not have access to social security.

YOUTH EMPLOYMENT: Every sixth young European (aged 15–24) is unemployed, and 40% of those working are on temporary contracts.

HOUSING: According to Eurostat, 17% of the EU population, i.e., about 85 million people, are ill-housed, of which about 3 million are homeless. Thirty-eight per cent of people at risk of poverty spend a very large share (i.e., more than 40%) of their disposable income on housing – compared to 19% of the overall population.

BULGARIA: Bulgaria is the poorest country in the EU, with an annual income per capita of US \$12,600 in 2009, and a poverty line (in euro) that 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.

FRANCE: 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.

ITALY: In 2009, the number of young people (aged 15–29) who were not in education, employment or training (referred to as NEETs) in Italy had grown to over 2 million or 21.2%.

