

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 657 final

Brussels, 23 November 1979

Proposal for a

COUNCIL DECISION

concerning an interim programme to combat poverty

(submitted to the Council by the Commission)

COM(79) 657 final

Commentary

On 21 January 1974 the Council of Ministers adopted a Resolution concerning a Social Action Programme. Amongst the priority actions noted by the Council was "the implementation, in cooperation with the Member States, of different specific measures to combat poverty by preparing pilot schemes".

Given the responsibility of implementing this mandate, the Commission, after consulting a number of government representatives and independent experts, prepared a document setting out the objectives of the programme, the criteria for the selection of schemes and the types of financial assistance which could be provided by the Community. These proposals were discussed in the forums of the European Parliament and the Economic and Social Committee who both gave their firm support. The proposals were approved in the Council Decision of 22 July 1975. This Decision enabled the Commission to promote or assist schemes within the limits of the relevant appropriations entered in the budget of the Communities for 1975 and 1976. The allocations were for amounts of 2.5 million and 2.875 million u.a. respectively.

On 27 November 1975 the Commission approved a list of 21 pilot schemes proposed by the Governments of the Member States and two cross-national studies proposed by the Commission and accepted by the Member States concerned. Contracts for the first working year were signed on 1 December 1975. The Decision obliged the Commission to consult the representatives of the Member States on all matters of importance concerning the development of the programme. An informal, advisory group was set up comprising nine government representatives, seven independent experts and two members representing both sides of industry. The group met in March 1976 for the first time.

On the basis of the first report from the Commission to the Council on the "Action Against Poverty" Programme (COM(76)718final) and considering that the majority of schemes had not yet been completed, on 12 December 1977 the Council adopted a new Decision amending Decision 75/458/EEC concerning the programme. The Council thought it desirable that the schemes still in progress should continue to be assisted by the Community within the limits of the relevant appropriations entered in the budget of the Communities for 1977, 1978 and 1979 (3.5-- 5 -5.75 million EUA) and that it would also be desirable to finance a small number of new schemes in order to complete the programme as a whole. On the basis of the Council's Decision on 29 March 1978 the Commission adopted a series of pilot schemes and studies extending the programme (SEC(78)1360).

In addition on 6 December 1978 the Commission decided:

- a) to continue the implementation of schemes in progress, most of which had been approved in 1975
- b) to continue the implementation of a pilot study which had been updated
- c) to implement a proposal concerning the 'Evaluation and control' of the programme
- d) to implement a proposal relating to the elaboration of 8 national reports on poverty and measures taken to combat it in the Member States of the Community.

On the basis of Article 6 of the aforementioned Decision the Commission submitted to the Council and the European Parliament a second report on the results available relative to the projects undertaken with financial assistance from the Community.

Upon completion of the programme and by 30 June 1981 at the latest the Commission will submit a final report consisting of an evaluation of the results obtained in the context of the programme to combat poverty.

Given that this report will be based upon :

- a final report on each project;
- an evaluation report on the programme of pilot schemes and studies as a whole;
- a series of national reports on poverty and measures taken to combat it in the Member States of the Community

and given the importance of the problem it is unlikely that the Council will be able to draw up its conclusions before the beginning of 1982.

In order to span the period between the end of the programme, 1 December 1980, (1) and the application of the Council's conclusions, for which the earliest date will be the second half of 1982, the Commission is now submitting a new draft Council decision defining proposals for the interim period for the purpose of continuing research and action to combat poverty.

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(1) Distinction must be made between the commitment of the budget, which must be carried out before 1 December 1979 and the end of the programme which is not until 1 December 1980.

The main justification can be found in the fact that poverty in the Community has not diminished to any great extent and it may even have increased since the first programme to combat poverty was launched, given the present economic crisis. The European Parliament has already voiced the political preoccupations in this matter by proposing annual Community aid in order to ensure the continuation of research to combat poverty and to promote actions based on the results of such schemes.

It is evident that these enquiries constitute a priority action for the Commission contributing in a significant manner to an interpenetration between Community work and work undertaken in the Member States and adding a Community dimension to such work.

It is, therefore, proposed to use the experiences of the whole of the first programme of pilot schemes and studies at present being undertaken, including the national reports which are being prepared.

Resources will be concentrated upon a small number of fields or aspects where there is a strong possibility of improving the situation in the short-term.

In order to bring out those aspects of the problem which could profitably be elaborated in order to prepare the programme for the interim period the Commission intends to organise a seminar in the spring of 1980, whose main aim will be to enable experts to exchange the provisional conclusions drawn from the projects undertaken with financial assistance from the Community.

Whilst it is impossible at present to specify the content of such an interim programme it is possible to give the following illustrative examples:

- (i) the use of poverty indicators, which have emerged from the pilot schemes and studies to indicate persons or areas in need of special assistance;
- (ii) the administrative integration of social insurance and social assistance services at the local level;
- (iii) a serious study of the reasons why social aid does not always reach target populations.

For (1) this refers to indicators emanating mainly from the study being undertaken on "Persistent poverty, examined in its legal, social and institutional context with a view to its elimination and/or prevention" being undertaken in the following regions :

- Province of Luxembourg
- Liège
- Hasselt
- Maastricht
- Sarrebruck
- Metz-Thionville
- Grand-Duché de Luxembourg

These indicators will lead to

- . a better knowledge of the scope and extent of persistent poverty;

- a better understanding of the factors and causes which can contribute to the persistence or the transmission of poverty;
- a better understanding of the problems which the target population and families encounter in the field of existing provisions and services whose intended purpose is to guarantee their rights, to offer them help or possibilities for improving their situation

and should be tested in the 9 Member States of the Community.

For (ii) one of the objectives of the project combatting the effects of poverty upon children from deprived families in the 14th arrondissement of Paris is to ensure a better coordination between services concerned with implementing policies in favour of children.

The project concerned with the "Improvement of social assistance services" in Padua (Italy) is an attempt at ending the confusion reigning in the existing social assistance scheme, at discontinuing the special services for predetermined groups of people, at avoiding delays arising from the complexity of bureaucratic formalities and the waste of resources caused by the overlap of work done by different organisations.

The project of "Comprehensive action to combat exclusion of the Fourth World" in Reims (France) has as its main objective the concertation of all relevant bodies at the local level to enable them to analyse their present methods of work and to formulate new methods of intervention.

To sum up, in the three schemes being undertaken at present and mentioned by way of illustration an attempt is being made to improve the coordination and functioning of the social services putting an end to the juxtaposition which exists between different bodies. Such an action is in the interests of the population as a whole, and in particular of the most disadvantaged. The results of these projects should be tested in the nine Member States.

For (iii) it is more and more evident that social security and social assistance, which were conceived to help disadvantaged groups, are either not reaching any or not enough of their target populations. Several projects have been investigating the factors responsible for this phenomena. It would be desirable to examine the importance of these factors in the nine Member States.

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The Council of the European Communities,

Having regard to the Treaty establishing the European Economic Community,  
and in particular Article 235 thereof;

Having regard to the proposal from the Commission;

Having regard to the opinion of the European Parliament (1);

Having regard to the opinion of the Economic and Social Committee (2).

Whereas in its Decision 75/458/EEC of 22 July 1975 concerning a programme of pilot schemes and studies to combat poverty (3), as amended by Decision 77/779/EEC (4), the Council empowered the Commission to promote or provide financial assistance for pilot schemes which test and develop new methods of helping persons beset by or threatened with poverty in the Community, and to promote, carry out or provide financial assistance for pilot studies to improve understanding of the nature, causes, scope and mechanics of poverty in the Community, within the limits of the relevant appropriations entered in the budgets of the Communities for 1975, 1976, 1977, 1978 and 1979;

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(1).....

(2).....

(3) L 199, 30.7.1975, p.34.

(4) L 322, 17.12.1977, p.28.

Whereas the Commission has established a programme consisting of :

- . 29 pilot schemes and studies
- . the preparation of an evaluation report for the programme
- . the preparation of 8 national reports on poverty and measures taken to combat it in the Member States of the Community;

Whereas, in accordance with Article 6 of the aforementioned Decision, the Commission has submitted to the Council and the European Parliament a second report on the satisfactory progress of the activities in this field;

Whereas, in accordance with the aforesaid Article 6 the Commission will submit, upon completion of the programme or by 30 June 1981 at the latest, a final report including an evaluation of the results obtained;

Whereas if a programme of pilot schemes and studies to combat poverty is not financed beyond the budget for 1979, the Community action in this field cannot be considered complete, as poverty remains a major preoccupation in all the Member States;

Whereas in these circumstances it is desirable to launch an interim programme based on a provisional analysis of the present programme, concentrating upon a small number of aspects where there is a strong possibility of making some progress,

HAS DECIDED AS FOLLOWS:

Article 1

Within the limits of the appropriations which are authorised by the budgetary authority, the Commission may promote, finance or undertake projects or studies related to certain aspects identified under the programme to combat poverty pursuant to Decision 75/458/EEC and which are suitable for examination in greater depth.



Article 2

Community financial assistance may not exceed 50% of the amount of the estimated cost, provided that this amount has been actually reached.

However, for pilot studies, financial assistance may exceed 50% of the amount of the estimated cost, provided that this amount has been actually reached, if the pilot study in question is of exceptional importance for the Community as a whole and is to be carried out on the territory of more than one Member State.

Article 3

1. Pilot schemes and studies for which Community financial assistance has been requested shall be forwarded to the Commission by the Member State on whose territory the pilot scheme or study is to be carried out.
2. The Commission shall inform the Member State concerned of its decision to grant or refuse the financial assistance requested.
3. Both public and private bodies shall be eligible for financial assistance.

Article 4

The Commission shall obtain the agreement of the Member State or States on whose territory the pilot scheme or study is to be carried out.

Article 5

1. The Commission shall consult the representatives of the Governments of the Member States and independent experts on all matters of importance concerning the operation of this Decision.
2. The Commission shall arrange for the body responsible for the pilot scheme or study to report back to it at regular intervals on the progress of the scheme or study and to give it any other information the Commission considers appropriate.

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Article 6

In 1983 the Commission shall submit a report to the Council and the European Parliament on the available results of operations carried out with financial assistance from the Community.

Article 7

This Decision shall enter into force on the fifth day following its publication in the Official Journal of the European Communities.

It shall apply to operations for which the Commission has decided for the first time before 1 December 1980 to grant financial assistance.

Done at Brussels, .....1979

For the Council  
The President

FINANCIAL FICHE

Intervention Credits

1. Appropriate line in the budget : 3060
2. Title of the line in the budget : Pilot schemes and studies to combat poverty.
3. Legal Basis

On 22 July 1975 the Council approved Decision 75/458/EEC concerning a programme of pilot schemes and studies to combat poverty.

Later on 12 December 1977 the Council approved Decision 77/779/EEC amending Decision 75/458/EEC considering it desirable that schemes still in progress as well as a small number of new schemes continue to be assisted by the Community within the limits of the relevant appropriation entered in the budget of the Communities for 1977, 1978 and 1979.

The Decision of 12 December 1977 provides that the Commission shall submit a final report on the available results of operations - as soon the programme is completed and not later than 30 June 1981.

Given that this report will be based upon :

- a final report on each project;
- an evaluation report on the programme of pilot schemes and studies as a whole ;
- a series of national reports on poverty and measures taken to combat it in the Member States of the Community

and given the importance of the problem it is unlikely that the Council will be able to draw up its conclusions before the beginning of 1982.

In order to span the period between the end of the programme, 1 December 1980 (\*), and the application of the Council's conclusions, for which the earliest date will be the second half of 1982, the Commission is now submitting a new draft Council decision defining proposals for the interim period for the purpose of continuing research and action to combat poverty.

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(\*) Distinction must be made between the commitment of the budget, which must be carried out before 1 December 1979 and the end of the programme which is not until 1 December 1980.

4. Description, objectives and justification of the action

4.0. Description of the action/target population :

4.00. Description

Although the programme of pilot schemes and studies to combat poverty will not be funded beyond the 1979 Budget (Post 3060), Community action to combat poverty cannot be considered as complete given that the subject remains a major preoccupation in all the Member States as well as all the countries of the world. It is, therefore, proposed to use the results gathered from the programme of pilot schemes and studies as a whole to concentrate efforts on a small number of fields or aspects where there is a strong possibility of improving the situation during an interim period, whilst awaiting the final report on the whole programme, including the national reports. (See point 3 above). These aspects will be brought together in one or several schemes or studies in each Member State and these projects will be based on information gleaned from earlier pilot schemes and studies undertaken in all the Member States.

Given that the programme of pilot schemes and studies will only end on 1 December 1980 it is not yet possible to specify the fields of action for the interim period.

4.01. Target population

4.01.0. Types :

Those persons whose resources are so small as to exclude them from the normal way of life. The actual categories will depend upon the actual shape which the project or projects take, for example they could focus on such aspects of poverty as :

- the use of poverty indicators, which have emerged from the pilot schemes and studies, to indicate areas or persons in need of special assistance,
- the administrative integration of social insurance and social assistance services at the local level,
- a serious study of the reasons why social aid does not always reach the target population.

4.01.1. Number : Indefinite.

4.01.2. Geographical location : all the Member States of the Community.

4.1. Objectives of the action

The objectives are to bring the goals of the original programme into a more definite and advanced phase, selecting certain areas where there is a strong possibility of remedying the situation, based on information drawn from the first programme.

4.2. Justification of the action chosen to attain the objectives

The main justification can be found in the fact that poverty in the Community has not diminished to any great extent and it may even have increased since the first programme to combat poverty was launched. The European Parliament has all ready voiced its political preoccupations in this matter by proposing annual Community aid in order to ensure the continuation of research to combat poverty and to promote actions based on the results of such schemes.

It is evident that these inquiries constitute a priority action for the Commission contributing in a significant manner to an inter-penetration between Community work and work undertaken in the Member States and adding a Community dimension to such work.

5. Appropriations

5.1. Pattern of expenditure

Engagement credits

1980	:	+	800.000	e.u.a.	(subsisting credits from 1979)
			4 000 000	e.u.a.	(credits requested in the draft budget for 1980)
1981	:		4.200.000	e.u.a.	(at current prices)
			<u>9 000 000</u>	e.u.a.	

The pattern of spending will be determined by contractual arrangements in 1980 and 1981.

Payment credits

Payments will be made approximatively as follows:

Engagements	Payments			
	1980	1981	1982	1983
1980 : 800.000		800.000		
1980 : 4.000.000(*)		1.600.000	2.400.000	
1981 : +/- 4.200.000			1.800.000	2 400 000
		<u>9 000 000</u>		

(\*) Credits remaining from 1979

## 5.2. Method of calculation

Cost of the projects in the programme for the period 1978-79 (2 budgetary exercises):

8.5 MEUA for 29 operations, that is to say an average of  
0.29 MEUA per operation.

Average estimated cost for the projects during the period 1980-1981 (2 budgetary exercises):

0.30 MEUA x 30 operations = 9 MEUE made up as indicated in the aforementioned 5.1.

## 6. System of control envisaged :

6.0. The implementation of each scheme and study will be based on a contract in which provision will be made for on the spot audits (individual files, books and other accounting documents).

6.1. The progress of the schemes and studies will be subject to regular reports. At the same time the Commission will set up appropriate systems to evaluate the results of the schemes and studies after consulting relevant bodies.

6.2. Government representatives and experts in other fields will be consulted on all important matters raised by the implementation of the programme especially relative to the evaluation of the results of the schemes, research, themes for cooperation and coordination between the relevant bodies in the public and private sectors.

## 7. Implications for staffing

Given that the proposal is for an interim programme (of approximately 2 years duration) and that the final decision concerning the continuation or discontinuation of the programme will be taken at the end of 1981/beginning of 1982, it is not proposed to recruit new personnel for the work. The numbers of persons engaged on the programme is, however, entirely insufficient (1 A.5 and 1 B.3 for a programme of approximately 30 schemes and studies, including the national reports in the Nine Member States and amounting to 20 million e.u.a. (of Community funding) or 35 million e.u.a. (Community and national funding)).