



Regional Initiatives to Combat Poverty and Social Exclusion – A Case Study of the European Union

Summary

This background brief provides an overview of the issues concerning poverty and social exclusion in the European Union, and the regional initiatives taken to address them. Particular attention paid to the exclusion and relative deprivation faced not only by migrants and minorities, but also the urban poor. Examples are given also of the specific programmes to address the problems of Roma exclusion and of the urban renewal programmes to reduce poverty and spatial segregation, and to increase social cohesion. The urban dimension also provides a good example of how regional funds are being used to combat poverty and social exclusion. However, as social policy still falls largely under national government competencies, the brief also reveals the limits of transnational action.

Contents

Introduction	3
Poverty, Inequality and Social Exclusion	5
Migrants and Minorities	12
The Urban Dimension of Poverty	17
EU Policy Goals and the Main Actors	20
Conclusion	28

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Contents

Page

Introduction	3
Poverty, Inequality and Social Exclusion	
I. What is poverty and inequality?	5
II. Social exclusion and its dimensions: A brief overview of the situation in the EU	8
Migrants and Minorities	
I. Overview	13
II. Case Study: The Roma	14
The Urban Dimension of Poverty	
I. Introduction: Urban poverty and deprived areas in cities	17
II. Losers from economic transitions and structural unemployment	17
III. Urban renewal programmes to address the problems	18
EU Policy Goals and the Main Actors	
I. Introduction	20
II. EU level initiatives	21
III. National/Local initiatives	24
IV. Looking ahead	25
Conclusion: The limits of regional organisations in combating poverty and social exclusion	28
References	29

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INTRODUCTION

The European Union (EU) is one of most stable and prosperous regions in the world. However, economic prosperity is not necessarily evenly distributed, and the EU, well aware of the dangers of poverty and social exclusion in the midst of a financial crisis has designated 2010 the *European Year for Combating Poverty and Social Exclusion*. This background brief examines the general social situation across the EU and looks at the measures taken by the EU to combat poverty and social exclusion through a combination of regional, national and local efforts.

According to a report by the European Commission, about 84 million Europeans are living at risk of poverty, “including 20 million children and 8% of the working population”.¹ Such a statistic is alarming because poverty results in limited access to rights and opportunities that other Europeans enjoy, curtailing one’s fundamental rights. Eradicating poverty has thus been a cause of concern for the EU. The report by the EU’s Social Protection Committee has highlighted that while living standards across the Union have improved and that there has been growth and progress accompanying European integration, the benefits have not been equally distributed across all sectors of society amongst member states or across regions within them, and that despite economic and demographic variations between them, poverty and social exclusion remains a key issue in all member states of the EU.

Inequalities have also increased, especially in the years of high economic growth where the neo-liberal model of economic integration was adopted and a retrenchment of the welfare state could be observed. Income levels grew substantially at the upper levels,² while disposable incomes of the least well-off

were squeezed. The current public debt crisis has added to the woes as governments across the Union adopted austerity measures that inevitably included cutbacks on social spending. The social and human dimensions of the crisis are now being looked into.

Social exclusion comes about from a convergence of economic, political and social circumstances. Of particular concern are the newer member states and those in Central and Eastern Europe. Most of these countries fare badly when looking at economic and social indicators even after years of receiving structural funds. In the transition to a full liberal market economy, economic policies and choices made that have paid little attention to the social dimension have created long-term structural employment and have exacerbated inequalities in many pockets of society, especially in the periphery of EU’s industrial core, creating a new legion of the unemployed. Immigrants and minorities are among the most vulnerable to poverty and social exclusion. This background brief will therefore pay particular attention to their plight. A section will also be dedicated to the urban poor, living in inner-city districts and in peripheral regions that have been adversely affected by economic transitions and spatial segregation.

This background brief provides an overview of the present reality in the EU with regard to poverty, inequality and social exclusion and presents some of the key initiatives taken by the member states and the EU to combat these issues. The brief also contains a summary of social policy and welfare reforms in the context of changing economic and labour markets. The recent shift from traditional welfare, which entailed income transfers, to more active schemes such as workfare will also be explained as we examine the different inclusion strategies currently in place and those being considered. The main actors and policy goals of the EU will then be considered to allow us to determine how far the EU has advanced in addressing the issues of poverty and social exclusion. As the national or sub-national level is often the

¹ European Commission DG Employment, Social Affairs and Inclusion
<http://ec.europa.eu/social/main.jsp?langId=en&catId=961> (Accessed 20 Mar 2011).

² European Commission Social Protection Committee (2009)

locus of intervention, we will see the limits of supranational action in this policy field.

From what is presented, one can see that the EU is a not homogenous zone of prosperity. There are pockets of society that are excluded. Governmental intervention in social policy is thus a necessary complement to economic growth and integration to mitigate the negative effects that often befall the most vulnerable individuals. The EU has also demonstrated that such policies can also complement economic programmes in place. Through the analysis of the policies that both the member states and the EU are adopting, we will recognise why the Union needs such policies even though it is comparatively well-off compared to the rest of the world, and how they contribute to economic growth and

stability. This might provide some guidance or insight to the countries of Southeast Asia and South America, regions that are currently going through their own period of rapid change and development, and considering deeper regional integration as a response to the challenges of globalisation. By shedding light on how the EU is managing societal inequalities and looking at its internal transition and changes, lessons can be learnt on how a regional organisation can address structural faults that result in inequalities. At this juncture, there are still limits as to what the EU could do to fully address the dislocations brought about by economic globalisation as nation states cling on to their role of providers of welfare to their citizens as part of the social contract.

POVERTY, INEQUALITY AND SOCIAL EXCLUSION

I. What is Poverty and Inequality?

The comprehensive definition of **poverty** adopted at the World Summit on Social Development (Copenhagen, 1995) sees it as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services. It includes a lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It is also characterized by lack of participation in decision making and in civil, social and cultural life”.³ However, poverty can be measured in two ways, absolute (or extreme) poverty, and relative poverty. When one lacks basic necessities for survival, one can be said to be suffering from absolute poverty, “a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information”.⁴

Such symptoms are characteristics of daily life in many states in the developing world and for the most part, this is not a problem in the EU as most citizens within its borders do not lack the necessities for survival. Relative poverty is the problem that needs to be addressed in the Union. This occurs when an

individual's income and resources do not adequately match those of the larger population, such that he or she is unable to afford an acceptable standard of living. A person might have low income and live in poor-quality housing, or have inadequate health care and education. Because of this, people can experience multiple disadvantages in integrating with society. They are often socially, economically and culturally marginalised or even excluded. As statistics reveal, migrant populations are most likely to fall into this group.

Though a minority, certain pockets of society in the EU need greater attention as they still suffer from absolute poverty. The most vulnerable have been hit the hardest by the financial crisis which has affected the household incomes of large numbers of individuals, causing such incomes to decline for many and exposing others to poverty and indebtedness. Though they were the first to suffer, this is not limited to migrant workers, and other social groups are increasingly affected and many now live in precarious situations. Without adequate social security systems, they will be at risk of falling into absolute poverty. Other groups at risk of poverty without the adequate social security nets are the elderly, disabled, children, single-parent and large families as well as the Roma⁵.

Gallie and Paugam (2002) have separated the three distinct dimensions that can account for explaining the differences in poverty at the national level: the socio-economic structure of the regime, the type of welfare state and social security provisions afforded by that state, and lastly culture.⁶ Explanations of poverty, and consequently measures that aim to alleviate poverty have two different approaches. One can approach poverty at the individual level, where personal characteristics and behaviour of the poor are seen to be the cause of poverty, or by looking

³ United Nations Department for Economic and Social Affairs. *World Summit for Social Development, Copenhagen 1995*. <http://www.un.org/esa/socdev/wssd/index.html> (accessed 8 Feb 2011).

⁴ United Nations Department for Economic and Social Affairs. *World Summit for Social Development, Copenhagen 1995*. <http://www.un.org/esa/socdev/wssd/index.html> (accessed 8 Feb 2011).

⁵ Roma is the term commonly used in EU documents to refer to a variety of groups of people who describe themselves as Roma, Gypsies, Travellers, Manouches, Ashkali, Sinti, etc.

⁶ Gallie, D. & S. Paugam (2002)

at structural factors and societal explanations. The latter sees poverty as a result of inescapable and impersonal factors whether it is due to discrimination, type of welfare regime or other reasons.

The EU has defined a poor person as one whose average income is less than 60% of the national average. Taking this definition, about 17% of the EU population was at risk of poverty in 2008. This figure varies between states, and in some, the differences are starker. The lowest figures can be found in the Czech Republic, the Netherlands, Slovakia, Denmark, Hungary, Austria, Slovenia and Sweden, where it ranges from 9-12%, while the highest is between 20-26% and can be found in Spain, Greece, Lithuania, Bulgaria, Romania and Latvia.⁷ At the EU level, the percentage of people at risk of poverty in 2007 (16%) was the same as in 2005. Thus the level of poverty in the EU has remained fairly constant,⁸ and the current figure is not very different from what was recorded in the older member states over the previous decade (1995 – 17%; 1997 – 16%; 1999 – 15%; 2001 – 15%) or for the EU as a whole (2002 – 15%).

Comparing relative poverty levels amongst different countries does not take into account the differences in living standards, which can be measured in terms of purchasing power. On average, a person considered poor in the UK earns €967 a month, while in Romania this figure is just €159.⁹ Relative poverty levels are more a measure of inequality, as a relatively poor person in a rich country is less likely to suffer material deprivation than a poor person living in a country with poor overall living standards, where one is more likely to lack access to basic necessities. Even in such countries, relative poverty might be low. The

⁷ European Commission (2009) p.23

⁸ Source: European Anti-Poverty Network (2009). *Poverty and Inequality in the EU*. http://www.eapn.eu/images/docs/poverty%20explainer_web_en.pdf (accessed 9 Feb 2011).

⁹ Source: *Poverty lines in Europe* data Available at: http://www.inegalites.fr/spip.php?article1194&id_mot=114 (accessed 8 Feb 2011).

most affected groups will be found in states where relative poverty is high, alongside poor overall living standards. Thus, one should not be misled by just looking at relative poverty figures.

The deprivation and severe deprivation rate that reflects levels of economic stress, adopted by the EU's Social Protection Committee includes a list of nine items: eating meat and fish every second day, a television and washing machine, a one-week holiday, a car, being able to afford bill and loan payments and to enjoy adequate heating in one's home, amongst others. The figure then, is the percentage of the population that cannot afford at least three of these items, while the severe deprivation rate measures the percentage of the population unable to afford at least four items on the list. The material deprivation and severe material deprivation rates stand at about 18% and 9% respectively for the EU-27, but when we break it down by country, we see that Eastern Europe fares much worse, where over 30% of the Romanian and Bulgarian population is considered severely deprived. These are also the only two countries in which 50% of the population is considered deprived. Latvia, Lithuania, Hungary and Poland are the other member states that have the highest material deprivation rates, while Luxembourg, Sweden, the Netherlands, Denmark, Spain and Finland all have 10% and below deprived and severely deprived rates.¹⁰

Inequality reflects the distribution of resources across the whole of society, unlike poverty, which focuses on the situation of those at the bottom. Looking at statistics of inequality, one can get an idea of how well wealth is shared or redistributed amongst members of society, and of the differences in individual incomes. This is also related to poverty, as the overall distribution of resources affect the extent and depth of poverty in a given country. It is usually the case that countries with high levels of

¹⁰ Eurostat (2008) http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Living_conditions_statistics (Accessed 15 Feb 2011)

inequality have equally high levels of absolute poverty, while those which are more equal are associated with less absolute poverty.¹¹ Having said this, we should not only look to economic indicators as a measure of inequality, but take a multidimensional approach when evaluating policy options, as other aspects such as health, education and a host of other factors have implications for inequality and consequently, one's economic attainment. Apart from economic inequality, ethnic inequality is also prevalent across the EU, especially with the steep increase in foreign born residents in many member states. While the EU needs immigrants in certain sectors and regions to fulfil economic and demographic needs, the reality is unfortunately, that ethnicity still matters. Immigrants are still very much at a disadvantage compared to native citizens in terms of opportunities available to them, with barriers faced in accessing the housing market, the labour market, and social services such as healthcare and education.

Economic inequality is usually equated with income inequality, which refers to the disparities in the distribution of assets and income amongst the population. The differences between the median income and the highest and lowest levels give us a sense of the economic inequality in a given country. It is most commonly measured using the Gini index, as well as the income quintile share ratio (S80/S20 ratio). The former takes into account the full income distribution, while the latter only takes the top and bottom quintile into account. The Gini index ranges from 0-100; the lower the index, the more equal the distribution of income.

The consumption of goods and services by individuals, in terms of volume and quality are both affected by economic inequality. We can look to statistics that measure economic deprivation to look at levels of economic stress, as this figure measures one's inability

¹¹ Source: *Poverty lines in Europe* data Available at: http://www.inegalites.fr/spip.php?article1194&id_mot=114 (accessed 8 Feb 2011).

(rather than the choice) to afford material comforts. This is measured by the deprivation and severe deprivation index. Many in poverty are unable to afford basic services such as heating; while others who are fortunate to be able to afford this have to then apportion a larger part of their income to other essentials such as housing, food, and so on, leaving no disposable income for emergency bills or purchases.

Degrees of income inequality are rather diverse in the EU. The S80/S20 ratio for the EU27 is 4.9 (2009) but this varies significantly across the 27 member states: Sweden, Slovenia, Slovakia, Hungary, Finland, Austria and have the lowest inequality ranging between 3.2-3.7, while Romania, Lithuania and Latvia have the highest ratios of between 6.3-7.3.¹² Inhabitants' average GDP in terms of purchasing power has also revealed stark contrasts between regions, ranging from 28% of the EU average (Severozapaden, Bulgaria) to 343% the EU average (Inner London, United Kingdom). Amongst the twenty regions with the lowest GDP, 6 were found in Romania, 5 in Bulgaria and Poland, and 5 in Hungary, and 64 regions (1 in 4) had less than 75% of the EU average, 15 of which were in Poland alone¹³.

II. Social Exclusion and its Dimensions: A brief overview of the situation in the EU

Economic inequality certainly contributes to social inequality, but it is only one of its many dimensions. Various forms of discrimination, whether due to gender, age, ethnicity, religion or disability, perpetuate inequalities. Religious and ethnic minorities, especially migrants, are particularly disadvantaged and

¹² Eurostat - Income Quintile Share Ratio <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tessi180&plugin=1> (accessed 8 Feb 2011)

¹³ Eurostat 28/2011 (24 Feb 2011) Regional GDP per Inhabitant 2008. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBL/IC/1-24022011-AP/EN/1-24022011-AP-EN.PDF (accessed 12 Mar 2011)

make up a large portion of the socially excluded. Social exclusion also results from discrimination, eventually creating a cycle of deprivation. Breaking this cycle is the most difficult task as social exclusion, where individuals are restricted from equally and fully participating in society, becomes more entrenched as it moves from one generation to another. The Roma community is a case in point and will be dealt with in more detail in this brief.

Social exclusion is a far broader concept than poverty and emphasizes social problems that are not only linked to the material or economic dimensions. It is defined by the European Commission as

“A process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education and training opportunities, as well as social and community networks and activities. They have little access to power and decision making bodies and thus feel powerless and unable to take control over the decisions that affect their day to day lives”.¹⁴

The definition offered by Musterd and Murie, implies segregation from the public and wider networks of importance, including joblessness. They further refine their definition to include “being in a position where social networks are weak and the risk of becoming socially isolated is serious; or it may be related to a situation in which individuals have lost their connection with important institutions in society (including the health system, public housing and the school system)”.¹⁵ There is no clear definition of social exclusion, but they all have in common processes that results in individual not able to fully participate in society due to a combination of structural,

social and cultural factors. While poverty is one of the main determinants of social exclusion, it goes beyond this, and furthermore, it is possible to be socially excluded without being poor.

According to the Commission of the European Communities, the wide range of inequalities that contribute to social exclusion “serves to emphasize the multifaceted nature of the phenomenon and the multiplicity and diversity of the factors that combine to exclude individuals, groups or even regions from those exchanges, activities and social rights, which are an inherent part of social integration”.¹⁶ Tackling social exclusion would then involve policies designed to promote cohesion so as to integrate the excluded more with society. Often this means targeting the underlying causal circumstances. Focusing on education is often a key priority, as education can directly provide the skills and knowledge necessary for labour market participation and social integration.

Social exclusion can be **structural**, as a result of an individual’s social rights and material wealth or deprivation. There are also more normative dimensions, where social settings and cultural or sub-cultural factors matter in explaining an individual’s social participation. The effect of economic system type on levels of social exclusion is indirect, as income inequality contributes to social exclusion. More materially equal societies tend to have lower levels of social exclusion; the highest social exclusion levels are found in the newer member states in Central and Eastern Europe, while the lowest is found in the Netherlands and in the Scandinavian member states. Poor health, as a result of old age also contributes to social exclusion because of individuals’ lack of social participation.

Jo Beall sees the concept of social exclusion as intimately related to global economic forces, as it “provides a way of understanding the relational and institutional dynamics that serve to include some and keep others out in

¹⁴ European Commission Directorate General for Employment and Social Affairs (2004)

¹⁵ Musterd & Murie (2006) p.7

¹⁶ Commission of the European Communities (1992)

a connected but polarised global economic context".¹⁷ The current economic situation in Europe has only exacerbated the difficulties of the most vulnerable, and has made employment even more difficult, even as social benefits and welfare are being chipped away. Global trends and economic pressures have led to a reduction of public spending by many national governments to remain competitive at the cost of social protection mechanisms. A recession, if prolonged will lead to the long-term exclusion from the labour market for many and a subsequent increase in inequality. At the same time, the amount of part-time work and temporary employment that often have little or no welfare provisions is rising. Unemployment, which is likely to remain high for a while, is placing a great strain on national safety nets. The rising demand for social support and high costs of public spending have created a situation which has placed many member states in debt, and many are pursuing severe austerity measures which will only result in further consequences socially in the future.

Because of the broad definition of social exclusion and the conceptual difficulty in separating social exclusion and poverty, measuring social exclusion is difficult even with the wide range of indicators available. Benchmarks and indicators need to be continually refined, and less tangible aspects of non-participation need to be measured as well. Furthermore, the usefulness of the concept of social exclusion in the development of responses or programmes depends on how one defines it and the indicators used. Lastly, because poverty and social exclusion are conceptually different, we should not expect a single set of policies to solve both problems at the same time.

a. Unemployment

Exclusion from work which manifests itself in long-term unemployment is a key form of social exclusion, directly affecting income inequality, and socio-economic integration. The unemployed are often isolated due to

reduced social contact but also because of the stigma of being unemployed. Statistics show that those who remain in employment have a risk of poverty that is five times lower than that of the unemployed (44% against 8%), while the inactive (as opposed to retired) have three times higher the risk of poverty than the employed (27% against 8%).¹⁸ Efforts should be made then, to target the long-term unemployed to re-integrate them into the labour market by improving their employability, either through education and training, or with job search assistance.

However, employment does not completely preclude poverty - there has been a proliferation of part-time and temporary work, often low-paying and low-skilled, with little or no health and pension benefits. 8% of the working population are classified as the "working poor",¹⁹ where employment conditions like low wages, low skill and precarious or under-employment, and poor access to training or skills upgrading, and most importantly, the reduction of welfare provisions have contributed to in-work poverty. In December 2010, the overall unemployment rate in the EU-27 member states was 9.6%, however, there were huge disparities between countries like the Netherlands or Austria (4.3% and 5.0% respectively) and countries like Hungary, Greece and Ireland (between 11.7-13.8%). The country with the highest figure though, was Spain where the rate of unemployment was substantially higher at 20.2%.²⁰ The Lisbon Agenda targeted a 70% employment rate for 2010, but by 2008, it had only been achieved in eight member states, with the overall employment rate at 65.9%. Labour market disparities are better measured across regions, as the dispersion of employment and unemployment between regions within member states reflects the inequalities in the

¹⁸ European Commission (2009) p.33

¹⁹ *Ibid.*, p.34

²⁰ Source: Eurostat - Harmonised Unemployment Rate by Gender

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teilm020&tableSelection=1&plugin=1> (Accessed 8 Feb 2011).

¹⁷ Beall (2002)

Union more clearly. Italy, Hungary, Slovakia and Belgium show the greatest internal divides. Generally, migrants are more disadvantaged in finding employment, and even though discrimination on the grounds of gender, ethnic origin, age and disability have been the subject of EU legislation (2000/43/EC and 2000/78/EC) discrimination continues to be a problem.

b. Education

Education provides the qualifications, skills and training necessary for participation in the labour market, and therefore contributes to social cohesion and integration. National education policy affects the educational attainment of individuals, and has an impact on the labour market. Chiefly, low educational attainment is often a barrier to entry into the labour market and because of this early school leavers are most at risk of social exclusion. The Lisbon Agenda targeted an 85% attainment level for youths aged 20-24 to complete at least upper secondary education, but at the moment, only nine member states have achieved this target.²¹ Across the EU, males are more likely to be early school leavers, with figures above 40% in Portugal and Malta, and with only four member states below the Lisbon Agenda target of 10%. On average, the unemployment rate for those with up to upper secondary education was almost double that of those who had completed tertiary education and for those who only completed primary education, three times as high.

c. Health (mental and physical)

Inequalities in health conditions of an individual also exist between different social groups as depending on an individual's financial situation, one's healthcare needs might not be adequately addressed. Additionally, those with physical and mental

²¹ Source: Eurostat - Population aged 15-74, by sex, age group and highest level of education obtained. http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_pgaed&lang=en (2011, accessed 20 Feb 2011)

disabilities are also limited in their participation in society. About 50 million European citizens have some form of disability, while across the Union the gap in life expectancy across member states has increased to 13 years for men and 8 years for women.²² Improved access to the labour market for the disabled and the elderly is necessary to reduce social exclusion. One's health is also affected by his or her economic and social situation, but due to differences in national pension and care systems, there are differences in the lifestyle, access to and quality of healthcare, as well as conditions affecting the quality of life of the disabled and elderly.

The changing demographics of the EU make the inclusion of older people into the labour market a pressing concern. Prolonged periods in poor economic and social environments will also have an effect on an individual's health. Long-term unemployment can also lead to effects on one's mental health. Overall labour market inclusion reduces health risks. The *Joint Report* states that more work is necessary to reduce health inequalities, as policies targeting health inequalities are only referred to by half the member states in their National Action Plans for Social Inclusion (NAPs), and these are not detailed enough. More attention therefore needs to be paid to the quality of healthcare, and the accessibility of services provided.²³

d. Homelessness and Housing Deprivation

The homeless and those with deprived housing form a significant excluded group. Having accommodation of acceptable quality is a basic human need, yet this continues to remain a problem in the EU. Apart from the issues of homelessness and housing deprivation, the most vulnerable individuals

²² Eurostat (2010) Life Expectancy in Birth Years (tps00025) <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tps00025> (accessed 12 Apr 2011)

²³ European Commission (2009)

also suffer from a host of housing-related problems that include overcrowding, poor amenities or poor sanitary conditions, as well as crime and environmental problems. It is especially a problem in the newer member states where significant inequalities continue to persist in terms of housing and sanitary conditions. Recent reports reveal that on average, 1 in 6 live in overcrowded homes. Still, this figure hides the vast differences across the EU. When broken down by member state, the figure is 1% and 3.7% in Cyprus and Ireland respectively, to 47% in Bulgaria, 55.3% in Romania, and a staggering 57.7% in Latvia. The same report also highlights that while 1% of people in 17 member states live in homes with no bath or shower facility, the figure in Romania is 41%. 43% of Romanians and 26% of Bulgarians also live in homes with no indoor flushing, compared to 1% across 15 other member states.²⁴

Housing also takes up a substantial portion of a household's disposable income, and significantly more for those who have less income. The financial crisis has hit the poorest group harder than other individuals, as they spend disproportionately more on housing, leading to an increase in defaults on housing loans and repossessions of property. The housing cost burden is measured by the ratio of one's housing costs to his/her annual disposable income. Across the EU member states, this figure tends to vary between 15-30%, and is considered extreme if it exceeds 40% of one's income. One-eighth of the EU population is considered to have an extreme housing cost burden, with the figure rising to 40% of the population in Bulgaria.²⁵ As statistics show, the lower the income of a household, the higher the proportion of this is spent on satisfying basic housing needs. The differences between the top and bottom quintile for housing expenditure as a percentage of a household's income in the UK is 17.6% versus 46.5%, and for Greece is

14.2% versus 52.5%, while the EU average is 13.4% versus 37.4%.²⁶

Statistics show that 38% of individuals who are at risk of poverty spend above 40% of their wages on housing – more than twice the average (19%).²⁷ The elderly also spend disproportionately more (as a percentage of income) on housing costs, as do those who rent instead of buy, and those who live alone.²⁸ As there is a clear relationship between the cost of housing and the risk of poverty, subsidised housing and other forms of social housing arrangements can substantially reduce the housing cost burden for individuals who earn less. They can also form part of the solution to the problem of homelessness and inadequate housing. However, such programmes must happen alongside larger integration efforts as public housing projects are often located in peripheral areas of cities that are poorly connected to the economic core, and inner-city suburbs that are stigmatised or shunned. Lastly, according to the European Federation of National Organizations Working with the Homeless (FEANTSA), to guard against homelessness, integration into society is an important factor for migrants, yet difficulties in accessing the housing market persist due to discrimination.

²⁴ Eurostat (2011)

²⁵ Eurostat (2011) Housing cost over burden rate (ilc_lvho07c and ilc_lvho07a) (2009 data)

²⁶ Atkinson, Anthony B. & Eric Marlier (2010)

²⁷ European Council (2010)

²⁸ Özdemir & Ward (2009)

MIGRANTS AND MINORITIES

I. Overview

Even though mobility within the Union has increased considerably and migration is becoming more widespread, economic migrants, asylum seekers, refugees and undocumented migrants continue to form some of the most vulnerable groups in society and are most likely to be socially excluded or at risk of poverty. The wealth gap between immigrant and native households is high and asymmetrically distributed. Reflecting this inequality, the immigrant/wealth ratio stands at 36% in Germany, 14% in Italy, and 61% in Luxembourg at the 75th percentile, even after household characteristics are controlled for.²⁹ While immigration and controlling the influx of migrants are the most important issues on the agenda in the EU, the inflow of economic migrants fills gaps in the labour market, where there is a constant need for a new and cheap labour force. Immigrants also contribute to the social welfare system, and they therefore need higher economic assimilation and a reduction of the wealth gap. This however, is difficult with the persistent xenophobia, Islamophobia, and difficulties in accessing public services and the housing market.

A common trend in the EU is higher rates of unemployment among migrants as compared to citizens. Often unskilled, a high percentage of them are unable to earn enough to provide themselves and their families a decent standard of living. Unemployment is far more widespread amongst immigrants as compared to native citizens, up to several times in many cases. A lower level of proficiency in the language of the host country further increases the risk of unemployment. While there are clear disparities in employment figures between nationals, and immigrants, the economic crisis has exacerbated this divide, and the numbers of immigrants on unemployment benefits have increased dramatically, further straining national

²⁹ Mathä, et al (2011)

welfare systems.³⁰ The study by Fleischmann and Dronkers concluded that both destination and origin countries mattered when looking at labour market integration and immigrants coming from Muslim-majority countries had a higher rate of unemployment, most likely because of direct or indirect discrimination.³¹ The same study revealed that there was no correlation between education levels and unemployment³² which might validate the trend of immigrants choosing not to pursue higher education, increasing financial aid to the needy improves access to education and reduces social inequality. Immigrants are also more likely to be hired in jobs of lower quality, for which they are overqualified. *Making the City Work*, a study by the University of London in 2005 revealed that 90% of low-paid jobs are being done by migrant workers. Furthermore, the redistribution of economic benefits often does not reach this sector of society because they often lack citizen rights, or because of the different types of welfare state arrangement in different member states.³³

The Fleischmann and Dronkers study revealed that despite repeated arguments that more generous naturalisation policies were advantageous to the integration of immigrants into the societies of their host countries, the effect of citizenship (or absence of citizenship) was not significant in affecting unemployment levels of immigrants.³⁴ However, one's citizenship status is closely linked to the rights afforded to individuals, especially in certain welfare systems, such as Germany and Italy. The problem of undocumented workers should also be considered. They often end up as illegal

³⁰ European Agency for Fundamental Rights (FRA) *The 4th Equality Summit – The Economic and Financial Crisis: A Catalyst or an Obstacle?* Speech by Ilze Brands-Kehris <http://www.fra.europa.eu/fraWebsite/attachments/Speech-IBK-4th-equality-summit-151110.pdf> (16 Nov 2010, accessed 8 Feb 2011).

³¹ Fleischmann & Dronkers (2010)

³² Fleischmann & Dronkers (2010) p.351

³³ Musterd & Murie (2006) p.11

³⁴ Fleischmann & Dronkers (2010) p.350

workers and face barriers in access to health care and housing and are often exploited because of their status. Employed in poorly paid jobs in often dangerous conditions with little recourse to legal action, such groups without workplace rights occupy a grey zone in the labour market. Their undocumented status increases their vulnerability and likelihood of exploitation and weakens their bargaining power. They lack any organised representation and draw no work benefits, having little of the rights offered to other workers. This market is growing larger to fill the demand for low skilled employment in the agricultural sector, the food and service industries and in construction, and wages in this grey zone are falling further. Frontex, the agency which manages the EU's external borders estimates that about 500 000 undocumented immigrants enter the EU every year.

Xenophobia continues to be a problem, and with the negative stigma surrounding migration in Europe, experiences of exclusion, racism and discrimination are common amongst migrants who are often accused of taking away jobs and threatening social and cultural cohesion. Such sentiment is often taken advantage of by parties of the extreme right, which has seen a substantial rise in support in recent years.³⁵ In particular, Islamophobia seems to be on the rise. Muslims are all too often 'disproportionately represented' in unemployment statistics, and many fall well behind the European mainstream in education and housing conditions. A 2006 report by the European Monitoring Centre for Racism and Xenophobia cites a 2004 study by the University of Paris, which replied to 258 job advertisements for a sales position and concluded that an applicant with a North African background was five times less likely to get a positive reply. "Many European Muslims, particularly young people, face barriers to their social advancement," said the report, adding that "this could give rise to a

³⁵ For a comparative survey, see Schain, et al. (2002)

feeling of hopelessness and social exclusion".³⁶

A more recent report by the European Union Agency for Fundamental Rights (FRA) examining discrimination against Muslims in the EU confirms persistent Islamophobia across Europe. According to the report, 1 in 3 Muslim respondents were discriminated against and 11% were victims of racially motivated 'in-person crime' (assault, threat or serious harassment) at least once in the previous 12 months. The highest levels of discrimination occurred in employment and in private services. Discrimination, harassment and racist crime remain grossly under-reported, mainly because of lack of confidence that the police would be able to do anything.³⁷ A report by Minority Rights Group International said that there has been "a sharp rise in Islamophobia in Europe in 2009", citing various examples of "anti-Islam" rallies in Germany and Denmark, among other incidents, such as attacks on mosques.³⁸ It also cites a recent poll in Belgium, which showed that 48% of Flemish people believe the values of Islam are a threat to Europe and 37% believe that most Muslims do not respect European culture and way of life.³⁹ Recently, the debates over Muslim migrants in several EU member states – Belgium, the Netherlands, and France – have intensified with the question over wearing of the hijab/burqa in public.

To prevent social discrimination and the risk of poverty, the legal integration of migrants is necessary as it removes many of the barriers they face. The provision of information about their rights in general and right of access to social and other services in particular, will also do much to overcome many hurdles they face. However, there is an extent to which the living and working conditions of migrants can

³⁶ European Monitoring Centre on Racism and Xenophobia (2006)

³⁷ European Agency for Fundamental Rights (2009)

³⁸ Minority Rights Group International (2009)

³⁹ Minority Rights Group International (2010) p.156

be improved by integration policies, as attitudes need to be changed as well.

II. Case Study: The Roma

a. Introduction

Data on migrants only partially cover ethnic minorities, of which the largest in the EU is the Roma,⁴⁰ who number about 11-12 million today, but concern for their plight as a discriminated minority is an issue that has been overlooked for far too long. They have suffered centuries of rejection and have been singled out in the media receiving much negative exposure. It is a pan-European issue, and not one confined to a select few member states where the majority of the Roma originate from. The largest Roma populations can be found in Romania, Bulgaria and Hungary. Following the wars in the Balkans in the 1990s, many have arrived in Western Europe from the former Yugoslavia, and from Eastern Europe following the enlargement of the EU. The exodus of Roma from their countries of origin perhaps indicates a failure of social inclusion policies and a lack of long-term strategies in these countries. It is a result of their continued segregation from the wider society where they suffer from unequal access to services, rights and opportunities.

The Roma are disproportionately poor, with the bulk residing in the more disadvantaged regions of the EU, predominantly in the Balkans and in Central Europe and often in informal settlements. Western and Southern member states also have sizeable populations of Roma within their borders, where they experience a multi-dimensional form of poverty stemming from a combination of high unemployment, poor living conditions and low educational levels. Additionally, there has been a long tradition of discrimination, indignity and stigma associated with the Roma. Millions of euros have been given to

⁴⁰ For a comparative analysis of national policies targeting the Roma people in Slovenia, Czech Republic, Sweden and Slovakia, see Chp 5, *The Aspect of Culture in the Social Inclusion of Ethnic Minorities* (2006, European Centre for Minority Issues)

Eastern European member states, earmarked for development and social integration, yet little has been done to improve the lives of the Roma who remain on the fringes of society. Access to education, healthcare and other services is difficult, and the lack of institutional provisions for this community has resulted in the development of shanty towns where a larger proportion of the Roma live and where supply of gas, water and electricity is inadequate. Because of their poor housing conditions and the difficulty in accessing public services, the Roma consequently have a much lower life expectancy, lower levels of educational attainment and unemployment rates are about thrice the average. Their difficulty in accessing the labour market and lack of education has led many to pursue informal economic activities for survival, including begging and petty crime.

The Roma that have exercised their right to free movement under European law by migrating to other parts of Europe are faced with difficulties in accessing national health systems, public housing and the labour market. There is a culture of open hostility and discrimination toward the Roma and they are often singled out. Being politically disorganised and lacking political representation, they do not have a strong lobby. The European Union Minorities and Discrimination survey reported that 47% of Roma maintained that they had been a victim of ethnically-based discrimination in the past 12 months and 32% said they were victims of crime, making it clear that the Roma needs assistance and support.⁴¹ Few measures for integration have been forthcoming, and often the solution is instead to send them back to their country of origin. Recent reports from Italy and France of the targeting of Roma camps and settlements for destruction, expulsion and deportation of the Roma highlight the increasing hostility toward this community by local and national officials. However, it is also important to note that many Roma are also completely integrated into society, benefitting from the process of

⁴¹ European Agency for Fundamental Rights (2009) *Data in Focus Report 1: The Roma*

democratisation that has occurred in many member states as a part of European integration, as well as enjoying the benefits of the welfare system and social protection afforded by citizenship that has occurred alongside their incorporation into the Union.

b. What is being done?

The Platform for Roma Inclusion, which has been around since 2008 and is chaired by the rotating Presidency of the Council of the European Union brings together international organisations, national officials as well as key players working for Roma inclusion into EU institutions. The platform's 5th meeting was held on 7-8 Apr 2011 in Budapest. Based on the paper *On the Territorial Aspects of Extreme Poverty – Drawing up a European Extreme Poverty Map*⁴² drafted by Hungary's current Council Presidency, the theme of the meeting was "Integrated Actions in Marginalised Rural Communities". Its aim is to provide coherence to different policy objectives at different territorial levels and to make these policies more sensitive to Roma needs. It has also provided a platform to stimulate cooperation amongst participants, as well promote mutual learning. The Platform's declaration, '10 common basic principles on Roma inclusion', which has been referred to in Council conclusions, also serves to guide policy makers in the development and implementation of new projects.

Similarly, the European Network on Social Inclusion and Roma under the Structural Funds (EURoma) is another forum that comprises representatives from twelve member states that promotes the use of the EU's Structural Funds to increase social inclusion of the Roma and to use such monies to enhance existing policies and projects. Actions for Roma inclusion form also a subset of the European Commission's Regional Policy under the Pilot Project for Roma Inclusion to

use EU funds to promote Roma inclusion. They include the use of the European Regional Development Fund (ERDF) and the European Social Fund (ESF) to invest in social inclusion programmes, improving housing for marginalised groups, and the project 'Pan-European Coordination of Roma Integration Methods'.

Another Pan-European initiative, the Decade for Roma Inclusion 2005-2015, is a commitment by European governments⁴³ to improve the socio-economic status and increase social integration of the Roma. This includes bringing together Romani civil society, governments and intergovernmental and non-governmental organisations, and developing national Decade Action Plans that spell out specific goals and indicators. The Roma Education Fund for example, is one of the pillars of the Decade Action Plans, aiming to reduce the educational gap between the Roma and the wider society with the integration of Roma into national education system by promoting the desegregation of national education systems and by providing funding for further education. The Pan-European Coordination of Roma Integration Methods of the DG Regional Policy, is an all round approach to integrate Roma communities and increase their participation in everyday life. Currently, it is testing out the feasibility and usefulness of certain actions through pilot projects. Those supported for the years 2010-2012 include providing Roma children access to early childhood education, promoting self-employment through micro-financing activities, and a project that supports the integration of the Roma into mainstream society on different levels.

While the EU has broader cohesion policies and the policy agenda of non-discrimination and social inclusion, it is clear that the Roma issue is a long-standing cultural and ethnic-

⁴² Available at <http://romaplatform.net/files/DISCUSSION%20PA PER%20ON%20THE%20TERRITORIAL ASPECTS EXTREME POVERTY DRAWING EUROPEAN EXTREME POVERTY MAP.pdf> (accessed 11 Apr 2010)

⁴³ This initiative is not limited to member states of the EU. 12 countries whose populations include sizeable Roma minorities are taking part. Namely, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Macedonia, Montenegro, Romania, Serbia, Slovakia and Spain, while Slovenia has observer status.

based problem. To this end, more specific and focused policies that promote cultural and social integration the Roma are necessary. The success of such programmes entails the coordination of the management of national minorities, which are within member state competencies. In the National Action Plans of the member states, only about half specifically mention inclusionary policies targeted at Roma. Among them, Hungary has an anti-segregation plan, while Spain has the ACCEDER⁴⁴ programme for training and access to employment to promote the employability of Roma, which has been very successful in providing training and in securing work contracts for participants.⁴⁵ In the Czech Republic, social inclusion programmes in 12 areas where the Roma are excluded are being put into action, and Romania and Bulgaria have specialised job fairs for the Roma hoping to enter the labour market. However, most of these initiatives are still at their early stages, and the *Joint Report* bemoans the lack of specific details to promote Roma inclusion in the National Action Plans of member states that have large numbers of Roma.⁴⁶

Up till now the member states have largely failed in tackling the marginalisation and prejudice against the Roma and the European Parliament has called for a Union-wide Roma integration strategy. This was delivered by the Commission on 5 April 2011, the “EU Framework for National Roma Integration Strategies up to 2020”⁴⁷, outlining strategies to eliminate discrimination and barriers in the access to education, healthcare, jobs and

housing. The Commission has also proposed to develop, or design national integration strategies that are coherent with EU Roma integration goals, leading to Union-wide binding minimum standards that will be supported by effective monitoring mechanisms. While receiving broad support from MEPs, it has been criticised by the European Roma Policy Coalition for being too weak as it did not set out explicit targets and spell out the exact measures to be taken. As the member states lack experience in the implementation of such policies, a degree of supranational guidance might be necessary and this Framework Strategy fills this gap.

⁴⁴ Initiatives adopted in Spain targeting the Roma population within the framework of the European Social Fund’s Multi-Regional Operational Programme “Fight Against Discrimination”, managed by the Fundación Secretariado Gitano.

⁴⁵ Fresno, José Manuel & Technical Staff – Fundación Secretariado Gitano (2009). It is worth consulting the fourth part of this document to look at the way the problems are approached, strategies adopted, and to see how it makes use of EU Structural Funds, as this project has been recognised at both the Spanish and European level as an example of good practice.

⁴⁶ European Commission (2009) p.34

⁴⁷ European Commission (2011)

THE URBAN DIMENSION OF POVERTY

I. Overview

While poverty and social exclusion are not limited to cities, urban environments pose a particular dilemma with the concentration of problems arising from increased social polarisation and spatial segregation. These communities are downwardly mobile and characterised by a low development index and a high concentration of social problems. Programmes to reduce poverty and eliminate social exclusion are paying more attention on these urban areas where deprivation is widespread and concentrated. Inner city ghettos and suburban public housing projects have received much attention in recent years, coming under the spotlight as they have become scenes of social unrest and violence.

The environment certainly shapes the population that lives within, and structural, personal and institutional factors matter. Social life in the French *banlieues*⁴⁸, like most public housing projects in Europe, is organised by class, not race, as they are ethnically heterogeneous. Wacquant considers these neighbourhoods “anti-ghettos”, as large parts of their populations include those who have been destabilised by labour market and political forces; they are often low-skilled and without social safety nets.⁴⁹ This condition is known as ‘advanced marginality’ and is characterised by territorial stigmatisation and spatial alienation, where one’s sense of place and belonging is eroded. A study by Kesteloot, et al. focused on two types of neighbourhoods in major European cities – older, inner-city neighbourhoods whose nature and economy is defined by the private sector, as well as relatively more modern

⁴⁸ Loosely translated as “suburbs”, but the connotations associated with this term in France is different, referring to low income, high-density public housing projects. While often true, the image the media portrays does little to help, depicting these areas as zones where social problems are concentrated and poverty and violence are a part of daily life.

⁴⁹ Wacquant (2008)

housing estates, often built on the periphery of large cities, where the state has been influential in shaping the nature of the neighbourhood and the “life chances of the population”, through urban planning and the provision of social services. They concluded that modes of integration were closely linked to spatial scales, stating that urban areas and cities are “the most relevant spatial scales for the functioning of labour markets and thus for *labour market participation opportunities*”⁵⁰ (italics authors’ own). This study cautioned that instead of looking at inner-city districts and peripheral estates as areas that have similar urban and social problems, they present particular circumstances of resources and opportunities available to their inhabitants.

II. Losers from economic transitions and structural unemployment

Two of the key structural trends that explain changes in the Union with regards to the social dimension are labour market transformations and the changing nature of the welfare state. The rise of automation and a shift toward a more high-tech and knowledge-based economy has happened at a rapid pace, rendering many individuals’ skills obsolete as economies adjust operations to become more competitive. As the cost of labour in the EU becomes uncompetitive globally, many industries are shifting their operations away. Secondly, the degradation of wages and social protection has also prevented the construction of adequate safety nets for those most affected, and as a result of these factors, many individuals and the regions they are concentrated in become removed from the national economy. The consequence is that they fail to benefit from cyclical fluctuations in employment and the economy, becoming further isolated both economically and socially. Economic transitions and advancement arising from European integration had led to structural changes in the economy and patterns of employment, giving rise to divisions and

⁵⁰ Kesteloot, Christian; Alan Murie & Sako Musterd (2006) p.225-6

inequalities within cities and metropolises. The result is an increase in the urban poor and their spatial segregation, as well as inequalities between regions, especially in regions severely affected by industrial decline. Deprived peripheral areas in cities and urban ghettos are becoming poorer, more disconnected from regional and global economies, more inaccessible and harder to leave. As a result of changes brought about by European economic integration and the type of public policies pursued, many regions away from Europe's industrial cores have lost their economic hinterland in the process, reinforcing discriminatory biases in the allocation of space, jobs, public goods and people. Explaining the relationship between geopolitical processes and economic shifts with the experience of social exclusion, Beall states that "new exclusionary processes associated with global trends and pressures graft themselves onto existing dynamics of social exclusion and play themselves out locally"⁵¹. Such is the trend we observe in many European regions that have come out worse off as a result of economic transitions that resulted from European economic integration.⁵² This phenomenon is particularly acute in countries like Romania and Hungary, which have not seen the growth and development that was expected, and in the inner cities and peripheral regions of urban conurbations.

Away from the prosperous historical and cultural city centres that attract talent, investment and recognition across the continent, borders within Europe in the form of urban ghettos are the reality for many individuals. Certain neighbourhoods have a stigma associated with them, as areas where drug use and crime is rampant, and as a result

are shunned and avoided as they develop a reputation as zones for urban outcasts. As wealth and the quality of life increase for many, social and housing polarisation is an increasingly common phenomenon in the EU, especially in the transition economies of the new member states, and in older member states where society is divided spatially based on economic wealth and social class and where the various units rarely have contact with each other. This is important when considering social exclusion, as spatial segregation precludes social integration, and as a result, individuals have a reduced chance of social mobility.

III. Urban renewal programs to address the problems

As 75% of EU citizens live in cities, and 85% of EU GDP is created in cities⁵³, the urban dimension is of great importance for continued growth and recovery from the current crisis. To achieve the Europe 2020 targets, this dimension cannot be ignored and to this end, social cohesion is of great importance. Programmes focus on infrastructural development, for example building better transport as the inner city and peripheral districts need to adapt and develop links to commercial cores. Programmes also target the neighbourhood level and the impact these particular environments have on their inhabitants. These include the provision of resources within particular neighbourhoods that enable individuals to escape social exclusion, increasing work opportunities in the area and to improve social and community services, and improving social networks and links within these neighbourhoods. Reducing the cost and improving the quality of housing, alongside improving the supply of public housing are areas where EU structural funds and the European Regional Development Fund is being used to address housing problems and the problem of homelessness.

⁵¹ Beall (2002)

⁵² For example, see the report by John Harris in *The Guardian*, focusing on Hoyerswerda, a city located in former East Germany, where a falling population, high youth unemployment and a dearth of opportunities is the norm. Such scenes repeat themselves across the EU. <http://www.guardian.co.uk/world/2011/mar/15/industry-east-german-hoyerswerda-quiet> (15 March 2011, accessed 15 March 2011)

⁵³ Eurocities (2011) *EUROCITIES Response to the Fifth Cohesion Report* p.3

Regional policy is a tool to fight exclusion and poverty as it addresses the issues of depressed urban areas through funding infrastructural development projects, and other projects that encourage greater connectivity and links to national and global economic networks to prevent the marginalization of their inhabitants. The URBAN programme⁵⁴ is a Union-wide initiative that supports sustainable economic development in deprived areas of the Union, and between 1994 and 1999, it supported 118 urban programmes, with €900 million of EU funds allowing for a total of €1.8 billion of investment. The projects supported focused on the urban dimension with initiatives to improve living conditions through improvement in the physical environment, boosting local employment and community development and the provision of services to specific demographic groups. URBAN II programme between 2000-2006 supported 70 programmes across the EU-15, with a budget of €1.6 billion, €754 million coming from the EU's cohesion funds. Programmes included initiatives to reduce crime, improve the provision of social services and resources, building community capacity as well as improving employability through training and other educational initiatives.

Jointly funded by EU member states and the ERDF, the European Network for Exchange of Experience (URBACT) programme⁵⁵ was created in 2002 as part of the URBAN II programme to promote sustainable economic development through the sharing of knowledge and solutions to urban challenges that face cities in Europe. For the period 2007-2013, it is supporting 44 projects that cover 700 cities and partners with a budget of €69 million, €53.3 million coming from the ERDF. Such projects include active inclusion programmes that specifically target the Romani, programmes focusing on

disadvantaged neighbourhoods that seek to strengthen social cohesion, and the development of deprived urban areas. These also include projects that focus on human capital and employability, incorporating local economic development and employment to regenerate deprived urban areas, amongst other initiatives.

"Inclusive Cities for Europe", part of the larger EUROCIITIES project, is co-funded by the European Commission's PROGRESS programme that prioritises local inclusion practices and is supporting the European Year of Combating Poverty and Social Exclusion. The programme enhances cities' knowledge of the European Social Agenda which furthers their participation in the OMC, and "generates awareness among national governments of the role of cities in strengthening social inclusion". Inclusive Cities for Europe is also involved in the CONNECTIONS project that aims to bring together authorities, civil society and researchers to "look at the way the integrated response to tackling multiple deprivation is organised in European cities".⁵⁶

⁵⁴ See "European Commission: Regional Policy – Boosting depressed urban areas" at http://ec.europa.eu/regional_policy/urban2/index_en.htm for more information on the URBAN and URBAN II programmes (accessed 6 Mar 2011)

⁵⁵ See www.urbact.eu (accessed 19 Mar 2011)

⁵⁶ See www.inclusivecities.eu for more information (accessed 18 Mar 2011)

EU POLICY GOALS AND THE MAIN ACTORS

I. Introduction

In the early years of the Community, the dominant forces behind integration were largely economic and as a result, little action was taken in the field of social policy. Welfare issues took a back seat to the creation of the common market, and remained within the responsibility of member states. Apart from the areas of labour market mobility and gender equality, little transnational action that had social content was taken till the 1987-88 Delors package. Jacques Delors, former president of the European Commission pressed for a social dimension to accompany, and mitigate the negative effects of European integration, leading to social protocol developments. As part of the Single Market deal, side-payments were made to the new Southern member states in the form of regional policies. The European Social Fund, European Regional Development Fund and European Agricultural Guidance and Guarantee Fund (EAGGF) instruments were coordinated, and the principles of complementarity⁵⁷ and additionality⁵⁸ were introduced. These principles would become cornerstones of EU regional policy and criteria for the receipt of structural funds, and by 1992 already amounted to 25% of the Community budget, doubling in just five years.

The next milestone was the decision to form a monetary union which prompted further regional redistribution. Adjustments made by member states to meet the convergence criteria to qualify for Economic and Monetary Union (EMU) entailed social costs, and especially penalised poorer member states. Furthermore, trade unions were

⁵⁷ The European Commission defines Complementarity as “the result of an optimum division of labour between various actors in order to achieve optimum use of human and financial resources for enhanced aid effectiveness” and further states that “Complementarity goes much further than just coordination. It means each donor focusing its assistance on areas where it has the most added value, and complementing the activities of others” (European Commission DG Dev. 2009 – EU Toolkit Reference Document for Complementarity and Division of Labour).

⁵⁸ “The principle of Additionality means that EU Structural Funds may not replace the national or equivalent expenditure by a Member state” (European Commission DG Regional Policy).

concerned about social dumping. At the insistence of the Southern member states, compensation for the disadvantages EMU brought to their competitiveness was made in the form of a new Cohesion Fund and relaxed additionality requirements. The Social Charter that was introduced in 1989, while making social action politically possible in the Community was not groundbreaking. As Ross explains, “rather than creating new obligations, the Charter was designed to make good on the unfulfilled social promises that the Community’s treaty base already contained”⁵⁹

In 1989, the Community Charter of the Fundamental Social Rights of Workers was adopted, and an agreement on social policy was included in the Amsterdam Treaty in 1997, which also included a chapter on employment. At the 2000 Lisbon Council, the European Council set the target of becoming “the most competitive, dynamic, knowledge-based economy in the world”, and measures were adopted to promote growth, jobs and social cohesion, which were seen to be crucial toward economic competitiveness. In 2008, the Commission adopted proposals for a renewed social agenda with priorities against fighting discrimination and combating poverty and social exclusion. Ten years after Lisbon, and following the 2010 Year of combating poverty and social exclusion, much still needed to be done, as many still live in impoverished conditions. Relative poverty is a problem, especially in the newer member states, with social and economic difficulties exacerbated by the global economic crisis and the financial turmoil in Europe.

While social policy remains the prerogative of member states, policies aiming to alleviate poverty and inequality can be regional, where they focus on reducing the disparities within a region or between countries in a Union. Regional development has a substantial impact on reducing poverty, and is crucial in the fight against exclusion. Furthermore, EU-level action provides for the coordination of governance across all territorial levels under a common framework, and provides for the mainstreaming of issues as well.

⁵⁹ Ross (1993)

Social policy covers a wide area, and the paucity of transnational measures taken can be explained by the diversity of the member states in the Union and differences in terms of wages, welfare systems and regulatory frameworks. Many also see the problems as domestic, and there is less of a desire to address these problems at the European level. However, a regional perspective on poverty and inequality can be useful both symbolically and practically, fostering both deeper economic and social integration at the same time. The following sections will look at what the EU is attempting to do in addressing social exclusion and poverty at the regional level for the benefit of the Union as a whole.

II. EU Level Initiatives

The European dimension for combating poverty and social exclusion in terms of supranational action is important as inequalities across member states as a result of economic integration remained a problem. Common standards need to be developed and shared targets set. Regional funding for initiatives to alleviate poverty and social exclusion is necessary to reduce inequalities across the Union, as the poorer member states are not able to help their citizens as much as the wealthier member states. The EU can also shape the policy agenda by determining common challenges and involving key stakeholders in social dialogue, and working in tandem to address these challenges. Many of these include efforts to promote inclusive labour markets and various policies intended to increase labour market participation. In terms of concrete legislation, real progress has been made in the areas of gender equality, health and safety in the workplace, and non-discrimination laws that aim to provide equal access to all individuals to jobs and training. However, there are limits to EU-level action due to the fact that transnational-level action is only taken where the value of new EU action is clear, and harmonization is taken only where absolutely necessary. The principle of subsidiarity, where decisions should be taken at the least centralised level and only at higher levels of territorial administration where the outcome cannot be sufficiently achieved, must always be respected. In this way, national or regional differences are still respected. George Ross divides transnational-level social action in the EU into 3 categories. The

first group includes universal rights enshrined in various charters such as the International Labour Organization, United Nations, Council of Europe, etc. The second group is social actions that fall under areas that are of EU competence such as in the area of market integration. The last group, is termed as the "grey zone" in which "completion of the single market would inevitably undermine the competencies of the member states".⁶⁰

In order to balance the interests of member states with transnational concerns, a softer approach has been taken, and in recent years, the adoption of non-binding tools like the Open Method of Coordination (OMC) has been used to avoid political conflict that often limits transnational action. The OMC also serves a purpose where harmonization is unnecessary, but where bridges between national systems can be useful. The OMC aims to promote mutual learning and the exchange of good practices between member states by engaging social partners and stakeholders toward achieving social targets. Good practices in one member state can then be emulated by others. Voluntary in nature, the OMC is seen as a way in which European objectives and standards can become more easily accepted, owing to its decentralised and flexible nature, allowing for differences in local realities in the various member states. Common EU objectives in the areas of social inclusion, health and long-term care, and pensions are to be translated into National Action Plans.

The EU's Social Inclusion Agenda has divided action into five areas: child poverty, active inclusion, providing adequate housing, inclusion of vulnerable groups, and financial exclusion⁶¹. Specific EU-level instruments and initiatives that work toward these objectives include:

- a. **The "Race Directive"** (Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin) – giving individuals protection against discrimination in employment, training, social protection, access to goods,

⁶⁰ *Ibid.*

⁶¹ Eurostat (2010)

services and housing among others, is an important step in constructing a social Europe. Minimum standards across the Union are established with the force of law, and integration has moved beyond the economic sphere with the social dimensions of integration given importance. However, the Race Directive is limited by Article 2, which excludes “any treatment which arises from the legal status of the third country nationals”, creating a barrier to access by immigrants to recourse against discrimination if discriminatory immigration laws are adopted. Furthermore, this directive has been poorly enforced, and has led the Commission to initiate infringement procedures against several member states.

- b. Several initiatives have been established with the aim of combating discrimination within the Union. The European Monitoring Centre for Racism and Xenophobia (EUMC) was established in 1997, with the Council regulation EC 1035/97, and was replaced, with a broader scope, by the **European Agency for Fundamental Rights (FRA)**, an advisory body of the EU established in 2007 tasked to provide to individuals information about the rights available to them. This is done by gathering and analysing data on fundamental rights issues to better target groups and to provide information, alongside providing networking opportunities for organisations working in this field to improve communication and to raise awareness about the fundamental rights of individuals.

The **Framework Decision on Racism and Xenophobia** (2008/913/JHA), adopted in 2007, is a law that protects individuals against racism, public violence and hatred

based on race, ethnicity or religion, ensuring that these crimes are adequately punished. This is an important milestone in combating discrimination, but it is ineffective if authorities do not enforce it and offenders are not pursued, as is the case in most member states.

- c. Created in 1957 with the Treaty of Rome, **The European Social Fund (ESF)**⁶² is the EU’s main instrument for supporting employment in the member states. It is an instrument of solidarity that aims to promote economic and social cohesion in the form of funds distributed amongst member states used to support their individual programs outlined in their individual National Action Plans for Social Inclusion with co-financing, and operates with about 10% of the EU budget. The ESF strategy and budget are jointly negotiated with the member states, the Parliament and Commission, and funds distributed based on the relative wealth of the particular region. Through the funds, programs to bring more individuals into the labour market are carried out, tailoring the labour supply to meet changing economic conditions. This is done by targeting the unemployed by promoting mobility in the labour markets through training and keeping workers in employment through skills upgrading. These measures are targeted alongside removing structural barriers that keep the most vulnerable out of the labour market. For the years 2007-13, 117 Operational Programmes were supported by the fund to the amount of approximately €76 billion. Together with the ERDF and Cohesion Funds, a total of €347 billion is

⁶² For more information please see the leaflet by the European Commission (2007) *European Social Fund: Investing in People*. Available at http://ec.europa.eu/employment_social/esf/docs/esf_leaflet_en.pdf (accessed 21 Mar 2011).

being invested across the EU in this period. However, the use of the ESF in the National Strategy Reports varies widely between member states, while further coordination is necessary between policy objectives and the funding for the ESF to contribute toward achieving OMC targets.⁶³

- d. Complementing the ESP, the **EU's employment and social solidarity programme** (PROGRESS) involves social partners and stakeholders, NGOs, as well as local and regional authorities. This translates into action the objectives of Europe 2020 strategy, which has smart, sustainable and inclusive growth as its priorities, and of which employment and social policy plays a central role. It replaces four previous plans that ended in 2006, covering actions against discrimination, gender equality, employment measures, and social exclusion in a bid to rationalise and streamline EU funding. The work plan for 2011, with a total budget amounting to €95.87 million pays particular attention to the social effects of the financial crisis in the adjustment of social and employment policies while key challenges include squeezed public budgets as well as demographic changes.⁶⁴ This scheme targets both member states and lower administrative levels of government, public employment services and national statistics offices. Specialised bodies, social partners and NGOs are also eligible and through the fund, a maximum of 80% co-financing can be utilised for their initiatives.

- e. The **European Globalisation Adjustment Fund (EGAF)**, adopted in Dec 2006, intends to help workers who have been made redundant as a result of economic restructuring and changes in global trade patterns resulting from globalisation. This comes in the form of funding for training activities, job search assistance and allowances. These measures are intended to help workers made redundant find employment as soon as possible with time-limited, individual support, and a maximum of €500 million per year is available through this facility.
- f. The year 2010 was designated the '**Year of Combating Poverty and Social Exclusion**', part of an annual "European Year" awareness campaign that has existed since 1983. In 2010, special focus was paid to raise awareness of the plight of the socially excluded, reaffirming the pact made in Lisbon 10 years earlier to make an impact on the eradication of poverty and social exclusion. €26 million was spent on this initiative, €17 million coming from the EU. Implemented across all EU27 member states together with Iceland and Norway, political awareness for the issues was raised through a decentralised but coordinated range of activities that included information sessions, roundtables, training for journalists and media, competitions, art projects and campaigns. These activities had the objectives of engaging civil society, opening dialogue and drawing in new partners and stakeholders, and gave visibility to the issues of poverty and exclusion.

The final statement, prepared by the Employment and Social Affairs Council highlighted challenges to be met, and

⁶³ European Commission (2009) p.25

⁶⁴ European Commission (2010)

called for work on the “European Platform against Poverty” to continue. Commission President Barosso said that the European Year 2010 had been “a clear symbol of the European Union’s commitment to a society in which all Europeans have a place” at the final session. The major change, he felt, was the EU 2020 strategy with the commitment by Europe to a more inclusive Europe. “If they (those living below the poverty line) were a single country, they would be the biggest member state,” he pointed out. “This is not acceptable in a Union based on solidarity between people and nations,” he stated.

- g. **Europe 2020’s** strategy for ‘Smart, Sustainable and Inclusive Growth’, adopted in June 2010 aims to promote social inclusion by reducing poverty. One of the seven flagship initiatives of the Europe 2020 program is the European Platform against Poverty and Social Exclusion. It was agreed that by 2020, 20 million people should be lifted from the risk of poverty. While combating poverty is primarily the responsibility of national governments, the EU also provides funding and rules. To achieve their target, the platform will provide coordinating mechanisms, support new partnerships, make better use of EU funds to support social inclusion and combat discrimination as well as other actions taken to improve access to the labour market, essential services, healthcare and education.

III. National/Local Initiatives

a. Social Protection

Public social spending involves the reallocation and distribution of resources in the form of cash and benefits, or the provision of public services targeting the vulnerable and needy, relieving them from poverty and risks that might have

come about as a result of a disability, age, unemployment, or family and children. In the EU member states, the specific allocation and criteria used vary greatly and hence also their effectiveness. The bulk of social spending receipts come from employers’ contributions (average 38.2%), contributions from protected persons (20.6%) and from government contributions from taxes and revenue (37.6%), but these figures vary quite significantly between the member states.⁶⁵ Employers’ contributions make up 53.9%, 54.9%, 56.3% and 80% of social expenditure receipts in the Czech Republic, Lithuania, Romania and Estonia respectively, while in the United Kingdom, Ireland and Denmark, government contributions amounted to 50.4%, 53.2% and 62.8% respectively. Dutch and Slovenian protected persons also contributed about twice the EU average .

The latest data available on public spending, for the year 2006, reveal that 26.9% of GDP in the EU-27 was spent on social protection.⁶⁶ For EU-25, this figure has remained rather constant (from 26.6-27.4% from 2000-5). In 2007, member states whose public spending figures were above 30% of national GDP were Sweden at 32%, France – 31.5%, and Denmark – 30.1%. At the other end, Latvia, Lithuania, Estonia, Romania spent between 12.4-14.2% of GDP on social protection. The Commission has forecasted that the average social expenditure for the years 2007-2010 will rise alongside unemployment from 27.5% to 30.8% of GDP.⁶⁷ The largest component of this expenditure is in the form of benefits, often directed toward the elderly or retired, for healthcare and a smaller proportion toward those with disabilities, child support and the unemployed. The Eurostat report *Combating Poverty in the EU* evaluates the success of social protection measures by comparing at-risk-of-poverty indicators before and after social transfers, and reveals that more than half of the population who were at risk in Hungary, Sweden, Finland, Ireland and Denmark were removed from this group as a result of social transfers, though the same measures had the least impact in Bulgaria and in the Mediterranean member states.

⁶⁵ Eurostat (2008)

⁶⁶ Eurostat (2009)

⁶⁷ European Council (2010)

Social transfers were also shown to significantly reduce the at-risk-of-poverty of children (39.4%), and reduced the risk by 34.6% for the whole population.⁶⁸ It remains to be seen if the increased political attention to poverty and social exclusion will make a difference to policy making, especially with public spending cuts in the wake of the financial crisis.

b. National Action Plans for Social Inclusion

Social policy remains formally within the domain of member state competencies, but they are coordinated through the Open Method of Coordination (OMC). Individual member states reflect on their broad policy goals through their NAPs, an integrated approach that details individual proposals and strategies at the national and local level to overcome the challenges and meet the goals of social integration. The EU analyses and assesses the NAPs, drawing common policy conclusions and defining the main challenges for social policy in each country that are jointly adopted by the European Commission and the member states. In this process, consensus over key priorities is developed and benchmarks determined. Consolidating the numerous NAPs, actions taken at the member state level are translated to Community-wide Common Objectives, which ensures the coordination of activities and involves all levels of government and actors.⁶⁹ The NAPs have the effect of integrating actions between the governmental level and lower administrative levels, making actions taken at local or regional levels more coherent with broader national objectives.

In 2000, a pledge was taken by the member states to take decisive steps toward the eradication of poverty and to combat social exclusion.⁷⁰ Active employment policies and modernised forms of

social protection were embraced, with the OMC used as the monitoring mechanism for these goals. Common objectives that included facilitating participation in employment and access by all as well as preventing risks of exclusion were adopted at the 2000 Nice Council. In 2004, the first National Action Plans, based in their own individual analyses of their internal situation in this area, were submitted by the member states detailing measures that were to be taken in pursuit of these goals. In 2008, proposals for a renewed social agenda titled *Opportunities, access and solidarity in 21st century Europe* were adopted by the European Commission, focusing on eliminating discrimination, poverty and social exclusion.⁷¹

c. Workfare/ “active” welfare schemes

Developments in recent years have resulted in changes in the welfare policies and the limiting of access to the redistributive elements of the state, and in turn changing the meaning of social citizenship, where now there are more obligations, and a shift from status-based citizenship to a social contract model, seen in the proliferation of “third-way”, or active labour market policies in many member states.⁷² The traditional welfare state, based on steady, full-time employment is no longer recognizable from that in earlier times, due to the different form of labour markets emerging as a result of changes in global trade and finance, and demographic changes. The tightening of eligibility criteria as a result of reforms has strengthened work incentives. Benefits are now more closely linked to employment. This has consequently reduced long-term unemployment, but long-term welfare dependency is still a problem.⁷³

IV. Looking Ahead

a. Modernising national pension systems, meeting demographic challenges

Modernising social protection programmes is necessary to make social spending more efficient, especially in a time of austerity where there are

⁶⁸ Eurostat (2010), section 5.2

⁶⁹ For an analysis of the NAPs and planned policies of individual member states and a review of measures taken, please refer to European Commission (2009) *Joint Report on Social Protection and Social Inclusion*.

⁷⁰ Presidency Conclusions, Lisbon European Council, 23-4 Mar 2000. Available at http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/00100-r1.en0.htm (Accessed 16 Feb 2011).

⁷¹ European Commission (2008)

⁷² Anthony Giddens (1998)

⁷³ *Ibid.*

calls for more social benefits while public purses are shrinking. National pension systems are under severe strain and are in need of reform, limiting their effectiveness in preventing social exclusion for many. There is a need to redesign current schemes because of demographic changes and the financial crisis as the implications of the changing economic context (lower growth) on the pensioners in the future are likely to be more serious. While current pensioners are not that badly affected, the current design of pensions leaves them vulnerable to the financial markets and they need to be able to withstand shocks. Reforms have been focused on creating more sustainable pension systems, and to diversify the number of sources of retirement income.

Not all social protection systems are equal, but all should focus on narrowing the gaps in their safety nets, and not to forget about the most vulnerable. The current economic situation has only made things more difficult, and social spending needs to focus on increasing labour market participation and avoiding long-term dependency.

b. Preventing unemployment, maintaining good economic performance

As unemployment is the chief reason why people remain trapped in, or fall into poverty, efforts should be targeted at preventing unemployment and supporting the most vulnerable. This is the best safeguard against poverty and social exclusion. To provide for the employment that is necessary to reduce social exclusion, the focus must still be on maintaining good economic performance, and improving the supply of labour, strategies for growth and for better jobs to be created.

Managing globalisation and population flows in the context of the changing nature of labour market and the new demographic pressures is also necessary to maintain good economic performance that maintaining the current levels of public spending requires. The positive contribution of migration to Europe needs to be recognised, and efforts need to be placed on the integration of foreign workers and to reduce the numerous barriers they face in accessing the labour market and social services. While regional

funding is available, additionality is one of the criteria required. National governments need to find funds to match the EU grants before it can be used, which is increasingly hard in the current economic climate.

c. Integrated approaches

To combat social exclusion, multi-dimensional inclusionary policies are necessary to provide opportunities and remove barriers to an individual's participation in the labour market. Policies cannot merely focus on a particular area, for example, by just looking at providing housing, as the different dimensions of poverty and social exclusion are related. EU-level action can be divided into three categories, the first are protection measures such as income support, the second, promotion measures such as lifelong education and learning to encourage employment, and finally, prevention measures to keep individuals out of poverty. All three dimensions are of equal importance, and effective policy responses need to incorporate all these dimensions.

Furthermore, there needs to be better targeting of policies toward the vulnerable groups, with more specific/tailored programmes that do not assume that causes of poverty and social exclusion are similar for all individuals. For example, policies aimed at the Roma should not group them under 'migrants and minorities', which have diverse and different sets of circumstances, or the urban poor, as we have seen that the spatial dimensions of these individuals form an important factor in determining their opportunity structure, and consequently, their risk of poverty and social exclusion. Fleischmann and Dronkers have found that neither the various policies targeted at immigrants instituted in the member states, nor welfare regimes nor employment protection legislation had a large impact on the unemployment levels of immigrants.⁷⁴ In their study, the most significant determinant of this was the size of the low-status job market in the particular destination country – the larger it is, the less unemployment amongst immigrants was

⁷⁴ Fleischmann & Dronkers (2010) p.349.

found, suggesting that immigrants take up the bulk of such work. Perhaps this is a signal that current approaches are inadequate and there is a need for a Europe-wide policy to tackle this problem.

d. Coordinated governance and the search for new policy tools

As seen from the previous section, the framework for EU legislative, financial and policy coordination is available. Instruments for the coordination of governance across all levels to make policy measures more effective are also present. Patterns of segregation and social exclusion are not the same across the Union, and top down initiatives alone are not sufficient to address them, especially if they do not take into account local conditions that define different regions. The OMC can certainly play a greater role in achieving the Union's targets of alleviating poverty and reducing regional inequalities. The Union's principle of subsidiarity certainly has value when applied to this area, but a degree of coordination for broad goals and targets is necessary, as is the need of a construction of a network where data and knowledge can be shared. While the coordination of measures by different actors to address the problem of poverty, social exclusion and inequality has improved considerably, the success of EU-level policies would depend on concerted efforts and political commitment on the part of member states.

The European Year for Combating Poverty and Social Exclusion has done much to raise awareness for these issues, but it remains to be seen if increased political attention will have any concrete impact on policy making at the national level, especially at a time where government expenditures are being cut heavily. The enforcement of punitive measures aimed at combating discriminative practices will also go far in demonstrating their commitment to the elimination of discrimination. Lessons need to be learnt from each other's experiences, so that early and effective policy responses to the problems of poverty and social exclusion can be designed. Coordinated work by member state governments in monitoring trends and indices will also enhance

social statistics available and contribute for better tailored responses to vulnerable groups.

The sharing of relevant data and expertise, alongside improved methods of data collection and coordinated data collection efforts would do much to improve the targeting of programmes toward individuals at risk of poverty and social exclusion. Better data collection would better identify groups at risk and vulnerable individuals. There is a lack of longitudinal data, or data evaluating the impact of policy measures or programmes on reducing the risk of poverty and inequality on individuals. Such data are necessary to measure long-term effects and lasting change, to see whether interventions reach individuals and to judge whether they made a difference. More coordinated policy evaluation is also necessary to better adjust policies and programmes catering to individuals in need of help. While numerous surveys and NGOs currently work in the EU to provide advocacy and data collection in the area of poverty and social exclusion, there needs to be closer cooperation both between the producers of statistics and the policy-makers that use them, and between the member states, policy makers and researchers. We have also seen that while there are labour shortages and demographic challenges to be met in the EU, there are migration caps and other barriers that restrict migration and labour market participation. Thus, better coordination is also necessary between immigration policy decisions and the needs of the labour market.

CONCLUSION: The limits of regional organisations in combating poverty and social exclusion

Economic and trade concerns have been the drivers of integration in the EU, and the establishment of a common market played a central role in the harmonisation of many divergent national policies. Focus was made on mechanisms that would make regions more competitive, and to this end, regional policy and the redistribution of funds for development played an important role. While Community-level action in the field of social policy has been restricted to single market-related labour issues, there have been significant developments as a result of the shift to the Single Market and the decision to form a monetary union, with the social dimension gaining more prominence. Increased social action through regional development was hastened with the introduction of Southern and later Eastern member states who had very different levels of development and whose inequalities needed to be reduced for economic convergence to be successful. The EU has developed from being a market into one that includes a social dimension, and in the process it has become a community of values that defends the fundamental rights of individuals. However, the national setting remains the arena for social policy, and is where poverty and social exclusion can be effectively addressed.

Despite progress made in the social dimension, there are still pockets of society that are excluded and substantial inequalities still persist across the Union. There is a regional dimension to poverty. This report has presented the Union as one with great diversity and large disparities, and this affects the competitiveness and further growth of the Union. The poor have the highest risk of exclusion, and while employment is key, it does not necessarily eliminate poverty, as social and

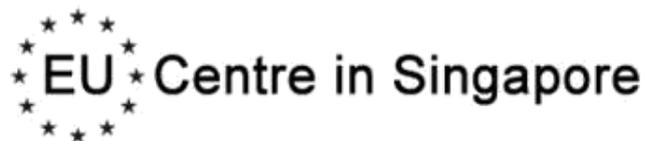
sub-cultural factors play a significant role. There has been an influx of migrants and the cultural and ethnic composition of European society is changing. While necessary to make up for labour market shortages and to cope with demographic changes, these migrants however, are severely disadvantaged in many ways, and alongside the poor and unemployed, are the ones who are most vulnerable to poverty and social exclusion. This brief has highlighted that spatial contexts matter, as do opportunity structures of individuals that are a result of them. Many communities live on the fringes of society, both socially isolated and decoupled from the national economy. Legislation preventing discrimination is certainly important, but to create tolerant societies and integrated communities, education is important to change perceptions and attitudes.

The EU is set apart from other regional organisations in its commitment to solidarity through its numerous redistributive mechanisms that support the development of disadvantaged and less prosperous regions with the use of innovative governance mechanisms such as the Open Method of Coordination (OMC) to achieve community-wide targets despite differing national contexts. As studies have shown the benefits of more equal societies, it is no surprise that the Europe 2020 strategy has signalled a commitment to sharing the benefits of growth more equally and to reduce inequalities. However, addressing poverty and social exclusion remains at the level of the member state. The process of functional spillover has led to supranational level activity in this area, but because of the nature of the EU and the way it was constructed, there are limits to EU-level action, and member states continue to play an important part in how they address issues of poverty and social exclusion within their national and local frameworks.

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