Combating Social Exclusion

Fostering Integration

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Combating Social Exclusion, Fostering Integration

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1. Introduction

A broad consensus

Mr Jean Degimbe,
Director-General, DG V, Commission of the European Communities

This conference, hosted by the European Commission and following the Lille conference of 1991, attracted a great deal of attention. The presence of so many high-level and Ministerial participants demonstrated the importance of the issue among Member State governments, and the commitment of many other organisations of diverse types was shown by large attendance of over 350 people from all countries of the Community. The participants represented all partners active in tackling this issue: the European Parliament, Member State governments, regional and local government councillors and staff, private sector employers, trade unions and voluntary organisations, academic experts and practitioners of all sorts.

The purpose of the conference was to discuss the concrete initiatives the Community has taken to combat social exclusion, to identify paths for future action, and to give them political impetus.

The two days of the conference were introduced by a report by Mr Jean-Baptiste de Foucauld, Head of the Department for Planning (France), and concluded with a contribution from the President of the European Commission, Mr Jacques Delors. The four intervening round table discussions brought out the views of all the organisational sectors, and demonstrated a remarkable degree of consensus.

Having reviewed the state of affairs, and taken note of the still-worsening problems of social exclusion that Europe is facing, the conference has laid the groundwork for a major reassessment of Community policy, combining optimism with realism, and political will with pragmatism.
2. Summary - towards an EC policy on social exclusion

The need for a strong political signal

Mr Steffen Smidt, Deputy Director-General, DG V, Commission of the European Communities

Social exclusion is a problem for the whole of Europe, and a threat to the balanced development of the Community. It is a structural phenomenon, which requires action in the macro-economic sphere as well as at the level of individuals. The Community should make combating social exclusion part of its overall policy, and in particular examine the possible effects of economic and monetary union on social exclusion. It could envisage to redirecting the European Social Fund, and opening it up to the people working in the field. But the most important task for the Community is to give a strong political signal that social exclusion is on the agenda, and then back this up through actions based on partnership.

Four key ideas emerge from the conference debate:

• The collective nature of the processes of social exclusion and their European dimension;
• The widespread recognition of the need for increased Community intervention;
• This increased intervention must show that the struggle against social exclusion, and its prevention, are from now on the concern of Community policy as a whole;
• This intervention should be given a strong political profile which demonstrates the commitment of the European institutions, and mobilises all available forces.

Social exclusion is a collective phenomenon

Social exclusion manifests itself in unemployment, racism and xenophobia, neighbourhoods in crisis and the denial of social rights. So social exclusion is neither a minor nor an individual problem: it is structural. Our societies are producing social exclusion at the same time as overall welfare is increasing. Therefore policies against social exclusion must not tackle only individual deficiencies; they must promote adaptability to the changing environment, and give people the means to regain control of their lives. But we also have to reconstruct the economic and social mechanisms that produce social exclusion, so that they embody justice and solidarity.
Social exclusion is a European phenomenon

Social exclusion affects all countries in different ways depending on the state of their economies, their demographic profile, and the quality of their social policies. It is a European problem, but it should not be confused with the problem of regional underdevelopment.

We can fight social exclusion by pooling the experiences of different Member States, searching out good practice, discussing methodologies and building collaborative mechanisms. Then we have to decide what role the Community could play. People are asking for stronger political backing, for a recognition of the value of solidarity, for clearer guidelines for action in the wake of Maastricht, and for more detail as to what, given the principle of subsidiarity, the Community can bring to a problem which has individual and local aspects, but also societal and European ones.

The achievements of Community action to date include the implementation of specific action programmes (which are modest in scope but valuable as models and learning tools), the establishment of networks among the actors, the promotion of the partnership dynamic, and the encouragement of public debate (in particular as regards the rights of the most deprived citizens). Combating social exclusion remains essentially the responsibility of Member States. Yet the Community cannot remain aloof, because the scale of the problem makes the construction of a balanced Europe all the more necessary. Consequently, what is expected of the Community, which is also a community of citizens, is that it should make combating social exclusion an integral part of its policy as a whole.

The contents of Community action

The conference devoted two round-table discussions to this issue. The first discussed the contribution of the Community to promoting the rights of the most deprived people. It noted the political importance of Community initiatives in this field, even if they fall short of being binding legal measures. The proposed recommendation on a guarantee of resources within national social protection schemes is one example. Several participants demanded that the Community contribute more actively to the struggle against discrimination, in particular as regards the rights to housing, employment, access to services and justice - in sum the right to quality of life and human dignity. Human dignity is fundamental both to the Community’s values, and to the principle of subsidiarity. It implies that the Community should support Member States’ efforts to ensure the protection of its most deprived people. The Maastricht agreement on European social policy could open the door to significant progress in this field.

The second round table discussed the contribution of the Community’s general and structural policies to the struggle against social exclusion. Among the many points raised were the following three:

- The Community cannot remain aloof, because the scale of the problem makes the construction of a balanced Europe all the more necessary.
• First, the struggle against social exclusion demands that we take certain macroeconomic steps, as far as we are able given the global economic context, to actively prevent social exclusion. Here were mentioned training, human resource development, support measures for sectoral change, and work-sharing. More broadly, the point was made that we should re-examine the relationship between the economic and social goals of our general policies, particularly that of economic convergence and economic and monetary union.

We need to think more carefully about these issues. Clearly, action against social exclusion risks being ineffective unless it affects economic processes. Both employers' and trade union representatives have pointed out the high cost of unemployment and social exclusion, a cost which weighs in one way or another on the competitiveness of the economy. Reducing the human and financial waste caused by social exclusion combines both economic and moral goals.

• Secondly, how will the objective of integrating those excluded from the labour market be translated into practice in the use of the Structural Funds? We will certainly need to redefine what measures are eligible for Fund support, because too often they exclude the most disadvantaged people. We must also redefine the areas of intervention, to cover urban areas in crisis. But we must also reform procedures so that grassroots experience can be accessed. Only by incorporating this know-how will additional funding be spent to good effect.

• Thirdly, repeated calls were made to study the possible impact on social exclusion of Community policies as a whole. The idea of impact statements was raised, by analogy with what has been done as regards the environment and small and medium-sized enterprises. We need to look at this proposal pragmatically, so as to avoid unnecessary bureaucracy and achieve an efficient result.

How to implement Community action

The wide range of actors present, and the high levels of commitment and agreement that were obvious, show that the issue of social exclusion commands a wide base of support. The key initiative that the Commission can take is to give the struggle against social exclusion sustained political backing. An affirmation that the political will exists to build the Europe of Solidarity will constitute a powerful force for mobilising energies. They will also be a support for the day-to-day work, often unrewarded and difficult, going on in the field.

Partnership is indispensable

This conference is already a step in this direction. It demonstrates how willing all the actors are to work together to meet the challenge of social exclusion. The value of partnership is more and more widely recognised in Member States and in the Community,
and as a principle it is an indispensable corollary of subsidiarity in the structuring of joint action.

We should therefore strengthen the partnership approach which has been so amply demonstrated throughout the conference. We should promote collaboration between the social partners, between the public and private sectors, and support exchanges between the networks of actors engaged in integration on the ground. In brief we should work together to give concrete substance to the Europe of Solidarity.
3. The scale of the problem

A four-way pact is needed

Mr Jean-Baptiste de Foucauld, Head of the Department for Planning, France

A combination of morality and self-interest would lead us to demand new types of policy which can deal with the new forms of social exclusion resulting from changes in technology, industrial organisation, lifestyles and demography. They should be innovative and decentralised, should combine social and economic goals, should involve society as a whole, and should permit those excluded to participate and express their views. They might be expressed politically through a four-way pact between governments, the private sector, trade unions and voluntary organisations.

With the Maastricht Treaty, the ratification of which is under way, Europe is entering a new phase of development. The central question which brings us together is: what place will the struggle against social exclusion occupy in European Community action in the medium to long term? Or more precisely: is social social exclusion a major challenge in the building of Europe? If it is, then how shall we tackle this problem - which in many ways seems to be beyond us? With all due modesty about our concrete achievements, yet with the ambition we need to overcome the unacceptable, we must now blaze a path for action in years to come.

A new divide

Let us start from the established fact that over the last 15 years - since the first oil crisis and the end of Keynesian growth - the processes and phenomena of social exclusion have multiplied in the majority of developed countries, and particularly in the Member States of the European Community. Of course these phenomena are not new in our societies; we have all experienced them at some point in our history. But over the last 15 years, they have taken on a variety of new forms. There is exclusion from employment - whether due to insecure employment or long-term unemployment. There is a growing level of urban exclusion - banishment to inner-city ghettos or decaying peripheral estates, the product of bad town-planning. And there is exclusion simply due to the solitude that stems from the new individualistic lifestyles that people have adopted. In the days of full employment, the idea prevailed that misery and poverty could be beaten back through repeated and patient effort. But things have changed dramatically. The phenomena of social exclusion are increasing, even as average wealth continues to grow. Inequality is becoming greater, and is perhaps even the price we have to pay for economic dynamism and progress. But what can be said of a society which places more and more emphasis on high achievement, which is demanding higher and higher quality in what it produces, yet which at the same time is neglecting the people who produce its goods and services - and neglecting those who would be producing them if they had a job?

What we mean by social cohesion, and the issues it involves, has changed. The major conflictual relationship which characterised industrial society, that between the employer and the wage-earner, is being replaced by a different dilemma, that of being "outside" or
"on the sidelines". We could say that in the time of full employment, the problem was to reduce exploitation. The trade union movement and the right to work exist to correct the mechanisms of exploitation. But they operate when there is already a social relationship and a relationship of production. The problem of social exclusion is completely different in that there is no longer a social relationship and in this circumstance it is very difficult to struggle. What can those who are excluded strike against? How are the excluded to amalgamate? They have no common basis for so doing. Employees are in the same situation, the same place of work. They can therefore organise themselves. The excluded are scattered, invisible, often made to feel guilty, are withdrawn and do not have the means with which to fight.

Furthermore, long-term unemployment affects the twelve countries of the European Community more than their close neighbours. Switzerland, Sweden, Norway, Austria - the main countries of EFTA - have unemployment rates lower than ours, and moreover long-term unemployment is better contained than it is in the EC. Long term unemployment (i.e. more than a year) affects 10% of the whole of the unemployed in these countries whilst in the EC, this phenomenon affects almost 50% of the total unemployed. In the USA and Canada long-term unemployment affects around 20% of the unemployed as a whole, but this represents a smaller proportion of the total population.

The social and the economic

To explain these trends, several non-mutually exclusive explanations can be put forward:
• The inflexibility of the labour market in Europe;
• An inadequate capacity for initiative, even if it has been revived by the single market;
• Weaknesses in the systems of professional relationships and company management, which have been unable to overcome social exclusion, or to practice methods of forecasting demand for personnel and qualifications which might prevent social exclusion;
• Increasingly individualistic behaviour and maximisation of freedoms of choice, at all levels, which have led to a reduction in systems of collective responsibility, a decline in community standards, and a rise in systems of individual responsibility which have proved to pay little attention to the rights of others.

More precisely, we can say that Europe has been constructed on an essentially economic basis, and social objectives have been included on the assumption that they would naturally result from good economic management. Today, we realise that the problems are a great deal more complex. The dynamism of the market does not provide adequate scope for integration once full employment is no longer assured. In other words, social integration is no longer an automatic consequence of the dynamism of society. Additional mechanisms are needed. We are therefore faced with the need to give new impetus to the fight against social exclusion. Social policies implemented to date, such as the actions promoted by the two successive European anti-poverty programmes, have improved
matters somewhat; but they are not equal to the task, which is to allow everyone to play their rightful role in society.

Why should this be? Perhaps social policies have not been allocated sufficient resources, given that the striving for competitiveness has led to stricter controls on spending, just at the time when the cost of unemployment benefit has increased. Secondly, it may be that traditional policies are inadequate to deal with social exclusion caused by unemployment, or with urban ghettos, since it is not easy to build up a network of social exchanges and links. We must put our energy into innovation, but innovations are not easily reproducible. They require innovative people to carry them through, and such people cannot be created. Thus, whether people can gain access to the rights we judge fundamental depends on the pre-existence of these innovators, which might seem incompatible with a commitment to universal rights.

Combining morality and self-interest

In fact, we can only escape from social exclusion if society as a whole makes much more of an effort. We must make a quantitative and qualitative leap. If we do not mobilise, we will face the risk of a dual Europe. On the one hand we will have a Europe which is relatively happy at heart, materially satisfied although it has existential problems, a Europe of people in employment, of double income households who go on holidays and are properly covered by systems of social protection. In short a happy Europe, perhaps happier than it has ever been. And alongside this happy Europe, we will have a Europe suffering instability at work, long-term unemployment, isolation and urban banishment, an invisible Europe unable to express itself, which has no access to the media and above all has no clear political representation. These two Europes will be unaware of each other, will not meet, and perhaps will not even know how much they live in fear of one another. How can they be brought together?

Society must make a choice, a choice which is crucial at a time when authoritarian forms of integration have collapsed in the East, and when pragmatic reasoning - the desire to avoid outbreaks of violence and political threats - is proving too weak a motivating force for innovation. Do we want a Europe that accepts social exclusion and merely attempts to palliate its effects? Or a Europe which makes integration a primary objective, on a par with liberty and competitiveness? We do not have to choose between morality and self-interest to answer this question. A purely moral choice against social exclusion, however noble, will not be easy to sustain, and nor will a purely utilitarian choice. But a combination of the two could give us the political will to reject exclusion.

A purely moral choice against exclusion will not be easy to sustain, and nor will a purely utilitarian choice. But a combination of the two could give us the political will to reject exclusion. What is at issue is both the soul and the reality of Europe that we wish to build. We in Europe need to be less
concerned with the relationship between equality and liberty, and more concerned with that between liberty and justice, because social exclusion raises the question of justice.

**What can and what should the Community do?**

On an issue such as combating social exclusion, the principle of subsidiarity remains the basic point of reference. There is general agreement on this point: it is up to local and state authorities and civil societies to act in the first place. But the Community does participate in this collective task, and the consequences of its action are quite significant.

The Community intervenes indirectly on poverty and social exclusion through its general economic and social policy and by the contribution of the Structural Funds to regional and employment development. This intervention has long been essentially incidental, because the struggle against poverty was not explicitly recognised as one of the objectives of these policies - but it is nonetheless very real. However the Community also intervenes specifically on poverty and social exclusion through a wide range of actions (food aid, specific programmes to stimulate innovation and exchanges of experience, animation of a network of participants, support for non-governmental organisations, research programmes). This modest intervention remains too selective and dispersed, despite the significant effort made in recent years to aim higher and to promote coherence. These actions have allowed the Community to acquire methods and know-how, to help to structure networks of participants, to stimulate initiatives - but the legal basis to go further has been lacking.

The conclusions of the Intergovernmental Conference constitute an essential support in this respect. The protocol annexed to the conclusions of the European Council of Maastricht and signed by eleven heads of state and government affirms that combating exclusions is one of the objectives of the social policy of the Union, and provides that the Community support and complement the action of the member states to this effect, notably in the integration of people excluded from the labour market (article 2 lays down that measures in this area be adopted by qualified majority). In addition, the provisions on training and health ought also to allow actions in these areas to make a greater contribution to the struggle against social exclusion. The protocol on economic and social cohesion also confirms the importance of Community effort in the area of solidarity. In addition, the Maastricht Council has reaffirmed that the European Union respects the fundamental rights guaranteed by the European Convention on the protection of human rights and fundamental liberties (article F). Finally the Maastricht Council approved a declaration inviting the Community to cooperate with solidarity associations.

**Ground-rules for a joint response**

So there are now new elements with regard to the legal basis, to go further in eleven countries at least. But how do we find a common guiding principle which is dynamic yet compatible with the different cultures of the Member States? Concepts, attitudes and traditions regarding social exclusion are diverse - we must not hide the fact. Certain countries stress the responsibility of the individual for their own integration, and believe that lower labour costs and a more flexible labour market will help. Others on the contrary refuse to rediscuss the minimum wage. Others make use of the system of professional relationships and the strong involvement of companies in education to prevent...
social exclusion. This is certainly a good solution, but unfortunately it arises from a certain cultural tradition, and cannot be imposed everywhere. Others try to implement innovative policies of insertion, such as help finding jobs, work on schemes of public interest, health and housing schemes, but these are of varying success and are in any case difficult to generalise. Others, finally, accept that society cannot provide a job for everyone, and view giving financial assistance to the excluded as an inevitable fact.

Certain principles can form the basis for joint action:

- We should not set a social Europe against an economic Europe; nor seek to construct a social Europe as an afterthought or appendix to an economic Europe. Europe must be both economic and social. The social must be present in the economic and vice versa. This means that the issue of combating social exclusion must be integrated in all policies, national as well as Community. The principle that all new policies should be accompanied by an impact statement on social exclusion is something that must be debated.

- The fight against social exclusion must be taken on by society as a whole, and not only by professionals and charities. Companies, employers’ organisations, trade unions, civil society and the voluntary sector must all be involved. We must invent a new form of good citizenship. Could not for example national service be completed in this way?

- To combat the formation of a dual society, we must construct mechanisms for co-operation between the excluded and the non-excluded, particularly in the field of job-creation. We cannot reintegrate anyone without their active participation, and nor can the excluded escape their social exclusion without a helping hand.

- This raises the question of the self-expression and citizenship of those who are excluded. They are not deprived of political citizenship, but their economic and social citizenship is sadly limited. Invisible and withdrawn, they are reduced to being passive consumers of the employment services. How can they be encouraged to come together, to be active, dynamic, to express themselves, to play a role in areas which need to be renovated? There is here a challenge to democracy which needs new solutions.

There are really two paths through which the excluded can express themselves: through trade unions or through voluntary organisations. In fact, excluded people tend to lose contact both with unions and associations. One idea that could be tried out in an attempt to reverse this trend is to give those in need a "union or association voucher" which would give them free membership of the union or association of their choice. A scheme of this type would give rise to a higher level of services for excluded people, brought about by competition between those unions and associations interested in serving these new potential members.

- The struggle against social exclusion requires energetic innovation in public-sector
procedures, above all in countries with a strong tradition of centralisation: local operators must be given more responsibility, experimentation must be encouraged, horizontal links made between departments, actions must be tailored to individual needs.

Five proposals

There are, then, whatever the differences of approach between different countries, a certain number of common points on which we can agree. But what can the Community, or Union, do if it wishes to become more involved in this struggle against social exclusion? The principles raised above can lead in many directions. I will list some in order to launch the debate.

• The first act would be to give a strong political signal which would make the point clearly that Europe recognises its duty to integrate its excluded people. Why not a charter of rights and duties for people threatened with social exclusion which would complement the social charter, or become part of it?

• Secondly, this political signal would be buttressed by a partnership agreement between the active forces of the Community: a kind of four-way pact between the public sector, companies, social partners and solidarity associations. This could turn the political will and commitment of the various partners into a reality.

• Thirdly, we must reflect on the model of enterprise that we wish to promote; there is a cultural choice to be made. In a market economy businesses operate by using sometimes external, sometimes internal flexibility. In the first case, when the economy weakens, a company cuts its workforce and leaves it to the labour market to find people new jobs. In the second case, it forecasts its workforce and qualification needs, and prefers to vary salaries rather than jobs. The model of internal flexibility can help prevent social exclusion; whether advantageously in that respect needs to be discussed.

Internal flexibility should be taken to mean not internal instability, but internal mobility. We cannot achieve technological progress without mobility. But by keeping this mobility within the firm, we avoid pushing people out of their jobs where they risk becoming excluded. I would go so far as to say that the struggle for internal flexibility is the main task for trade unions, because it is a way of controlling redundancies, and in the long term of achieving salary gains. Personally I believe that unions should be looking more at the qualitative (how companies are organised) than the quantitative (salary levels), because the qualitative controls the quantitative. In good times, quantitative demands are enough, but this is not so in bad times.

• Fourthly, if we wish to commit ourselves to prevention policies, we must make the struggle against social exclusion an integral part of Community policies, both general and structural.

• Finally, there is the need to promote social policies when combating social exclusion, and in particular systems that provide a minimum income, seen not just as a safety-net, but as aid to integration. The Commission has already taken initiatives in this area, in particular in the extension of the Resolution on combating social exclusion and of
the Charter of fundamental social rights for workers. The proposed recommendation on a guarantee of resources and allowances which could be approved by the Council in 1992 ought in my opinion to be followed by other proposals, for example on the right to housing and access to services and measures for economic and social integration. Certain services of the Commission have already made or plan to make initiatives in this area, such as the study on the specific problems of indebtedness, educational failure, health and drug addiction. Moreover, the Interservice Group set up in the Commission should facilitate the development of such initiatives and cooperation.

Here then is a list of actions which could be taken; it is of course not an exhaustive list, and it must be discussed. There is one last point: we will only see our concerns turned into action if we can transmit them to all parts of society and all the citizens of the political union we are building. We are in the process of building a European citizenship. This citizenship must bring added value to national citizenship, and it can only truly do this if it contributes to giving the excluded their rightful place in society.
4. The commitment of the partners

Chair: Mr Alan Pike, Social Affairs Correspondent of the Financial Times, London

Three ways forward for the Community

Mrs Françoise Euvrard, Chair, European Commission Support Group on Poverty and Social Exclusion

Social exclusion now affects 15% of the Community’s population. It stems from a wide variety of causes, including technological change, the decline of traditional values, and outdated social security systems. Whether reactions to social exclusion are passive or violent, they constitute a major threat to European integration. The bad prospects for growth, and future migratory pressure, are likely to exacerbate the situation. The Community is now enabled to act, and should extend its work on pilot programmes, promoting rights, and supporting networks. Beyond this, it should assess all its policies to determine their effect on social exclusion, target Structural Fund assistance more precisely, and work up a model for human development.

The causes of social exclusion

There are some 50 million excluded people in the EC - 15% of its population - and it is now being realised that the development of the Community, far from reducing social exclusion, is leading to new forms of social exclusion. But there is no common cause. Some of the contributory factors are: the decline of traditional forms of socialisation and rootedness; the fragmentation of new groups of society (such as unemployed young people or single parents) faced with unfamiliar problems; technological progress and global competition; and outdated systems of social protection, which either do not cover those without a solid work record, or strip claimants of their dignity. Weak economic growth and migration are likely to exacerbate the situation. The growth of social exclusion poses a grave threat to European integration. The poverty culture which is growing up may result in withdrawal, but in other individuals is expressed in the form of violence or crime. The risk is one of creating more and more urban ghettos where fraud, delinquency, prostitution and drug trafficking are rife - and unsurprisingly so, since they are far more lucrative than any social security benefit.

How can Europe act?

First, the Community should improve and extend the specific initiatives to which it is already committed.

These initiatives take three principal forms: specific programmes; the promotion of the rights of the deprived; and support for networks with and between development organisations.

- Despite their laughably small budgets (Poverty 3 has 55 MECU over 5 years), the
specific programmes do stimulate innovation and provoke debate in Member States and at Community level, and they demonstrate that something can be done. Resources must be made available to evaluate these programmes properly, and draw lessons for future action.

- The promotion of rights plays an essential role in preventing social exclusion. The Commission has prepared a recommendation on a resource guarantee, and is pushing for guaranteed access to the legal system and housing. It could also press for an evaluation of social service delivery systems, and organises the exchange of information on these topics.

- The Commission cannot act directly on the ground, but can help to raise awareness and mobilise people from national, regional and local governments, the private sector, trade unions, charities and voluntary organisations.

Secondly, the Community should take account of social exclusion in formulating its policies in general.

The Interservice Group on Poverty and Exclusion is currently examining the effects of monetary, fiscal and economic policies on social exclusion, but its work is currently internal to the Commission. The Committee is of the view that external consultants should be brought in to assess the impact on social exclusion of three key policy areas each year, and that the results should be published. As regards Structural Fund intervention, the Committee feels that simply adding a new budget line will not suffice; better targeting is needed to ensure that aid reaches those who need it. This will require reform, both to enable the excluded to express their needs, and to broaden the range of actions that can be supported. Their role in combating social exclusion needs to be made explicit.

Thirdly, the Community should work out a development model which is not purely economic, but which includes social and human factors.

The Maastricht Treaty lays down certain conditions that Member States must adhere to by 1997 if they are to join the monetary union, but these are purely financial. Yet though economic growth creates the resources needed to carry out social programmes, it also creates situations of social exclusion which are dangerous to society, and threaten growth itself. The Commission must therefore promote the concept of human development, which combines both economic and social aspects. For this reason, the Committee recommends that the Commission should publish an annual report on human development in the Community, which would assess matters such as illiteracy, infant mortality and isolation as well as money income. It would measure our success using new indicators to gauge factors such as social cohesion, living standards, cultural levels, crime and health. This report would have a political impact, and would pave the way for a medium-term strategic framework for combating social exclusion, with a timetable and possibly a budget.

The Commission must promote the concept of human development, which combines both economic and social aspects.
Finally, I would add that poverty in the Community is more and more closely linked with conditions outside its borders; and that therefore the Community must also define a policy for relations with third countries, whether to the South or to the East, which will ensure sustained development, peace and world security.

**Future EC action - The recommendations of the Interservice Group**

Mrs Odile Quintin, President, European Commission Interservice Group on poverty and social exclusion, and Head of Division, DG V/C/1, Social Security and Social Action Programmes

The Commission’s Interservice Group (which brings together 18 of the 23 directorates general in the Commission) suggests that pretraining, support measures and urban social development be included in the remit of the Social Fund, that initiatives be made on debt, school drop-outs and drug addiction, and that existing legislative proposals and experimental programmes be pursued and extended. It also wishes the partnership approach to be structured in a permanent procedure.

The job of the Interservice Group is to contribute to making Community policy on social exclusion more coherent, to inform policy-making at a high level, and to ensure that issues relating to social exclusion as well as economic matters are considered. The Group has analysed the Community’s achievements so far, which fall into three areas:

- legislation (e.g. the proposed directives on atypical work and certain categories of vulnerable workers such as women);
- the contribution of the Structural Funds;
- the mobilisation of actors, for example through the Poverty Programmes and new instruments such as the Observatory on policy to combat social exclusion.

1. Improved and better targeted Structural Fund support

This primarily concerns the Social Fund, and Paquet 2 proposes that the integration of the excluded be made the third priority of Objective 3 of the Structural Funds. The Interservice Group has clearly proposed that new measures be made eligible for support by the Funds, such as pre-training, support measures and urban social development.

2. Consumer, education and health policy

It has also thought about the possibility of extending certain activities, notably in the areas of indebtedness (an initial study in the area of consumer policy); the relaunch of Community action on failure at school; and health (drug addiction).

3. Promoting rights

Given the new Maastricht protocol, the first instrument in this area (the recommendation on the minimum income which is hopefully in the course of being adopted) could be followed up with legislation on the integration of the most deprived into society.
4. More and better experimental programmes

Such programmes need not necessarily be funds, but can mobilise actors and exchange experience (like the Poverty Programme) or improve our knowledge (like the Observatory).

5. Continued partnership

The Interservice Group has worked closely with partners such as NGOs and the Support Group, and has underlined the need to continue the partnership. This would strengthen relationships with regional and local authorities as well as the Commission’s traditional partners, the Member States, and secondly it would stimulate debate between the social partners and enable us to ask that the struggle against social exclusion form part of that debate. Finally we suggest that the dialogue that has been started with the NGOs be made permanent and that it cover all topics that affect social exclusion.

Finally the Interservice Group has recommended that a political initiative should come from this conference, and supports the Support Group’s call for a commitment in the form of a memorandum or framework reflection.

Employment is the key issue

Mr Bernard Arnold, Director of Social Affairs, Union of Industrial and Employers’ Confederations of Europe (UNICE)

In the view of the European employers, the main route out of social exclusion is through employment, through training and especially continued training. But employment policy is not enough by itself. A blanket minimum income needs to be backed up by decentralised local action based on solidarity, to rebuild the broken bonds in society. Finally, Europe must not become a fortress, and must remain open if our near neighbours are not to pay the price.

1. UNICE believes that employment is the main means of integration of individuals into society, socially as well as economically. Therefore the main means of combating social exclusion is through the labour market.

2. Training is important to strengthen the individual’s position in the labour market, and continued training is needed to prevent social exclusion happening to existing workers. The joint opinions of the Social Dialogue have drawn attention to the need to target training on the weaker members of the labour-force.

3. Given that employment policy alone cannot solve social exclusion, we support the proposed Council recommendation on the minimum income. But poverty cannot be
eliminated purely through financial assistance; it stems not only from economic change, but also from the erosion of traditional value systems, the growth of individualism and the decline of solidarity in society. Therefore we believe that the introduction of a guarantee of minimum resources in isolation could encourage dependency; it must be accompanied by effective actions to promote social integration which rely on mutual support among citizens. The best way to rebuild the social links that have been broken is to decentralise policy delivery, so as to allow local actors the freedom to develop effective *ad hoc* solutions based on solidarity.

4. Europe should not become a fortress. Isolating Europe from external competition might allow social improvements within - but this would be at the expense of those outside. We must remain open, so as not to impede the development of our neighbours.

5. A change of attitude is needed, whereby the excluded are thought of not as a problem, but as a potential, which can be made use of to the benefit of both individuals and society.

**A co-operative growth strategy**

Mr Jean Lapeyre, Assistant General Secretary, European Trades Union Congress (ETUC)

*In the medium-term, a co-operative growth strategy, involving all partners, is needed to create a qualitative growth in employment, as well as economic and social progress. Better labour-market forecasting systems are crucial to this. In the short-term, work-sharing through the introduction of the 35-hour week, better protection for part-time workers, a minimum income guarantee and a policy of integration could reduce social exclusion rapidly.*

In creating the conditions to *prevent* rather than manage social exclusion, macro and micro policies are complementary, not opposed. Therefore we call for a co-operative growth policy at EC level. The Community should be the new motor of a qualitative growth in employment, economic progress and social progress.

A preventive strategy means that we, as social partners, must develop labour market forecasting methods, so that training, conversion, job-creation and mobility needs can be anticipated at the levels of the firm, the industry, the locality...
and the region. The education and training systems also have an important role to play in the struggle against social exclusion.

Since 1985, the ETUC has been struggling to see that social aspects are included in the single market programme. Now, the criteria for economic and monetary union agreed at Maastricht have effectively blocked any further progress being made on combating social exclusion, and they must be revised. A medium- and long-term growth strategy is needed for our childrens’ sake, but we also have recommendations for immediate action in four areas:

1. **Working hours and work organisation.** The idea of reducing working time seems to have gone out of fashion, but we believe work-sharing to be a valuable immediate response to social exclusion through unemployment. Our demand for a 35-hour working week has never been more relevant. This must be negotiated at grassroots level so that it really creates and saves jobs, because there is no automatic relationship between the reduction of working hours and the creation of jobs.

2. **Protecting and recognising the value of atypical work.** We cannot allow insecure forms of work to develop, which might lock workers into perpetual poverty. In particular, local service jobs, usually occupied by women, should not be underestimated and badly paid, as they are a major source of new employment. We must ensure that the structure of the labour market as regards atypical work does not lead to structural poverty.

3. **A minimum income.** We must ensure decent, acceptable living conditions for excluded people. This requires not only a comprehensive system of social protection, but a Community minimum income. There are costs, but have mean-minded critics really calculated the cost and wastage of unemployment? Moreover, budgetary rigour must not lead to reductions in social services or the impoverishment of social action, especially in the inner cities, and more especially as regards housing.

4. **A policy of integration.** But an income safety-net is not enough - it must form part of a policy of social integration. The minimum income must be linked to a policy of training, qualification and job availability that can progressively bring people back into the labour market.

The ETUC believes that the Community must play a motor role in the struggle against social exclusion, by mobilising all organisations concerned. But more immediately, there are proposals on the table which are currently blocked (such as the directive on atypical work) and recommendations which could be made stronger (the EC could issue a directive on minimum income). The trade unions, for their part, are ready to take part in active partnerships to achieve this common goal.
A new approach to the welfare state

Mr Troels Johansen, Chairman of the Social Affairs Committee, Council of European Municipalities and Regions (CEMR), Municipality of Herning, Denmark

Though fighting social exclusion is a political responsibility at all levels, it is local authorities, being closest to the grassroots, who must play the major role. Urgent action is needed to find new methods of financing social protection payments, and to create new jobs, but beyond this, psychological and cultural measures are necessary to help people to prepare themselves for employment.

Social exclusion is about democracy, about a just society, and about human rights, and fighting it is therefore the responsibility of all. It is a very complex problem linked to fundamental attitudes, educational values, cultural traditions and political debate. It cannot be resolved by purely economic means. It is a political responsibility at all levels - and therefore of the Community and Commission - but it is regional and local authorities who are closest to the problems and those affected, and who must therefore play a major role. We believe that the political will, experience, and capacity to innovate present at local and regional level are crucial to the success of the fight against social exclusion.

Social exclusion is present in many different forms, and within many different social security and social service systems. Unlike many countries in continental Europe, the Nordic countries have long financed social benefits through general taxation, a welfare model which kept purchasing power and living standards high, and produced a stable, conflict-free society. It worked well in an affluent society. However in the current economic climate, the tax charge, both nationally and locally, has become too much to bear.

Therefore we need to find new ways of financing social protection, which meet regional needs. But financial means alone cannot solve human problems. To rely on revenue transfers risks threatening people’s dignity, self-respect and sense of responsibility. Nor are the problems of social exclusion just about a lack of skills; they are more complex, and linked to flexibility, personal independence, personal effectiveness and the ability to work under pressure.

No job - no identity

The strategies that businesses adopt often focus solely on capital, and this makes many people vulnerable to unemployment. Yet in our society, our job is us, the expression of our identity, our position in society. Though we may never expect to restore full employment, we must make efforts to create jobs on a significant scale. This requires action by both public and private sectors, which require finance. But alongside job-creation measures, we need psychological and cultural initiatives which will help those excluded or threatened with social exclusion to organise themselves and their talents in a positive way to improve their chances of finding a job.
The CEMR Committee for Social Affairs believes that the EC must adopt a political position recognising the need for Community initiatives in this field. It should carry out analyses and evaluations, and act as a role model through pilot projects, support for networks and the use of the Social Fund.

**Partnerships with excluded people themselves**

Mr Jean Tonglet, European Anti-Poverty Network (EAPN)

*Poverty is a denial of human rights. Its eradication must find a place in all Community policies, and instruments combating it must be strengthened. It should be tackled through partnerships, especially with excluded people themselves and with NGOs working with them, and these partnerships should be institutionalised to become permanent consultative bodies.*

**Rights:** poverty threatens not only social but civil and political rights: many people of no fixed abode, or who are not on the electoral roll, or who cannot read and write - cannot vote. So freedom of association is in practice denied them. Human rights are being violated. These rights cannot be considered in isolation from each other.

**Policies:** Just as the rights of the excluded are linked, so policies need to be linked. We need to come up with a global policy to combat poverty, and to deal with social exclusion in all our policies - general and structural. And we have to ensure that the poorest citizens can really exercise their basic rights. In this connection, the legal instruments used need to be stronger than recommendations. *Directives* are needed, even if they are only framework directives giving guidelines and objectives, which Member States can apply as befits their culture and traditions.

**Partnership** is needed between all actors. Two types of actors stand out. First, poor people themselves: they are the people who are acting against poverty every day, so we have a responsibility to promote their citizenship, participation, organising and networking. Next closest to the issue are the solidarity associations and NGOs. This principle of public-voluntary partnership must be strongly applied at all levels: locally, regionally, nationally and at Community level. The current lack of rules for the relationship between solidarity associations and the Community leads to an arbitrary state of affairs where the most powerful are heard. They should be regulated by strict democratic rules.

**Permanent dialogue:** Fourthly, this partnership should not remain isolated, but should lead to a permanent dialogue between the social partners - perhaps in the form of the 4-way pact mentioned by Mr de Foucauld. Representation in such bodies as the Economic and Social Committee also needs to be debated.
Partnership from the start. Fifthly, in carrying out research, it is essential to make systematic use of the knowledge of poor people themselves and the people who work with them. Otherwise we will end up with policies which go over the heads of those they are intended to help.
5. Promoting the rights of the most deprived citizens

Chair: Mr Michel Hansenne, Director General, International Labour Organisation

Four European rights

Mr Tony Venables, Director, Euro Citizens Action Service (ECAS)

We need a new approach to social exclusion based on four European rights: the right to protection from discrimination; the right to a fairer share of Community resources; access to justice; and the right to information. The anti-discrimination policy, which can be agreed by majority vote in the Council of Ministers, should be accompanied by an examination of the effect of EMU on social exclusion. There are also issues of budgetary balance and of accessibility.

Now that social exclusion is mentioned in the Maastricht Treaty, we can and must have a new approach to the struggle against poverty. This approach should be based on four "European rights":

1. The right to protection against discrimination

It is accepted that the Social Charter provides for action in favour of those excluded from the labour market. But what nobody has yet mentioned is that the Charter mentions not only working conditions, but living conditions. Therefore Community action can now be taken by majority vote on living conditions, and this definition must include housing as well as other areas of social policy that have nothing to do with the workplace.

One possible way forward would be to propose a multiplicity of charters for different excluded groups. But if we do, we run the risk of further encouraging marginalisation, and of exacerbating the very trend we are trying to combat. On the other hand, to limit ourselves simply to pressing for a more effective implementation of the general principles of human rights is too vague; we know that these rights are least effective for those who are in greatest need.

Taking the middle ground suggests that the Community should focus on the struggle against discrimination. This has worked very effectively in the field of sex discrimination, on the basis of Article 119 which guarantees equal treatment for work of equal value. UNICE among others supports the idea that this non-discrimination legislation should be extended to other categories of marginalised people - whether discriminated against through ethnicity, age or other factors. It would appear that the Commission can already take measures against discrimination and social exclusion on the basis of the protocol on social policy. If the legal possibilities offered by this protocol are not thoroughly exploited, it will be much more difficult to revise the Treaty in 1996. For example cannot some of the recommendations, in whole or in part, such as the recommendation on a minimum income, now be reissued as directives?
2. The right to a fairer share of Community resources

Citizens, especially those who are disadvantaged, should be able to benefit more fairly from Community resources. This raises issues both of budgets and of accessibility. The acid test of whether poverty is really being taken into account in all European policies is to look at the budget. Is there an effect of redistribution? For example there are EC measures to give food to the poor in the winter. This is all very well, but why not all year? What are the distributive effects of the CAP, ESF and ERDF? This is something that has not been researched. We have analysed all the EC budgets that voluntary organisations could use, and a generous estimate indicates that they total 1.5% of the total EC budget. After Maastricht these budgets now include culture, health and consumer protection. There must be a massive increase in what are ridiculously small budgets. How can a budget of 14.5 million ECU for the Poverty Programme be justified when the total EC budget is rising from 60 to 80 billion ECU? The Community, through the Parliament, must demand a better-balanced and fairer budget.

Access to the ESF for local groups running small projects to improve the conditions of their community is very difficult. Here, it is not necessarily a question of increasing the budget, but of reforming the rules so that associations are considered as partners. And there should be more Community initiatives at local level.

3. Access to justice

The concept of European citizenship introduced in the Maastricht Treaty is a very important step forward, but the problem is that it relates only to citizens of Member States. The question therefore arises of what will happen to third-country citizens living in the EC - will they benefit from the rights to free circulation, voting etc.? Secondly, the Court of Justice is difficult for the citizen to access, as it is normally necessary to go through the national courts first. The Treaty does create the post of ombudsman, but the poorest sections of the population are unlikely to be able to use this facility. Thirdly there is a serious problem as regards the application of our rights. The competence of the European Parliament has increased in the area of products and services, but not as regards the defence of citizens’ rights. These issues are usually dealt with inter-governmentally, without democratic controls, which means that Parliament is prevented from acting. We need a human rights lobby to take up cases involving immigrants, refugees etc.

4. The right to information

This would be the fourth and final right to be included in all Community programmes for citizens and notably excluded citizens. We all support the idea that studies are needed to improve the evaluation criteria of programmes against poverty, so that not only economic criteria are used. But this is a bit academic. The essential thing is to assess the consequences of economic and monetary union. The spending and inflation restraints that
governments will have to accept in the run-up to EMU could easily become excuses to cut social spending. It is also obvious that a single currency could be a powerful drug with undesirable side-effects. The market will speculate on which countries will proceed to the third stage, and the livelihoods of entire regions will be gambled on.

So I think we need a major study - like the Cecchini report on the single market - to see what the impact of the single currency will be on local populations and deprived and excluded people. I don’t say there won’t be benefits, but excluded people should not suffer as a result. Poverty must be on the EC’s agenda, not only as a matter of ethics or of self-interest, but simply as a result of the EMU calendar fixed at Maastricht.

A single currency could be a powerful drug with undesirable side-effects.

A new sense of European citizenship

Mr Georgio Liverani, UIL (Italian Labour Union) and adviser to the Economic and Social Committee of the EC

The concept of citizenship, of participation in society, is key to the eradication of social social exclusion. The trade union movement is beginning to respond to this by representing the interests of people as citizens, not just as employees. The issues of citizenship for migrant workers, elderly people and other excluded groups could be addressed by a series of charters.

We must use citizenship as an instrument in the struggle against social exclusion. A poor or excluded person is less of a citizen than others. If we wish to reduce and eventually wipe out social exclusion, we have to do this from the cultural and psychological angle, i.e. by removing the feeling of social exclusion. If one feels one is a citizen, one is already less excluded. If we can make all Europeans feel real citizens, we will have already made a start in combating social exclusion.

A new sense of citizenship, a feeling of belonging, is now coming into being - it is what European union and the Maastricht Treaty is all about. Citizens’ rights must be defined in the context of a European citizenship which will be additional to existing national citizenships. The two go together. Sometimes, for the excluded, it is difficult to make them feel citizenship of any sort, and we must make Europe feel more than a market so that people can identify with Europe.

The union of citizens

How? On the one hand we have tasks such as establishing framework legislation, the work of the Commission and Council, and the social partners and voluntary sector can also play
a role. But the social partners are sometimes rather conservative. For instance trade unions sometimes view their role as to represent only employees already in work - which accentuates social exclusion. If one cannot find a job when one leaves school, if one is made redundant, or when one retires, one is a second-class citizen, an excluded citizen. So my organisation decided seven years ago to change its name to reflect its broader role: it is no longer the "union of workers" but the "union of citizens".

As further proof of the change of direction that is under way, the ETUC, at its congress in Luxembourg last year, approved a document on European citizenship. This was before Maastricht or the Parliament’s resolution, and in it the union movement within the twelve Member States and in countries that have yet to join the EC express their view that the movement must take on a broader role.

Social exclusion and marginalisation take many forms, and we have to recognise them, and act on them. Take for example the issue of migrant labour. There are now about 15 million people from third countries working in the Community - almost a "13th country" as regards workforce. However short the period, when one works in another European country, one ought to be able to take an active part in the trade union movement just like any other citizen, to avoid the problem of the marginalisation of workers working in other countries. The right to mobility of labour is one of the "four freedoms", and must be put into practice.

This issue, along with those of atypical work and the marginalisation of elderly people, is to be tackled in the forthcoming report of the Economic and Social Committee on the Europe of Citizens. Perhaps we could have a charter for elderly people, or a conference of young people, given that they are the future of Europe and have duties as well as rights. We must make people practice their citizenship by participating in the building of the Europe of Citizens.

The Mercedes-Benz experience - equal opportunities cost money

Dr Dietmar Kraemer, Personnel Director, Mercedes-Benz AG, Sindelfingen, Germany

Mercedes-Benz, in common with other German firms, exists within a strong regulatory framework, and makes considerable efforts to implement equality of opportunity for groups such as physically and mentally handicapped people and for foreign workers. Yet the European legislative framework is not yet mature enough to ensure that this same approach is adopted throughout the Community, and this raises questions of unfair competition.

The chief concern of big industrial companies is that they make a profit and maintain their competitive position. Yet big firms cannot abdicate their social responsibilities, nor leave it all to the state. Germany has a strong regulatory regime as regards the protection of disadvantaged people, with regulations on working time, health and safety, dismissal procedures and the protection of handicapped people, young people, pregnant women and people retiring. But words are not enough. Firms need to go over and above the
regulatory minima to work towards true equality of treatment.

**Integrating handicapped people**

Mercedes-Benz AG today employs some 8,000 handicapped people, which represents about 5% of its workforce within Germany. This is fractionally below the legal minimum of 6% for firms employing more than 16 people, but we make up, and exceed, the shortfall by sub-contracting 25 million marks' worth of work each year to external workshops for handicapped people. The recruitment of handicapped people is done in cooperation with the competent employment agencies in the region and is supervised by the Land government.

We also take on handicapped apprentices. We have 30 severely handicapped people who are being trained in technical drawing, metal fabrication, mechanics and so forth. Each year we also teach metalworking skills to 12 teenagers with learning difficulties from local special schools. Special courses have been developed which take account of the trainees' mental capacity, and special certificates are awarded which will allow them to find work in industry.

To create a job for a handicapped person takes an investment of between 200 marks and 300,000 marks. For example in order to employ a wheelchair user, one has to provide specially adapted toilets, canteen tables, clothes lockers and so on. The cost to the company raises the question of whether legislation in this field should be harmonised across the EC to prevent the distortion of competition. If it is not, regions with laxer social legislation will have a commercial advantage.

**Integrating foreign workers**

Twenty-six thousand of our workers are foreign - 16% of the total workforce. To integrate them into German society we provide both language courses and accommodation. Of the 9,000 workers at our Sindelfingen factory, some 1,000 are foreign, and 600 live in the hostel provided by the company.

We also offer in-house social counselling services to people who have been long-term unemployed, have been on extended sickness leave or maternity leave, or have become drug- or alcohol-dependent.
**The Structural Funds should support social housing**

Mr. Fernando Gomes MEP, Mayor of Porto

*A major fault with the newly extended coverage of the Structural Funds is that they do not cover housing, which is one of the major causes of social exclusion. They should be enabled to fund the building of social housing and access to it. Minimum revenue legislation, as proposed by the European Parliament is essential.*

The European Parliament's committee on promoting the rights of the most disadvantaged citizens has recently published a report which tries to define what action is needed to protect the rights of the excluded. Its definition is as follows:

- A coherent global mechanism for the abolition of all forms of social exclusion, particularly in education, employment, training, health and housing;
- A universal right to public services sufficient to be able to live a dignified life;
- The necessary changes in social security systems.

**Decent housing prevents social exclusion**

The big question is that of resources. A minimum income guarantee for every citizen risks exhausting the available resources. The Paquet 2 discussed at Maastricht makes proposals to finance infrastructure, so we can call for a redefinition of the measures eligible for Structural Fund support.

The rights to education, employment and training are already covered by the Structural Funds, and health will be covered after the reform to be completed in 1993. However housing is not, and the Community authorities should remedy this.

In towns such as Porto one of the major forms of social exclusion is through housing. The great majority of the excluded do not have a decent home, and many people who would otherwise not be excluded are excluded precisely because of the lack of housing. Therefore the building of social housing should fall within the remit of the Structural Funds.

Social housing should be seen as a long-term investment which will pay returns.

They fund major infrastructure such as motorways and the TGV, the environment, so why not housing? Usually there are specific areas in towns where marginal people are concentrated, and this is where work should be concentrated. The cost should be seen as a long-term investment which will pay returns in the form of less spending on social security and social services such as drug rehabilitation etc. Decent housing will help prevent social exclusion. It is not a magic wand which will solve the whole problem of social exclusion of course, but the experience is encouraging.

On a micro level, the programme of greatest importance in Porto is the Poverty Programme, and it should be renewed. Through this programme, 15,000 people living in the historic town centre, and another 2,500, mostly gypsies, living in a shanty town are
building their own housing themselves. The experiments carried out in the field of housing and support teams have had a very positive results as regards the social integration of these marginalised groups.

\section*{The European Charter on the Right to Housing and the Struggle against Social Exclusion}

Mr Han van Putten, President, Habitat International Coalition

\textit{The European Charter for the Right to Housing embodies the principles that paternalistic, top-down action should be avoided and that people's own initiatives should be supported; that concerted action is needed at all levels; and that the market cannot provide and the public sector must intervene. The EC should support a right to housing, giving a lead to Member States. Its role is to set standards and criteria, and monitor their implementation.}

Homelessness is probably the most urgent and extreme form of social exclusion. The Charter for the Right to Housing and the Struggle against Exclusion calls for the recognition and implementation of the \textit{right to housing} for every single person. This is a fundamental human right necessary to dignity and citizenship. However in many cases the provision of a home will not be enough, and the excluded, marginalised person must be helped to find his place in society. Current social security systems often lock people into the status of benefit claimant, and promote social exclusion. Rather than obliging them to accept solutions intended \textit{for} them, we need to give greater support to excluded people's own initiatives.

Another principle adopted in the Charter is decentralisation. We do not believe in universal top-down solutions which ignore the geographic and cultural diversity of excluded people. Social exclusion in housing forms part of a much broader context of social exclusion. To solve this problem, we must tackle its root causes, that is at local, national and international level.

The members of Charter believe that we cannot expect market forces to lead to decent housing for the whole population, and that the public authorities bear the major responsibility for ensuring that adequate housing is available for everyone. Housing is of such economic and social importance that it cannot, as at present, remain outside the competence of the Community.

\section*{The EC role}

We do not advocate that Member States should transfer their responsibility for housing to the Community. National, regional and local authorities each have their role to play in this sector, as do the private and voluntary sectors. But we believe that the EC should be

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Housing is of such economic and social importance that it should not remain outside the competence of the Community.
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given the powers and means needed to ensure that the social aspects of a united Europe do not lag behind its economic aspects. In particular we believe that it should play a similar role to that which it plays as regards equal opportunities between men and women. In other words it should formulate standards and criteria and supervise their implementation.

The members of Charter request that the Community work towards a right to housing. This right is already recognised as fundamental in the Universal Declaration of Human Rights as well as in the International Convention on Social Rights which has been ratified by almost all EC Member States, but it needs to be fleshed out, enriched and above all better implemented. The Community’s enthusiastic support for the right to housing would have a positive knock-on effect on national policies and legislation, and would strengthen the position of those who today are marginalised.
6. Strengthening the contribution of the Community’s general and structural policies in combating social exclusion

Chair: Mr Wim Van Velzen, Chair of the Committee for Social Affairs, Employment and the Working Environment, European Parliament

The contradiction in the Maastricht proposals

Mrs Mia Devits, General Secretary, Fédération Générale du Travail de Belgique (FGTB/ABVV), Belgium

There are many problems with the social charter proposals - they are not broad enough, and are delayed by the necessity to achieve a unanimous vote in the Council of Ministers - and action to overcome these problems is urgently needed. But over and above this, there is a serious contradiction in the proposals emanating from the Maastricht summit. On the one hand a step forward has been made in including the fight against social exclusion as a Community objective, but at the same time the budgetary restraint to be imposed in the run-up to economic and monetary union will make this commitment impossible to implement. The only solution lies in a Community fiscal policy.

This decade is a particularly important one for Europe’s future, and a very worrying one for Europe’s citizens. Unemployment is persisting, and social exclusion and inequality are growing. There is a vacuum where a social Europe ought to be. It is therefore urgent that the social action programme implementing the Social Charter be implemented, but before it is put into practice, its shortcomings must be remedied. For instance it does not mention the minimum wage or the minimum guaranteed income, the index-linking of benefit payments to earnings, nor equal rights for workers from outside the EC. Moreover, the legal instruments for putting it into practice are not binding. Recommendations must be replaced by directives, and unanimous voting in the Council must be replaced by majority voting.

Thirdly, the Maastricht Treaty contains a contradiction. It is certainly a step forward - 11 countries have signed a protocol identifying the fight against social exclusion, and the provision of adequate social protection, as a priority - yet it also imposes budgetary restraint, and public borrowing restrictions are bound to hit social security spending, as well as reducing growth rates. This contradiction is recognised in the "Paquet 2" proposals, yet the proposed Cohesion Fund is an inadequate response.

A European fiscal policy is needed

Therefore an urgent review of Community fiscal policy is needed - if public sector deficits are to be reduced without hitting social security spending, then tax revenue will have to rise. Yet at the moment there seems to be fiscal competition between Member States, not
an EC fiscal policy. We seem to be moving towards a narrower range of taxes - taxing only earned income - and this is bad distributionally. We therefore need tax harmonisation in Europe, and the maintenance of a broad tax base. In taxation also, majority voting must be introduced.

Finally, a broad, inclusive partnership is needed to implement change. This must include not only government at all levels, but the social partners and voluntary sector. The trade union movement is already active in pressing for changes in macro-economic policy - to reduce inequality and promote decent social security, taxation, training and housing policies - and on the micro level unions have also signed a number of agreements to integrate the excluded into jobs. At European level, the ETUC is willing to play a much more active role in the fight against a divided society.

\section*{Investment in social cohesion}

Mr Pierre Saragoussi, Adviser to the Director General, Caisse des Dépôts et Consignations (CDC), France

\textit{In order to resolve the growing social tensions in our cities and allow sustainable development to occur, financial institutions have to learn to invest in solidarity. They can do this by using their technical and financial expertise to support local project partnerships. The EC for its part should provide a European forum at which companies and banks can meet to develop policies to promote solidarity.}

There is a paradox in society today: economic growth is at the same time a factor of integration and a source of social exclusion. And social exclusion is at its worst in our towns, which are the most developed parts of our society. This indicates that our societies have to face the issue of values. What do we do with the power we have? What do we do with the wealth we generate? What is it for?

As a major international financial institution, which manages deposits and pension funds totalling 1,700 billion French francs (260 BECU), the Caisse des Dépôts et Consignations surely generates more social exclusion than it does integration. Yet it does also finance social housing and local development. It believes that financial institutions have to develop the attitude that they must \textit{invest in social cohesion}. Thus, it has invested 1.5 billion French francs (230 MECU) over 6 years in a programme called the \textit{Programme Développement-Solidarité}, launched in 1989. It also promotes ethical investment, and trains its staff to see the institution as a development bank.

Sustainable development cannot happen if the fabric of our society is torn in half. We think that if we can help to develop balance and cohesion it will be beneficial to us as a business. And this involves building the capacity of individuals and groups to participate, and changing the institutional culture so that it encourages rather than excludes. This leads
to an approach which is at the same time both global and local. It takes all the dimensions of social exclusion into account, it promotes local autonomy, it mobilises all available support, and it operates through partnership.

**Mobilising the partners**

This global and local approach has its difficulties, and there are some lessons to be learnt in applying it:

- Institutions are not spontaneously aware of their limitations, and must be brought together round the table to discuss the problems they collectively face;
- Each partner must be enabled to operate within a defined sphere, taking responsibility for certain tasks, and adjusting to changing conditions;
- Partners must consent to a strong discipline, and a continuous collective evaluation of difficulties encountered;
- If the partners cannot find common ground or methods, then they must accept leadership;
- Partners must ensure that finance is available for the project, and must not have unrealistic expectations.

The Caisse des Dépôts assists development projects by setting up the collective project management processes, bringing the partners together, and conducting a dynamic evaluation of progress which informs the partners as the project is carried out. It also lends its technical and financial know-how to research and project design, and helps train the partners it has backed. This enables excluded people themselves to acquire the skills needed to manage their projects. Finally it designs financial products and services which suit the needs of development projects, as is the case with the *Fondation France Active*. This was set up to diversify away from the state's concentration on the mechanism of grant aid, by providing soft loans, guarantees and equity to firms employing excluded people.

**A forum for the private sector is needed**

Despite the limitations on its freedom of action imposed by the principle of subsidiarity, the European Commission can play a paramount role in combating social exclusion, and help the Community become a model for Eastern European and Third World countries. It can help relate finance to democracy, in the same way as the European Bank for Reconstruction and Development is doing. It can assist possible development partners to mobilise, in particular by providing forums in which private sector organisations can meet and develop policies to promote solidarity. It could launch global "business and solidarity" programmes; these should adopt the local approach, combining economic with social development, and not focus solely on social aspects. Finally, it should finance research into the nature of the post-industrial town which is now coming into being.
A war on poverty

Mr Hugh Frazer, Director, Combat Poverty Agency, Ireland

Social exclusion stems from many causes, and requires an integrated response across all areas of policy. Throughout the process, from research, through policy development and funding to implementation, inclusive organisational structures are needed.

There is a need for a war on poverty. I have seven points to make arising from my experience advising the Irish government and listening to local groups:

• Integrated policies: poverty is multi-dimensional and must be addressed by comprehensive and integrated sets of policies, not just by social policies. The impact of economic and agricultural policies must be assessed, as there is no point in having a good social policy if it is undermined by economic policies which increase inequality.

• A global objective: combating social exclusion and gross inequality must be an objective of all policies and funds. Therefore social impact studies should be made of all Commission spending.

• Coherence: policies should not be developed piecemeal. The inter-service group should be strengthened and replicated at national level to ensure policy coherence.

• Social exclusion is not just economic: social exclusion denies people their basic human rights, as consumers and as citizens. Poverty is a form of discrimination, and EC policy should apply to those outside the workforce as well as those within it. The Commission should use its enhanced post-Maastricht powers in consumer protection and health to enforce equality of access to services. These include social protection, health, housing, transport, the law, culture and particularly education, which is a key route out of poverty.

• Involve the excluded: the poor need a stronger voice in policy design and implementation, so partnerships and networks at European and national level should be strengthened, community development should be built into programmes, community leaders should be trained, and programmes should be decentralised to open up participation to local people.

• Build awareness: good data leads to good awareness and good policy. Regular surveys, pilot programmes such as Poverty 3 and Horizon, and budgets for the exchange of experience and to educate the public, are needed.

• Unemployment is a significant cause of social exclusion: The European Social Fund should focus on long-term unemployment through integrated, area-based programmes.
Poverty and social exclusion is about inequality, and inequality must be addressed by redistribution between regions and within regions, and this requires a Europe-wide tax system.

Creating the conditions for integration

Professor Georgios Tsiakalos, University of Thessaloniki and Project Director of the Poverty 3 Programme in Greece

The experience of the Third Poverty Programme demonstrates that action against social exclusion can work. But such action needs much greater resources if it is to match the scale of the problem. It also needs to create the conditions for integration, by addressing the root causes of social exclusion, whether in education policies, social attitudes or political dogma. Moreover, the Community needs to find ways of by-passing blockages at national level, and delivering support direct to local actors.

I should like to give a few pointers to help people dealing with the hard-core of the excluded population.

First, that combating social exclusion is not a lost cause. The success of the model projects supported by the Poverty 3 programme shows this. If we have not been more effective, it is because we have not reached more people. Our resources have been modest, and they should be increased by an order of magnitude.

Secondly, it is necessary to create the conditions under which integration can take place, by tackling the root causes of social exclusion. For instance, we can use targeted training to get people who left school early into a job, but why did they quit education in the first place? We have to look at education policy, and do it through the eyes of the excluded people.

Thirdly, social exclusion is at its most rife where structures are outdated, where discrimination exists, where political power is unbalanced. Yet these are precisely the places where EC funds will not be able to find matching from the public sector. Therefore, the EC needs to be able to intervene directly, being flexible in its financial procedures so as to channel resources to those with direct experience of the problems.

Fourth, our work is hampered by dogma. We need a strategy based on redistribution and solidarity, yet the introduction of a minimum income is held back because of the dogma that says welfare beneficiaries are scroungers.

Lastly, social engineering is not enough in itself. We have to change attitudes. Social policy is often based on fear - that our societies will break down, or even that Europe will break up - unless the needs of the excluded are dealt with. Yet this attitude can have a
perverse effect: concern for the needy turns to fear, which leads to more discrimination, and hence to a vicious circle creating yet greater social exclusion. The rise of the far right in European politics is evidence of this. We therefore need to base our policies on shared values.

**Integrating social security, housing and training - the case of Bilbao**

Mr Josu Ortuondo Larrea, Mayor of Bilbao

*Social exclusion is a serious issue for Bilbao as it deals with large-scale structural change. Its integrated policy combines vocational training with housing and environmental improvement. Social exclusion is also countered through the Basque regional minimum income safety-net, which is linked to compulsory training.*

Bilbao, with over a million inhabitants, is changing. Its shipyards and steelworks are closing, and it is developing into a modern service economy. It aims to provide a better quality of life for all its inhabitants, and therefore incorporates the fight against social exclusion into its policies for social security, town planning and training in an integrated way.

First, it tries to raise income levels across the board, by protecting existing jobs and creating new ones. But there is also the safety-net of the 'social salary' introduced by the Basque regional government. It combines this with promoting integration, by linking its minimum income grant scheme to an obligation to take part in training, so as to help people to overcome their isolation. It is a practical instrument specifically designed to eliminate pockets of social exclusion arising from economic poverty. Secondly, in its town-planning policies, it concentrates effort on the worst-off areas in order to improve the urban environment. The city of Bilbao ensures that when it develops new housing estates or rehabilitates old ones, it keeps a mix of social and higher-priced housing. It also builds additional infrastructure - for example it is increasing its green area tenfold - and encourages joint venture developments. In training, Bilbao is developing an integrated training programme for excluded people, which covers vocational, social, cultural and business management training. This links back to town-planning by helping preserve the town's heritage.

The lessons to be drawn from our approach are to take social integration into account all the way along the line - as is done in Bilbao's strategy for the future; and to meet everyday needs in the area today - as is done in Bilbao through the social salary. Yet social integration cannot be brought into being by one city or one institution. It is an objective common to all of us, and we need to work towards this objective together. The city of Bilbao would like to see the European Community step up its contribution by:

The lessons to be drawn from our approach are to take social integration into account all the way along the line.
• Creating an EC budget for the improvement of housing;
• Supporting complementary actions to ensure that trainees find a job;
• Researching future labour-market needs;
• Helping develop training in new occupational areas such as the environment, leisure and marketing.

Lobby the Member States

Mr Wim van Velzen MEP

The European Community persists in concentrating on the economic aspects of European union, while ignoring the steadily-growing number of excluded people. Lobbying within the Member States is the only way to correct the balance.

In the building of Europe, there is an enormous gap between the progress we have made in economic policies, and that we have made in social policies. Whilst 85% of the economic proposals contained in the single market programme have now been agreed, only 5-7% of the social ones have. So it is a dangerous illusion that social equity will automatically follow economic growth. The structural policies accompanying the single market programme will not automatically give rise to a social policy too. Despite the steady economic growth the EC has achieved over the last 15 years, we are creating 1 million more poor people each year.

Social exclusion and poverty are unjust, and they are a waste of resources, but they are also a serious risk for Europe’s stability. Yet we still tend to think of social exclusion only as a regional phenomenon. We are repeating the mistake we made with the Single European Act, by leaving the social dimension out of consideration when we discuss economic and monetary union.

The resolution of this paradox requires urgent action. In this, the European Parliament and Commission require the support of the Member States. It is the Member States, in the European Council, who are holding up progress on social policy, and it is in the Member States - with national parliamentarians and ministers - that the lobbying has to be done.
7. Mobilising the actors

Chair: Mr Jacques Delors, President of the Commission of the European Communities

■ Five aspects of poverty

Mr Quintin Oliver, President, European Anti-Poverty Network (EAPN)

Poverty comes about because of political decisions, and it can be reversed by political decisions. It is not just about money, yet money is essential to fight it. We therefore need to recognise that poverty is a structural problem, and formalise this recognition by including poverty in an annual report on human rights. We should review the effects of the process of economic and monetary union, and massively increase funding. The EC must not use the excuse of subsidiarity to pass the buck on social exclusion. It must set standards and ensure they are complied with. It must make real partnerships with community groups at local level, and use these to target Structural Fund assistance more accurately.

- Poverty is not an accident

Poverty is not an accident, it is not like an earthquake or volcano that just erupts and leaves us to solve the problems it causes. Poverty is created. Poverty happens because of the decisions that we take. It is caused in some cases by moves for greater efficiency in the workplace - and this is one of the ironies: that it is our demand for ever greater productivity that creates unemployment. Every decision we take has an impact on poverty and social exclusion, and the decision on economic and monetary union, the biggest decision Europe has currently to take, could well increase the social exclusion and poverty that we say we are committed to eliminate. The speed with which we are moving ahead on EMU is creating polarisation. Are we all doing enough to avoid the growth of divisiveness, discrimination and racism?

- Poverty is not just about money, but it is about money

The 'Poverty Lobby' has perhaps been too successful in putting over the point about the many dimensions of social exclusion: its links to participation, citizenship, powerlessness, access to decisions and so on. Yet poverty remains; poverty is created by lack of money, it can be prevented by money, and it can be cured by money. Fifty-five million people in Europe are experiencing poverty, because their income is less than half the average in the country where they live. To reduce poverty, structural change is required.

But a further requirement is that we link poverty with social exclusion through the notion of...
of human rights. We therefore ask the Community to ratify the European Convention on the Protection of Human Rights, and to include poverty in the annual report on human rights presented to the European Council. We think this is a practical way to integrate the questions of economic, social, political, welfare and human rights.

**Subsidiarity**

If subsidiarity is about working at the lowest possible level, then we must have a new alliance with NGOs in the field. Tenants’ associations, single parents’ groups, women’s groups, homelessness action groups, neighbourhood associations and so on are the people, they are the mechanisms of involvement. Subsidiarity must not be evoked as an excuse to pass the buck. If the Community passes responsibility down to the Member States, they must not then delegate action to local bodies without passing on the necessary resources. What we need is local delivery with central standards and quality control. The Commission should lay down guidelines for national governments and others to follow, and then ensure that their application is monitored, in partnership with the NGOs on the ground, who know how people work, relate and organise.

**The Structural Funds**

The Structural Funds are clearly the main financial vehicle through which the Community can make its contribution to the fight against poverty and social exclusion. Paquet 2 proposes an increase in the Community budget to 1.37% of Europe’s GDP. This is loose change, a drop in the ocean. Serious money is needed. The German government has committed seven times the total of the EC’s Structural Funds to work in the new Länder, yet the EC’s Poverty Programme has a budget of 55 million ECU over five years - that is one-fifth of an ECU per year for each of the people experiencing poverty in the EC.

The reform of the Structural Funds gives us a tremendous opportunity to redirect these funds. Social exclusion must be made an objective of the Funds, a criterion by which the allocation of funds will be judged. There must be better access for NGOs. And thirdly local planning and management must be implemented. The Structural Funds are clearly significant for national governments, and it is right that they have a role, but we must go down a further level, and introduce local Community Support Frameworks. This is how we can involve local people. I also feel that impact statements can be a creative tool, not simply a bureaucratic burden.

**Partnership must be real**

Partnership is a much misused term. We all aspire to partnership, but it is often an empty shell - like participation, consultation, conferences and so forth. Let us be serious about partnership. We understand that partnerships will not be equal, because the power is held by political decision-makers and those who allocate resources. However we do expect that partnership will have a reciprocity, that there will be an understanding of the differences, an openness, an honesty, a sharing of information, perceptions and difficulties. I was impressed by the will of the trade unions and employers’ representatives to rebuild the
idea of social partnership, which has grown in some ways rather sterile recently. The business world knows that you cannot impose things from the top. Schemes dreamt up in an ivory tower and then imposed on a local community do not work. They must earn the understanding and ownership of the people involved, so that there will be a sense of belonging, a growth of confidence, commitment and action.

Finally, we need to change attitudes. Social exclusion is not a question of altruism and ethics, but one of justice, rights and citizenship. To turn these fine words into action, the Commission should take the lead in giving us the framework within which all the different partners can engage.

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**The business world has a responsibility**

Sir John Harvey-Jones, ex-Chairman, Imperial Chemical Industries plc

*There is no alternative to the present economic system, in which wealth is created through a process of continuous structural change. But businesses have a responsibility to retrain their workforces, and where necessary to help them find new jobs when redundancies are declared. To avoid social exclusion, we have to give people the self-confidence to make the best of their own capacities.*

**There is no option but wealth-creation**

It frightens me that underlying this conference is the hope that the problem of social exclusion can be resolved by not pursuing the path of wealth creation. That is genuinely not an option. There is no opportunity for radical reform of the economic system to produce a system which is somehow inherently fairer. The industrial and business world has the job of creating the wealth which makes all action possible. Its problem is that in order to create wealth, it has to compete with the rest of the world, and grapple with massive forces of change. These forces are macro-economic, technological, and in the expectations of our people. They can only be reacted to through continuous structural change, by continuous retraining, and sadly by continuous reductions in our productive capacity. These changes lead to social exclusion unless we find other ways of dealing with it.

But no business person values poverty or social exclusion. A business is a microcosm of the community in which it works, and we cannot lead people through the process of change if they are frightened and insecure, because this only encourages them to hang on to the present rather than grasping for tomorrow. Therefore the business world has to take action, in partnership with trade unions and others, to mitigate the effects of change. It is the responsibility of a business which is reducing its workforce to help its redundant workers retrain and find new jobs. Businesses also have a responsibility to their host communities. It is no help to a business to be operating in a deprived community. Businesses have to be an integral part of their
community, and good businesses are.

Self-esteem is the key

We are dealing not just with problems of poverty, but those of self-esteem, of people’s belief in themselves. When people lose their jobs, they often lose confidence in their own ability, and without self-confidence there is in fact no future for them. You may be able to help them exist by providing housing and food, but you have taken away their rights as people, and the rights as people are to grow. The Social Charter expresses the fundamental nature of our continent; it embodies the right of every person to grow to the maximum of their talents. We have to give them the self-confidence to do so. Very few businesses are using even half the capabilities of the people employed in them. And what socially excluded people lack is the opportunity and help to use their capacities.

Everybody accepts that better education and training are fundamental, but the problem we have yet to deal with is that if people get left behind in the race for change, there is no way we have yet found to help them catch up. They fall off the train, and there is no way to get them back on board. That is the problem we have to address. If it was just poverty, we could address that through redistribution, but it is something much more fundamental, and much more socially important. As we in business know, we survive against the rest of the world by increasing and using the abilities of our people, and the greatest waste of resources in Europe is our inadequacy as a continent to develop our people’s latent capabilities.

■ Vision, objectives and methods

Mr Edmond Maire, ex-General Secretary, Confédération Française Démocratique du Travail, France

Success in integrating those excluded depends on three things: vision, objectives and methods. The trade union movement needs to have the vision to take up the cause of the excluded, since through history, integration has only been achieved through conflict. Our objectives should be not merely to patch up the fabric of a disintegrating society, but to make fundamental changes to the economic and social processes that produce social exclusion. The methods we use must not replicate the brutality of everyday life in the inner-cites, but must be low-key, sympathetic and participatory, so as to encourage ownership and initiative. The European Community must take action, because it is the only body that can influence the structural economic processes at a high enough level.

The fight against social exclusion has not yet really taken off, for three main reasons:

- the key players are insufficiently involved;
- the objectives are too unambitious;
- methods are used which might help people, but often fail to lead to integration.
Involving the key players

Social exclusion runs counter to the values of trade unionism, but unionism is based on work, in the firm, and is destabilised by the dual society. The excluded are outside work, without social links, without a stable collective identity. They are mostly passive, but sometimes in revolt. Rather similar to the industrial proletariat a century ago. How can we help them formulate collective demands? To arrive at negotiations, and not only with the exterior. The history of unionism shows that it is only through a dynamic of conflict, regulated by negotiation, that integration and social cohesion can succeed. Conflict cannot be avoided. Thus the union movement has an essential role, and it must meet the challenge. And this offers a way of overcoming the lack of vision which the forces of progress are suffering.

It is scarcely surprising that we have a crisis of values, a lack of interest in politics, low voter turn-outs, and the rise of extremism, in a rich society such as ours which can tolerate the barbarity of co-existing with millions of excluded people.

Making our objectives more ambitious

With their limited resources, a whole range of institutions and voluntary bodies are working to improve the access of the excluded to fundamental social rights - employment, a minimum income, training and housing. But the task is never ending - they have to keep starting again from scratch because there is always another group of excluded people. It is a Sisyphean task. The struggle against social exclusion can never succeed unless we attack its sources, its causes. Because the processes of social exclusion are of a structural nature.

They stem mainly from the struggle for competitiveness, which eliminates the weakest; the way we conceive of industrial change, the organisation of work, the redeployment of labour, which has the result of making work insecure, and inaccessible to those who lack the necessary skills. In France, you will soon need A-levels to work as a road-sweeper. This is an industrial and business logic which entails long-term unemployment. Public policy also plays a role in the structural processes of social exclusion: the voluntary weakening of public financing leads to the degradation of state aid to the worst-hit districts.

The conclusion is that we cannot integrate the excluded, recreate a social link with them, without modifying the economic and social logic that has excluded them. We must make our society more integration-minded, more concerned to prevent social exclusion. Some ideas here: make growth more job-creating; develop local service jobs; investigate new ways of dividing work and income; stop believing that replacing people by machines is the absolute criterion of efficiency (and some business leaders, notably in the car industry, are coming round to this point of view given the demand for quality); stop selective recruitment which overvalues qualifications; stop making the over-50s systematically redundant; manage human resources without eliminating entire categories of people because they have a certain professional profile; adapt production systems and technological changes, training and instruments of insertion
into working life. And we must also be more ambitious and devote more money to a public policy of urban renovation.

**Improving our methods**

The methods used by institutions and associations which help the excluded population often fail to integrate them.

First, there is the tendency, when faced with an outbreak of unrest, to launch spectacular schemes which will gain positive media coverage. The problem with these last-minute stop-gap measures is that they only deepen the division between the authorities and the people. The institutions get the reputation of just being somewhere you can get a handout. Secondly, there are the social workers in the field, who fall into two traps. Either they are tempted to try for quick results and take decisions for people, or they are paralysed by the welter of complaints which they can do nothing about. The best will in the world is no substitute for proper counselling and training. Thirdly, there are municipalities which start off on the right foot by encouraging voluntary action, then, once it starts to become effective, cut off support to avoid conflict.

Effective action must take as its premise the sheer brutality of inner-city life - the built environment, the social relationships, the cynical advertising messages - and must not replicate that brutality. Rather than throwing money at the problem, it must take on board the need excluded people have to be recognised as human beings. It must aim to provide a service of continually improving quality. Thus, the assistance we offer must evoke an active response. The excluded must participate freely in the projects we offer to them. We must create a climate of involvement, participation, ownership and initiative, because only by rebuilding the links which bind society together will we allow a sense of responsibility to flourish.

**The possible contribution of the Community**

A Community contribution to the struggle against social exclusion is vital, because it is only the Community that can influence the structural processes that lead to the continuing creation of social exclusion. The Community can therefore set an example. First, by taking the struggle against social exclusion into account in its own general and structural policies, permanently. Secondly, by stimulating the social partners to make social exclusion a central topic in their discussions and negotiations. Thirdly, helping the most deprived to gain access to their fundamental social rights. Fourthly, by encouraging an exchange of promising methods and experiments which make integration work. And fifthly, by taking specific initiatives which send political signals on issues that are overlooked, such as illiteracy.

In the world of today, where grand ideals have for the most part disappeared, the Community must set a good example for the Member States, the various institutions and associations, and the population as a whole. It must recognise that the existence of a human community depends on the participation of each individual within it.
**Reorientating the local economy - the case of Stuttgart**

Mr Manfred Rommel, Lord Mayor of Stuttgart and President of the Deutscher Städtetag

*Between 1970 and 1987, Stuttgart lost 70,000 of its 450,000 manufacturing jobs. Yet thanks to good labour market forecasting and human resource measures, almost as many service-sector jobs were created, and unemployment has been kept low.*

This demonstrates the need to avoid red tape, and give local organisations the freedom to work out their own solutions. In any case regulations can often be sidestepped by local bodies who prefer to find their own solutions. They can use training to equip people to cope with continuous structural change, and they can also be more forward-looking in structural and urban planning - for instance by anticipating the effects of the shift from manufacturing to service employment, as has been very successfully done in Stuttgart.

Rights are another area where the principle of subsidiarity should be applied, to take account of varying problems and varying standards of living in different regions. We need to define what rights we are talking about, whose responsibility it is to provide the necessary services, and whether they can be afforded. The answers may be different depending, for instance on whether we are talking about jobs, nursery places or affordable housing. These rights should be set out in a European social policy, but provided for locally.

Local solutions also need to be found to the problem of the social exclusion suffered by immigrants and their descendants, a problem which is particularly acute at present in Germany. Dual nationality would allow them to feel at home in Germany, while retaining their cultural identity.
The EC has an essential catalytic role

Mrs Laurette Onkelinx, Minister of Public Health, Environment and Social Integration, Belgium

The Belgian government is stepping up its programme to fight social exclusion, and in so doing is demonstrating the EC's catalytic role. It is applying the lessons of the EC's Poverty Programme by promoting an integrated policy, developed in partnership, delivered in a participative way, and properly evaluated.

European lessons are vital

It is the Member States who bear the principal responsibility for the fight against poverty, and in Belgium, state and voluntary bodies have long worked in tandem. The new Belgian government has decided to step up its efforts in this field by commissioning a general report on poverty, which will help it to gain a better understanding of the needs that exist, and possible ways of meeting them. European lessons are vital in this field, and the EC's Poverty 3 programme has developed concepts such as partnership, co-ordination, and cooperation between the public and voluntary sectors which should be applied across the board.

- Permanent dialogue between the state, the Centres Publics d'Aide Sociale (CPAS), commune administrations, local communities, youth and immigrants' associations, continuing education bodies, professional groups and businesses have become imperative for the success of initiatives to create social integration. All actors - social workers, the police, mayors, doctors, teachers, landlords, should all listen to each other so that a co-ordinated effort can result. Solidarity cannot be expressed simply through the payment of a benefit, or the provision of a service, which keep deprived people in their marginal condition.

An integrated approach

- The second aspect of our programme is that it recognises the multi-dimensional aspect of the problem. Global action is needed to help people who face multiple handicaps. Successful reintegration depends on the recognition of all the aspects of marginalisation: employment, income, family break-up, housing, debt, health.

- The third lesson of the European Poverty Programme is that it is essential that the most deprived people participate in the actions developed to help them. We have to make them active in society, or we will fail to find out what the real problems are, and will treat people like children.

- Evaluation is also vital. Too many programmes of public assistance become institutionalised, bureaucratised, and lack innovation and dynamism. In these times of budgetary restraint, public spending needs to be better-targeted so as to meet the needs of the actors on the ground. The experience of the European Community is very useful here, because it teaches us to change our traditional way of giving out grants without co-ordination, participation or evaluation.
For the future, the Community should go beyond the mere collection of statistics. It should launch a process which will lead to a constant exchange of experience. We need networks of model and innovatory initiatives, and an all-embracing dialogue between all European actors. We need to know not only what is going on in detail in the field, but also what legal and regulatory innovations are being made in other countries, so that we can see a real revolution in social work. The massive changes under way in industry, technology and culture demand constant change in the processes of social integration, if we are not to leave our deprived people by the wayside.

Change in social practice demands contact with other people, and that we open up dialogue on all matters connected with poverty, to ensure that coherent policies are adopted. The European Community has an essential catalytic role.
8. Conclusions

Defending the European model of society

Mr Jacques Delors, President of the Commission of the European Communities

The European Community cannot be asked to take over the role of Member States in fighting social exclusion, yet it does have an important role. It must raise the issue of the preservation of the European model of society - the mixed economy with participation by all members of society - which requires new methods of providing welfare, and higher levels of solidarity between citizens. The road towards a charter of rights for the excluded will be a long one, and should start by the drafting of a policy document. The Commission will increase the level of human resources it allocates to the issue of social exclusion, and look for better ways of collaborating with voluntary and national government bodies.

Of course, we need money, we need effective processes of intervention at local level, and we need public awareness. We also need to bear in mind the current stage of the building of Europe: whilst subsidiarity should not be used as an excuse, we cannot ask Europe to substitute for the failure of local initiatives or national policies. And we also need time: the issue of social exclusion is fraught with more difficulties even than that of the social dialogue, which it has taken seven years to see enshrined in the Maastricht Treaty.

The wealth of experience that we have accumulated from diverse situations teaches us that the essential principles upon which future action must be based are twofold: firstly that the processes that create poverty and social exclusion are cumulative, and the issue is fighting these processes; and secondly that these processes will be insoluble unless society responds compassionately. Regular meetings should be held to exchange information and views on the causes, processes and solutions involved.

As regards the role of macro-economic and macro-social policies, I do not believe that the objective of the internal market has increased the risk of poverty. If European construction had not taken place, we would be facing competition from countries paying salaries and social benefits twenty times lower than we do. These competitors want to live; they do not wish to remain permanently in poverty and underdevelopment. Consequently, there is always a trade-off between internal and external solidarity. For example we have opened our agricultural markets to the countries of Eastern Europe, which has forced some farmers in the Community into bankruptcy. But no country can forever enclose itself in a cocoon of privilege. Is this a solution for Germany with its asylum and immigration problems, or for France, which is the fourth-largest exporter in the world?

No country can forever enclose itself in a cocoon of privilege.
There is no generosity without power

There is no point in looking for a scapegoat; the reality is that the world changes and that we have to live in it. Without wishing to be provocative, I will say that there cannot be generosity without power, and that I want power for Europe. The scope for any other policy - particularly in financial and monetary terms - is very limited. And the objective of 1992 has revived Europe’s economy. To quote just one statistic: before 1985, Europe was losing 600,000 jobs per year, whereas since 1985 we have created 9 million jobs. We still have an intolerably high level of unemployment, and along with the non-integration of immigrants, unemployment is the principal factor in social exclusion. Yet we have responded.

Another cause is the crisis of the welfare state, as it was imagined by those who established it after a hundred years of workers’ struggle. At the time, its founders believed that such a system could provide in perpetuity for the needs of those marginalised by the economy. But the system has run out of steam. Partly this is because of the nature of systems, but partly also because today, the causes of inequality, social exclusion and poverty are such that even the best and most generous centralised administrative system cannot prevent new forms of social exclusion springing up, unless neighbourly solidarity is also present. It is the role of the European Commission, from time to time, to provoke a real debate.

The real issues for Europe

What is at issue is the maintenance of the European model of society. If our twelve Member States just want a free-trade area plus loose political co-operation - then stop the structural policies, give a cheque to poorer countries and leave the exchanges and the markets to their own devices. But that is not the European model of society, for the European model of society is founded on a combination of the market with its limitations, of the intervention of public institutions and social dialogue. It is this model that we want to maintain. That is the real question to be asked at Community level. And this European model of society can only survive today if all citizens realise that alongside them in this relatively wealthy society there are people left on the fringes. It is not enough to have an excellent social security system or an excellent social affairs administration. Citizens must realise that there are others close by who cannot survive because they have no way of reattaching themselves to society.

Consequently the duty of the Community and the Commission is to attract attention to this fact. In a society where there is a crisis of values, a falling away of participation in social organisations, in unions and in voluntary associations, it is very difficult to come to the aid of people who wish no more than to participate in society. But to participate in society needs an effort which is both quantitative and qualitative, an effort of mobilisation.

Other macro-economic and macro-social issues have been raised during this seminar, in particular the organisation of work, business behaviour, and management priorities. Given the importance that businesses have in society today (and not only in the economy), they must recognise their duty to play a part in the struggle against social exclusion - and not just by contributing to charity. Businesses must be aware that managing the labour market and re-entry into the labour market are part of their duty. Certainly not to the point of
making losses, but we cannot ask public or voluntary agencies to do this work alone, because the inability to find or hold down a job is often the root cause of social exclusion.

You have also underlined the importance of the alternative sector. Despite many disappointments, I have always been an advocate of that, because there are other ways of working together than in conventional businesses. There are enormous needs in society which remain unsatisfied, and which can be satisfied by a third sector in the economy. This sector has difficulty not so much in starting up new enterprises, as in ensuring their longevity. There is much to do, apart from creating the European statutes for associations, co-operatives and mutuals, to make people aware of successful experiments.

EC action

I will come now to Community action and to the possibility of improvement. I have no great announcements to make, but I am going to tell you about the efforts we have made in three areas: political awareness, collaborative action, and improving our structural policies.

1. Public awareness

What we should aim for is a charter of rights for those threatened with social exclusion, analogous to the social charter we have for workers. But it will not be easy to achieve.

I know well that to argue in terms of rights is not enough, and that it annoys certain of our European partners. But in a democracy, which is a society based on the rule of law - where we have the right to do and not to do certain things - the law must have a positive side for the more unfortunate or deprived. We must find ways to make governments aware of this, and to overcome their tendency to treat the existence of poverty as their own guilty secret.

To do this, I think that we should draft, with your co-operation, a policy document on social exclusion, which rather than listing statistics, gathers together the best of the wealth of experience which is at our disposal, and attracts the attention of the rest of society. This document must help revive democracy and participation, and must be a step along the road towards a charter of rights.

2. Collaborative action

Secondly, collaboration with voluntary associations and government departments. I am ready to find ways to improve the existing situation, and to devote more of the Commission's human resources to this task - clearly Mrs Quintin's team cannot do everything. So I am open to all reasonable proposals which will involve the Commission and its President more fully. I make this offer to associations and administrations, but on the condition that the administrations have ministerial approval to discuss the less beneficial facets of their society with the Commission, so as to develop joint solutions.
3. Structural policies

First of all we must not underestimate the qualitative and quantitative impact of these policies. We must be moderate in our proposals, and remember that what we spend on structural policies is more, in real terms, than we did on the Marshall plan.

These structural policies aim to give equality of opportunity to regions. Therefore, they are above all based on solidarity between rich and poor areas. They represent two-thirds of our expenditure. Since Maastricht, we are going to add a further effort of solidarity to try and ensure fairer relationships between the twelve Member States within these structural policies. Everything we do to conquer underdevelopment, modernise the economy, train people, and create employment is heading in the right direction.

We can rethink these policies to take account of social exclusion in these areas, by targeting training more accurately, and by extending our programmes maybe, to cover housing, and especially social housing. But this will still only reach 70 million Europeans out of 340 million, that is to say the 53 million that are found in the poorer regions plus the 17 million in the new Länder of Germany. There are also the programmes for the conversion of traditional industrial areas, first proposed in 1988 and still under discussion today. In these areas, someone who left school at age 14 and loses his job at age 50 can rapidly become victim to social exclusion, and needs at least a minimum of skills and knowledge. It is therefore important that you fight for these proposals, because they are in question in the debate on Paquet 2.

Finally, there are initiatives which I proposed for rural development. In the rural environment, social exclusion results not so much from financial want as from the terrible isolation that affects mainly old people, the handicapped and people without work.

These are the policies that we are pursuing. We must argue them through, and we must defend them and change their direction where necessary. I do not think it is realistic to think that we can create another fund to fight social exclusion, given the resources already committed by Member States, regions and local authorities. So funding programmes will remain limited to those regions which are underdeveloped or undergoing industrial or rural conversion. However we can look at ways of supporting a Fourth Poverty Programme which will be more ambitious than the Third Poverty Programme in the stimulation it gives to the exchange of experience.

To summarise, the European Commission is ready to hold another meeting a year from now to take stock of what we have been able to do, and to improve our awareness and know-how. It is ready to commit itself to a debate between Member States and in the public at large on what the problem of social exclusion represents. It is ready to work out better ways of working with voluntary associations and national administrations, and to contribute the necessary human resources. Finally, it is ready to adjust its structural policies to take account of the needs of the poor, in training, in housing, and with more difficulty in health. It is also, despite the jealousies that arise, prepared to work in partnership with those active in the field.