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REPORT FROM THE COMMISSION

**Final Report
on the implementation
of the Community programme
concerning the economic and social integration
of the economically and socially less privileged groups
in society**

"Poverty 3" (1989-94)

**Council Decision 89/457/EEC of 18 July 1989
(OJ L 224 of 2.8.1989)**

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INTRODUCTION

The Commission has implemented a "Community programme for the economic and social integration of the least privileged groups in society" as provided for by Council Decision of 18 July 1989¹.

The programme was established for a five-year period (1989-94) and was intended to extend and expand previous Community action, known as the first and second European programmes to combat poverty (1975-80 and 1984-89)² which demonstrated the Community's intent to contribute, to the limits of its powers and its resources, to the fight against poverty undertaken in the Member States.

The Poverty 3 programme was designed as a contribution to the efforts made in the Member States. Like the two previous programmes, it provided funding and support for pilot projects with the aim of encouraging innovation in the methods and policies implemented to prevent and combat poverty and exclusion. The total budget for the five years was 55 million ecus, which, although modest for a Community-scale programme, was considerably more than for the two previous programmes, for which 20 million ecus and 29 million ecus respectively were available.

However, what Poverty 3 set out to do, was not merely to be an instrument for financing projects, but to be a coherent programme, i.e. a contribution of activities and players subscribing to common principles and goals. In the light of experience drawn from the previous programmes, Poverty 3 was hence determined from the start to adopt a multidimensional approach to social exclusion and also gave pride of place to strategies which were aimed at both economic and social integration of the least privileged groups in society, based on a partnership between public and private institutions and conducted with the participation of the groups concerned.

The fight against poverty and exclusion is mainly the responsibility of the Member States and their national, regional and local authorities. A specific programme like Poverty 3 is neither intended nor able to tackle all aspects of poverty and exclusion in the Community. Its aim is to promote experimentation with new strategies for fighting poverty, and thus to contribute to identifying good practice, encouraging policy and stimulating public debate in this field. With this aim in view, Poverty 3 concentrated its resources on some forty local projects throughout the Member States which are linked by means of a transnational organisational structure created specifically for this purpose to form a dynamic European network. A very small percentage of its budget was also set aside for research work and statistical studies to improve our grasp of the processes underlying social exclusion.

¹ Council Decision 89/457/EEC of 18 July 1989 establishing a "medium-term Community action programme concerning the economic and social integration of the economically and socially less privileged groups in society" OJ L 224 of 2.8.1989.

² Council Decisions 75/458/EEC of 22 July 1975 (OJ L 199 of 30.7.1975) and 85/8/EEC of 18 December 1984 (OJ L 2 of 3.1.1985).

The practical experience acquired in these projects, the support activities and the various programme publications contributed to establishing the profile of Poverty 3 and the synergy between its activities and those conducted elsewhere at national and Community level. The programme helped to mobilise the players involved in the fight against poverty and social exclusion and to gain recognition for the contribution made by Community action here, as the White Paper on the future of European social policy³ points out.

The local projects were selected by the Commission at the end of 1989 on the basis of proposals submitted by the Member States. They received financial aid from the Community during the five years of the programme on condition that co-funding from public authorities or private associations at national, regional and/or local level is available. They attended national and transnational meetings regularly to pool experience and compare notes and they were supported by technical assistance teams whose job it was to provide them with suitable help for project development and assessment.

Poverty 3 supported two types of project. The thirty "pilot projects" were sizeable projects, bringing together the public and private partners at local level who were resolved to implement jointly a coherent and coordinated strategy to fight poverty. Each received from the Community an annual grant averaging between 250 and 300 000 ecus, i.e. almost 1.5 million ecus for the duration of the programme. A dozen projects called "innovatory measures" were on a more modest scale: they were micro-projects which sought to explore appropriate responses to the specific situations that isolated groups are in and each received an annual grant of 50 000 ecus, on average, i.e. around 250 000 ecus for the duration of the programme.

These projects, although very diverse, resembled each other in that they reflected the key principles of the programme - the multidimensional approach to social exclusion, partnership anchored in the process of local development, and the participation of the most disadvantaged groups - and sought to translate them into practical and lasting action at local level. Their activities have a European profile, particularly as they are involved in the dynamics of transnational exchanges implemented through the programme's organisational structure. They thus illustrate the vital aim of the programme, which is to encourage debate and national and Community policies on poverty and, in turn, to reinforce solidarity with the most disadvantaged groups by providing support in the search for innovatory responses to social exclusion.

Poverty 3 actually started up on 1 March 1990. On 22 September 1993 the Commission submitted an interim report on the implementation of the programme⁴ which analysed its strength and weaknesses at the halfway stage. This report was accompanied by a proposal for a new programme to combat exclusion and promote solidarity (1994-1999) drawn up in the light of this mid-term analysis. This proposal is still being discussed in the Council.

This document is the final report from the Commission on the implementation of the Poverty 3 programme. The Commission hopes that the assessment which it is thereby

³ "European social policy. A way forward for the Union" COM(94) 333 of 27 July 1994.

⁴ "Medium-term action programme to combat exclusion and promote solidarity: a new programme to support and stimulate innovation 1994-1999", COM (93) 435 Final of 22.9.1993.

submitting for discussion will help to persuade the Council to adopt its proposal for a new programme.

The Commission based its report on all the assessments carried out throughout the programme, especially the self-assessment carried out in each project and on the documents drawn up in the process of monitoring and organising the programme as a whole. The report also takes account of discussions on the strengths and weaknesses of the programme at the halfway stage, which took place before the interim report was drawn up, and more recent debate prompted by several Member States on the lessons learnt from the programme.

Finally the Commission focused particular attention on independent assessments carried out in recent months and, in particular, the report which the House of Lords in the UK drew up in spring 1994⁵ based on large number of interviews and inspections and which presents the achievements of Poverty 3 in a largely positive light.

⁵ "The poverty programme" House of Lords, Select Committee on the European Communities. Ninth report HMSO 1994.

Part I - What the poverty 3 programme sets out to do

52 million people with low incomes, between three and five million homeless and poorly housed, and 17 million without jobs, half of them for more than a year. These figures are only approximate but they are enough to highlight the extent of poverty and exclusion in the European Union and the enormous challenge they represent for the Member States, the Union and the population as a whole (paragraph 1). Meeting this challenge will require increased solidarity to which the Union can contribute without encroaching on the responsibilities of the Member States and their regional and local authorities (paragraph 2). Implementing specific programmes is one of the ways in which the Community can take action to encourage innovation and to promote the widest possible public debate (paragraph 3). The specific objectives of the Poverty 3 programme are a practical illustration of how this role of encouragement can be used in the fight against poverty (paragraph 4).

1 THE CHALLENGE OF POVERTY AND SOCIAL EXCLUSION

- 1.1 Poverty is nothing new and has long given rise to a great deal of scientific and political discussion and many public and private initiatives. However, public opinion and debate on these questions have undergone a profound transformation over the last 15 years in most of the Member States as the nature of poverty has changed and, in turn, the challenge facing European society.

Suburban crisis, the rise in homelessness, inter-racial tension and the increase of long-term unemployment, marginalisation of young people who have never been able to gain access to the employment market, the persistence of poverty in certain rural areas and the slide into poverty of households in debt are new phenomena which are more visible and numerous than in the past and have contributed to this transformation of the debate on poverty and social exclusion.

Poverty can today no longer be regarded as a residual state of affairs, a mere heritage of the past which will disappear with economic progress and growth. Moreover, it can no longer be regarded as merely an absence or insufficiency of financial resources affecting individuals. On the contrary, we must acknowledge the structural character of poverty and the mechanisms which lead to it and the multidimensional character of the processes by which persons, groups and sometimes urban or rural areas are excluded from the social exchanges, practices and rights which are an intrinsic part of social and economic integration.

This explains the increasing use of the concept of social exclusion which, in the majority of the Member States and at Community level⁶, is

⁶ Resolution of the Council and the Social Affairs Ministers on combatting social exclusion on 29 September 1989. OJ No C 277 of 31.10.1989.

gradually replacing the concept of poverty. When we talk about social exclusion we are acknowledging that the problem is no longer simply one of inequity between the top and the bottom of the social scale (up/down), but also one of the distance within society between those who are active members and those who are forced towards the fringes (in/out). We are also highlighting the effects of the way society is developing and the concomitant risk of social disintegration and, finally, we are affirming that, for both the persons concerned and society itself, this is a process of change and not a set of fixed and static situations.

- 1.2 On 23 December 1992 the Commission adopted a Communication which set out the challenge that social exclusion represented for the Member States and the Community⁷. This Communication underlines the fact that the situations and processes involved in social exclusion are largely the result of structural change in European economies and societies (technological change, changes in the labour market, increasing fragility of family structures, trends towards social fragmentation, development of migratory phenomena and changes in value systems). It draws attention to the increasing vulnerability of a large percentage of the population exposed to social exclusion, mainly due to changes in employment and family and social structures and explains that there is not only one group - and a small one at that - of people living in permanent poverty and exclusion but a variety of - increasingly large - groups whose economic and social integration is insecure, who experience periods of sporadic or recurrent poverty and who are threatened by the loss of the social ties which accompanies the process of social exclusion.

These observations confirm the practical experience of the people most closely engaged in the fight against social exclusion - governments, local authorities, and NGOs in particular - who also stress the risk that the situation and the processes involved might deteriorate further. This is sufficient evidence - even taking into account the diversity of local and national situations - to convince us of the scale of the challenge throughout Europe and the echo it strikes in public opinion.

2 COMMUNITY ACTION

The fight against social exclusion is mainly the responsibility of the Member States and their national, regional and local authorities. However, the Community has repeatedly expressed its desire to contribute, within the constraints of its powers and resources, to what the Member States are doing: its activities are thus limited but are indicative of its growing concern and the way they have evolved shows how the types of Community action which, in conformity with the principle of subsidiarity, are best designed to make a specific additional contribution have gradually been identified and accepted.

⁷ Towards a Europe of solidarity - intensifying the fight against social exclusion and fostering integration", COM(92) 542 final of 23 December 1992.

- 2.1 The Community has been concerned specifically with social exclusion since the mid-seventies. Its activities do not constitute so much a policy as a limited contribution, testifying to the concern for solidarity with the deprived in the process of building Europe. Its most favoured, and for a long time only, instrument has been the implementing of specific programmes with limited resources intended to support innovation and the pooling of experience.

In 1975 the Community launched its first programme to combat poverty (1975-1980) which supported pilot projects throughout the nine Member States of the Community of that time. This programme, which was conceived in a period of growth and implemented during the crisis at the end of the seventies, prompted an administrative and political rethink in most Member States on the new aspects of the problem of poverty engendered by this new situation. This programme was followed by a second one (1985-1989), closely geared to the principle of transnational pooling of practices implemented in almost 100 local micro-projects. The Poverty 3 programme (1989-1994) is an extension of this but its resources are concentrated on a smaller number of more ambitious projects, the aim of which is to make the transition from the previous exploratory phase to a phase of selective development i.e. "full-scale experimentation" with the principles of action identified in previous programmes.

- 2.2 Community action was gradually stepped up and diversified, especially towards the end of the eighties. This process took place in the context of various activities designed to graft a social dimension onto the internal market and promote European integration, and was facilitated by growing public awareness of the scale of the problem, partly because it stirred many people to action as poverty assumed ever greater proportions.

In parallel with implementation of the Poverty 3 programme and palliatives, such as the distribution of food surpluses, the Commission devised a set of at once more ambitious and more coherent initiatives. Within the context of implementing the Charter of the Fundamental Social Rights of Workers, it proposed a recommendation on the right to sufficient resources and benefits in social protection systems which was adopted by the Council on 24 June 1992⁸. This recommendation not only affirms the right to sufficient resources to live in human dignity but also emphasises the need to incorporate it in an overall approach to fighting social exclusion and thus to back it up with suitable measures to ensure integration in the fields of health, housing, education and training etc.⁹ in line with the Resolution of the Council and the Social Affairs Ministers meeting within the Council of 29 September 1989.

⁸ Council Recommendation on common criteria concerning sufficient resources and assistance in social protection systems, OJ L 245, pages 46 to 48 (92/441/EEC) of 24 June 1992.

⁹ Resolution of the Council and the Social Affairs ministers meeting within the Council on 29 September 1993 concerning social exclusion. OJ C277 of 31.10.1989.

The Commission also lent its support to studies and assessment work, creating an Observatory of policies for combating social exclusion following the Resolution of the Council and Social Affairs ministers mentioned above, and, moreover, launched various studies on urban social development.

The Commission has also intensified support of NGOs, particularly with a view to uniting them in a European network¹⁰ with which it liaises regularly. It has also made arrangements for successful collaboration with management and labour and local authorities and their European organisations and with town and housing organisations networks. In general terms it has also ensured that synergy developed between various networks involved in the fight against social exclusion and the Community, mainly by organising a series of brainstorming seminars to devise a consistent approach at European level (Rotterdam in 1991, Porto and Brussels in 1992 and Copenhagen in 1993.)

In order to incorporate the fight against social exclusion as a strand of Community policy as a whole, the Commission formed an interdepartmental group mainly engaged on examining how structural policy could be deployed, first through the initiatives for crisis areas (ERDF), for rural development (LEADER) and for particularly vulnerable groups (HORIZON and NOW) and subsequently by redefining the goals of these policies. Active consultation between departments has also been developed in research, especially to define the guidelines for the fourth framework research and development programme.

- 2.3 The Communication from the Commission of 23 December 1992 took account of the progressive diversification of Community initiatives and proposed that moves to tackle social exclusion should figure more prominently in the Community's general and structural policies. These proposals were discussed at the major European conference organised on 2-3 June 1993 in Copenhagen. They were also discussed within the framework of the debate prompted by the Green Paper on the future of European social policy. The White Paper on social policy emphasised the need to motivate all the players involved and to diversify initiatives on the basis of what had already been achieved. This was the framework which specific programmes such as Poverty 3 had to fit into.

3 THE PART PLAYED BY SPECIFIC PROGRAMMES

- 3.1 The effects of implementing specific programmes are threefold.

These programmes are first of all valuable in their own right, as they signal the Community's concern for the problem and thus promote

¹⁰ EAPN, European Anti-Poverty Network. A European network of NGOs and voluntary organisations engaged in the fight against poverty.

indirectly other Community and national initiatives in this field (which is why the Commission is keen for these programmes to have a high profile both on the national and European stage, as this is one of the conditions of their acting as models).

The programmes are also valuable on account of their experimental character: their main objective is not to subsidise isolated activities, however useful these may be but to contribute to identifying and validating suitable methods and policies for fighting current forms of social exclusion and, in particular, its multidimensional character (which explains why the Commission attaches such importance to the fact that the projects should serve as models and be assessed).

Finally these programmes are also intended to contribute to the transfer of know-how and good practice and the building up of networks of players engaged in transnational exchanges on the basis of relatively comparable tangible experience (which accounts for the importance the Commission attaches to the coherence of the programme as a whole and its European organisational structure).

- 3.2 These functions set specific programmes quite clearly apart from funds. They require the Commission's active presence at grass roots level as partners to demonstrate the Community's commitment, to stress the coherence which is sought and to help reap the benefits of the experience of all.

They also require that specific support and technical assistance structures be set up, especially to accentuate the projects' exemplary nature, the quality of their management, the rigour of their assessment and the relevance of their transnational exchanges. They involve sustained cooperation with the Member States, not only to ensure that the projects are run as efficiently as possible but also to maximise the impact of the projects and programmes in providing impetus for policies and in the transfer of good practice. The value of these programmes can thus not be measured by the yardstick of the resources, which are very modest and do not compare with those of the Structural Funds, but by their contribution in terms of methodology and policy, which is why the people who participate in such programmes share a willingness to accept joint obligations and a scrupulous concern for the quality of the programme.

4 THE SPECIFIC OBJECTIVES OF POVERTY 3

- 4.1 The first two Community programmes to combat poverty were mainly of an exploratory nature: they comprised essentially a set of local micro-projects which were extremely diverse and uneven even when they were integrated in a national-level organisational structure (first programme) or a transnational one (second programme).

Poverty 3 was designed to make the transition from this exploratory phase to a phase of selective development i.e. validation of the effectiveness of the principles identified from previous experience - the multidimensional approach to poverty, partnership between institutions and players at local level and participation of the groups concerned. The challenge of the programme was to implement these locally in pilot projects of a fair size, anchored in the dynamic development process of an area. The contribution of Poverty 3 to defining suitable methods and policies assumed that the effectiveness of the programme's principles of action would be demonstrated and resided in the demonstrative value of the projects selected.

In line with this basic approach, Poverty 3 concentrated its resources on a limited number of projects. This option tied in well with the decision to take Community action into a phase of selective development. It also meant that the Community was betting on local initiative and particularly on the capacity of local players to build an effective partnership, to work out a coherent strategy, maintain tight control of a relatively large budget and to serve as a valuable example on a national scale.

The fact that the Community was making this gamble illustrated its desire to enter into partnership with local and national authorities. And it clearly assumed that the players did not regard the programme as a simple means of financing local activities but that, on the contrary, they sought to use their experience to contribute to intensifying the national and Community debate on the subject and exploring the principles of the programme more deeply.

1.2 The three key principles of the Poverty 3 programme are as follows:

- the multidimensional approach: this principle is based on the observation that poverty and exclusion are multifaceted phenomena which are not just a result of insufficient financial resources and which are evident in the fields of housing, training, employment, education, health, access to services, etc. This approach requires coherent strategy and synergism tailored to specific national and local situations and not a simple juxtaposition of isolated activities which have nothing in common or which are jumbled together in random groupings;
- partnership: this principle is the institutional expression of the multidimensional approach and constitutes its practical tool: this is viable only if all the key players in the various areas mentioned above share a common approach. Partnership involves collective responsibility for the success of the entire project and assumes that the players are in a position to define a joint strategy based on a consensus which transcends their respective interests or differences;

- participation: this is based on the observation that social exclusion is also a condition of dependence or passivity vis-à-vis institutions and, in general, decisions taken by others. Accordingly, the active involvement of the groups concerned in the integration process is, at the same time, a prerequisite for, and a symbol of its success. In more general terms, it forms part of an approach which promotes citizenship and democracy and which wants the groups involved to be active partners in the policies being conducted.

These three principles can be seen in various forms and to varying degrees in some of the innovatory social policies implemented in the Member States. Their relevance is pointed out in the Resolution of the Council and the Social Affairs Ministers meeting within the Council of 29 September 1989. The Poverty 3 programme did not have a monopoly on these principles but it did aim to apply them systematically at local level, without, however, underestimating the problems. It is for this reason that the programme allocated not only financial aid but envisaged also technical assistance and support for conducting activities and for continuous assessment. For this reason too, the programme intended to enable good practice to be identified, i.e. practical procedures by which these principles could be implemented permanently and effectively and the transfer of know-how both at national and European level could be promoted.

Part II - Implementation of the Poverty 3 programme

The Commission was responsible for implementing the Poverty 3 programme (paragraph 1) in accordance with a schedule which had maximum provision for continuity between the end of the second programme (November 1989) and launching of the third programme (March 1990) (paragraph 2). The Commission strove to ensure that the programme activities were implemented gradually within the limit of the administrative and financial constraints imposed on the programme, especially in the launch phase (paragraph 3).

1 DECISION-MAKING, MANAGEMENT AND ORGANISATIONAL STRUCTURES FOR THE PROGRAMME

- 1.1 As provided for by the Council decision, the Commission was responsible for implementing the programme and was assisted by an Advisory Committee, comprising a representative of each Member State (most of whom were representatives of the national social affairs ministries), for monitoring the programme.

The Commission has elicited the help of an international team of consultants which it has instructed to provide technical assistance in the management and organisation of the programme. Under the direction of the Commission, this team dealt with all the technical details associated with the administrative and financial management of the funds allocated under the terms of the programme. It was also responsible for European coordination of organisational aspects of the programme, particularly with respect to transnational exchanges, assessment, publications and research. Its management was based in Lille (France) and its members, who worked part-time for the team, were based in Germany, France, Ireland and Portugal. This team formed the programme's central unit.

This unit coordinated a network of national consultants responsible for providing the projects with technical assistance, helping to maintain the national impetus of the programme and contributing to the programme's organisation at Community level. Usually, there were two part-time national consultants per Member State, the number being determined by the size of the country and the number of projects. These consultants made up the programme's research and development units⁹.

The Commission and the central unit cooperated very closely. The Commission, the central unit and all the research and development units held two-day workshops three times a year. Bilateral meetings between the

⁹ The members of the research and development units were appointed by the Commission in consultation with the Member States concerned. In some cases they worked in the same institute; in other cases they belonged to different institutions.

players were held as the need arose. Many meetings connected with the organisation of the programme, especially the annual seminars and transnational meetings to deal with specific issues, brought the players together and also ensured that they remained in contact.

1.2 The organisational structure of the programme was designed with two principles in mind:

- the need to enhance the projects' value as models and hence to provide the project with solid technical support which included help in self-assessment, definition of strategy, planning and management of activities and support for information and communication in order to maintain the national profile of the projects and the programme.

This was the research and development units' main task and explains why they were designed as units combining theoretical (research and assessment) and practical (development and management) skills and experience.

- The need to ensure that the programme is coherent in itself and, at the same time, that the programme's European dimension is seen as a key factor by all the parties involved.

The Commission's attention was mainly focused on the internal cohesion of the programme, i.e. the structuring the programme itself as a network of initiatives, experiments and individual players and hence made provision for transnational exchanges between projects, annual seminars, publications and, more generally, activities to promote communications and the profile of the programme as a European venture. These activities were coordinated by the central unit in conjunction with the research and development units.

1.3 The programme implementation structures were highly decentralised in terms of resources, although from the point of view of decision-making at the Commission they were centralised. The programme funds were in fact distributed as follows (provisional budget):

Global projects	41.05 million ecus
Studies and research	4.95 million ecus
Management, support and publications (of which 3 MEcus for C.U., 3.5 MEcus for RDU and 2.5 MEcus for activities)	9.00 million ecus
Total	55 million ecus

2 THE PROGRAMME IMPLEMENTATION SCHEDULE

One of the concerns of the Commission and the Member States in 1989 was to avoid any interruption between the end of the second programme and the launching of the third. This was not just because they wished to prevent an interruption of Community financing for those projects from the second programme which had been selected for Poverty 3 (there were, after all, few of these, given the difference between the two programmes) but also because there was a desire to display continuity in the Community's activities on behalf of the deprived and to meet the expectations of the European Parliament in this respect.

In parallel with the discussion process within the Council, the Commission had started practical preparations for the programme. As soon as the Council had adopted the decision, the Commission was able to start the procedure for presenting and selecting projects and setting up the programme management structures at the same time.

2.1 The Council decision stipulated that the project applications were to be submitted to the Commission by the Member States and that they should be drawn up in close cooperation between the Member State concerned and the relevant public or private bodies designated by that Member State (Article 5). To this end the Commission thus placed at the disposal of Member States in July 1989 a detailed document setting out the guidelines of the programme and as a guide for projects being considered for proposal an indication of the information that applications should contain. It was decided that each Member State would preselect projects in accordance with its own procedures and would submit to the Commission no more than 6-8 projects, the total number of projects for each country reflecting its size and the need to make a specific effort on behalf of the less developed countries.

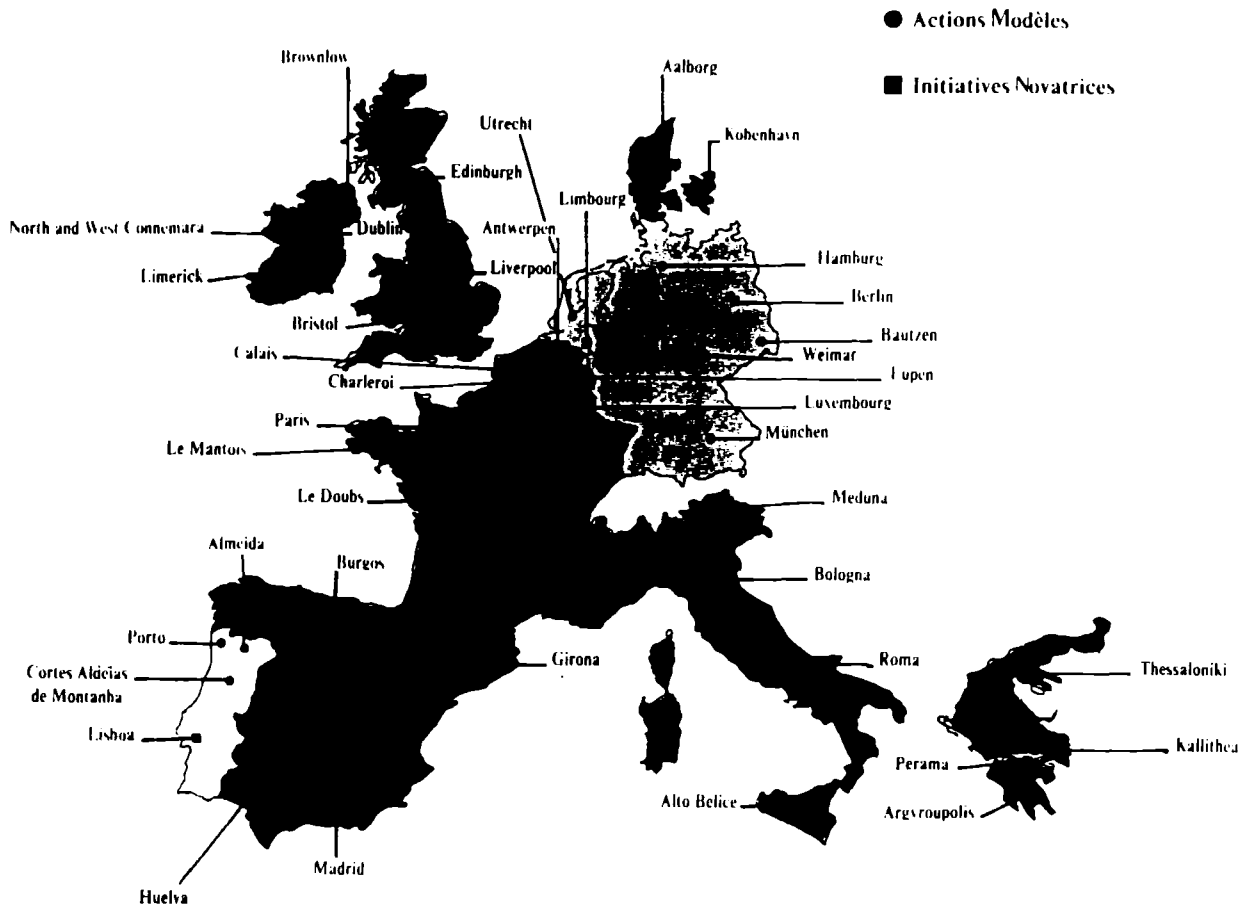
As a result of the date of the Decision and the time taken by selection and internal cooperation procedures within the Member States, the Commission received the Member States' proposals in the course of October 1989. It examined them with the help of independent experts in November 1989. After consultation with the Member States at the beginning of December 1989 it made its final selection. At the end of December 1989 it contacted the projects which had been selected and advised them that the contracts covering Community aid would be drawn up with effect from the beginning of March 1990 and provided all the necessary information relating to the financial aspects of Community aid. The final selection comprised 39 projects representing total provisional aid of 41 million ecus distributed as follows:

Country	B	DK	D	EL	ES	FR	IRL	IT	LUX	NL	P	UK	TOTAL
Pilot projects	2	1	3	3	3	3	2	3	-	1	3	3	27
Innovatory measures	1	1	1	1	1	1	1	1	1	1	1	1	12

The map below shows where the projects are located. (Following the unification of Germany, the programme accepted three projects from the new Länder in 1992 which are also included on the map).

The Commission had proposed that the Member States take account, when selecting, of the possible interaction between the projects put forward and national policy. In several countries, the national selection also reflected the main approach followed in certain national programmes to fight poverty and social exclusion, for example in Denmark, Spain, France, the Netherlands or Portugal.

- 2.2 The programme's organisational structures were set up during the second half of 1989 in two complementary phases. First, the Commission published in the Official Journal a call for tenders for the general task of technical assistance associated with implementing the programme at European level; recruitment of the central unit started December 1989 and it took charge of the ground work for the practical launch of the programme (administrative and contractual procedures, organisation of a launch conference with the selected projects etc.). Second, the Commission, in close cooperation with each of the Member States, chose the consultants for the research and development units which started work in March 1990, i.e. at the same time as project support activities got under way.
- 2.3 Poverty 3 is mainly an action programme but also had a "research" component, with a modest budget (not exceeding 9% of the total budget) which worked to a separate schedule. At the end of 1989 the Commission undertook a definition of a programme of statistical work which was discussed with the national statistical institutes (seminar in Noordwijk, the Netherlands, in 1989) and also prepared a programme of transnational socio-economic research, the guidelines for which were discussed with the Member States and the national research councils seminar in Bath in October 1990).
- 2.4 The programme was launched officially at a major seminar in Brussels at the end of March 1990 to which project representatives, the research and development units, the central unit, the Advisory Committee and the Commission were invited.



This seminar was a key moment in affirming the identity of the Poverty 3 programme. It was then agreed that there should be a major annual meeting between the projects, the Advisory Committee, the research and development units, the central unit and the Commission to examine certain key issues of the programme. The themes for discussion selected were local development (1991), involvement of labour and management (1992), partnership and multidimensionality (1993) and the lessons learned from the programme (1994).

Apart from the organisation for these large annual meetings, each of which were attended by between 150 and 250 participants, and a specific meeting on innovatory measures, the following practical arrangements have been made with regard to the organisation of the programme:

- an internal bulletin (in two languages) and a magazine for large-scale distribution have been published (five languages) with regular increases in the circulation and the number of countries (to 2000 for the bulletin and 5000 for the magazine) and various other publications (project directory (in three languages), annual reports on developments in the programme (in two languages), documents for the annual meetings and documents on specific themes) and a programme presentation film;
- more technical meetings have been organised, especially transnational meetings for projects targeting a specific theme (housing, rural poverty, participation, economic integration etc.) either associated with the bilateral visits between projects or not;
- national meetings have been organised on the initiative of the projects, the research and development unit members and sometimes the member of the Advisory Committee concerned to build up progressively the national dimension and profile of the programme.

3 GRADUAL IMPLEMENTATION

Given the aspirations of Poverty 3, it was advisable for it to be implemented gradually. This is what the Commission tried to do, although it encountered problems occasioned by procedural and time constraints which it was obliged to respect.

- 3.1 No matter how careful the Member States and the Commission were in ensuring the quality of the projects selected, the latter could clearly not all be fully operational right from the start, i.e. have sound partnership structures, appropriate and innovatory strategies, qualified teams and permanent co-funding agreements etc. in place in March 1990.

For this reason it was agreed with the Member States that the first year of the programme would take the form of a project definition phase. The

schedule for the budgetary commitments disrupted the definition phase which was all the more damaging as the majority of the projects had underestimated the complexity of setting up decision and administrative and financial management structures involving large appropriations, which meant that they had to have co-funding.

- 3.2 The curtailed duration of the first contractual period meant that some projects did not use all the appropriations allotted. This was particularly true of projects which recruited their operating team late or had not obtained actual payment of the co-funding promised and within the allotted period, or again those whose budgetary planning was not realistic. Generally speaking, the Community rules on co-funding and the using the appropriations allotted, such as the strict limits imposed on investment, were seen by several projects as being a major or excessive constraint in the first phase of the programme this led to frustration or incomprehension however, the situation was eased gradually, by making some of the management procedures more flexible and endeavouring to explain the rules being applied. The projects also improved their management mainly by recruiting qualified personnel.

The Commission paid to close attention to the structuring of the projects during this phase with the assistance of the central unit and adjusted the administrative and financial management procedures of the programme to circumstances and difficulties encountered as far as possible. It also visited each project to help solve any administrative or financial problems occurring but also to explain the objectives of the programme and to assist it in its implementation on a European scale.

- 3.3 The research and development units played a key support role in structuring the projects and especially in setting up the decision-making management and assessment structures required and in planning activities realistically. However, the research and development units' task was made difficult by their position between the projects and both the central unit and the Commission and as a result of the expectations and conflicting pressures to which they were exposed. It was difficult to build up an atmosphere of mutual trust, since the operational teams were highly unstable in the first 18 months and some projects were slow to set up effective decision-making, management and self-assessment procedures. Once the Commission and the central unit realised that there were problems, they organised training and information courses both to set aside initial misunderstandings and to strengthen the professionalism of the operating teams but unfortunately these courses came somewhat late.

Part III - The projects

The projects, which are the key components of the programme, are very different from one another (paragraph 1). They were built up gradually as the principles of the programme were absorbed.

1 OVERVIEW OF THE PROJECTS

1.1 The Poverty 3 programme comprised 42 local projects, 30 of which were pilot projects (one of which discontinued its activities before the end of the programme) and 12 innovatory measures.

- a) in each pilot project a group of players and institutions teamed up to define and implement jointly, in a fairly well-defined area, a coherent strategy for economic and social integration of all the disadvantaged groups living in this area.

The practical operations of a pilot project were in the hands of a "Steering Committee" made up of representatives of one or more local or regional authorities, one or more public or quasi-public organisations active in areas such as training, housing health etc. and one or more NGOs; occasionally, trade union and employers' organisations were also partners in local activities. An operating team of between 10 and 15 persons, sometimes more, was responsible for implementing the project's strategy under the auspices of the steering committee.

Partnership here was not merely an abstract principle: the ongoing assessment of the project's activities showed that some 300 local partners, i.e. an average of 10 per project, were represented in the steering committees. 100 representatives of local and regional authorities and 100 representatives of NGOs were thus involved in overseeing the projects (cf Annex 1).

- b) Innovatory measures were generally implemented by a public institution or an individual private organisation with activities frequently targeting a specific social problem or population group. Nevertheless, several of them modelled themselves on the partnership principle - one of the key principles of the programme - and had much more in common with the pilot project, albeit on a smaller scale and with a more modest budget.

Projects

Pilot projects

BELGIUM

AM01 Antwerp: Joint initiative by six local authorities to create a district development organisation (BOM) in the north-east of the city. The idea is to mount a more effective overall response to the needs of this district, with activities in three fields: the economy, housing and leisure activities.

AM02 Charleroi: A project set up by the municipality and NGOs to direct the new social action policy in the city. Over 60 different services and organisations are involved in some 20 projects all subscribing to the three central ideas of partnership, participation by inhabitants and an integrated approach.

DENMARK

AM03 Samiko project: Three areas (urban/rural). The steering committee is made up of the national authorities, local authorities and NGOs. The objectives are to integrate deprived sections of the population in the local community and to reinforce community identity through joint action on employment, daily life and participation of people on the fringes.

GERMANY

AM04 Hamburg: An initiative by the social services of Eimsbüttel which is concentrated on deprived areas. A new form of creating a network of social policy agents has been devised in collaboration with community groups. Various activities are involved, mainly addressing women, immigrants and young people.

AM06 Munich: A scheme devised by the Forum Habitat team to provide housing suitable for deprived sections of the population in Munich through low-cost renovation of buildings involving the tenants. Action is also taken to have these methods recognised and to transfer them elsewhere.

AM40 Bautzen: A project created by an association of the inhabitants of this medium-sized city in conjunction with local authorities. The objective is to create a social network in the city to organise more effectively and to renew the tradition of helping one's neighbour for the benefit of young people, prison inmates, people who have served time in prison and the homeless.

AM41 Berlin: District of Friedrichshain, with a high concentration of poor people. The target groups are the long-term unemployed, early retired and retired people and lone women with children. Action is taken mainly to promote information for and communication, and negotiation with these groups.

AM42 Weimar: A small district in this old town with very severe housing problems: rents are rising, conditions are unhealthy and there are prospects of people having to vacate their homes. The project's team acts as a mediator between the inhabitants and the city's administration to organise resources in the district and to encourage residents to renovate their environment for their own benefit.

GREECE

AM01 Argyroupolis: A large suburb of Athens where there is a rapidly growing population, a lack of infrastructure and little social cohesion. A multifunctional centre is being created to ensure that there is coherence between activities to integrate the unemployed, to help the elderly and to support the families of the disabled.

AM08 Thessalonika: Suburb district of Thessalonika. A new partnership has been set up between services to create a social pilot project to prevent poverty. Four target groups have been defined for action to be taken: lone-parent families, refugees from the former USSR, gypsies and families with special needs.

AM09 Perama: An urban area near Athens with many poor inhabitants and severe housing problems where the public authorities are having difficulties in coordinating their activities. An employment centre is being created and a social and cultural centre offering new and diversified services to a population hitherto deprived of them.

SPAIN

AM10 Burgos: A rural area in decline of the "Commerca Montes de Oca" made up of 54 villages. The aims of the project are to encourage solidarity in rural development, to consolidate a wide partnership and to encourage the villages to rebuild the identify of the Commerca through a strategy combining economic cultural and social development.

AM11 Girona: New social work practices in two districts of the city with different forms of poverty. A facility is being set up (for social integration) coordinating activities for the social integration of families and progressive organisation of the population to protect its interests.

AM12 Huelva: A poor marginalised district of Huelva-Marismas del Odiel with severe urban problems. A large partnership has been set up (involving public institutions, employers and workers, associations and inhabitants) to create a project covering the school environment, employment, the living environment, information for inhabitants and support for associations.

FRANCE

AM13 Calais: An attempt to transform conventional social work practices in the city by encouraging personalised support for marginalised persons to help them to rebuild their lives. Activities for families with young children, for young people and the unemployed with few prospects of employment.

AM14 Mantois-Val de Seine: Joint action by the mayors of an underprivileged area in the Paris region to define an overall policy for social cohesion. The strategy is to create new services for employment, training, living environment, children's policy and success at school to prevent exclusion.

AM15 Doubs: A joint project by deputies and the state departments in a large area to bring about a greater coherence in the operations of all social policy agents by obtaining more reliable information on the priorities of disadvantaged sections of the populations and by setting up a coordinated range of services to respond to these.

IRELAND

AM16 Limerick: A project targeting the poor population of Limerick. A partnership has been set up between public institutions and community organisations tackling six areas of action: access to employment, local development, services for the population, community infrastructure, aid to families at risk and information for inhabitants.

AM17 Connemara: A depopulated rural area which is very isolated and dependent on public aid. A large highly structured partnership has been set up to deploy an overall and coordinated approach to local development involving closely all the inhabitants in a long-term project. Diversified activities.

ITALY

AM18 Roma: Tor Bella Monaca district of the Roman suburbs with a lack of infrastructure and production activities. The ultimate aim of the local organisations who originated the project is to create a local development agency. Diversified activities have been launched to tackle the economic, cultural and social aspects of poverty.

AM19 Managio (Friuli): The project Bucaneve was created by public agencies to test a new intervention model in a mountainous rural area which responds better to the needs of the population and enables the social fabric to be restored. Local players are progressively being integrated in the partnership.

AM20 Alto Belice: A rural area near Palermo combining eight municipalities. The initiative has been launched by a public organisation and a trade union with the support of local authorities to encourage new activities making use of all the areas resources. Employment agencies are being set up to coordinate development activities.

NETHERLANDS

AM21 Den Helder, Eindhoven, Hengelo: The NIZW, the National Institute for Health and Social Security has coordinated this project in collaboration with the municipalities in three cities with different types of problems. The principles of the programme are being applied to transform the normal practice of social policy agents.

PORTUGAL

AM22 Almeida: A project in a rural area with a number of villages which are being depopulated. The promoter's idea is to combine a general development project useful to all the population by consolidating structures which are suitable for coordinating local initiatives with specific strategies addressing the poorest.

AM23 Aldeias de Montanha: A small rural mountainous area which has few resources to cope with the decline in its agriculture and textile industry. A public/private partnership has been set up to launch a coordinating policy of new niche activities, training of the population and infrastructure.

AM24 Porto: The historic centre of Porto is facing problems of decline in the living environment and marginalisation of part of its population. The project was initiated by the regional social security centre and focuses on urban renewal, training and education, sociocultural organisation and cooperation with local institutions.

UNITED KINGDOM

AM25 Liverpool: A district in the centre of Liverpool with problems which previous local programmes could not overcome. The project is intended to provide a link between institutions and the black community which is becoming more heavily involved in the partnership. The main objective is to combat various forms of racism.

AM26 Craigavon: A project created by the Brownlow Community Trust with representatives of the government, local authorities and the inhabitants of this new uncompleted area in Northern Ireland. The main aim is to organise the priority groups and to give them the means to negotiate with the authorities.

AM27 Edinburgh: A partnership between the institutions and the inhabitants of the Pilton district. The strategic objective is to launch a process of change in Pilton based on more effective organisation of the inhabitants which is to be extended after the end of the programme. The method lies in identifying services which are needed and providing responses to these needs.

INNOVATORY MEASURES

IN28 Eupen (Belgium): Two facilities have been created by the association of "Maisons de jeunes" and FOREM (public institution): an "open workshop" for initial training for young people with integration problems and a "development group" for long-term unemployed women mainly intended to remotivate them.

IM29 Aalborg (Denmark): A district of Aalborg isolated from the remainder of the city. The main objective of the BIK project is to increase direct involvement of the inhabitants in renewing the district, rebuilding the bridges between the people and local democracy and encouraging them to get involved in existing organisations.

IN30 Berlin (Germany): A project for a psychotherapeutic consultation centre XENION. Psychosocial assistance (for individual families or groups) for political refugees traumatised by their experiences who are having major difficulties in integrating after arrival in Germany.

IN31 Kalithea (Greece): This project is part of an overall initiative to fight drug abuse in a city in the built-up area of Athens. The project works in close association with the hospital services and there are three main courses of action: prevention of relapse, retraining, economic and social reintegration.

IN32 Madrid (Spain): A project for retraining and social integration of the chronically mentally ill and homeless piloted by the social integration service of the Community of Madrid. The aim is to define new types of response for a target group whose needs are not sufficiently known and are not being met.

IN33 Paris (France): A project for an association for the right to economic initiative (ADIE). Loans and advice are offered to people without resources who wish to set up their own businesses but do not have access to bank loans. These activities are being gradually extended to a large number of French cities.

IN34 Dublin (Ireland): The Dublin travellers education and development group (DTEDG) is a non-profit making organisation combining travellers and the residents of the north part of Dublin. The aim is to provide a reception centre for travellers and to promote their rights and recognition and identity.

IN35 Bologna (Italy): The objective of the project is to find responses to problems with social integration of people leaving prison. Action is taken in and outside prison which is based on the inmates' own potential and goes further than traditional forms of assistance.

IN36 Luxembourg: Project launched by the non-profit making association Wunnengshellef in response to the problem of the lack of housing in Luxembourg by encouraging the development of all forms of social housing and providing psychosocial monitoring of people leaving reception centres.

IN37 Limburg (Netherlands): A project initiated by a voluntary organisation whose target population is persons who suddenly become disabled and are declared invalids. Integration networks, information meetings, monitoring activities and training have been set up to cope with their feelings of frustration and exclusion.

IN38 Lisbon (Portugal): Action has been defined by the institution for aid to children (IAE) on behalf of homeless children in deteriorating areas of the city. The activities are conducted by street workers who operate on the principle that the children are the main players in the process of integration which they are trying to launch.

IN39 Bristol (United Kingdom): The single parent action network (SPAN) is a national organisation which is engaged in improving the life of poor single parents. It is a multi-racial organisation managed by the parents themselves. It acts as a pressure group to protect their rights and to provide various forms of assistance.

1.2 More than 3/4 of the projects are located in urban areas. However, one project in five is in a rural area (or, perhaps, operates both in the country and in small rural towns).

- (a) Most of the projects operate in a clearly defined area such as a district, municipality or adjacent villages with varying population densities. In once case in three, there are no more than 20 000 inhabitants: small urban district or depopulated rural areas. In one case in three, too, there are over 50 000 inhabitants. In a few rare cases, the projects operated in two or three separate locations a fair distance apart (cf Annex 1).

Virtually all the areas where the projects were located were facing great problems and had been hit by unemployment and a deteriorating economic and social environment, even if they were in a region or an urban area which was relatively well off (cf Annex 1).

- (b) In urban areas, the projects covered one or more areas where the unemployment rate was generally far higher than the average for the country. Entire cities can be confronted by a crisis in traditional industrial activity and a decline in small enterprises (Charleroi, Calais, Limerick, Craigavon, Hengelo, etc.). But more often it was districts in city centres and suburbs where problems of poverty were concentrated. The level of qualification of the population was low. The surroundings were shabby, decrepit or in a state of decay (Weimar, Perama, Huelva, Porto, etc.) or infrastructure and facilities are inadequate (Antwerp, Argyroupolis, Rome, etc.). Several of the districts or municipalities also had a high proportion of immigrants or travellers (Girone, Mantois-Val de Seine, Den Helder, Liverpool, Dublin, etc.) or an influx of asylum-

seekers and refugees Thessalonika and Berlin). Many were facing problems with crime, drugs, alcoholism and prostitution (Copenhagen, Edinburgh, Porto, Huelva, Kallithea, Lisbon, etc.).

Although faced with the same difficulties, not all the urban projects adopted the same strategy. The main objective for some was to help organise the inhabitants of a district or a suburban area to develop their ability to talk and negotiate with the public authorities in the medium-term (the projects in the United Kingdom, Berlin, Limerick, Aalborg, etc.). Others built their programme around the provision of new services to the population by creating a social infrastructure or setting up innovatory activities in certain fields (Munich, the Greek projects, Calais, Rome, Porto and the majority of the innovatory measures). Still others, mostly prompted by public institutions, wished to test a more integrated social action model responding better to the needs of the population in a restricted field in the hope of being able to apply it subsequently more extensively (Hamburg, Girone, Huelva, Le Doubs, etc.).

- (c) In rural areas, the projects targeted localities where, generally, the outlook for local development was bleak. Traditional activities and production structures generate low incomes and too few jobs (Connemara, Aldeias de Montanha, etc.). Migration, especially of young people and skilled workers, leads to a progressive ageing of the population (Burgos, Maniagua, etc.). The drift from the land, isolation, retarded development or a decline in traditional activities are reflected in poor housing, infrastructure and communications and a lack of or inadequate social, health, educational and cultural services (Almeida Alto Belice, Ile de Moen, etc.).

Under these circumstances, all the rural projects tried to combine:

- an endogenous local development approach based on support to all initiatives which could generate new activities and force unemployment and poverty into retreat,
- specific strategies on behalf of the most deprived sections of the population which often took the form of improving the range of services and infrastructure in the social domain and training.

Nevertheless, not all of them had the same resources at their disposal. Some had to rely on the willingness of outsiders (regional or national authorities) to experiment with new forms of action (Maniago, etc.). Others had to mobilise local financial and human resources which were, of necessity, limited.

2 THE PROJECTS' DEVELOPMENT

- 2.1 The programme has been supporting projects since March 1990. For the vast majority the beginning of the programme was the start of a step-by-step build-up. The projects which existed already were few and far

between and the majority were created from nothing (one in three) or were extensions of an existing partnership (approximately one case in two) to cover new activities (cf Annex 1). Several projects were thus implemented by one or more players who had considerable experience and influence in a specific field and who were trying to expand their activities by joining forces with other actors. Other projects started off as teams of varying degrees of cohesion, comprising players and institutions, which all had their strengths and wished to develop.

The majority of projects started up their activities before having defined clearly their overall strategy. Firstly, this took time, in particular when it required a preliminary study or difficult negotiations between partners. Secondly, the availability of funds meant that many activities could be launched immediately and some of the partners were clearly ready to expand number of their existing activities.

Initially the co-funding procedures led to inflexibility in setting priorities: the co-funding available to some projects was dedicated to specific action by the authorities granting it (e.g. training) or was sometimes partly in non-monetary form (such as making available personnel from the joint facility, and the projects thus had to make adjustments for human, material and financial resources which did not necessarily fit in with an integrated strategy.

In this context the main objective of many projects was to expand their area of activity to take in a great variety of fields of activity. They thus tried to remedy the inadequacies of the social work which they observed in their area but they also did so to prove that they intended to take action to combat all the aspects of poverty. An explicit strategy which was properly integrated and approved by the projects' partners was in most cases only adopted in the course of the programme. Sometimes this led to changes in the partnership or in the project's team and sometimes it resulted in the area of intervention being redefined either by relocating activities or by taking action in a smaller number of areas in which the project had proven skills.

However, the differences in the initial situations and the ways in which the projects developed make it difficult to identify any general features which they all had in common. The most useful approach thus seemed to be to provide several examples of the way in which projects evolved during the course of the programme in the boxes on the following pages.

AM06 MUNICH (GERMANY)

The Wohnforum project, initiated by two organisations, is a response to the fact that housing policy, particularly in Munich where rents are high, did not make it possible to meet the needs of disadvantaged sections of the population. Its aim was to prove that it is possible to redirect this policy by renovating low-cost housing with the participation of disadvantaged groups for whom the housing is intended.

In order to be able to carry out its activities successfully, the project formed the necessary institutional partnership, making way for unconventional forms of cooperation, but nevertheless, encountered financial and legal obstacles and was not able to start its operations in the field quickly. There was a loss of confidence amongst some of the partners and differences in opinion between members of the team who had deliberately been chosen from different professional backgrounds.

Once work on the first site was completed, the merit of this approach was recognised by the institutional partner and the project was able to achieve its second objective: to pass on its experience, enable it to be used elsewhere and to lend support to other teams.

During the course of the programme, Wohnforum launched five renovation operations for various groups (250 persons) and eight other projects were prepared. The occupants of the housing were persuaded to participate but the aim of creating permanent jobs in the building trade for them proved unrealistic.

Moreover, the rules for setting rents did not enable the occupants to benefit from all the savings which were achieved. If the project is to be continued when the programme comes to an end, new sources of financing will have to be found and legal obstacles will have to be removed gradually, which is no easy matter.

AM12 HUELVA (SPAIN)

The city of Huelva bore the full brunt of the industrial crisis and the decline in the fishing industry. The project area of intervention – Marisma del Odiel – bears all the hallmarks of a fringe urban district: an insecure living environment, health problems and illicit activities.

The project was fortunate to have a very solid local grounding. It was able to rely on the local and regional authorities and several other organisations becoming involved and formalise this partnership in management and steering organisations which quickly proved effective. A local programme for renovating 200 dwellings in the area provided an opportunity to examine in depth the issue of integration via the living environment, taking account of the inhabitants' needs and their participation in urbanisation programmes undertaken on their behalf. The activities undertaken to provide day-to-day support for the families affected by the programme revealed other difficulties facing them and the complexity of the responses which were needed to solve them.

On this highly pragmatic basis, the project devised a series of complementary activities and succeeded in involving the inhabitants in carrying them out. Apart from improving the living environment, activities to promote success at school for the children in the district assumed considerable importance, as did aid for vocational integration of young people and women.

The quality and originality of the work carried out by the projects team has been acknowledged by the local authorities and AM12 Huelva is to extend its methods to the entire city once the programme is completed.

AM19 MANIAGO (ITALY)

The Bucanave project covers a mountainous rural area in Frioul (25 000 inhabitants), and especially mountain villages which are isolated, have ageing populations and whose skilled workers are leaving them. That the project was launched owes much the regional public agencies which were keen to experiment with a new intervention model – a local development agency – designed to create synergy between their activities and those of the local administrations.

At first the predominance of these public agencies in the steering committee for the project occasioned a certain amount of inflexibility and, above all, little involvement by the local players despite the avowed aims of the project to promote an active approach amongst the population and break with the culture of isolation. However, the institutional partnership was changed, enabling the project to be opened up more to local organisations.

The innovatory aspects and the effectiveness of the activities carried out to promote economic development and the improvement in social and health services are stressed in the assessment. The project also enabled a new social service organisation and a centre for the development of tourism to be set up, plans to revive the cutlery sector to be defined and other structures to be created which will become permanent once the programme is being completed.

AM21 DEN HELDER, EINDHOVEN, HENGELO (NETHERLANDS)

This pilot project was one of the only ones to take place at several locations: the poor districts of three cities experiencing various forms of exclusion. It was coordinated by the NIWZ, a national non-governmental organisation, in conjunction with the municipalities.

The programme came during a crucial period of social policy reform in the Netherlands (social renewal policy) which, like Poverty 3 favours a multidimensional local approach involving the inhabitants. The project was thus able to pursue its activities within the framework of the reform, the aim being to match up supply and demand for services and to dismantle the barriers between public services or between public and private sectors. As its approach favoured participation, it obviously gave priority to the inhabitants organising themselves.

In each of the districts action was organised around different forms of support, for example:

- a district centre at Den Helder which, after renovation by young unemployed persons, developed a range of services and became a meeting point for the residents,
- setting up of a partnership between institutions and inhabitants to devise a social development plan for a district in Eindhoven and the opening up of an information office,
- creation of networks at Hengelo to promote links between economic and social integration.

The projects' team estimates that approximately 80% of the activities initiated by Poverty 3 will become permanent or have already been included in regular programmes. The pilot project has thus enabled existing policy to be adjusted in a number of domains.

AM27 EDINBURGH (UNITED KINGDOM)

It was no easy matter to define the strategic objectives for the Pilton Partnership Ltd. project in Edinburgh. It occasioned considerable debate at various levels of the partnership and the project only started at the beginning of 1992 on the basis of a strategy document approved by the steering committee. The general aim of the project was to act as a catalyst in the development of community initiatives in Greater Pilton.

By adopting this stand, the project demonstrated both the provisional nature of the structure created under Poverty 3 and its willingness to take action to launch long term development. What was needed was both:

- to contribute to reinforcing the capacity for action of the inhabitants' organisations of Greater Pilton to enable them to establish what their needs and their rights were and to give them the means to obtain a response from the public authorities,
- to work with existing social structures to develop new responses to problems facing the population.

In line with this strategy, the projects activities covered some direct action such as setting up a crèche or training programmes and support to local organisations, 37 of which received aid.

At the end of the programme the main impact of the project will have been to provide Pilton with new local or regional funding which will enable several of the activities already initiated to be pursued. The operational team will be disbanded, which is consistent with the spirit of the project but nevertheless means that there is a risk of all the expertise accumulated during the programme being lost.

IN33 ADIE (FRANCE)

The ADIE (Association for the Right to Economic Initiative) set itself the objective of enabling people without jobs and living on the fringes on society, who did not have access to normal credit channels, to obtain loans so that they could create their own jobs by working for themselves. Its strategy did not vary throughout the programme and was designed to:

- extend gradually its field of activity through a national correspondence network,
- improve rules and regulations on the creation of economic activity by undertaking a campaign to inform the public authorities and public opinion on the merit of this type of approach for excluded persons.

Right from the start the AIDE was able to rely on volunteers with considerable experience in banking and job creation who were able to define specific techniques for loans and monitoring of borrowers depending on their economic situation and on cultural, psychological and social factors. The operational team thus developed highly individual contacts with each of them.

The ADIE extended its range of partners considerably during the programme. The core of initial sources of finance, which was already large, has been extended to other ministries, other NGOs, local authorities and banks.

The results of the first five years of activity have largely been positive. Its credit activities are increasingly rapidly and it has a good record for repayment of loans and consolidation of the activities supported. The impact on public opinion has been considerable as a result of a large number of reports on television and in the press and government organisations have also been impressed. ADIE is going to continue its activities and even extend them once Poverty 3 has come to an end and its development plans are ambitious (5000 loans per year).

2.2 We can take stock of the activities conducted by the projects in the course of the programme using a joint assessment method which does not, of course, reflect the complexity of the operations or the way they cater for local circumstances, but which has the advantage of providing a conspectus of their fields of intervention and of identifying clearly the partners involved.

a) The fields of intervention were highly varied as many of the projects were keen to direct their efforts towards the main aspects of poverty. Many of the innovatory measures specialised in one or two fields of activity defined initially, but the majority of the pilot projects sought to increase at the same time opportunities for employment, qualification and access to social rights and to improve the living conditions of disadvantaged sections of the population in terms of housing, and cultural and leisure services. Health and the fight against failure at school were priorities but were tackled less frequently, although almost one in two projects were active in these fields.

Number of projects by field of intervention (41 projects)

Employment and vocational training	33
Social action, access to rights	30
Local social development	29
Culture and leisure	26
Housing and urbanisation	25
Health	21
The fight against failure at school	17

b) Access to employment and vocational training is the theme which mobilised most of the projects. This is a sign that for many people measures seeking to increase opportunities for employment are the key to combating poverty. It was also apparent that, as the programme advanced, teams which had hitherto been specialists in social support for target groups reinforced their activities in this field. Young people and women were often the main targets for such activity due to the difficulties they encounter in the labour market.

The projects tackled this domain in three different ways, all of which on a fairly large scale:

– increasing qualifications by training courses or relearning social skills with a view to training,

- providing better information on opportunities for employment and ways to gain access to them (job seeking assistance, counselling and information structures, etc.).
- seeking out new sources of employment which could be accessible to people in difficulties. This was mainly in sectors offering family service jobs which are often insecure or temporary. Nevertheless, half the projects managed to persuade enterprises and associations of enterprises to try to create new regular employment

- c) The large number of activities surrounding access to rights and social action was generally a result of the fact that the traditional activities of the social services in the area covered by the projects were incomplete or unsuitable for certain population groups or for certain types of benefit.

For many of the projects the idea was to "make good some of the inadequacies of state provisions" by creating reception centres or social facilities (18 projects), promoting access to rights with respect housing health or education (17 projects) or seeking sources of income to provide basic assistance (12 projects).

Local authorities and professional social workers were inevitably partners to this type of activity but their efforts were not directed towards exactly the same type of action. The former were more concerned with access to rights whilst the latter were more likely to participate in setting up reception centres or new services.

- d) The projects' involvement in the field of local social development is perfectly in harmony with the programme's objectives of partnership and multidimensionality:
- to encourage promoters with common aims to work together and to organise discussion groups on efficient local solutions (22 projects),
 - to advertise and promote local initiatives amongst all local players (19 projects),
 - to organise skills development in the area through suitable training activities (16 projects),
 - to devise logistic support to implement projects undertaken by other local players (15 projects),
 - to create infrastructure (14 projects) etc.,

The partners in these activities are, first, local authorities and, second, district associations which may get involved to preclude the risk of their respective activities being fragmented.

- e) The other fields of intervention are, in order of frequency, culture and leisure, housing and urbanisation, health and education.

A large number of culture and leisure activities were conducted in close cooperation with a network of associations and took the form of creation of socio-cultural structures (20 projects) or support for local associations working in this field (16 projects). This type of intervention, which was primarily aimed at children and adolescents, appears to offer more opportunities for active participation by the population in planning and carrying out activities than others. It also offers it an opportunity to get involved in rewarding activities which do not carry the stigma of conventional action on its behalf.

Housing and urbanisation activities were intended to:

- improve housing in the area and, in more general terms, the living environment (some 20 projects). For example, several pilot projects focused their efforts on renovating dilapidated housing
- ease access to housing for certain groups with particular difficulties or who are generally taken charge of by institutions (15 projects).

Although the organisations letting the accommodation rarely figured as partners in these projects, it did prove possible to mobilise local authorities and employers and workers organisations.

Activities undertaken in the field of health were as much preventive as curative. The projects' first aim was to inform target groups and to make them aware of what a health lifestyle constitutes and to fight against alcohol and drug addiction (13 projects). This is the field of intervention of local authorities. Another group of projects, who were encouraged by professionals in social and health work, set themselves the aim of increasing opportunities for access to care for the most deprived sections of the population and to popularise the idea of a real entitlement to health (15 projects).

Action to combat failure at school was generally intended to make up for the deficiencies of educational systems by providing help with school work (12 projects) and giving adults the possibility of escaping illiteracy (11 projects).

3 GRADUAL ABSORPTION OF THE PRINCIPLES OF POVERTY 3

- 3.1 Listing the activities undertaken by the projects does provide a better picture of what they have actually been engaged on but does not enable us to assess their ability to meet the needs of deprived sections of the population, their internal coherence or their relevance vis-à-vis existing social programmes in the areas covered by the project. Apart from going back to the monographs, the results of several assessment studies can be used to address these questions.

- a) First of all, the projects seem to have concentrated their efforts on fields of activity which have been neglected hitherto. This is particularly true of social action and access to rights, and local social development: four out of five projects working on these aspects of poverty undertook types of action which did not exist hitherto. But this is also the case in other fields. We can thus see that the projects not only spurred development in conventional methods of action in social policy but also intervened frequently where national policy left areas or sections of the population without any specific support.

Innovation in activities on behalf of disadvantaged groups was not only in terms of methodology (replacing unsuitable methods by other believed to be more effective). It often contributed to creating services where nothing comparable had existed hitherto. The correlation analyses carried out to compare the strands of activity given priority by the projects and the existence of national arrangements in such matters, moreover, shows up this aspect of Poverty 3 very clearly: it enabled local players to take action in new areas for them for which they had not received any special encouragement from national programmes.

Few projects were engaged in the seven categories of activities listed above at the same time (2.2.a). Only five did so and seven other projects tackled six fields. However, one may not draw the conclusion that their activities were not sufficiently wide-ranging, as this can be only judged in the light of the existence of services which were already available through national or local systems.

As regards the projects which only tackled some of the domains under consideration, analysis of the data showed that there were three main lines of attack:

- a few projects concentrated most of their efforts on housing, all their other activities being directly linked with this (cf. AM06 Munich);
- others sought a coherent approach in a local social development strategy, trying to activate the local community by encouraging local players to work together, creating forums for discussion and supporting some local initiatives (cf. AM27 Pilton Partnership);
- finally, others wished to achieve the aim of economic and social integration by combining direct intervention in several domains, which they considered had to be tackled simultaneously to obtain any worthwhile results in (cf. AM12 Huelva).

- b) Were these activities the ones which the target populations in the programme needed most? This question takes us back to both the degree and nature of participation by the target populations in defining and guiding action (cf. paragraph 3.2) and the ability of

the agents of social policy to analyse these needs and set priorities accordingly.

The projects' activity reports and the local assessment reports seldom contain full and convincing arguments, based on an analysis of the population's needs, explaining cogently why a project focused its activities on one domain rather than another. There are some exceptions (cf. box). However, the choice of activities, which of course did respond to a real and pressing need, were often made on the basis of the initial skills of the projects' promoters, the possibilities for forming a partnership or finding the necessary funding.

AM07 Argyroupolis

A research project launched at the beginning of the programme demonstrated that there four factors leading to social exclusion in the area covered by the Argyroupolis project

1. Families, even poor ones, pursue a strategy of social climbing for their children which led them to make enormous financial sacrifices. As a result the young people end up by being over qualified for the jobs which are available. 2. The economic activities based on family structures were not able to step up their production capacity as a result of the lack of transparency in the market and their inability to obtain financing from banks.

3. The rapid growth in the population and the difficulties experienced by new inhabitants in developing a new local identity within a short period of time allied with the highly introverted character of family relations created "considerable local alienation".

4. The highly centralised nature of the administration constantly disrupted social services at local level and the situation was exacerbated by a lack of investment in social structures.

The research project analysed the economic, demographic, socio-cultural, educational and administrative processes in combination with each other which revealed suitable courses of action such as setting up local multi-functional centres.

When the target populations concerned were directly involved in running the project, they were probably able to assert their preferences, even though there might have been a risk of inequitable representation of all the disadvantaged groups. Where this was not the case, there was a possibility that the action taken did not always respond to their most urgent needs. Nevertheless, in situations frequently marked by a sharp rise in poverty and

exclusion, the target populations' needs were so great and so different and the resources available so inadequate that a very pragmatic approach by the projects was justified. Certainly, it was difficult to determine precisely which needs were most pressing and, in terms of effectiveness, it was preferable to take action where one was sure of being able to assemble the necessary skills and resources.

3.2 The projects' teams managed to set out their strategies clearly and to persuade their partners to share them by gradually adopting the principles advocated by Poverty 3 – partnership, multidimensionality and participation – in a manner taking account of local circumstances. Although these principles might have appeared initially too abstract in general to constitute a proper guide to action, constant discussion within the programme of what they actually meant enabled them to become a very solid basis for steering projects in the right direction. The way in which they were used by the projects can be summarised and the conditions of application which help to make them particularly effective in the fight against poverty and social exclusion can be demonstrated as follows:

- a) Making partnership the organisational model for local activities was no easy matter. In some countries, the word itself meant little or nothing to the most of those involved and the idea of making all the public and private players work together constituted a major departure from traditional practice – a novelty and challenge to administrative and regulatory arrangements. All the same, even in countries which already had the concept of partnership in their local policies, various problems such as institutional rivalry or administrative inflexibility at times caused practical difficulties.

In some instances, partnership was regarded at first as a simple contractual obligation (to convene formally the partners in the steering committee in order to obtain or share community financing). Pedagogical skills were required to convince the decision makers and implementing bodies of the value of a partnership embracing the whole project and not merely its financial aspects. Imagination was also needed to devise suitable forms of cooperation at local and national level and obtain the agreement of the parties concerned.

The process of establishing partnerships intensified appreciably from 1990/91 onwards. This was accounted for by the fact that the Commission and the central unit organised a series of visits to the project to forge direct links with the local partners and that the projects drew their own conclusions from their first operational experience. Many projects immediately reorganised their partnership procedures, institutionalised their decision-making systems and at the same time opened new – sometimes unofficial

- avenues for participation of associations, and, to lesser extent, management and labour:

On-going assessment of the programme has shown that the practice of partnership has gradually developed to a point where the contribution which can be made by each party is understood better. In the initial phase of the programme, partnerships were most frequently organised around the central course of action defined by the promoters of the project who, having designed the project, gradually involved other players, concluded contracts with the implementers, took on financial and administrative responsibility for the project and sought to ensure that it was internally consistent and to coordinate it with the European programme as a whole. This model was used by many projects, particularly in the initial phases of the programme. Another more complex model can be envisaged with a network structure where the project operates horizontally and each element of the structure makes its own contribution to the running of the partnership on an equal or relatively equal basis.

The first model ensures that a leader is clearly identified, but its vertical structure does not guarantee that all the players see their interests being catered for in the partnership and hence become permanently involved. The second model, which functions as a network and is more open to a wide range of players, can result in a lack of shared objectives and strategies which gradually unravels the partnership.

The projects' experiences mirror the search for a balance between the conflicting forces which inevitably arise when a partnership is set up. Without going into all the lessons which have been learnt from the programme, it is possible to identify several crucial factors in creating a sound and rewarding partnership for everybody involved:

- one must appreciate that setting up a partnership is a slow and complex process and only medium-term objectives should be set,
- the preparation and launch phase is crucial. One has to be able to select the players, explain the programme's goals, and define precisely the rules of the game and the commitments undertaken by each party,
- a partnership involves a change in attitude on the part of the actors, and a departure from hierarchical and traditional corporate thinking,
- all the players must find the partnership rewarding and must achieve results in return for their commitment. Distribution of resources is a critical phase and must be arranged in as even handed and transparent manner as possible,

- a partnership must not neglect political action but this must not become its central aim nor become the only forum for making political claims,
- the effectiveness of partnership cannot be measured by the number of players involved but depends on a stable and committed core being formed, around which new players can gradually become involved,
- the fact that the programme aims to bring different partners together inevitably means that there is a potential for conflict between them. The projects must learn to cope with this potential for conflict, accept differences in opinion and develop more ground for negotiation – a process which is easier at local level,
- it is important for permanent structures to be created at all levels as a result of the partnership but this cannot be improvised and must be planned and set out as a goal right from the start of the programme.

- b) The principle of multidimensionality is based on the observation that social exclusion and poverty are complex and take many forms and are the result of both economic and social factors. Any action taken must seek to encourage comprehensive and coherent moves towards integration, taking into consideration all the domains where exclusion of the populations concerned is manifest and spreading.

For the projects, this principle represented a real challenge, too: it meant that they had to aim for coherence and synergism in their activities rather than a proliferation of isolated activities. The profusion of activities in many of the projects meant that an integrated approach could not always be adopted immediately but only developed gradually in close association with the progress within the partnership.

The studies on the programme suggest that the effectiveness of multidimensional action is determined by a few main factors:

- the choice of area,
- the accuracy of the diagnosis on the phenomena of exclusion and the project's ability to steer action in the right direction,
- formation of a suitable partnership,
- definition of sufficiently precise and realistic goals to enable them to provide a permanent bench mark for action and assessment strategies and thus to prevent the project from spreading itself too thinly. At the same time mobilisation of diversified instruments serving as technical support to underpin the coherence of the project and the search for synergy.

The first two factors – choice of an area and the diagnosis – normally take place in the first phase of the programme and the projects' initial uncertainty as to their strategy generally meant that

they were not fully in control of these factors. The territorial limits of projects frequently coincided with the promoters traditional area of action or the electoral ward of the representative chairing the steering committee without the relevance of this area being scrutinised in relation to the aims pursued. Elsewhere, it was apparent that the links between the diagnosis of the phenomena of poverty and the course of action chosen by the projects were not always convincing. Nevertheless, many projects have gone back to the drawing board in this respect in the process of self-assessment and have decided to redraw the map of their area of activity and adjust their priorities to achieve greater coherence.

The link between partnership and multidimensionality seems to be self-evident. An isolated organisation cannot do everything and has to specialise when it actually takes action. In order to conduct multidimensional action against poverty, a partnership has to be set up and, what is more, this partnership must fit in with the project's strategy. In the case of many pilot projects the need to form a financial partnership came before this strategy was defined clearly which sometimes resulted in hold-ups and also two forms of partnership are being set up in parallel: an official partnership in the steering committee and a more operational partnership in the field.

The conclusion would seem to be that a precise strategy needs to be defined first, with due care taken to ensure that it is consistent, before the partnership is formed. A realistic multidimensional strategy which is to be the basis for the projects' activities must be defined somewhere but not in an isolated organisation which does not have all the necessary data at its disposal. Forming a partnership and defining a multidimensional strategy are thus two complementary aspects of the same project which have to be controlled simultaneously and adjusted gradually.

In the innovatory measures, and also in the pilot projects, realistic objectives were frequently defined and suitable resources mobilised by identifying precisely the target populations for which the projects attempted to map out an "integration scheme" combining activities in various domains to enable them to gradually escape from poverty and exclusion. Another approach favours a survey of the services offered to all the disadvantaged groups in the area, thus highlighting shortcomings, duplication of effort, and lack of coherence in action taken by various bodies. The explicit goal of the project was then to coordinate social action in the area more effectively to enable the poorest to have access to the fundamental rights and services normally guaranteed for the whole population. In practice these two approaches are not contradictory and many projects try to combine.

- c) Participation of the disadvantaged groups in the activities and decisions relevant to them constitutes the third key principle of the programme and one which was a major concern right from the start. Nevertheless, in the majority of the project's this principle was implemented later and the projects energy was initially concentrated on stabilising their decision-making and management structures and defining their strategies.

It should also be emphasised that the principle of participation can be interpreted in different ways, depending on cultural tradition and national policies and the ideas pursued by the projects promoters. This results in a mixed bag of practices and levels of participation: apart from the "passive" forms of participation i.e. being the target of an activity or user of a service, several projects devised ways of coopting the groups concerned and their representatives in the decision making procedures in (creating associations with a direct-voice or counterbalancing role; participating in the steering committee; involvement in action to reinforce solidarity within the groups concerned, etc.).

Several projects reported that they had had problems in implementing the principle of participation whilst the level of participation is largely a measure of the potential of the persons concerned, it also depends on the ability of the institutions to share power and to make a real effort to help the groups break with the passivity and dependency induced by being targets for assistance.

Nevertheless, the principle of participation assumed growing importance for the projects as the programme progressed. All of them which made it the lynch pin of their strategy from the start pursued the same course and tested new types of participation and compared notes with each other. In many other projects the need for participation arose gradually. In very run-down economic and social environments, the limits of purely technical discussions on the means by which the social services can integrate people in difficulty emerged more and more clearly and it was the relations between social institutions and the most deprived groups which became important: how could collective access by such groups to full participation in society be promoted, how could they be made the agents of their own social, economic and political lives? Participation is not only a means of making public action more effective but it is a goal in its own right to strengthen the social fabric and to prevent rifts in society which could never be healed.

Part IV - The impact of the programme

Assessment has been one of the Commission's concerns since the programme was being planned; agreement was thus reached with the projects to institute a system of continuous self-assessment (paragraph 1).

1 ASSESSMENT: RESULTS AND ACHIEVEMENTS

- 1.1 Since Poverty 3 was being planned, the Commission has stressed the need for continuous assessment of activities and its concern to make assessment a requirement for all the players concerned and a guarantee of the quality of the activities.

Priority was given to self-assessment carried out as an integral part of the programme rather than assessment carried out from outside. This is the option taken by Article 3(c) of the Council decision which provides that assessment is one of the elements involved in organising the programme and one of the tasks of the research and development units, i.e. the consultants involved in the many tasks associated with supporting the projects.

The decision to opt for continuous self-assessment was based on experience gained with the second programme to fight poverty but also from other national and Community programmes which highlighted the difficulties, and also the merit in terms of innovation and experimentation, of an approach to assessment closely associated with the action and designed as an aid to the players and not as an external means of control.

The decision to opt for self-assessment meant that the initiative was delegated to local – project – level, since the complexity of the programme and the projects made it impossible to define a priori a procedure or indicators for assessment which could be used universally and for all activities independent of the local context. In order to be relevant to the local context, assessment procedures had to be "made to measure" at project level and the central unit could only produce general methodological guides which needed to be adjusted and absorbed by local players. Assessment was thus one of the contractual requirements for the project for which part of the budget had to be set aside (5%), but the way it was organised was left to the projects, with the support of the research and developments unit where the need arose.

This option was, of course, a gamble on the ability of the players to accept methodical scrutiny of their practices and to allow this scrutiny to be conducted against the background of conflicting opinions which any action conducted under the auspices of the partnership is likely to give rise to. However, this gamble was consistent with the overall approach of a programme involving experimentation and partnership.

For many of the projects the introduction of self-assessment was a real innovation. It was sometimes difficult to implement and gave rise to conflicts at least initially but was a great help to all the projects in planning activities and adjusting development strategies. It also increased the merit of the projects in the eyes of their partners and the authorities under whose auspices they were operating as they were able to see for themselves that the players were at pains to adopt a rigorous and serious minded approach. The support lent by the research and development units in the process of self-assessment enabled the players concerned to absorb its principles properly.

This arrangement thus incontestably helped the projects to come to terms with assessment and adaptation of assessment procedures to the characteristics of a complex programme, to the variety and diversity of the activities undertaken, the involvement of many different partners who inevitably did not pursue the same objectives, numerous instances of interference with national or local programmes which often had greater resources, etc. This type of programme cannot be assessed by the same procedures and methods as simple programmes or individual projects. Its overall impact on the situation can only be indirect with little visible effect in the short term and it is always difficult to distinguish between the impact attributable to the programme from that determined by external factors. Hence, one cannot expect a precise measure of all the effects of a programme from an assessment but more a demonstration of the lessons learnt from the programme formulated in fairly general terms. Assessment thus has strong element of learning and must first be perceived as useful to all the players in the programme, despite the differences in expectations that they have of it.

- 1.2 Whilst the self-assessment system was valuable in terms of the development of the project and the programme, its contribution to an assessment of the programme in its entirety was less positive. The research and development units and the central unit drew up national and European reports based on local assessment but these reports were determined very largely by the quality of the local assessments, and the extent of trust and openness in the relations between the projects, the research and development units and the central unit. These relations were sometimes close which enabled the research and development unit to steer the project's assessment work in a direction enabling the programme's assessment needs to be taken into account too. Generally speaking therefore they did have quality information on which to base their own national report which in turn was used to provide input for the assessment of the programme at European level. Nevertheless there were some problems which could be overcome: some projects were held up, initially there were very disparate views of the role, methods and objectives of assessment within the research and development unit which converged only gradually and some of assessment priorities and indicators which were comparable at European level were not defined clearly enough. As a result there was a lack of focus in the assessment which prevented the

results from being capitalised upon to assess the programme in its entirety. This was only really achieved in the final publication on the programme which was prepared jointly by the research and development units and the central unit and was entitled "The lessons learned from the Poverty 3 programme" (in 1994).

This only moderately favourable assessment does not call into question the relevance of opting for continuing self-assessment but is more of a cue for recommending certain adjustments to be made in a future programme. First, local self-assessment needs to be improved by making sure that the people responsible have a greater degree of independence and second, and more important, self-assessment needs to be accompanied by an external assessment, especially at key moments in the programme.

- 1.3 Although priority has thus been accorded to self-assessment as an integral part of the programme, the Commission sought to promote an assessment conducted at some distance from the immediate scene of action. This is not properly speaking an independent assessment but an assessment by players not directly involved in the project's action.

With this in mind the Commission invited the representatives of the Member State to report on what they perceived to be the strengths and weaknesses of the programme at the half-way stage. The contributions from the Member States were used at the conference in Copenhagen in June 1993 and in preparing the interim report on the implementation of the programme (COM(93) 435 final) which was submitted to the Council on 22 September 1993. It was also with this in mind that the Commission encouraged the Member States to organise national or regional meetings to review and discuss the impact of the programme and the dissemination of its results.

Finally, we should point out that assessments were made which were totally independent of the Commission, especially one carried out on the initiative of the British House of Lords which visited the projects and interviewed many of the players with the support of external experts and whose report can thus be regarded as a genuine external assessment report.

2 INTEGRATION OF THE MOST DISADVANTAGED GROUPS

- 2.1 Several methodological problems were encountered in assessing the impact of the programme with regard to the general aim of integrating the most disadvantaged groups.
 - a) As we have said, it is difficult to measure the net effects of a programme and of local projects which cover a wide range of activity: the overall effect is not the sum of the effect of each of the activities and effects which are not directly measurable need to be taken into account (such as synergism or rivalry between activities); as the relations between cause and effect are so difficult

to identify, global indicators (such as the statistics on poverty in the area), which are not always available at local level and whose development depends on external factors (changes in the economic situation or the existence of other public programmes which could also influence the value of the indicators used for example), must be referred to.

- b) The relevance of an observation on the situation of the persons concerned since the end of the programme should also be discussed. Poverty 3 was designed mainly to bring about effects in the long term at the expense of the short term impact and, as we have seen, creating new forms of partnerships, developing participation, defining global strategies are operations which take time and which can, initially, have a destabilising effect on social policy agents and may not occasion any appreciable increase in the effectiveness of their action.

2.2 Having made these methodological observations, we can provide some information on the people who benefitted from the projects.

- a) Most of the activities conducted under the programme were in areas which were not being dealt with hitherto in the project's fields of activity and which owed their existence to the programme. The vast majority of the people concerned would then probably not have been able to benefit from the same type of services without Poverty 3. Generally speaking, therefore this is a net impact produced by the programme which provides better access to disadvantaged groups to services which they really need to improve their circumstances.
- b) Information was collected amongst the projects on the number of persons or families which benefitted from the project's activities. This information must be handled with care as the projects' operations were diverse and had a very varied impact, depending on the populations concerned. As a result, adding up the number of persons affected by the programme is a fairly crude or only indicative means of assessing the programme's impact. It is for example difficult to calculate in the same way the effect of an operation to monitor over a long period a small group of persons with access to a very full range of services and, on the other hand, the opening of municipal centre offering the inhabitants selective services or educational, cultural and leisure activities.

Three-quarters of the projects provided sufficiently precise responses to be counted. Approximately 38 000 persons were affected by the programme. However, there were great differences between the projects. Approximately half of the projects did not affect more than 500 persons (which is already a lot), whilst eight

projects announced that there were more than a 1000 users of their programmes' activities.

In order to identify Poverty 3 target population more accurately, one can also refer to the data on the groups involved in each of the activities conducted by the projects. There are many of these, almost 450 for the pilot projects alone, an average of 15 per project. The accent was placed on selecting the target groups, people on a minimum income, children and young people, the unemployed and minorities, which bears witness to the fact that the projects were at pains to reach the most disadvantaged and most vulnerable groups at present and to combine action on behalf of people who are already living under very difficult conditions and preventive action to stop others, especially the youngest people, from joining them soon in social exclusion.

Distribution of activities by target group

<i>Target group</i>	<i>% of activities</i>
Recipients of minimum income	22
Children and young people	22
Unemployed	15
Minorities (ethnic groups and migrants)	8
All the population	7
The elderly	6
The ill and the disabled	5
People in active but low income employment	5
Other groups such as drug addicts, prostitutes, etc.)	5
Voluntary organisations NGOs, team, etc.	5
TOTAL	100

2.3 The description of the projects' content and the development thereof has already showed up the positive effects of the programme at local level and its ability to stimulate real local activity.

- a) Generally speaking, the aims of the programme attract a certain amount of interest at local level and the European label acts as a magnet, easing recognition of its activities. The name normally given to the programme, which proclaims the notion of poverty, was a problem for some projects, at least in countries where the concept has negative associations. Clearly to the reference to the European programme has less of an effect in countries where public opinion thinks it has little to learn from Europe in matters

of social policy. Nevertheless, and in general terms, identifying with the programme is a powerful incentive: the local partnership approach was convincing and enabled elected representatives, public administrations and non-governmental organisations to be involved in the action. The interest aroused by the programme amongst social policy players and also amongst researchers and in the media confirms this. Special praise is due to the operating teams which, feeling that they were getting more recognition, spared no effort to raise awareness of the programme's aims and principles.

The projects' local action was expanded to take in other organisations and contribute to the debate or innovations on a larger scale. In Ireland the Limerick project carried out a local study which encouraged public authorities to reexamine the problem of school fees as an obstacle for deprived persons. In the Netherlands, the Valkenbourg projects set up a promising cooperation agreement with the regional office for aid for handicapped persons and the latter decided to inform all its beneficiaries of the services and activities offered by the project. In Antwerp, the project succeeded in launching a debate with the Flemish employers' organisation on the employers' responsibility for their social environment and, at the same time, persuaded local employers to take an interest in the programme's organisational set up.

- b) The programme definitely increased the ability of local players to take action against poverty and exclusion and in particular, increased the qualifications of the agents of the programme: the programme was a laboratory of ideas and innovatory operations where the project teams and their partners were able to stand back from conventional practice. They were able to give themselves the time and resources to plan new methods together, to experiment with them, assess them and to draw conclusions for the future. The training courses for the members of the operating teams organised by the central unit largely contributed to this increase in skills as did the methodological support provided by the research and development units.
- c) This enabled the programme to accomplish a vital task in fighting against the effects of poverty at local level and to start to rebuild the social and economic lives of the communities hit hard by poverty. The House of Lords already mentioned noted that "Poverty 3 made it possible to do a job which otherwise would not have been done or which would only have been done with great difficulty and the progress observed in the self-confidence of the communities involved in the programme and in their sense of solidarity are particularly encouraging in the long term. In this sense, the accent placed on training and education activities for all

ages, from the very young to adults was fully justified as were the cultural activities. Although the strengthening of local economies is a task beyond the programme's scope, in view of its resources, one must underline the determination and inventiveness shown by the projects in finding or creating new jobs. The principles of multi-dimensionality, partnership and participation were translated by the projects into concrete action catering for local situations".

- 2.4 Poverty 3 was a programme lasting for five years and we should thus examine to what extent local activities can continue once the programme comes to an end. The projects were therefore asked in Autumn 1994 about their prospects and the possibility of their becoming permanent or being extended in order to prevent an interruption adversely affecting the momentum that had been built up. The future of the project can be analysed from several points of view: partnership, financial resources, maintaining the areas and types of intervention and the future of the teams.

A total of three-quarters of the operating team stated that their project would be pursued after Poverty 3. Almost half of them (13 projects) have been taken entirely under the wing of local structures – generally the municipalities. The others have been renewed partially and are going to concentrate on other activities for which financial, infrastructure and/or personnel resources have been found. This outcome must be interpreted in the light of analyses conducted on the programme's activities. In the majority of cases, these activities covered new areas which were not dealt with hitherto in the area. The fact that there is only partial continuation of a project does not therefore mean that the area is returning to the situation before the programme but means, on the contrary, that the local regional or national public authorities are going to continue to uphold the financing of new operations initiated by the programme despite the budgetary situation which is sometimes very tight.

The financial partnership launched by Poverty 3 will not be repeated in full. 11 projects have provision for funding by a single body, be it a local (7 projects), regional (2) or national (3) authority. Nevertheless, as we have seen, financial partnership should not be confused with the partnership in the field formed for the purposes of action. Teams have continued to search very actively for partners and 17 projects say that they have involved new players in some of their activities. Apparently, the moves to adjust partnerships in line with the developments and strategy of the projects already observed during the programme are continuing.

Sometimes the end of the programme also led to the area of intervention being changed. In some cases the area was extended and the experience gleaned from Poverty 3 was extended to the entire city (AM12 Huelva programme for example), new built-up areas (AM24 Porto) or larger areas (AM22 Almeida or AM15 Le Doubs). In other cases, by contrast, the projects wished to limit intervention to areas experiencing the severest problems.

Not all the types of activity developed by the projects in the course of the programme will be continued. The rate at which the same fields of intervention will be retained is slightly under 70% for all the projects (including those which will not definitely become permanent). A higher rate of activity will be sustained in areas such as the fight against failure at school, social action and access to rights and employment/training than in culture, leisure and health. These differences are not easy to explain on the basis of the information available. Nevertheless, a relationship does seem to exist between an area of activity becoming permanent and the changes in local opinion on this field as a result of the programme. For example, almost all the teams which managed to continue their activities in the field of employment and training report that there has been a change in local political views on the subject. This would support the theory that the programme has had enough impact on the social authorities and decision-makers for them to confirm their commitment to the types of activities undertaken during the programme once it has elapsed.

The majority of the projects (some 70%) retained all or part of their operational teams whilst others are waiting to see what happens. Reduction of manpower or even the disbanding of a team is not, moreover, necessarily a sign of failure as some projects' initial aim was to have their activities taken over by other local organisations once the programme came to an end. Furthermore, several project leaders and members of operating teams have been recruited by local or national institutions to implement in their new department the methods born of their experience with Poverty 3, which testifies to the considerable improvement in their skills and qualifications and to the merit of the programme.

Many of the projects had made preparations during the programme to continue their activities afterwards. The existence of a well-organised partnership often played a major role in creating relays for the future. Examples of these are local development companies and agencies, consultation committees between public authorities and users, new negotiating bodies between enterprises and trade unions, craftsmen associations, etc.

3 EXPERIMENTATION AND TRANSFER OF KNOW-HOW

- 3.1 One of the aims of Poverty 3 was to help to prompt national policy encouraging public debate on social exclusion and the dissemination of good practice.

When the programme was being prepared the Commission invited the Member States to submit projects whose aims reflected innovatory national activities or, possibly, dovetailed with the national programmes for combating poverty. In several countries at least there was potential for this type of interaction with the national programmes in Ireland, Spain and Portugal; with urban policy and minimum integration income in France; with the social renewal policy in the Netherlands and with national

measures for supporting innovation and local partnerships, etc. in Denmark. Such interaction has helped to involve national authorities more directly in the monitoring of the programme in these countries and to raise the profile of the projects at national level.

Triggering a knock-on effect at national level depended on a whole series of factors, first the quality of the initial selection and the work carried out in the projects and also the effectiveness of institutional and personnel relays which could be built up between local action and the national scene particularly as there were only a few projects (three or four in each country, sometimes fewer) and their energy was concentrated on their own organisation and consolidation.

However, several projects achieved extremely encouraging results. In France the activities of the project on "Economic initiative development aid" resulted in aid to unemployed persons who were creating or restarting a business being extended to include the beneficiaries of the minimum integration income; in Greece the Kallithea project influenced new legislation on drugs and on the creation of rehabilitation centres for addicts; in Greece, too, the programme helped to reveal the sort of legal obstacles encountered in creating partnerships between public authorities and private organisations and a bill was submitted to the Greek Parliament as a result. In Germany the projects sought to activate public debate on poverty. In Denmark the programme influenced governmental commissions' work. In Belgium ideas and proposals from the Antwerp and Charleroi project were adopted by the public authorities of their respective municipalities. In Italy the national heads of three large trade union organisations will henceforth cooperate on the promotion of regional projects built around the programme's principles. Where these projects attained local, and in some cases national, recognition it was primarily due to the quality of their work. But it is also a result of their efforts to publicise their activities, inter alia by producing information bulletins or video cassettes and films and through participation in or organisation of information activities. And, above all, it is due to the efforts of some research and development units and the national representatives in the Advisory Committee to promote synergy at national level. Although some synergy has been achieved it is still too isolated or disparate for us to be able to state that the programme has yet made an appreciable impact on the national stage in all the Member States.

3.2 European level

By supporting local experiments, the programme also intended to contribute to the transfer of good practice at national and also at European level and to promote Community discussion on the fight against social exclusion. Transnational exchanges between the projects, research work and the programme's publications were the main elements in this process.

a) Activities and exchanges within the programme

Several networks of exchanges have grown up between the projects, their partners, the research and development units, the central unit and the Commission. Some have expanded to take in players outside the programme, in particular with a view to creating synergism with local initiatives or Community initiatives.

These exchanges took several forms. Annual conferences were the main forums for motivating players to address major themes for discussion and action which would benefit from being brought into the focus of the programme local development, involving management and labour, and partnership and multidimensionality. The programme also set up several transnational groups, each bringing together seven or eight projects and concentrating on specific areas to see what methodological and political lessons have been learned ("housing and poverty", "poverty in a rural environment", "participation" and "integration by economic means"). Two transnational conferences were also organised on self-assessment and on local research. The training programme for project leaders intensified the process of pooling experience.

A large number of bilateral exchanges were carried out in the form of visits between projects. These visits sometimes enabled experiments to be transferred directly from one country to another, for example between Charleroi and Le Doubs on health (cf box). More often these helped to circulate ideas by comparing national situations. The majority of the projects said that the visits had a positive outcome when they were properly prepared (such as the cooperation between the projects in Brownlow and Calais or Utrecht and between the Edinburgh project and Charleroi, and between the Spanish "forum" initiative which brought together the NGOs and management and labour and a similar initiative by the Italian project, etc.).

An example of transfer of innovation: AM02 Charleroi and AM15 Le Doubs

The Charleroi pilot project introduced an experimental "health pass" to help the most deprived members of society to gain access to health care on the basis of a system already tested in Le Doubs (AM15). The beneficiaries of municipal social assistance could in general already obtain grants to cover medical expenses but there was a lot of red tape involved and many stopped going to a doctor. With the health pass, the municipal social welfare centre gave authorisation a priori to the user to be treated by a doctor of his/her choice free of charge, the doctor's fee being refunded by the social centre. This procedure was also extended to alternative medicine and the costs of medication.

The transfer of this system involved considerable groundwork: the social workers had to be informed, the operating rules for the social centre had to be changed, negotiations had to be conducted with doctors, pharmacists, insurance companies and the administrations.

Positive results were obtained when this operation was assessed: a large number of deprived people were involved, there was no general increase in expenditure, and users stayed with their GP.

The exchange between the projects was not only one-way; the Le Doubs project conducted activities inspired by the Charleroi project, in particular in the field of vocational integration.

These exchanges, which were essential in building up the momentum of the programme, could only take place once a complex communications network had been set up between the projects, research and development units, national authorities, central unit and the Commission. It is unfortunate that the communication network was not more effective and more extensive which would have increased the range of transnational exchanges and the national impact of the projects and the programme.

The fact remains that the principles of partnership, multidimensionality and participation, to which all subscribed, enabled similar skills to emerge everywhere which had hitherto not been in evidence in social work. The operating teams increased the ability of the players to manage a project tapping various sources of funding, to set up an assessment system, to work in partnership and even set partnerships up, to maintain consistency between operations in various areas (social work and employment, local development and cultural activities), to learn to adopt a different approach with the activities' users and beneficiaries, to create room for negotiation with them, to allow them more scope in defining their goals and to heed experience in other countries or locations.

The programme thus helped a social operator with a new profile to emerge and, since the qualifications of such an operator have much in common from one country to another, there were benefits to be reaped from planning transnational training sessions which, in the unanimous opinion of the participants, were highly rewarding and would have gained much by being organised when the programme was launched.

b) Research work

Research work was also a component of the European approach of the programme. As Poverty 3 was an action programme, the research work was deliberately limited. Apart from the local studies conducted on the initiative of the projects, the research

component was made up of two sections, one statistical and the other economic and sociological.

The statistical work was conducted in cooperation with Eurostat. The main idea was to devise a system for analysing national surveys on family budgets, mainly to update and refine measurement of poverty in terms of income. This has led to real progress, especially as microdata from national surveys have been used. However, it has also confirmed the methodological problems in measuring poverty and, in particular, the unreliability of comparing or aggregating data based on definitions which are not yet sufficiently harmonised. Subject to these constraints, the work confirmed that there were an estimated 50 million persons on low income, i.e. poor in accordance with the commonly used definition¹⁰ (Annex 2) in the Community at the end of the 80s.

Economic and sociological research was also undertaken, concentrating on purely transnational aspects. The themes were determined in consultation with the representatives of the national research committees and the members of the Advisory Committee and the research teams were selected after two successive calls for tender. The following themes were examined: the process of disengagement from the labour market, the role of regional development policy in the fight against poverty, the links between poverty and migration, the involvement of management and labour in the fight against exclusion, moves to bring poverty within the province of social policy, and the effects of active employment policy in the fight against social exclusion. The results of this research work were discussed at a seminar in London in November 1994 attended by the researchers and the representatives of the national authorities concerned.

The statistical studies and transnational research work contributed to work undertaken elsewhere for the Observatory of policies to combat social exclusion created in 1990. This work and the research conducted in the Member States fuelled the debate on analysing the extent of social exclusion and a major seminar was organised on this topic in Bath in June 1994 with the aid of the Department of Social Security in the United Kingdom. Work will continue in this direction in the fourth framework research and development programme.

c) Raising the profile of the programme and its results

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Persons living in a household whose average disposable income per consumer unit (calculated on the basis of the expenditure declared in the survey) is less than half the average disposable income per consumer unit in the Member State in which the household lives.

The way the programme's profile is raised is based partly on its publications policy and partly on its communications strategy.

Considerable energy was devoted to publications. The quarterly magazine (5 000 copies) and the monthly bulletin (2 000 copies) had a wide readership extending well beyond the parties involved in the programme. Other publications (the central unit's annual activity report, minutes of transnational seminars, directory of the projects, etc.) also had a very large circulation.

The following activities figure prominently in the communications strategy:

- an electronic mailing service was instituted, aimed at developing interaction between the programme's various partners (projects, central unit, research and development units and Commission) and creating a bibliographical and statistical data base;
- public awareness has been raised through specific events such as the competition organised for students at schools of journalism, with the best report on social exclusion and poverty being published in 12 major European dailies (the report described the Perama project);
- a European network was set up comprising journalists interested in the problems connected with poverty and social exclusion.

CONCLUSION

A broad consensus has emerged from the local assessments and discussions at national and European level on the lessons which can be drawn from the programme as regards the validity of its principles and approach (paragraph 1) and the strengths and weaknesses of its organisational procedures (paragraph 2). The positive aspects must be seen in the light of questions surrounding the specific added value of a programme of this type with regard to other Community policies and measures (paragraph 3).

I THE VALIDITY OF THE PROGRAMME'S PRINCIPLES AND APPROACH

- 1.1 The projects shared an approach to fighting poverty based on the principles of partnership, multidimensionality and participation. In the first place, these principles were implemented in the pilot projects but many of the innovatory measures also incorporated them. The programme as a whole was thus an experiment for the validity of these principles and the possibility of applying them in the light of specific local and national contexts.

Partnership was one of the programme's strengths. It had already been adopted in other national programmes, sometimes well in advance of

Poverty 3, and has attracted a great deal of interest in countries where it was not a familiar concept. The projects have built up new organisational structures and forms of intervention which in themselves are an inducement for the institutions and associations involved in combating social exclusion to propagate them (national and local authorities, NGOs, management and labour organisations etc.) and will enable the majority of the projects to pursue their activities when the programme comes to an end.

Poverty 3 has enabled the relevance of this principle in decision-making and implementation processes to be enhanced progressively through experience.

There is no doubt that, in the course of the programme, attention has been focused increasingly on the multidimensionality of social exclusion and poverty, albeit to varying degrees. Whilst all the projects aimed to encourage the social and economic integration of deprived persons and whilst they were aware of the various dimensions of social exclusion, they are not always able to define or implement activities with the desired coherence or scope. Although there is agreement on the validity of the principle of multidimensional action, more thought should be given, in the light of the experience gleaned from the projects, to its practical application, in particular to make greater allowance for specific local (rural or urban environment) and national (northern or southern countries) conditions.

Participation - i.e. making the deprived participate fully in the programme - was as much a challenge for the projects and the programme as a principle of action. Considerable progress was made, in particular when the projects were working with small groups, and were able to motivate the target groups to pursue practical and tangible aims. This was the case more frequently where there were national traditions which were conducive to self-organisation and where institutions set aside their rivalry and power struggles.

- 1.2 The programme's own approach was gradually accepted by all the parties involved who accepted a commitment to a joint dynamic process which required the will to innovate and experiment, a concern for quality in designing and planning activities and close attention to assessment and transfer of experience.

This was of course not an immediate process. Most of the projects applied to participate in the programme mainly because they were seeking financial support, which is a legitimate reason, and not all the parties were involved were initially prepared to commit themselves to the programme's dynamic concept. Difficulties were encountered in building up partnerships, obtaining co-funding or carrying out effective self-assessment. Most of these were, however, resolved through explanation, persuasion and support on the part of the project leaders, technical

assistance units and the Commission to convince some of the institutional partners. Nevertheless the players were not mobilised sufficiently to obtain all the multiplier effects expected from the programme, particularly in respect of national policy. Several Member States were not fully involved in the programme and the contact points and communications between projects, Member State authorities and the Commission did not always function effectively. The overall quality of the projects has, however, very largely been recognised and when their activities continue on completion of the programme this will help to enhance the validity of their experience and their possible contribution to national discussions.

2 THE STRENGTHS AND WEAKNESSES OF THE ORGANISATIONAL PROCEDURES

The Commission set up technical assistance units at national level (Research and Development Units) and at European level (central unit), in order to implement the programme. Their tasks were mainly the administrative and financial management of the subsidies allocated, support in the development of the projects and self-assessment, general organisation of the programme and coordination of its components and activities (assessment, transnational exchanges, research and publications).

These technical support activities were highly varied, evolved as the programme progressed, and required great flexibility, a variety of skills and a wealth of experience on the part of the technical assistance teams. Taking into account the constraints which the schedule, management and cost imposed on the programme, they were, in the main carried out satisfactorily. Nevertheless, improvements could be made to streamline procedures.

The arrangements made for the administrative and financial management of the programme have enabled the Commission to stay abreast of the progress of projects the soundness of the management and any difficulties which they encounter with co-funding such difficulties held up some projects' activities and resulted in credit being under-used. Apart from these problems, and as a result of the effort the projects and the Commission and central unit put into it, the quality of the management greatly improved in the projects and emerged as one of the keys to and hallmarks of the quality of the work the projects are doing.

The members of the research and development units provided direct support which in many cases led to remarkable progress in self-assessment and coordination between the projects and national initiatives. Support was not always as effective in the case of projects facing major internal problems or chronic co-funding problems and more active involvement of the members of the research and development units in all aspects of management and organisation proved to be one of the keys to success.

The strengths of the programme's European-level organisational structure were mainly that it endorsed the coherence of the programme and focused attention on its achievements through the quality of the publications and the transitional exchanges. The training programme for project leaders was also well-received and it is a pity that it was not introduced when the programme was launched. The

weak points were mainly assessment of the programme as a whole, which suffered from the fact that priority was given to self-assessment by the projects, communication between the programme's agents, at least in the initial phase, and failure to make research an active component of the programme.

The above tasks involved both the central unit and the members of the research and development units. The geographical dispersion of the units' members and the fact that they were mostly recruited to work part-time often detracted from the cohesion and the efficiency of the Technical Assistance Units and it would be useful to look at alternatives for a further programme in particular as regards the central unit. Apart from this, the complexity of the programme itself sometimes put the technical assistance teams in an uncomfortable or equivocal position between the projects, the national authorities and the Commission where expectations or requirements were difficult to reconcile with one another. Cooperation between all the players was essential to enable the problems to be overcome and the Commission took a very active role in promoting this in the management and support of the programme. However, much would have been gained if the responsibilities, shared responsibilities and procedures involved in cooperation between the research and development teams at national level and the central unit at European level had been defined more precisely.

3 THE ADDED VALUE OF A SPECIFIC PROGRAMME

When Poverty 3 was conceived it was practically the only Community initiative specifically covering poverty and social exclusion¹¹. Following immediately on the heels of the second European programme to fight poverty, its very existence constituted a political symbol of the Community's desire to make a modest but continuous contribution to the Member States own measures. Gradually the Commission developed and diversified its initiatives on poverty and exclusion and the programme took its place in a compendium of activities and measures. Expectations of Poverty 3 have thus changed: firstly it was expected to provide more in terms of developing know-how and good practice and secondly the Commission was expected to explain more clearly what added value could accrue from a specific programme and how much synergy could realistically be expected between the programme and other Community action.

Over the past few years, the Commission has sought to introduce the fight against social exclusion in all its policies and measures. Its efforts have met with considerable success, particularly as regards structural and research policy, and Community action to combat exclusion is no longer confined to a "drop in the ocean" which, in view of the scale of the problem, was what the Poverty 3 programme was. Such progress reflects the increasing attention commanded by social exclusion in the Member States as well as recognition of the contribution which the Union might make to action which has been undertaken.

¹¹ Except for food aid granted during winter.

The main Community activities which will henceforth take into consideration the aim to combat social exclusion are as follows:

- structural funds and more precisely (a) as regards the ESF, measures coming under the new Objective 3 (integration of persons exposed to social exclusion in the labour market) and the employment and human resources initiative (particularly HORIZON, and also, to a certain extent, YOUTHSTART and NOW) (b) as regards the ERDF, the URBAN initiative and (c) as regards the EAGGF, the LEADER initiative.
- the fourth framework research and development programme which includes a programme on social exclusion and integration.

Furthermore, various Community activities tackle exclusion in a more indirect and modest fashion such as educational initiatives to deal with illiteracy¹².

These activities do not duplicate the work done in a programme such as Poverty 3 but highlight the value of such a programme in identifying and experimenting with good practice, which could be encouraged and supported on a large scale in structural policy, and creating a forum for comparing notes and ideas for generating the necessary synergy more effectively. One of the possible contributions of a programme is to make it easier to identify and experiment with good practice which could be used to enhance measures implemented on a quite different scale through the structural fund and/or more widely in regional or national policy.

As a study of the programme's impact on these policies shows, this type of transfer can never be accomplished automatically, particularly when the programme is on a very modest scale. It takes time and the institutions concerned need to be persuaded to take action.

As regards the possible impact on the funds it should be emphasised too that the funds and the programme do not have the same aims. The prime objective of the programme is not to finance action (like a fund) but to support experimentation and the transfer of good practice and its success cannot be measured by the scale of the financial resources granted but the quality of its activities on the basis of which experiments can be organised and compared. By contrast, funds are first and foremost an instrument of financial support and their scale of intervention usually results in standardised activities rather than innovatory activities being financed in cooperation with promoters who are mainly looking for funding rather than with promoters interested in creating know-how (this is true of Community initiatives which cover thousands of projects, even though the programmes emphasise the value of innovation and transnationality). Moreover, and above all, intervention by the funds in the field of exclusion is, by necessity, limited and, in

¹² The Commission's interdepartmental group on poverty and social exclusion compiled a systematic inventory of Community action which might contribute directly or indirectly to combating social exclusion.

the current legal and practical situation, could hardly support a multidimensional approach to exclusion even though the relevant provisions were relaxed in the latest regulations.

What is more, the rules which govern the funds activities do not, in practice, enable a multidimensional approach to be taken to exclusion. The new Objective 3 of the ESF refers to measures to integrate persons exposed to social exclusion in the labour market and this authorises support for integration schemes but could hardly be extended to integrated social development programmes or integration activities on behalf of the homeless. Also the programmes are more suitable for mobilising a range of different partners whilst a fund's activities largely concentrate on training and employment bodies even though a considerable effort has been made to extend its range of partners. The Member States' use of the new provisions is very uneven which shows that the funds, and especially the ESF, have not yet capitalised on national and Community action on exclusion.

Against this background, the added value of a programme such as the new programme proposed by the Commission lies in the contribution which the programme could make to experience gained and action taken in the Member States and the progress made in incorporating inclusion in other Community policies and especially Social Fund action. It is thus important for the programme to cover practical activities which provide a means of comparing the players' methods and views. It is hence also important for the programme to be highly organised and to involve practitioners and experts who are able to motivate the public and private players fully on a permanent basis. One of the aims of a permanent group of high ranking national civil servants on social exclusion, the creation of which the Commission has proposed in the past, could be to help with the transfer and comparison of experience at a high level.

ANNEX I STATISTICAL SYNOPSIS OF THE POVERTY 3 PROGRAMME PROJECTS

The Poverty 3 publications, particularly the central unit's reports and working documents contain a good deal of information on the scale and quality of the projects. A descriptive directory of the projects is also published and updated regularly. The tables shown below merely illustrate some of their main features.

Main features of the fields of activity of the pilot projects

Number of inhabitants	Fewer than 20 000 inhabitants	Between 20 and 50 000 inhabitants	50 000 inhabitants and more	Total
Rural area	4	2	-	6
Urban area	8	10	8	26
Region combining rural and urban areas	1	-	3	4
<hr/>				
Total	13	12	11	36

Source: Poverty 3 programme central unit

N.B.: The total number of pilot projects (36 not 29) takes account of the fact that three pilot projects are active in several areas.

Figures to indicate the scale of social exclusion encountered in the fields of activities of the projects

Problem encountered	Number of projects where this problem is particularly severe	Number of projects where activity is focused on this problem
Youth unemployment	37	23
Long-term unemployment	37	27
Inner-city crisis	19	12
Poor and ill-equipped urban environments and housing	25	17
Rural underdevelopment	8	8
Emigration	12	4
Immigration	19	9
Racial discrimination	20	13
Industrial decline, economic redevelopment	26	17

Source: Poverty 3 programme central unit

N.B.: The data cover all the projects i.e. 48 areas and take account of the projects which are active in several separate areas. Some innovatory measures do not pursue their activities with reference to a specific area.

Nature and origin of the Poverty 3 programme projects

Ongoing activities dating from 1990, involving the same (or almost the same) partners	5
Development of new activities by the same (or almost the same) partners	5
Extension of an existing partnership, with participation of new partners and launching of new activities	18
Creation of a totally new partnership to develop new activities	16
No reply	1
Total	----- 45

Source: Poverty 3 programme central unit

N.B.: The total of 45 projects takes account of the fact that some projects pursue their activities in two or three separate areas.

Partners with a seat on the project steering committees

Local and regional activities		116
National activities and government organisations		35
NGOs		108
(of which community organisations and local groups)	(53)	
Management and labour organisations		31
(of which employers' organisations)	(21)	
(of which trade union organisations)	(10)	
Miscellaneous		48
(of which universities, research bodies etc.)	(21)	
Total		----- 338

Source: Poverty 3 programme central unit

N.B.: This table was drawn up from information on all the projects. However, not all the innovatory measures have formed a steering committee with several partners.

ANNEX 2 STATISTICAL WORK CONDUCTED UNDER THE TERMS OF THE POVERTY 3 PROGRAMME

1. One of the objectives of Poverty 3 is to help to find out more about poverty, in particular by regularly producing comparable data on its scale, main features and trends in the Member States. To this end and within the constraints of the limited resources granted by the Council, the programme thus provides aid for research on poverty and social exclusion. The Commission lent its support to statistical research with a provisional budget of 2.5 million ECUs for the total duration of the programme (1989 to 1994).
2. This research work pursued two essential aims: first, to help analyse poverty from the point of view of financial resources in order to establish comparable data for all the Member States and to shed some light on trends responsible for recent and current developments; second, to help analyse poverty from a multidimensional point of view, mainly to overcome the limitations inherent in the approach which considers only its financial aspects.
3. To a large extent this research aimed to improve the methodology used in the statistical analysis of poverty, especially with respect to the harmonisation required to make data comparable, the significance and implications of various conventions and definitions for units of measurements and quantitative indicators of poverty, the benefits of bringing statistical and administrative sources closer together and the possibilities of devising econometric models of the developments observed.
4. This research work forms part of a medium-term programme and cannot be regarded as complete. Apart from the methodological work as such, it has also produced some results on the scale of poverty at the end of the 80s but these are still subject to shortcomings and uncertainties which are now being or need to be worked on. The strictly methodological proposals also need some refinement, especially to determine the respective advantages of alternatives to the sources of information, statistical indicators and data processing procedures.
5. Priority was first given to analysing poverty in terms of financial resources. In compliance with the conclusions of earlier research and, in particular, the work of an international conference on this issue in 1989 at Noordwijk, in the Netherlands, the researchers concentrated on enhancing analysis of the household budget surveys carried out periodically by the national statistical institutes. These surveys, which were devised to provide more information on price indices, were not designed specifically for analysing poverty and have considerable failings in this respect. Moreover, they are carried out at varying intervals, usually every five years. However, at present, they represent the least unreliable of the sources of comparable data available.
6. The researchers and statisticians engaged in this work have had access to the surveys' microdata. This is a great advantage and represents real progress in terms of analysis: earlier comparative work was based on aggregated data, combined

at statistical distribution decile level, which involved some hazardous approximations. What is more, surveys carried out in the same year (1988) or almost the same year (1987, 1989 or 1990), were available and this obviated the need for unreliable extrapolations. Nevertheless, it should be stressed that the quality of national household budget surveys is very uneven, especially as regards the size and representativeness of their samples and that the definitions used in these surveys, especially for expenditure on or linked with housing, are not sufficiently harmonized to ensure that data are wholly comparable or congruent with those used in administrative surveys and national accounts statistics.

7. Apart from data production operations, the programme also saw completion of:
 - a) a study on poverty in the Member States around 1988 with regard to "objective" relative poverty thresholds, i.e. derived from the statistical distribution based on analysis of household budget survey microdata,
 - b) a study on the methodological advantages of "subjective" approaches to poverty, i.e. those which take account of the opinion of the households on what constitutes a decent standard of living,
 - c) an exploratory study on matching data from statistical and administrative surveys,
 - d) a feasibility study on direct measurement of poverty in terms of consumption of certain goods and services which represents an initial consumption-based contribution to defining non-monetary poverty indicators.
 - e) methodological work on the possible use of econometric simulation and extrapolation models based on microdata to estimate poverty levels between two waves of surveys on family budgets.
 - f) a preliminary analysis of various forms of insecurity and risks of exclusion in several countries. This study, which was based on existing national statistics, identifies poverty in terms of a process of social disqualification.
8. The scope of these studies is largely or exclusively methodological. Their results are being discussed with independent experts, governmental experts and representatives of the national statistical institutes in order to determine how the proposals made might be applied and disseminated. However, the first study, which was published (in English) by the Commission services at the end of 1994, also produced figures on the scale of poverty in the Community in 1988.
9. This study was conducted by a research at the Erasmus University of Rotterdam (Netherlands). Its aims were:
 - a) to establish, on the basis of the national household budget surveys and after discussing the relevance of various methodological conventions, an

estimate of the extent of poverty in each of the Member States and in the Community for as recent a year as possible,

- b) to examine, using the same methodological options, poverty trends in the 80s,
 - c) to examine the possibility of econometric modelling of these developments to devise a simulation method which would enable reliable estimates to be made on a permanent basis, of the scale of poverty in years in which household budget surveys were not conducted.
10. Not all these aims have yet been achieved, mainly because the series of microdata from the national surveys before 1988, which were indispensable for trend analyses, were made accessible for research later than planned. National provisions on the confidentiality of the surveys called for highly complex negotiations with some of the national statistical institutes, particularly in Germany. All 12 series of national microdata for the years around 1988 were not made available until the beginning of 1993. Series of microdata for national surveys before 1988 - which are indispensable for trend analysis and econometric simulation - are now available for some Member States only.
11. As the researchers had access to microdata they could carry out various checks on the quality of the information and, in certain cases, adjust it to correct for sampling distortions or disparities in the definitions used. It should, however, be stressed that it was not always possible to make adjustments and that there are still considerable uncertainties as to the reliability of some of the data on which the research was based. Moreover, Denmark reported that it had reservations about the quality of the figures based on its national household budget survey for the year in question. The Commission pursued its consultations with the national statistical institutes to ensure that the results of the analyses are as reliable as possible.
12. The results presented below are the sole responsibility of the researchers. Moreover, they cannot be compared with those produced earlier by another research team for the year 1985. Earlier estimates were made on the basis of aggregated data and not microdata, which could not be and therefore were not adjusted; besides, for some countries, the researchers based their work on extrapolations from data from the earlier 80s as more recent surveys were not available. The results for the year 1988 are incontestably more reliable than earlier results - and demonstrate their limitations and shortcomings - but some uncertainty persists.
13. The table shows the extent of poverty in the Member States around the year 1988 in accordance with the following methodological conventions:
- a) poverty is seen here as a relative insufficiency of financial resources, with reference to the national context at a given moment (cf paragraph 14).

- b) as poverty is defined in terms of unequal distribution of financial resources, several poverty thresholds can be envisaged (40%, 50% and 60% of average income). In accordance with this approach, households are considered poor whose average disposable income per adult equivalent is lower by a specific fraction (usually 50%) than the average figure for all households in the same Member State (cf. paragraph 15).
 - c) poverty is measured at household level; however, the statistical definitions of a household are not entirely harmonised and several conventions can be adopted to take into account the size and structure of the household (scales of equivalence) (cf. paragraph 16). The data for households are subsequently calculated per person, regarding poor persons as persons living in poor households (internal inequities in households are ignored and the method adopted assumes implicitly that each person in the household has access to a fraction of the household resources corresponding to the scale of equivalence).
 - d) For the requirements of the study, resources are calculated from available information in national surveys on the expenditure of households, which is assumed to be more reliable (cf. paragraph 17).
14. Without entering into a detailed discussion on these methodological conventions, it should be stressed that they all need refining. There is no need to reiterate the limitations of an approach to poverty based on the sole criterion of financial resources. However, we should bear in mind that the standard of living of a household does not depend solely on the level of its income but also - when the average income remains unchanged - on its regularity, reliability and nature. Besides, the effects of inadequate income vary, depending on whether it is regular or not or sporadic or recurrent. These distinctions can not, of course, be taken into consideration here.
15. The choice of thresholds derived from one of the central values of statistical distribution (here a fraction of average income) is inevitably arbitrary: at most, its arbitrary nature can be reduced by putting forward several thresholds (here 40%, 50% and 60%), which emphasises the relative nature of the poverty as it is viewed here. Nevertheless, what we need is information indicating precisely what standards of living and consumption are reflected in the thresholds used; it would also be useful to discuss to what extent a given threshold - i.e. 50% - has the same meaning in all the Member States, as there are varying degrees of unevenness in the distribution of income. Finally, the extreme sensitivity of the thresholds should not be underestimated: it is sufficient to add or subtract one ecu a month per person to increase or reduce by several tens of thousands the number of persons affected.
16. The purpose of the scales of equivalence is to enable households of various size and composition to be compared. The need for a scale of equivalence is universally acknowledged but the one it should be is the subject of much debate in all the countries. Besides, the same scale of equivalence can have different implications in countries where the population structures and cultural practices

differ. The empirical results given in the table were arrived at with a scale of equivalence used by the OECD, i.e. one for the head of household, 0.7 each of the other adults (14 and over) 0.5 for each of the children (under 14).

17. The research team carried out a series of exercises to examine the sensitivity of the results to various methodological options. Apart from the discussion on the choice of the scales of equivalence, these also included a study of the effects of alternative use of the survey data on the declared resources for households or information on the declared expenditure for these households. The problem here is mainly that of the reliability of the declarations collected for this purpose by the surveys, especially in some categories of the population (e.g. farmers). Whereas the researchers used the sum of expenditure as an indicator, the sensitivity analyses did not confirm this indicator to be the most reliable, illustrating once again the need for an in-depth discussion on the quality of the survey data used. The choice of one particular indicator in preference to another can, after all, affect the results relating to the characteristics of poor households: using the "expenditure" indicator, for example, probably tends to overestimate slightly the property of elderly persons who use less of their income.
18. The number of poor persons in the Community as a whole is most often quoted as being some 50 million in the 80s. Subject to the methodological uncertainty mentioned above, this figure is confirmed by the results in the table which postulates a total of 52 million poor persons and 17.6 poor households in the period around 1988 (with a threshold of 50%). It should be stressed that this information was prepared before the unification of Germany and for years in which there was economic growth and jobs were being created. Since this date, poverty has certainly increased and figures quoted are minimum estimates.
19. Work was started on analysing the trends in poverty during the 80s on the basis of microdata for earlier years, mainly to make up for the shortcomings and limitations of the results prepared in the past on the basis of aggregated data (particularly for some countries) which are subject to substantial reservations. The fragmentary information available for some countries suggest that the trend is towards a slight increase in poverty but this information needs to be confirmed and discussed. The results of the pilot study conducted to prepare econometric simulation models also suggest that a great deal of caution should be exercised.
20. Work must be continued to examine the multidimensional and dynamic aspects of exclusion. The Commission is creating a Community panel on households, i.e. a survey to interview at regular intervals the same households in order to obtain longitudinal information on their situation and evolution. It is mainly focused on income but covers other information such as debt, labour force characteristics, health, education, housing, possession of certain articles, social aspects etc. Initially, three consecutive surveys will be carried out in 1994, 1995 and 1996. The size of the sample (some 60 000 households) will allow it to be used at national level and the national statistical institutes are participating in defining and implementing the survey. This panel provides a powerful instrument for improving the quality comparability and availability of data on the situation of households

and it should thus contribute, *inter alia*, to providing a clearer picture of poverty and social exclusion.

21. As has been pointed out, analysis and measurement of the situations and processes involved in exclusion cannot be confined to the sole indicators of financial poverty. Various studies were undertaken within and outside the programme to prepare exclusion indicators taking in all its aspects. In June 1994 the Department of Social Security in the United Kingdom helped the Commission to organise an international seminar on measurement and analysis of social exclusion in Bath (United Kingdom) where these studies were discussed.

The scope of the seminar must be seen in the light of the various Community activities tackling social exclusion directly or indirectly, especially the initiatives on research and new structural policy measures implemented by the European Social Fund. The seminar provided a useful contribution to the discussions of methods for implementing and assessing these activities, and, as a follow-up to this seminar, the Commission enlisted the support of the Department of Social Security of the United Kingdom to launch a consultation drive to bring together the players involved in the Member States and the departments of the Commission.

22. Finally, given the scale of the phenomenon of homelessness in the Union, Eurostat feels obliged to follow efforts made at Community and national level to collect updated information regularly on the scale and nature of this problem in the European Union as a whole. Arrangements will also be made to coordinate national initiatives and a task force will be set up to examine the methodological problems relating to homelessness.

Annex: Table

Estimates of poverty in the Member States around the year 1988.

Percentages and absolute figures (thousands) of poor households and person in accordance with the conventions used with thresholds of 40%, 50% and 60% of average income (OECD scale of equivalence)

COUNTRY	YEAR	AVERAGE INCOME 100% (1)	HOUSEHOLDS						PERSONS					
			THRESHOLD 40%		THRESHOLD 50%		THRESHOLD 60%		THRESHOLD 40%		THRESHOLD 50%		THRESHOLD 60%	
			%	(1000)	%	(1000)	%	(1000)	%	(1000)	%	(1000)	%	(1000)
B	88	367.017	1.9	75	6.1	241	13.7	541	3.0	296	8.6	848	17.7	1745
DK (2)	87	80.570	1.3	30	3.6	84	10.1	235	1.5	77	4.3	220	12.0	615
D (3)	88	22.782	4.7	1278	10.8	2938	19.7	5358	5.0	3062	11.9	7287	21.3	13044
EL	88	832.188	13.0	445	20.6	706	29.7	1017	12.8	1279	20.5	2048	30.1	3007
ES	88	674.331	8.6	944	16.7	1833	26.2	2875	9.2	3564	17.7	6856	27.7	10730
F	89	73.084	6.5	1412	14.0	3042	23.1	5019	7.7	4313	16.5	9243	26.7	14957
IRL	88	5.130	8.4	85	16.9	171	27.0	273	10.1	358	19.4	687	30.3	1073
IT	88	11.548.338	11.2	2288	20.6	4208	30.4	6209	12.0	6888	22.0	12628	32.3	18540
LUX	87	516.846	3.5	4	8.8	11	17.2	22	5.4	20	11.5	42	21.1	78
NL	88	20.736	1.1	64	4.3	252	12.1	709	1.3	191	4.8	706	13.8	2031
P	90	556.118	15.7	496	25.2	797	34.4	1087	15.5	1597	25.1	2586	34.6	3565
UK	88	5.683	5.8	1307	14.6	3289	25.2	5677	6.7	3819	15.3	8721	26.7	15218
EUR 12				8430		17570		29025		25463		51873		84602

Source : Erasmus University Rotterdam "Poverty statistics in the late 80's: research based on micro-data", research report submitted to the Commission, August 1994.

- (1) Annual average expenditure per adult equivalent in national currency for the survey year (consumption units in accordance with the OECD scale of equivalence)
- (2) Subject to uncertainty as to the quality of the data
- (3) Data for 1988, i.e. before the unification of Germany

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