

**Medium-term Community action programme
to foster the economic and social integration
of the least privileged groups**

**Commission communication and proposal for a Decision
transmitted to the Council on 21 December 1988**

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Commission communication to the Council on a medium-term action programme to foster the economic and social integration of the least privileged groups

Introduction

The Community has long expressed concern regarding the problem of poverty. A first Community programme to combat poverty was initiated as early as 1975-80.¹ Specific action² was authorized for four years (1985-88) by Decision 85/8/EEC of 19 December 1984,³ which was subsequently amended to take account of the accession of Spain and Portugal.⁴ In all, the second programme mobilized a total of ECU 29 million.

Community action to combat poverty is, however, not restricted to these specific programmes. Special food aid measures were taken in the winter of 1986/87 and have been renewed since. Various measures aimed at groups of the population with specific disadvantages (e.g. long-term unemployment, illiteracy) are financed out of special budgets or through the structural Funds. The latter do not, however, really target deprived persons, who tend to be afflicted by a combination of problems.

Although Community action takes many forms it is none the less specific and progress reports to date show that the original approach (financing of action research projects, dissemination and exchange of knowledge, transfer of innovative methods) has proved effective compared with national and regional measures.

Despite efforts initiated at various levels, the phenomenon of poverty is not disappearing at Community level, quite the contrary. Moreover, structural changes have occurred in recent years: the same population groups are not the most affected, and the traditional forms of poverty have been augmented by new processes which are rightly termed the 'new poverty'.

The scale of current and forthcoming economic and social changes, the large number of deprived persons placed in a difficult if not dramatic situation and the positive aspects of action taken in the past at Community level justify launching the present programme. This programme will cover the period

1989-93 and will prolong and intensify previous action; with greater budgetary resources and special organization it will also help to ensure overall consistency of Community action in this field. It should also be pointed out that this programme will help to reinforce economic and social cohesion in the Community.

There follows a description of the present situation, an analysis of the lessons to be learned from the past and a presentation of the underlying principles and organizational features of the programme.

Features of the present situation

1. Since 1982 the sustained and durable economic growth in the Community has contributed to alleviating the poverty problem. In the years 1982-87 growth remained on an upward path of 2.5 to 3.0% per annum. In 1988 a 3.5% growth rate is likely to be the strongest since the end of the 1970s, the increase in investment will probably be the highest for over two decades and employment is rising by around 1% per annum. According to the Annual Economic Report for 1988-89⁵ the Community's strategy of completing the internal market, fostering the catching-up process of backward areas and implementing the cooperative growth strategy, provides the opportunity of maintaining a growth path of the order of 3.5% per annum. Thus employment could increase at a rate of around 1.5% per annum which would be sufficient for unemployment to decline each year by one percentage point of the labour force.

2. Despite the favourable macroeconomic developments, the number of poor has still increased

1 Council Decision 75/458/EEC of 22 July 1975; OJ L 199, 30.7.1975; Bull. EC 7/8-1975, point 2.2.31.

2 This is usually known as the second Community programme to combat poverty.

3 OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

4 OJ L 382, 31.2.1986; Bull. EC 12-1986, point 2.1.149.

5 OJ L 377, 31.12.1988; Bull. EC 12-1988.

over the last decade in most Community countries. Although the difficulty of measuring and establishing a common definition of poverty has not been solved there is some evidence that the number of persons dependent on social assistance has increased since the early 1970s; this number may have doubled in several Member States. Of course, one factor which has influenced statistical data in this area has been an increase of social protection measures and thereby the achievement of a larger social coverage. Nevertheless, the basic trend is still upwards.

The impossibility of establishing a single measurement to facilitate comparison at Community level is due to the multifaceted and relative nature of poverty. The definition adopted in the Council Decision of 19 December 1984¹ concerning the second programme states: 'The poor shall be taken to mean persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live'.

This definition, however, is not operational for it does not contain any procedure for quantification. According to the definition adopted in the final report on the first programme² the 12 current Member States counted, in 1975, approximately 38 million persons disposing of an income less than half of the average equivalent per capita income in their country.

According to the interim report on implementation of the second programme,³ this total exceeded 44 million in 1985. These figures are only indicative: they show that in each country there are inequalities in income, but depending on the country, they refer to widely differing situations of poverty or insecurity.

This approach therefore needs to be supplemented by other qualitative and quantitative data showing the situations of isolation, the loss of independence and taking account of the fact that a part of this population cannot take advantage of its rights, has no fixed abode and by its nature is overlooked by the statistical survey.

3. There is no doubt that the number of the poor as defined above has increased considerably in the Community in the 1970s and the 1980s, but the qualitative changes are equally important: the

nature and determinants of poverty have radically altered.

Although the elderly still constitute the largest category of beneficiaries of social assistance, the number of the poor in unemployment has risen sharply. Other groups have also increased markedly: they comprise in particular persons belonging to single-parent families (mainly those where the woman is head of household) and low wage-earners.

4. Although the living conditions for the poor are always the same — lack of resources, social exclusion, isolation etc. — it is now possible to distinguish traditional forms of poverty from the new poverty. The justification for this term, sometimes contested, is twofold:

(i) quantitatively, because the phenomenon touches much broader strata of the population than previously in terms of numbers, age groups, sex, social and economic categories, ethnic origin or geographical location;

(ii) qualitatively, because it is not confined to small minorities or well-defined geographical areas, but can be a threat to persons in stable employment in urban and rural areas.

No doubt this lies at the root of the renewed public discussion of this subject in many Member States.

5. The abovementioned trends would seem to be sufficiently established for there to be no need to question them. The fact is that little is known as regards the poverty phenomenon, in both its quantitative and qualitative aspects.

Areas of research are obvious: the first need is to define the characteristics of extreme, so-called 'traditional' poverty, while on the other hand, apart from obtaining statistical information about the phenomenon, it is important to understand the dynamics of the processes leading to new forms of poverty, and the type of measures that would offer the best chance of recovery.

¹ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

² The definition adopted for the final report was as follows: 'Those persons regarded as poor whose disposable income is less than half the average equivalent per capita income in their country'.

³ Bull. EC 11-1988, point 2.1.130.

Lessons from past experience

1. Despite the limited scope of the first Community programme (1975-80)¹ it provided an opportunity to learn several fundamental lessons, as regards both organization and experimentation, so that operations in the field could be improved:

(i) it made it possible to compare the exchange experiences and transfer specific methods to combat poverty from one Member State to another;

(ii) it stimulated studies and research; in so doing it raised the level of the national debate on poverty in a great many Community countries;

(iii) it made it possible to identify some of the problems in the way of preparing comparable data at Community level.

2. An analysis of the first programme's findings led to some conclusions regarding methodology which proved very useful when implementing the second programme:

(i) the importance of duration was revealed; a continuous operation spread over several years is essential if positive structural results are to be achieved;

(ii) operations must be concentrated to avoid dispersion and fragmentation;

(iii) coordination between all the projects with common concerns is necessary if information that can be effectively transferred from one country to another is to be obtained;

(iv) assessment of operations on completion is not sufficient. To be fully effective assessment must be implemented from the launch of the operation: follow-up should continue where necessary until the projects are reoriented.

3. These various lessons were applied when drawing up the specific action programme (1985-88)² and have led to positive results as the interim report confirms.³

The principle of transnational coordination of projects by area of action, and of continuous assessment in the context specific to each country have proved very useful in highlighting the findings of the action research programmes financed. These projects have served to monitor the local impact of

economic and social change. At a time when implementation of the Single European Act is likely to accelerate some of these changes, local monitoring posts can make an especially useful contribution.

4. With respect to the European dimension of the programme, results have been obtained at three levels:

(i) the programme has facilitated the at times radical transformation of the methods used by traditional charity organizations in the older Member States. This can be explained by the underlying principles decided upon for the second programme, which recognized that poverty was not only a question of money or access to traditional services, but was also linked to social and cultural exclusions;

(ii) secondly, the current programme encouraged public and private organizations in the Community to work together to resolve a common problem. This is helping to establish a network of practitioners and researchers concentrating on the problems of poverty;

(iii) the coordination structures have made it possible for projects in various countries to work together by establishing transnational teams, comparing experience, exchanging knowledge and above all comparing them with common concerns while putting forward the first effective measures to combat poverty.

5. The specific action to combat poverty has made a significant contribution to the diagnosis of the problem, identifying remedies and preventive action.

It is appropriate to continue this action with more ambitious objectives and greater resources in the framework of a new programme.

Guiding principles of the action programme

The Commission proposes to undertake an action programme following the lines of the two previous programmes.

¹ OJ L 199, 30.7.1975; Bull. EC 7/8-1975, point 2.2.31.

² OJ L 2, 3.1.1985, Bull. EC 12-1984, point 2.1.95.

³ Bull. EC 11-1988, point 2.1.130. Some successful experiments are also referred to in Annex 2.

Priority groups

The action will be directed at two main groups in response to two rather different sets of needs:

(i) corrective measures to meet the needs of extreme poverty, i.e. to meet the needs of the most disadvantaged among the least privileged, in other words persons beneath the poverty line or who are faced with major difficulties, such as the problem of accommodation. It concerns persons who were poor before the crisis and those who have fallen into poverty recently, victims of the new poverty trap;

(ii) preventive schemes for groups at risk who are mainly located in areas in decline or late-developing regions.

Support for prototype schemes

The initial findings of the second programme indicate that the situation is ready to move on from the action research phase, a sort of field research laboratory, to the phase selective development, in other words the implementation of a few selected prototype schemes on a larger scale, and rooted in the local context.

This programme will not only provide a forum for exchanges, stimulation and maximizing resources but will also produce organizational models to combat poverty, which in some cases can be 'exported' and integrated with the local and national fabric, thus bringing all the bodies concerned in the area into partnership.

These schemes will provide full-scale direct aid for innovative operations.

Integrated action

In each case the experience of the second programme has revealed that the most effective strategies involve the combination of central government action and decentralized operations.

For example, prototype schemes to assist persons in extreme poverty (corrective measures) should combine:

(a) government measures (at national level) to respond to basic needs: accommodation, food, health, education, income, etc.;

(b) grass-roots action aimed at promoting the independence and confidence of disadvantaged persons to counteract demoralization, feelings of impotence and social exclusion.

Prototype schemes for the prevention of poverty in urban areas in decline or very poor districts of towns which are not considered in decline in the light of overall economic data, should combine economic development policies adopted at central level with community development policies initiated at the roots, including in particular:

(a) public or private investment to regenerate economic infrastructure and create jobs;

(b) grass-roots operations to reinforce and develop the skills and abilities of the population, techniques and job possibilities to meet local needs.

Multifaceted action

Experience with the second programme has revealed the need for operations integrating every facet of poverty. Such integration should be achieved through coordinating policies and various public and/or private measures geared to encourage independence which is the basis for the social reintegration of the poor.

Operational priorities

The second programme made it possible to identify certain operational priorities for the anti-poverty policies common to the eight areas on which the programme is based. The third programme could be organized along the lines of these priorities in preference to the eight areas used in the second programme, mainly concerning target groups (long-term unemployed one-parent families, immigrants, elderly persons, etc.) which are relevant at national level since they are the targets of many forms of assistance.

While the second programme confirmed that these target groups are the most at risk as regards poverty, it demonstrated that policies were most effective when they attacked the whole set of problems of poverty, including those linked to the environment.

A few operational priorities have been identified and are currently used to maximize the current programme. They concern:

(a) specific job-creation and vocational-training measures to ensure the integration of the most deprived;

(b) the necessary development and coordination of public and private services and institutions involved in the campaign against poverty;

(c) support measures for families and local authorities to prevent increased dependence on institutions of persons in insecure situations;

(d) anti-poverty measures taken in conjunction with economic and social development of the area where the project is located.

Specific experiments

Some social groups suffer specific forms of isolation and have no roots in society. For these groups specific measures continue to be necessary.

For example, the number of homeless is constantly increasing in Community countries. It is not only a question of finding emergency accommodation: it is equally important to support measures that will lead to the development of a solidarity network facilitating access to social rights of the homeless as full citizens while combating social isolation. It also entails focusing action on access to productive activity that can include the development of community work units and use of these for social rehabilitation.

A feasibility study on developing a unit to monitor the homeless in the Community is under way. This programme could assist the Member States to implement it.

Organization

The Commission should encourage creativity as much as possible by decentralizing technical functions (administration, etc.) while exercising more direct control over general organization.

Financing

All prototype schemes should have a mixed form of financing (Commission up to 50% or 55%, central and local authorities and private sources). The Commission should be associated with their selection from the outset to ensure that the entire programme is coherent and much more effective. The Commission would directly finance up to 75% of the cost of some innovative experiments concerning extreme poverty for which it is difficult to obtain national funding, for example in underdeveloped regions or declining industrial areas. These operations would be implemented by voluntary organizations firmly rooted in the local area (e.g. ATD, Caritas, etc.).

Links with the structural Funds

Within the framework of the reform of the Community structural Funds, the European Social Fund is required to contribute to the realization of five major objectives, i.e.:

(i) the structural adjustment of backward regions;

(ii) the rehabilitation of regions affected by industrial decline;

(iii) the struggle against long-term unemployment;

(iv) the occupational integration of young people;

(v) the development of rural areas.

The fulfilment of these objectives can constitute a major safety net to avoid the marginalization and impoverishment of certain areas and categories of persons undergoing difficulties. Furthermore, the structural Funds can serve — through the provision of training, jobs, infrastructure and services — to give new opportunities for development to poor areas and categories of persons, provided the eligibility criteria and the guidelines for the implementation of the objectives are respected.

Better information

The structure of the dialogue with non-governmental voluntary organizations working with poverty should be improved.

It entails encouraging the modernization of independent non-profit-making organizations set up

by private initiative and helping them to make their voices heard at Community level.

In-depth study of the phenomenon

Efforts undertaken with the Statistical Office of the European Communities to coordinate and accelerate the collection and processing of diversified and comparable poverty indicators should be continued.

The first requirement is to construct an indicator that will serve to define the level of absolute poverty on the basis of a monetary equivalent of a basket of basic goods to be agreed with the national statistics offices.

It will entail identifying and using available and comparable qualitative information to describe situations of poverty. This information can be usefully supplemented by comments on the perception of poverty, in other words the income level considered to be the poverty line by the various populations.

In connection with the relative definitions of poverty, work on data concerning income distribution will be continued to collect figures based on comparable sources and methodologies in order to define a median income as the threshold of material poverty in the Community.

The seminar on new poverty organized in April 1988 by the Commission revealed serious gaps in knowledge about the mechanisms that bring about the new poverty, its features and the social groups concerned, especially in southern European countries.

Specific research must be urgently undertaken at Community level.

This calls for an in-depth knowledge of the phenomena (research) of the new forms of poverty and improved collection of statistics.

Synthesis

The functions that may usefully be performed at Community level are in brief:

(i) direct aid for the development of full-scale experiments;

(ii) organization of a coordination network facilitating exchanges of experiments and promotion of innovative experiments. It should have a multiplier effect:

(iii) continuous assessment throughout the programme;

(iv) information, assistance for making comparisons and reflection.

Structure and organization of the programme

Structure adapted to objectives

The objectives of this Community programme differ from those of the first two. Therefore it calls for different structures.

The first and second programmes were focused on research and diagnosis of problems of poverty at a social level.

In principle, the medium-term action programme will entail a much closer partnership between the Commission and local, regional and central governments, with active participation of voluntary and private bodies and the beneficiaries themselves.

This calls for innovative forms of organization at all levels. The Commission will play the role of development agent in that it will organize and assist those engaged in developing prototype schemes. Its role will not be confined to a simple source of financing.

Selection of projects

In 1989 in parallel with the end of the second programme and on the basis of clear and explicit criteria the Commission will settle the selection of pilot schemes with the national authorities. When the selection has been made the Commission will arrange the management structures with the local authorities in close cooperation with public and private bodies in the areas concerned. There will thus be no break between the second and third programmes. The prior negotiations should improve the consistency and efficiency of the programme for it will offer financial guarantees on the part of the joint financing bodies and concerning the skills and necessary field tests.

Scope of the programme

It is initially estimated that the programme will finance 30 pilot schemes in all.

A steering committee for each scheme

Each scheme will be managed by a steering committee composed of representatives of all the bodies involved in carrying out the scheme (officials from public and private institutions, voluntary bodies involved either financially or operationally) who will undertake to complete a joint programme to combat all facets of poverty in their region, province or town.

The members will elect the chairman of the steering committee.

Implementation of such a partnership (with the active participation of the representatives of the disadvantaged) will itself constitute a major innovation in the anti-poverty campaign.

Tasks of the committee

Each committee should prepare a detailed draft of integrated economic and social strategy to combat poverty in all its widely varying aspects and to support high-risk groups in the area concerned for a period of five years.

While maintaining an overall strategy as regards integration with economic and social life, the needs of the least privileged target groups in the area should be identified together with any specific responses, if appropriate.

Research and development units

The steering committee and the teams in the field of each prototype scheme will be assisted and advised on technical matters by research and development units under contract with the Commission. These units will be located in each country or group of countries. There will be eight in all.

These small units will make up a European network to combat poverty under the direction of the Commission which should perform the following functions:

(i) advise those responsible for prototype schemes in the analysis of poverty in their area and the preparation of an effective anti-poverty strategy;

(ii) assist them technically in implementing specific aspects with a view to the social integration of the least privileged (e.g. vocational training and job creation);

(iii) assist them in the follow-up and self-assessment of the results of the prototype schemes and in the assessment of their implications for government policies at local, regional and national level;

(iv) provide them with the technical skill needed to disseminate details of the results and experiments to other schemes and decision-makers in their country.

Each unit could comprise:

(i) one specialist in organizational development and communication;

(ii) one assessor to assist schemes with their self-assessment;

(iii) one coordinator who will take part in coordination at European level for each operational aspect and organize exchanges between field workers from schemes in other countries with similar concerns and meetings between groups of prototype schemes to compare experience with innovative initiatives.

The unit can call on outside specialists for specific research or analysis tasks.

The Commission's role

The Commission will play a direct role in organizing the network of research and development units and will disseminate the findings to specialists, maintaining links with the mass media to bring the programme to the attention of decision-makers and the general public. A team of consultants will assist the Commission in these tasks.

The Commission will periodically bring together those in charge of units to compare methods and follow-up for prototype schemes. Units will present periodic progress reports to the Commission. Those in charge of organizational development and communication should also organize exchanges of information with schemes in the country where the unit is located in order to expand the impact of the Community programme.

Advisory committee

In the framework of the advisory committee, the Commission will consult representatives of the Member States' governments on any important matters concerning the implementation of this programme.

Annex 1

Summary of Commission measures to combat poverty

This action programme does not cover all the Commission's efforts to assist the most deprived groups. It carries out measures and policies in a number of sectors (employment, training, social protection, equal treatment for men and women, new poverty, etc.). However, it is not always possible to isolate from these measures those specifically directed at the most underprivileged persons, who suffer from a combination of disadvantages.

Food aid for the most deprived groups

On 11 December 1987¹ the Council decided to maintain on a permanent basis the distribution of food aid introduced as an emergency measure in the hard winter of 1986/87. In 1988 an amount of ECU 100 million was made available to Member States and distributed according to appropriate criteria.

Furthermore, in the case of withdrawals of certain products from the market (fruit and vegetables, fish), the Commission is authorized to give a part of the produce withdrawn in this way to the most deprived and to bear the attendant transport costs itself.

The Commission regards such aid measures as survival measures, the aim being to ensure that malnutrition does not affect the health of the most deprived, jeopardizing their chances for reintegration.

Such measures are only truly meaningful in the context of action to bring about a lasting improvement in the situation of disadvantaged groups.

Structural Funds

Although the fight against poverty is not one of the specific tasks of the structural Funds, their action serves as a safety net to prevent the impoverishment of categories or regions at risk.

Employment

Following a request from the Council in its conclusions of 1 December 1987, a programme to assist

long-term unemployed workers is currently in preparation.

It provides for the establishment of a network to make use of the new approaches developed in the Member States. With respect to disadvantaged social categories, the schemes and experiments covered can make a preventive contribution (by preserving employment in local schemes).

Following the Council resolutions of 21 November 1983² and 7 June 1984,³ the Commission has organized several consultations concerning local employment initiatives.

It noted that in a number of cases such initiatives meet the requirements of men and women workers who would otherwise be excluded from the labour market. In connection with these initiatives, the research and action programme on the local development of the labour market⁴ has led to the production of a number of studies and financing for 12 schemes in 12 Community areas.

The Commission communication to the Council of 22 April 1983⁵ and the Commission memorandum of 1 July 1985 on International Youth Year⁶ concerned with policies to facilitate access to employment for all young people (including disadvantaged young people).

Training

Council Decision of 1 December 1987⁷ concerning an action programme for the vocational training of young people and their preparation for adult and working life seeks to 'devote particular attention to young people most at risk, including disabled and disadvantaged young people, as well as those who leave full-time compulsory education with few or no qualifications' (Article 2(5)).

In the Commission communication on 'The future of rural society'⁸ recommendations are made for combating isolation and the growing social,

¹ OJ C 335, 15.12.1987; Bull. EC 12-1987, point 2.1.139.

² Bull. EC 11-1983, points 1.2.1 to 1.2.13.

³ Bull. EC 6-1984, point 2.1.45.

⁴ Bull. EC 4-1983, point 1.1.11 *et seq.*

⁵ Bull. EC 7/8-1985, point 2.1.80.

⁶ OJ L 346, 10.12.1987; Bull. EC 12-1987, point 2.1.143.

⁷ Bull. EC 7/8-1988, points 1.2.1 to 1.2.6; Supplement 4/88 — Bull. EC.

⁸ Bull. EC 1-1986, point 2.1.59.

economic and cultural impoverishment of rural areas, especially through the maintenance or restoration of educational infrastructures which can have multiple uses (education, cultural and social centres, information and continuing training centres).

The Commission communication on 'Continuing training for firms' employees' stresses that the traditional separation of the training market between, on the one hand, State provision of basic training for young people and upgrading for unskilled adults and, on the other, industry-based training leading directly to employment is damaging in the long term. It would be advisable, therefore, if innovative training measures for employed persons could provide a tie-point, under arrangements to be determined, to bring together young and adult unemployed workers.

The campaign against illiteracy takes several forms at Community level:

(i) in the conclusions of 4 June 1984¹ the Council and Ministers for Education meeting within the Council provided that the Member States should take preventive action at primary-school level in particular, but also at pre-primary level and the beginning of secondary education;

(ii) the group of national officials responsible for the campaign against illiteracy which meets twice a year has drawn up a report;²

(iii) in July 1988 the Commission financed a summer school at Toulouse on difficulties in initial contacts with writing;

(iv) in September 1988, the Commission began to finance an action research project in the 12 Member States linking prevention of failure at school with remedial teaching (adult literacy);

(v) following the conclusions of the Council and the Ministers for Education meeting within the Council on 14 May 1987,³ the Commission requested reports on failure at school in the Community and on measures taken to combat illiteracy;

(vi) the Commission programme on cooperation between residential adult-education centres provides for joint financing of meetings of organizers or persons in charge of adult training.

Social protection

In the Commission communication to the Council on social security of 24 July 1986⁴ the Commission identifies the exclusion of part of the population from the current protection system as one of the three challenges facing social security schemes. Changes to be made in the present protection system will be examined with particular attention to projects aimed at introducing minimum social protection.

The Commission staff have made comparisons of net benefits received under pension rights and unemployment benefit depending on income levels (i.e. in the case of income amounting to only half or two thirds of the average income).

In November 1989 the Commission will subsidize a seminar on minimum income levels in the Member States.

Specific women's problems

The medium-term Community programme on equal opportunities, 1986-90⁵ finances measures to combat inequality at work, social protection, education and training.

For example, with regard to employment, stress will be placed on implementing specific measures for particularly disadvantaged groups: migrant women, single women and single-parent families, elderly and handicapped women, and women returning to work after a break.

New poverty

In response to a request from the Directors-General for social security, the Commission has made a further study of the new mechanisms of impoverishment that have emerged in recent years as a result of the economic crisis of the early 1980s and current technological changes.

¹ Bull. EC 6-1984, points 2.1.40 and 2.1.41.

² *Social Europe* — Supplement 2/88.

³ Bull. EC 5-1987, point 2.1.93.

⁴ Bull. EC 7/8-1986, point 2.1.106.

⁵ OJ C 356, 31.12.1985; Supplement 3/86 — Bull. EC; OJ C 203, 12.8.1986; Bull. EC 7/8-1986, point 2.1.103; Bull. EC 6-1986, point 2.1.116.

The Commission has collected available data on these mechanisms and policies adopted in the Member States.

This information was discussed at a symposium on 28 and 29 April 1988 in the presence of policy-makers, trade-union representatives, voluntary organizations and researchers.

A study centre will analyse the conclusions of this symposium with a view to formulating measures to be taken at local, national and Community level to cope with the new poverty processes. These proposals will be discussed at a seminar organized in 1989. It is also proposed to pursue these measures in the context of the present programme.

Annex 2

Statistics

Introduction

The programme for analysing the statistical data available in the Member States and for testing five methods of measuring poverty is being pursued under the current specific action programme.

The Commission does not currently have a satisfactory statistical estimate of poverty in the various Member States.

The available data are exclusively based on the income of underprivileged persons and calculated on different methodological bases. Consequently, no comparison between the Member States is possible given, moreover, the differing standards of living. In addition, poverty is a multidimensional phenomenon which cannot be reduced to a monetary dimension alone.

For this reason, the Commission must develop an approach along the following lines for the new programme:

(i) the establishment of a Community definition of poverty, laying down a 'European baseline level of living' (EBL);

(ii) the evaluation of the Member States' performance as compared with this European definition;

(iii) the evaluation of the Member States' performance as compared with their own definition of poverty;

(iv) the measurement of the divergences between the national definitions and the European definition (EBL).

This approach should contribute to the drawing up of policies seeking to reduce the abovementioned divergences and to integrate the least privileged in relation to the criteria derived from the EBL.

The European baseline level of living (EBL)

A precise and operational definition of the concept of poverty is a basic prerequisite for the formulation of any Community policy to combat poverty.

Poverty is defined as a situation in which a person or a group cannot satisfy a body of needs.

It is not always possible to measure to what extent it has been possible to satisfy needs.

Moreover, the needs to be satisfied must be defined both in terms of quantity and quality.

The programme has opted for a multidimensional definition of poverty. It must consequently also establish a methodology making it possible to measure the gap separating the needs met from the real needs.

The European baseline level of living (EBL) will be defined as the capacity to satisfy a body of needs, by means of an income or by other means, established as being the 'European baseline needs' or EBN. These needs will, of course, be selected in terms of both desirability and measurability.

It is at this level that the greatest difficulty will be encountered but priorities can be laid down which will make for a gradual improvement in the data available.

The definition of the European baseline needs will consequently not be static. It will evolve firstly as a result of the improved quality of the data available and secondly as a result of the development of society in the Member States.

Identification of the least privileged

The search for a measure of poverty at Community level should make it possible to identify the least privileged members of society on the basis of individual and household characteristics. Thus it will be possible to draw up maps of the least privileged groups which will help to shed some light on the mechanisms by which a situation of multiple deficiencies (relating to accommodation, education and other elements fundamental to well-being) is perpetuated or even assumes greater proportions.

With this in mind, one task of Eurostat will be to integrate in a consistent manner the multidimensional data which will be needed for the establishment of a national and international poverty information system.

Study of the impact of action programmes

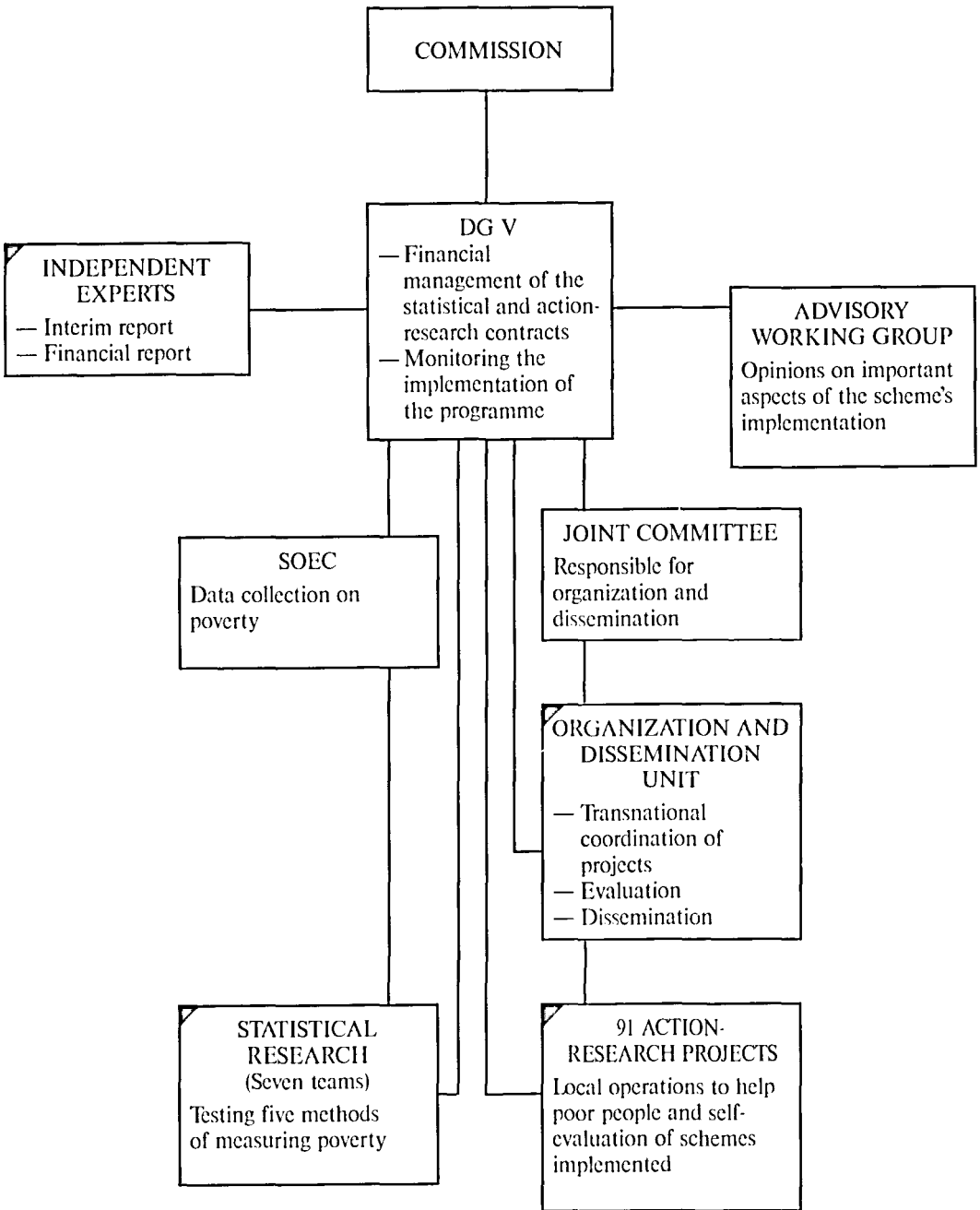
To assess the contribution and the limits of the programme, statistical data relating to the least privileged groups should be analysed prior to the pro-

gramme and on its termination. Consideration might also be given to collecting data at certain intermediate points.

Data should be gathered and analysed in close collaboration with those responsible for the schemes.

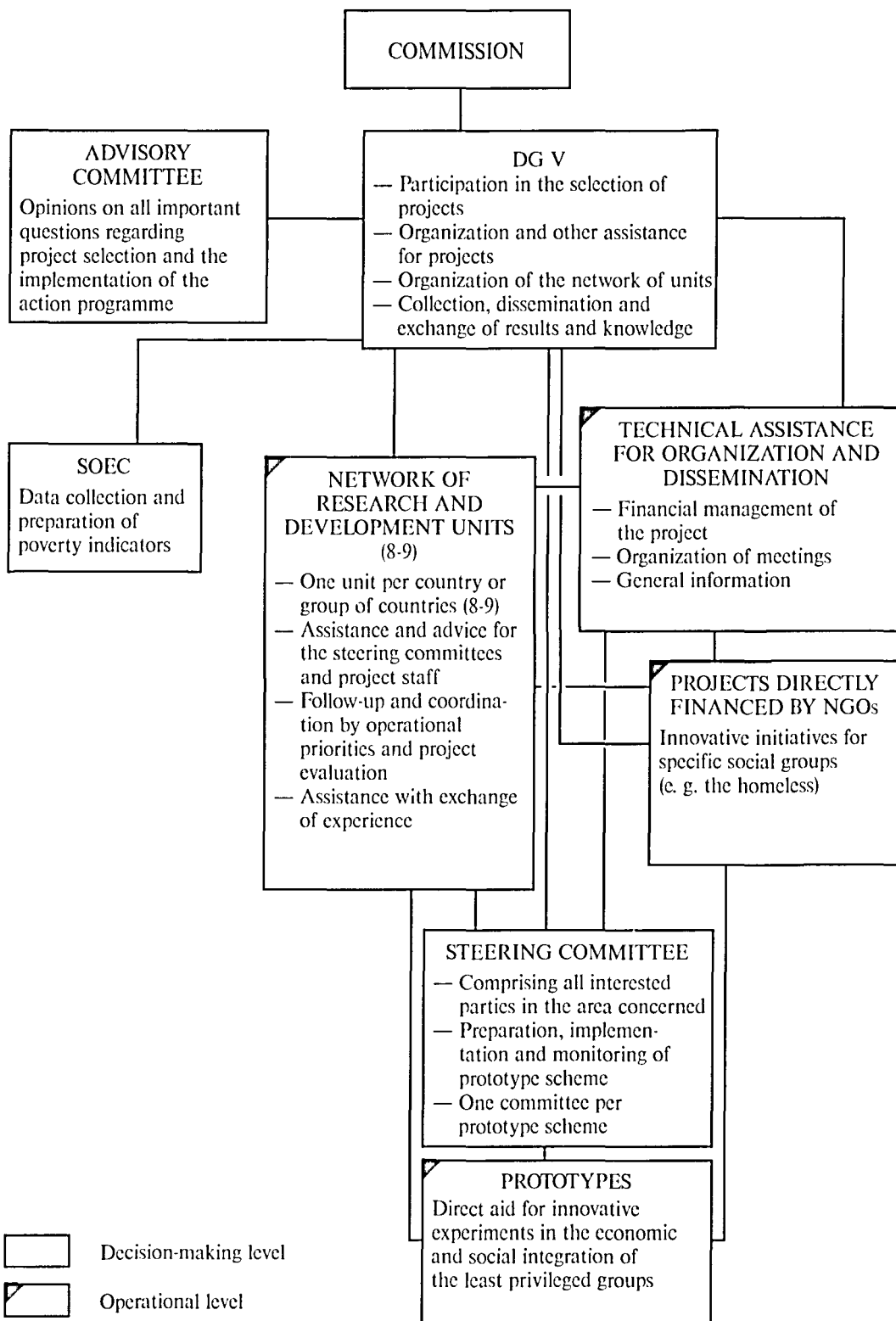
Annex 3

Table 1 — Specific action to combat poverty (1984-88)



- Decision-making level
- Operational level

Table 2 — Action programme for the least privileged groups (1989-93)



Annex 4

Financial statement accompanying the draft Decision concerning the medium-term action programme

Budget heading

Article 646: Action to combat poverty.

Legal basis

Application of Article 235 of the EEC Treaty.

New decision by the Council expected early 1989.

Proposed classification of expenditure

Non-compulsory expenditure.

Description of and grounds for the action

Objectives

The objectives of the action programme are as follows:

(i) to contribute to the development of preventive strategies for the groups at risk and corrective measures to meet the needs of the very poor;

(ii) to produce innovative organizational models for integration involving all parties involved from the economic and social angle;

(iii) to identify the characteristics of the least privileged groups and the dynamics of the new processes leading to economic and social exclusion;

(iv) to conduct an operation concerned with information, evaluation and exchange of experience at Community level;

(v) to ensure overall coherence between all Community operations having an impact on the least privileged groups.

Target groups

The programme applies to economically and socially underprivileged members of society — individuals, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member State in which they live.

Nature of expenditure and method of calculation

Nature

Community contribution towards prototype schemes conducted in the Member States and direct aid to innovative experiments.

Subsidies, studies, expenditure on seminars and meetings, information and dissemination costs, related services and secretarial work.

Calculation

(a) The overall sum requested for five years is ECU 70 million as compared with ECU 29 million for the four years of the second programme.

The increase arises from the need to concentrate efforts on a body of experiments which, though smaller in number, will be larger in scale and integrated in the fabric of local society (districts, municipalities, regions).

(b) The appropriation requested includes (in million ECU):

(i) the financing of some 30 prototype schemes	50
(ii) direct aid for innovative experiments (approximately 15 projects)	3.5
(iii) statistics and data collection	7.5
(iv) technical assistance and follow-up of the programme (coordination, evaluation, organization of a network, information, project selection)	9.0
Total	70

Technical assistance and back-up for the programme ¹

(ECU)

Units of the network in each country or group of countries	6 480 000
Costs of consultants	255 000
General information, dissemination of knowledge	1 465 000
Technical assistance for the organization of the unit network and the financial management	800 000
Grand total	9 000 000

- ¹ This budget has been drawn up on the basis of the following:
 (i) direct back-up tasks: 4,5 years' actual duration;
 (ii) information activities and overall management: 5 years' duration.

Financial implications for operating appropriations*Schedule of commitment and payment appropriations*

(million ECU)

	Commitment	Payment
1989	9	2.5
1990	9	7.5
1991	12	13.0
1992	20	15.0
1993	20	15.0
subsequent years	—	17.0
Total	70	70.0

The package and schedule of commitment appropriations must be regarded as indicative. They will be reviewed at the end of 1990 in the light of experience with the running-in phase of the programme.

On presenting its annual budget proposals, the Commission will include the adjustments required in the light of the programme results and any new requirements which may emerge in the course of the programme.

Community financing as a percentage of the overall cost of the operation

Within the framework of the appropriations entered each year, financial support may be granted at the following rates:

(i) For prototype schemes, up to 50% of actual expenditure within the limits of the assistance requested and approved. In exceptional cases, however, and in particular those located in severely disadvantaged regions, this ceiling may be raised to 55%;

(ii) for direct subsidies to the specific experiments referred to in the communication, up to 75% of actual expenditure within the limits of the assistance requested and approved.

Staff

No extra staff were requested in connection with the programme of specific action (1984-88).

The new programme will be implemented with the help of outside technical assistance, the cost of which is included in the overall budget.

Annex 5

Successful experiments

Certain operations carried out under the existing specific Community action programme to combat poverty have already proved effective.

This annex provides some examples.

In addition, the characteristics of certain action research projects are worth taking into account in the 1989-93 programme with a view to expanding on them and classifying and coordinating them.

Regional or local schemes

Several projects concern a region as a whole, which makes it possible to reach the various disadvantaged groups without singling them out from the rest of the population. For example, a city-wide project ensures that immigrants are not made the responsibility of public bodies different from those responsible for the remainder of the population.

Moreover, this type of project enables a first step to be made towards an overall policy to combat social exclusion by integrating the various aspects of poverty.

One project thus endeavoured to promote the development of a district as a whole by offering training courses in cabinet-making for young people and adults, artistic courses and environmental planning for various villages. It encouraged coordination between voluntary organizations and official representatives, promoted the creation of a local radio station, etc.

Significant measures at national level

Various projects have monitored the impact of policies relating to housing, employment, and industrial development (policies laid down at local, regional, national or European level) on poverty.

From this analysis and from participation in certain programmes launched by these policies, it has been possible to identify the reforms which would be needed to enable everyone to benefit from these policies and exploit the opportunities for individual, family and community advancement that they represent.

Certain projects have well-established contacts with members of the national parliament and are regularly consulted by the national ministries, making use of these contacts to promote their proposals for policy reforms.

Experiments in participation

The principle of participation by the least privileged in the institutional system, which is one of the objectives of the second poverty programme, has been implemented in various forms. Accordingly, the participation of target groups in the individual project (its preparation, management and day-to-day operation) only acquires its full significance when it takes place against the background of participation in society as a whole and in the taking of decisions which have a bearing on it. For example, a group set up on the initiative of long-term unemployed workers is working with regional and national federations of social assistance beneficiaries, unemployed workers' unions and the local authorities and takes part in campaigns to defend the social security system.

Setting up of networks

Several projects have set up or supported networks bringing together, for example, associations for underprivileged members of society, practitioners and policy-makers concerned with promoting policy reform (support for single-parent families, long-term unemployed workers and homeless persons).

Creation of new jobs

The projects implemented have included cooperatives and local initiatives to encourage job creation for those excluded from the labour market (setting up of milk, weaving and fishing cooperatives).

These projects have revealed the need for such measures to be carried out with the collaboration of all local bodies capable of facilitating the integration of the most underprivileged into employment. Thus, one project for developing a rural region operates as a company in which 80% of the local population hold shares.

Promotion of new forms of social cohesion and mutual aid

Three methods used by the projects for developing social cohesion can be identified:

(i) self-help (an exchange-of-skills market for unemployed workers which enables the latter to use their skills to help their peers);

(ii) the strengthening of social networks in the surrounding community (use of elderly people's know-

how and energy to help disadvantaged groups in the community);

(iii) the preservation of existing forms of social cohesion (renovation of accommodation for refugees while preserving their social networks and values; action to encourage the formation of support networks for the parents of children requiring special education).

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Proposal for a Council Decision establishing a medium-term Community action programme to foster the economic and social integration of the least privileged groups¹

Explanatory memorandum

While the Treaties do not incorporate any specific responsibilities in relation to the fight against poverty, the Community has long displayed its concern about it.

Apart from specific action concentrated on encouraging and optimizing national efforts, various measures aimed at particular groups (the long-term unemployment or the illiterate, for example) have been implemented with special budgets via the structural Funds).

These different measures already constitute an initial safety net for the groups at risk. As regards specific action (the first programme to combat poverty² and the specific action currently being implemented (1985-88)³), the analyses conducted have revealed the desirability of pursuing such action whilst incorporating the main lessons to be learned from the efforts undertaken to date.

These include *inter alia*:

- (i) the need for several years of operation to obtain favourable results;
- (ii) the need to concentrate action to avoid a piecemeal effect;
- (iii) the coordination of projects according to their main concern, while taking account of their specificity (national, regional, etc.), makes the transfer of ideas and innovative experiments possible;
- (iv) an ongoing assessment of the measures implemented provided a guarantee of their effectiveness.

While an assessment of earlier measures shows the desirability of pursuing them, an analysis of the main features of the Community's current situation clearly reveals the need to step up these measures

since, in most countries, two kinds of phenomena may be observed:

- (i) the number of people experiencing poverty has increased;
- (ii) new forms of poverty have appeared alongside more traditional forms as a result of major changes in economic and social structures in recent years.

To take account, at one and the same time, of the lessons learned from the earlier operations, of the greater extent of poverty and of the type of poverty being experienced in the Member States, the new programme is intended to be more than a forum for exchanges, stimulation and optimization of efforts. Its aim is to produce organizational models for action to combat poverty, where appropriate, 'exportable' ones integrated in the local and national fabric, involving a partnership between all interested bodies in the areas concerned.

These objectives require an increased budget in relation to previous specific initiatives of the Community.

Priority will be given to the least privileged, namely those people in a situation of great poverty or insecurity in several areas (employment, training, accommodation, family situation, etc.). Apart from some groups of people in quite specific situations (for example, the homeless), it is not advisable to encourage compartmentalization of the target groups at which the measures are aimed.

The new programme will endeavour to ensure coherence of the Community policies affecting the least privileged groups and to continue and intensify earlier specific measures — all this with one objective in mind: to strengthen the economic and social cohesion of the Community.

¹ OJ C 60, 9.3.1989.

² OJ C 13, 12.2.1973; Bull. EC 1-1974, point 2.2.10.

³ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

Grounds for the Articles in the proposal for a Decision

Article 1

There are several reasons for launching this programme.

1. According to the definition adopted in the final report on the first programme,¹ the 12 current Member States counted, in 1975, approximately 38 million persons who had an income less than half of the average equivalent per capita income in their country. This number rose to approximately 44 million persons in 1985.

2. In addition, major changes have taken place in recent years in economic and social structures: new processes of impoverishment meriting the name 'new poverty' have been added to the 'traditional' forms of poverty.

3. Finally, assessment of the first Community programme to combat poverty (1975-80)² and the current specific action programme (1985-88)³ showed the positive effects of these measures.

The desirability of a programme which would pursue and reinforce the earlier measures is therefore evident.

These measures have, moreover, illustrated the importance of sustained action over several years to obtain favourable structural results. Five years (from 1989-93) will therefore be required to draw the maximum benefit from the new action programme.

Article 2

The proposed definition derives from that adopted by the Council in its Decision of 19 December 1984 concerning the specific action programme for 1985-88.³ The multifaceted and relative nature of poverty is thus highlighted.

The definition adopted makes it possible to target at one and the same time both the traditional and the new forms the phenomenon may take.

Article 3

The programme makes it possible to combine several objectives:

Point (a)

The two distinct forms of action referred to here make it possible to satisfy differing needs. Extreme poverty, which the corrective measures will be aimed at relieving, may or may not date from before the crisis. High-risk groups forming the subject of preventive strategies are mainly located in declining areas or late developing regions.

Point (b)

The programme is intended to encourage the transformation of the methods of action adopted by organizations working for the good of the least privileged. The innovatory nature of the method used may be evaluated in terms of the specific country, the group of problems to which it is applied and the type of profession using it. In addition, the involvement and coordination of all the institutions and persons concerned should make it possible to deal with the entire complex of problems facing persons in difficulty by calling a whole environment into play.

Point (c)

The acknowledgement of the multifaceted and relative nature of poverty presupposes a broadening of the monetary approach to which studies are most often confined.

It is essential to take account of quantitative and qualitative data such as isolation, institutional dependence and cultural and social exclusion. Moreover, the seminar organized by the Commission in April 1988 on the 'new poverty' has revealed serious gaps in knowledge of the features of the social groups experiencing the new poverty and the process which results in this predicament.

¹ Those persons are regarded as poor whose disposable income is less than half the average equivalent per capita income in their country.

² OJ L 199, 30.7.1975; Bull. EC 7/8-1975, point 2.2.31.

³ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

Point (d)

The specific Community action programme has shown that the transfer of innovations between countries is only possible where the coordination of projects with common concerns has been set up.

It has likewise emerged that, to be effective, assessment should be conducted from the time the programme is launched.

Point (e)

Community action to assist the most deprived members of society is not confined to this specific action programme alone.

Over and above the one-off food-aid measures implemented from the winter of 1986/87, the Community's general policies (with regard to industrial policy, employment, training, etc.) or those aimed at specific groups (the long-term unemployed and the illiterate) have an impact on the least privileged.

It is therefore essential to ensure that the Community's policies as a whole converge towards the economic and social integration of the least privileged sections of the population.

Article 4

The Commission will use various means to achieve these aims.

Point (a)

Prototype schemes make it possible to move on from the action-research stage which has been a feature of the current specific action to a stage of developing experiments on a wider scale. These experiments may, for example, relate to a whole district or region.

Based on the coordination of policies relating to various levels of decision-making (local, regional, national and European), these experiments will integrate the various dimensions of poverty.

They will be structured around a number of operational axes outlined in the second programme.

The following may already be cited:

(i) job creation and vocational training;

(ii) coordination of services and institutions involved with underprivileged groups;

(iii) support for families and local communities so as to avoid them falling into a situation of dependence *vis-à-vis* welfare institutions;

(iv) due account for local development at the level at which the experiment takes place.

Point (b)

Innovative initiatives for groups suffering from specific forms of isolation (for example, the homeless) should make for the creation of solidarity networks promoting universal access to social rights and breaking down isolation.

Efforts will also be focused on access to productive occupations by means, for example, of community work units as a means of social rehabilitation.

Point (c)

The usefulness of coordination, assessment, and the transfer of methods and knowledge has been demonstrated by the two earlier schemes.

The network responsible for this function will consist of research and development units (one per country or group of countries).

Each unit will have three specialists (in assessment, communication and coordination) and will be able to call on outside help for specific research and analysis tasks.

Point (d)

Two types of study are envisaged:

(i) research aimed at providing greater understanding of the new forms of poverty;

(ii) preparation of diversified and comparable poverty indicators with a view to improving the compilation of statistical data. To this end, the Statistical Office of the European Communities should continue its coordination work.

Article 5

The Commission will subcontract the technical functions (administration and day-to-day monitoring of experiments) while itself playing a more direct supervisory role with regard to the general organization of the programme.

The Commission will therefore be responsible for organizing the network of research units and ensuring the dissemination of the results among decision-makers, specialists and the general public.

Article 6

This Article determines the role of national governments, public authorities and private organizations in the area covered by the prototype scheme.

Article 7

This Article determines the role of the local and regional authorities with regard to innovative initiatives.

Article 8

To ensure the coherence and greater effectiveness of the programme, the Commission will be involved from the outset in the selection of the projects financed.

Article 9

This Article sets out the composition, operation and relationship with the Commission of the advisory committee on which the governments of the Member States are represented.

This body will be consulted by the Commission on any important question relating to the implementation of the programme.

Article 10

This Article clarifies the Commission's role with regard to the dissemination and exchange of information.

Article 11

There is provision for the level of Community support to be increased to 75% for innovative initiatives (as against 50%, or, exceptionally, 55%, for prototype schemes) in so far as financing by the national government is not possible for some of these measures.

Articles 12 and 13

The customary final provisions.

Council Decision 89/457/EEC of 18 July 1989 establishing a medium-term Community action programme to foster the economic and social integration of the least privileged groups

The Council of the European Communities,

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

Having regard to the proposal from the Commission,¹

Having regard to the opinion of the European Parliament,²

Having regard to the opinion of the Economic and Social Committee,³

Whereas, under Article 2 of the EEC Treaty, the task of the Community is to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standards of living and closer relations between the States belonging to it;

Whereas the Council authorized the Commission on 19 December 1984 to implement specific action to combat poverty,⁴ which came to an end on 31 December 1988, and this action should be continued and broadened;

Whereas in order to attain the abovementioned goal the improvement of standards of living in each Member State should be shared by the economically and socially less privileged in each Member State;

Whereas insecurity in relation to employment, a phenomenon which has grown in recent years, is also incompatible with this goal;

Whereas national economic and social policies and Community action in the field of employment can, by attacking the structural causes of this economic and social exclusion, make an effective contribution to the fight against it;

Whereas, irrespective of the measures which may be taken under the various Community policies to

foster the economic and social integration of groups in society at risk of becoming economically and socially less privileged, there is a need for more specific action to attain the abovementioned goal;

Whereas it is necessary, in order to ensure economic and social cohesion, to take preventive measures against any short-term negative effects of completion of the large market on the social groups most at risk and to optimize corrective measures for the groups already marginalized;

Whereas exchanges of information and experience and consultation between the Member States and the Commission on action to combat the exclusion of the least privileged members of society are essential to this economic and social cohesion of the Community;

Whereas the Treaty does not provide the specific powers necessary for the adoption of this Decision,

Has decided as follows:

Article 1

A medium-term Community action programme concerning the economic and social integration of the economically and socially less privileged groups in society is hereby established for the period from 1 July 1989 to 30 June 1994.

Article 2

The aims of the programme shall be to:

(a) ensure overall coherence between all Community operations having an impact on the eco-

¹ OJ C 60, 9.3.1989; Bull. EC 12-1988, point 2.1.163.

² OJ C 158, 26.6.1989; Bull. EC 5-1989, point 2.1.104.

³ OJ C 159, 26.6.1989; Bull. EC 4-1989, point 2.1.88.

⁴ OJ L 2, 3.1.1985; Bull. EC 12-1984, point 2.1.95.

nomically and socially less privileged groups in society, whilst adhering to the respective rules applicable to those operations;

(b) contribute to the development of preventive measures to assist groups in society at risk of becoming economically and socially less privileged and of corrective measures to meet the needs of the very poor;

(c) produce, from a multidimensional viewpoint, innovative organizational models for the integration of the economically and socially less privileged members of society, involving all economic and social agents;

(d) conduct an information, coordination, assessment and exchange of experience operation at Community level;

(e) continue to study the characteristics of the economically and socially less privileged members of society.

Article 3

With a view to achieving the aims referred to in Article 2, the Commission may promote and/or financially support:

(a) the carrying-out of pilot projects which are integrated into the fabric of local society and aimed at fostering the economic and social integration of the economically and socially less privileged groups in society by coordinating local initiatives with national or regional policies.

These pilot projects must correspond to the actual needs of the economically and socially less privileged and must allow them to play an active role so that they can become genuinely integrated into society;

(b) innovative measures to foster the economic and social integration of certain groups of people who suffer from specific forms of isolation, in particular those measures undertaken by non-governmental organizations;

(c) the assessment of schemes, the intra-Community exchange of knowledge and the transfer of methods, to be carried out by a network of research and development units whose members shall be appointed by the Commission in consultation with the Member States concerned;

(d) the exchange on a regular basis of comparable data on the economically and socially less privileged groups in society and the improvement of knowledge of the phenomenon.

Article 4

1. The Commission shall be responsible for implementing the programme in accordance with this Decision.

2. Non-exhaustive information regarding the definition, selection, presentation and assessment of pilot projects and innovative measures is given in the Annex.

Article 5

1. Pilot projects and innovative measures shall be submitted to the Commission by the Member States.

2. Pilot projects and innovative measures shall be drawn up in close cooperation between the Member State concerned and the relevant public or private bodies designated by that Member State.

Article 6

1. The content of pilot projects and innovative measures which may qualify for Community funding shall be adopted within the framework of prior consultation between the Commission and the Member State concerned.

2. After consulting the Committee provided for in Article 7, the Commission shall take a decision on the content and the selection of pilot projects and innovative measures.

3. The Commission shall also consult the Committee provided for in Article 7 on the other activities undertaken under this programme.

Article 7

1. The Commission shall be assisted by an Advisory Committee, hereinafter referred to as 'the Committee', comprising a representative of the government of each Member State and chaired by a representative of the Commission.

2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft, within a time-limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

3. The Committee shall adopt its own rules of procedure.

Article 8

1. The dissemination and exchange of information and knowledge concerning this programme shall be organized under the responsibility of the Commission.

2. The Commission shall disseminate the results of operations carried out pursuant to this Decision using such means as may be most appropriate.

Article 9

1. The amount estimated necessary to finance the Community contribution to this programme is ECU 55 million for the entire duration of the programme.

2. Community financial support shall be granted, in the framework of the appropriations entered annually in the general budget of the European Communities for that purpose, at the following rates:

(a) for pilot projects and for the innovatory measures for which responsibility is borne by the public authorities of the Member State concerned, the maximum rate shall be 50% of actual expenditure within the limits of the assistance approved by the Commission; however, in exceptional cases, this ceiling may be raised to 55%;

(b) for direct subsidies to innovatory measures on the part of private or public bodies at regional or local level for which responsibility is not borne by the public authorities of the Member State concerned, the rate may be raised to 75% of actual expenditure within the limits of the assistance approved by the Commission.

Article 10

1. Before 1 July 1993 the Commission shall present to the Council and the European Parliament an interim report on the implementation and results of the programme.

2. Before 1 January 1995, the Commission shall present to the Council and the European Parliament a final report on the implementation and results of the programme.

Article 11

This Decision shall be published in the *Official Journal of the European Communities*.

Annex

Non-exhaustive information regarding the definition, selection, presentation and assessment of pilot projects and innovatory measures

Definition

(i) Pilot projects

1. A pilot project must constitute a coherent programme of assistance for the economically and socially less privileged and not simply be a collection of unconnected, heterogeneous projects.

2. Pilot projects must be implemented in locations defined in terms of their characteristics and size (district, town, region).

The location selected must lend itself to action in depth, and in particular must enable all interested parties to work together.

3. Pilot projects must relate to several aspects of the situation of the economically and socially less privileged (e.g. income, housing, health, education, social protection, employment, training, culture).

The choice of aspects must be such as to ensure that the pilot project forms a consistent whole.

4. Pilot projects must involve the population of the selected area in a spirit of participation.

Pilot projects must have the support of private participants (e.g. employers) or associations (e.g. trade unions, local groups, local development associations) and of the public authorities (local, regional and/or national, as appropriate).

5. Pilot projects must be sufficiently representative to provide information of general interest regarding the economically and socially less privileged and to allow for subsequent transfer to other entities or expansion.

6. Pilot projects must be aimed primarily at those who are economically most disadvantaged.

(ii) Innovatory measures

1. Innovatory measures must demonstrate cases in which specific action is required to assist the most disadvantaged.

2. Innovatory measures may take the form of new responses to certain specific situations.

3. Whether a measure is in fact innovatory must be determined by reference to what is being done in the Community as a whole.

Selection

When pilot projects and innovatory measures are selected, account will be taken of the extent to which pilot projects or innovatory measures:

1. are carried out by participants with particular qualifications and/or experience;

2. effectively assist the group of people they cover;

3. encourage the independence and self-confidence of the persons concerned, including measures to promote self-sufficiency;

4. help the employment situation (e.g. promotion of self-employment, improvement of vocational skills);

5. channel aid to the most disadvantaged;

6. concentrate on socially and economically disadvantaged areas.

Presentation

Application for Community aid must:

1. state precisely:

(i) the aim of the pilot project or innovatory measure,

(ii) the group of people covered,

(iii) the location chosen and type of area,

(iv) the number and type of participations and authorities involved;

2. describe what the pilot project or innovatory measure is expected to achieve and estimate the probable cost;
3. be designed in such a way that the results to be achieved may be compared.

Assessment

Each pilot project and innovatory measure should be assessed continuously and at the end of the programme.

European Communities — Commission

Medium-term Community action programme to foster the economic and social integration of the least privileged groups

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Covering a five-year period and with ECU 70 million earmarked to back the pilot schemes, the medium-term Community action programme to foster economic and social integration comprises corrective measures designed to meet the needs of extreme poverty and preventive strategies for high-risk groups. Its role is to continue and expand Community efforts to combat poverty, which were put into effect through the first programme and specific action.

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