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SOCIAL EXCLUSION AND THE IGC

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**These briefings have been drafted by the Parliament Secretariat Task Force on the Intergovernmental Conference. Their purpose is to gather together, in an organized, summary form, the proposals and suggestions which the authorities in the Member States, the Union's institutions and specialist commentators have put forward on the issues likely to be on the IGC/96 agenda. Briefings will be updated as negotiations proceed.**

**Already out:**

1. The Court of Justice
2. The Commission
3. The Court of Auditors, ESC and COR
4. Differentiated integration
5. The common foreign and security policy
6. The role of the national parliaments
7. The hierarchy of Community acts
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**BRIEFING  
ON  
SOCIAL EXCLUSION AND THE IGC**

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## **SUMMARY**

The purpose of this briefing is to provide an overview of the progress made so far by the IGC on the subject of social exclusion.

Successive European Councils, the report of the Reflection Group and the report of the Italian Presidency have broached the subject indirectly during negotiations on fundamental rights, unemployment or, more generally, the social dimension.

A number of Member States (Belgium, Luxembourg, The Netherlands, Ireland, France, Portugal and Finland), the European Parliament, the Commission and numerous NGOs have set out their own positions. Particular attention is paid to the proposals of Ireland and the European Parliament, which are, for the time being, the most developed.

Finally, the Irish Presidency has indicated its desire to place emphasis, within the social dimension, on the needs of the excluded, the young, the long-term unemployed and unemployed women. In connection with its exercise of the Presidency of the Council, the Irish Government probably intends to issue a communication on this subject before the plenary session of the European Parliament on 23 October 1996.

**BRIEFING  
ON  
SOCIAL EXCLUSION AND THE IGC**

**1. The IGC agenda and combating social exclusion**

One of the IGC's main objectives is to bring Europe closer to the citizen. Yet with more than 17 million people unemployed and more than 50 million poor people in Europe, political, economic and social actors, as well as citizens, are increasingly worried about the phenomenon of social exclusion.

While it is true that at present there is no epistemological or political consensus about how to define and measure poverty and social exclusion, the concepts used in Community action apply two criteria of identification. Firstly, on the basis of the Council Decision of 19 December 1984, the reference framework is national: by poor people is meant individuals, families, groups of persons with such scant material, cultural and social resources that they are excluded from the minimum acceptable life styles in the Member State. Secondly, the notion of social exclusion is dynamic and multi-dimensional. It is dynamic in so far as it describes both processes as well as the situations which result from those processes. And it is multi-dimensional in that it emphasizes the multitude of mechanisms by which people and groups are barred from participation in the social exchanges, practices and rights which constitute social integration and hence identity. From those two criteria, it is apparent that - as Mr Delors pointed out in June 1993 - while exclusion contains the notion of poverty, poverty does not contain the notion of exclusion.

Successive European Councils have expressed views on what should be on the agenda of the Intergovernmental Conference. They included a social facet which was not initially envisaged, but which had its origin in the economic crisis and its effects on employment. The aim of this briefing is to assess the progress made in the Conference on the issue of social exclusion. It highlights the concerns of a number of Member States, the European Parliament, the Commission and a large number of NGOs, provides each of them an opportunity to set out and expand on their positions and gives fresh impetus to the IGC on an issue that is central to the priorities of the Irish Presidency and to which, as the Reflection Group itself points out, most Member States consider an urgent response is needed.

Now that the issue is on the agenda, it remains to be seen how it will be dealt with. So far, the Members States - with the exception of Ireland - have not elaborated on the subject themselves. The issue has, at best, been raised in an indirect way, in the negotiations on fundamental rights (the general non-discrimination provision and the expansion of social rights), unemployment (in particular, the specific measures for the most disadvantaged), or more generally, the social dimension (inclusion of the social protocol and in particular the fifth indent of Article 2(1) on the integration of persons excluded from the labour market; extension of the scope of codecision). Consequently, while the Irish Presidency has made a number of specific proposals on the subject of social exclusion, they relate essentially to other IGC issues, in particular

to development of the Union's social dimension and enhancement of European citizenship.

## **2. The Treaty and combating social exclusion**

The Treaty on European Union does not contain provisions specifically on combating social exclusion.

The implementation of specific Community programmes to combat poverty ('the poverty programmes' of 1975-80, ECU 20 million; 1985-89, ECU 29 million; 1990-94, ECU 55 million; and the fourth programme proposed by the Commission in September 1993 and blocked in Council in June 1995 after opposition from Germany and the United Kingdom based on, respectively, the subsidiarity principle and on lack of proof of the programme's effectiveness), which have long constituted the preferred and only instrument of community action in the field of combating social exclusion, was thus based on Article 235, which requires a unanimous vote in Council. That was also the case for the various initiatives developed subsequently (support for NGOs, Council Recommendation of 24 June 1992 on recognition of the right to guaranteed resources and services, exchanges of experience, seminars and publications of the Observatory on National Policies to Combat Social Exclusion).

It should also be noted, in the context of structural fund action, that the Commission decided at its meeting of 8 May 1996 to append to the framework initiative on employment and the development of human resources of 15 June 1994 a new section entitled 'Emploi-INTEGRA' covering the planning period 1996-1999. The objective of that section is to promote measures to improve access to the labour market and the employability of vulnerable groups excluded, or at risk of exclusion, from the labour market. The budget earmarked for the part is ECU 358 million and is therefore much larger than the budget earmarked for the Poverty 4 programme.

References to social exclusion are to be found in the Social Charter and the Social Protocol, to which, it should not be forgotten, the United Kingdom is not a signatory.

The Social Charter is a political declaration by eleven Member States and as such is not legally binding. It has, however, given impetus to the Commission in the social sphere (action programmes, proposals for directives).

It concerns workers' social rights. However, Article 10 of the Charter, on social protection, provides: 'Persons who have been unable either to enter or re-enter the labour market and have no means of subsistence must be able to receive sufficient resources and social assistance in keeping with their particular situation'. Article 27 provides that those rights must be implemented by national legislation, but that the Commission may make proposals regarding the initiatives to be taken at the Community level.

In signing the protocol on social policy, the eleven Member States undertook to continue along the path laid down in the 1989 Social Charter. Moreover, they broadened their common objectives. Whereas Article 117 of the EEC Treaty

concerns exclusively the social rights of workers ('[promotion of] improved working conditions and an improved standard of living for workers'), Article 1 of the agreement seeks more generally 'the promotion of employment ... proper social protection ... the development of human resources with a view to lasting high employment and *the combating of exclusion*'. This is first time that the subject of combating social exclusion has been mentioned at such a high level. Finally, the fields in which the council decides by qualified majority are extensive and include decisions on 'the integration of persons excluded from the labour market' (Article 2(1), fifth indent).

Following that analysis and having regard to the issue of combating social exclusion, the legal situation is the following: (i) there are two separate legal bases for social policy; (ii) only the Protocol expressly mentions the aim of combating social exclusion; (iii) in both cases the legislation on social protection and combating social exclusion must be adopted unanimously, with the exception of decisions on the integration of excluded persons into the labour market.

It should be noted in passing that since July 1993 structural fund reform, 'persons vulnerable to social exclusion' have been included among the target groups of Objective 3 action of the funds, in particular the European Social Fund.

### **3. The European Council**

At the Turin summit, the European Council established the terms of reference and the programme for the Conference. It took the view that the Conference should, without prejudice to other questions that might be raised during the Conference, focus on a number of priority areas.

The European Council did not refer to the concept of social exclusion. However, it considered that the IGC should respond to the concerns of citizens ('a Union closer to its citizens'). In order to achieve that aim, it singled out the following fields: (i) stronger fundamental rights for citizens, including the principles of equality and non-discrimination; (ii) the fight against unemployment as a priority task of the Union.

### **4. The report of the Italian Presidency to the Florence European Council: 'Progress report on the Intergovernmental Conference'**

The report is intended to provide an overview of the proceedings of the Conference to date, and in particular to clarify the political questions on which, to judge from the trends that seem to be emerging at this stage, the next phase of the Conference will focus.

Chapter I of the report deals with the objective of a Union closer to its citizens. It recalls the suggestion that new provisions on social exclusion be introduced into the Treaty. It also broaches that subject indirectly in the context of the following developments:

- (i) The question whether non-discrimination should be extended, and enhancing the content of citizenship by adding certain rights to those at present contained in Part Two of the ECT, including certain socio-economic rights, in particular the right to equal opportunities and the rights embodied in the European Social Charter. Those questions are relevant here because discrimination based on grounds relating to race, sex, age, sexual orientation, disability or religious convictions often contribute to social exclusion.
- (ii) The question of employment. Although the report identifies two approaches to tackling this problem, it stresses that the more ambitious approach gives a more precise definition of Community objectives including, firstly, a high level of employment and social protection and, secondly, adding the concept of combating social exclusion, and reflecting those objectives in a separate title/chapter of the Treaty.

## **5. Positions of the institutions**

### **5.1. Council of Ministers**

The report of 10 April 1995 on the functioning of the TEU does not mention social exclusion.

The positions of the Irish Presidency were set out by the Irish prime minister, Mr John Bruton, at the press conference held on 2 July 1996 in the course of the meeting between the Commission and the Irish Presidency, and by the President-in-Office of the Council, Mr Dick Spring, when he presented the priorities of the Irish Presidency to the European Parliament on 17 July 1996.

The hallmark of those positions is the assertion that the priority agenda would include the question of employment, and in that context, with the emphasis on the needs of the excluded, the young, the long-term unemployed and unemployed women.

### **5.2. Commission**

In its opinion of 28 February 1996, the Commission considers that the social dimension should be one of the central themes at the Conference in order to secure a common base of social rights for all Union citizens. The Commission believes that to achieve that goal, (i) the Social Protocol must be integrated into the Treaty, (ii) clearer provisions must be laid down concerning cooperation between Member States on matters of social policy, such as the fight against marginalization or against poverty and, finally, (iii) better ways must also be found of involving those sections of civil society capable of developing initiatives and new forms of solidarity.

### **5.3. European Parliament**

In its resolution of 17 May 1995, the European Parliament considered that the European Union should have the resources to make especially the fight against unemployment and marginalization a priority objective of Union policies.



The European Parliament developed its thinking in the report of 13 March 1996 by Dury and Maij-Weggen, in which it defined its political priorities with a view to the IGC, following the publication of the work of the Reflection Group. The reports points out the need for a better definition of European citizenship, greater respect for fundamental rights, and the development of the social dimension of the Union. In order to achieve that objective, and with regard to combating social exclusion, the following proposals were made:

- (i) the incorporation of a special chapter constituting a declaration of the fundamental rights of the citizens and residents of Europe. That chapter would guarantee the principle of equal treatment and non-discrimination particularly on grounds of race, sex, sexual orientation, age, religion, or disability;
- (ii) the incorporation of the agreement on social policy and the inclusion in the body of the Treaty of the essential principles of the Community Charter of fundamental social rights;
- (iii) a set of provisions requiring:
  - the Commission to present a set of measures, accompanied by a timetable, necessary for completion of the social Union;
  - the Union to develop a policy designed to vanquish social injustice, exclusion, discrimination and poverty; the Commission should be given the powers necessary to implement this policy.

Finally, in its resolution of 19 June 1995 on the Florence European Council, the European Parliament considered that public concern focussed on the institution of a genuine European citizenship ( ... ) employment and social protection. It also considered that it was vital to move beyond the discussion stage and to give the IGC the necessary political impetus to ensure that it does not lead to stagnation or to only minimal revisions.

On the basis of those proposals, and as it recalled in its conclusions on the Commission's final report on the implementation of the 'Poverty 3' programme, the Parliament's position is the following: (i) it supports the need for Community measures to combat social exclusion; (ii) it calls for the inclusion of provisions that would form the legal basis for such actions and would make the objective of preventing social exclusion an express part of the conduct of the general and structural policies of the Union; (iii) it is in favour of extending qualified majority voting and codecision.

## **6. Positions of the Member States**

### **6.1. General considerations**

This part concerns the specific positions of the Member States on the subject of social exclusion.

For the Member States which have not expressed any opinion on this subject, and in so far as it overlaps issues relating to fundamental rights, unemployment and social policy, reference is made to the relevant fact sheets.

## **6.2. Belgium**

In its policy note 28 July 1995 to the Belgian Parliament, the Belgian Government stated its support for a common minimum floor in social matters, comprising, among other things, the incorporation of the social protocol in the Treaty on European Union, upwards harmonization of social provisions and combating social exclusion. Furthermore, it declared its support for extending qualified majority voting to social questions.

This initial Belgian Government position was confirmed and expanded on by the joint memorandum of 7 March 1996 of the Belgian, Luxembourg and Netherlands governments. It proposed the establishment of a common social core for all Union citizens, with inclusion of the content of the Social Charter in the Treaty as the starting point. With regard to employment, it proposed making the complementary role played by the Union explicit in the Treaty by introducing new provisions into the Treaty. They would provide for the formulation of annual recommendations by the Commission and approved by the Council ensuring coordination of the policies of the Member States and would accord particular importance to certain measures, including those intended to make it easier for the disadvantaged to gain access to the jobs market.

## **6.3. Luxembourg**

The Luxembourg Government gave its initial views on the subject of social exclusion in its memorandum of 30 June 1996 on the IGC. It considered that Europe should demonstrate more solidarity, become more integrated and democratic and aim to combat social exclusion and, in general, preserve the social model embodied in the Treaty on European Union.

## **6.4. Netherlands**

On the subject of social exclusion, the relevant views of the Netherlands government are those set out in the joint memorandum of the Belgian, Luxembourg and Netherlands governments with view to the IGC.

## **6.5. Ireland**

In its White Paper of 26 March 1996, the Irish Government stressed the need to deal more effectively with the questions which most directly concern citizens, including employment and social exclusion.

Subsequently, in connection with its exercise of the duties of the Presidency of the Council, the Irish Government developed its position in a number of declarations (declaration of 6 June 1996 of the minister for social affairs, Proinsias de Rossa, at a conference of the European Anti-Poverty Network in Dublin; observations of the

minister for social affairs at the informal Council of ministers for social affairs held on 10 and 11 July 1996).

The Irish Government formulated the following specific amendment on combating social exclusion:

**Social exclusion, *Role of the Community***

*The Community shall contribute to the formulation of policies for combating social exclusion by encouraging cooperation between the Member States and, if necessary, by supporting and complementing their action, while respecting the primacy of the competence of the Member States in this field.*

**Relations with other Community policies**

*The Community shall take into account the objective of combating social exclusion in the action it conducts by virtue of other provisions of the Treaty.*

**Follow-up and consultation**

*The Commission shall periodically report to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions on the progress achieved in combating social exclusion, after consulting, if necessary, the social partners and other competent non-governmental organizations.*

**Implementation**

*In order to help achieve the objectives referred to in this article, the Council,*

- *deciding in accordance with the procedure laid down in Article 189c, after consulting the Economic and Social Committee, shall adopt measures, with the exception of measures harmonizing the legislative and regulatory provisions of the Member States;*
- *deciding by qualified majority on a proposal from the Commission, shall adopt recommendations.*

Finally, the Irish Government is likely to use its chance to preside over the Council during October, when the UN International day against Poverty (17 October) to question all the Member States of the Union and the European institutions on this subject. That could happen when the Irish minister for social affairs, Mr De Rossa, speaks before the European Parliament on 23 October 1996.

## **6.6. France**

In its memorandum of April 1996, 'For a European Social Model', the French Government deals with the question of social exclusion. However, the scope of that

political declaration is not certain since it is not intended specifically as a contribution to the IGC.

The memorandum stresses that it is high time that Europe rediscovered Europeans and it points out: *'A more humane Europe is one that combats exclusion. Europe today has 52 million poor people, 3 to 5 million homeless or badly housed, nearly 9 million long-term unemployed. Those cold figures mask enormous distress. In the face of this urgency, European cannot remain passive.'* According to the memorandum, this situation calls for two urgent measures: firstly, the adoption of the Poverty IV programme and, secondly, Europe must be given the resources to contribute to social security on the ground. Finally, the memorandum proposes that the opportunity provided by the IGC to incorporate the social protocol in the Treaty must be seized, thus allowing Europe to push harder for the reintegration of those excluded.

### **6.7. Portugal**

A March 1996 document of the ministry of foreign affairs, 'Portugal and the IGC for revision of the Treaty on European Union', was published setting out the Portuguese Government's views on the IGC. The government refers to the deepening of the concept of solidarity, which in its view has a political and economic dimension as well as a social one. It also proposes that a European dimension should be given to job-creation policies and to combating social exclusion. On the economic front, it is in favour of the close coordination of the Member States' policies so as to ensure that all forms of marginalization and social exclusion are combatted in a way that is effective and integrated and has a Community dimension.

### **6.8. Finland**

In a foreign ministry memorandum of 18 September 1995 on the government's options for the 1996 IGC, Finland was in favour of expanding the social dimension. It considered that the EU should conduct a policy based on sustainable economic and social development allowing all forms of exclusion and social divisions to be prevented. Consequently, it stresses the need, in principle, for the Union to take systematic account of social policy aspects in any decisions taken. Finally, it supports full incorporation of the social policy provisions in the Treaty in order to establish a series of minimum levels of social protection at the Community level. However, it considers that the basic decisions on social policy must remain within the scope of national competence.

## **7. Reflection Group**

The Reflection Group chaired by the Spaniard Carlos Westendorp was given the task of producing a report on all current European Union issues that could be raised during the IGC. Its report of 5 December 1995 focussed mainly on establishing an annotated agenda for the Conference and on setting in motion a process of public discussion and explanation regarding the thrust of the changes to be made.

The composition of the report reflects, clearly and succinctly, the summaries of the positions of the Member States.

In the first part of the report ('A Strategy for Europe'), it considers that Europe should become closer to its citizens and meet the challenges which confront it, which include marginalization and social exclusion. Similarly, it reports that the majority of Member States include social exclusion among the problems demanding an urgent response.

The second part of the report - 'An annotated Agenda' - looks at the provisions that could be revised. No provision deals specifically with social exclusion. Two developments are indirectly linked to social exclusion

:

(i) The promotion of European values

The report stresses that a large majority of the Group is in favour of introducing the Agreement on Social Policy into Title VIII. Some members advocate the inclusion of the European Social Charter in the Treaty. Finally, it notes that a large majority of the Member States are in favour of including a general non-discrimination clause (in addition to the one prohibiting discrimination on grounds of nationality in Article 6), with special consideration for disabled persons (both by referring to them in the non-discrimination clause in Article 6 of the TEU and by a provision in one of its chapters), subject to a more detailed assessment of their legal and economic implications by the Conference. However, one member was opposed to that and felt that such rights were best secured in a national context.

(ii) Employment

The report stresses the urgent need to create jobs in response to a pressing demand from Europe's citizens and that a large majority of States proposed that more stress should be placed on this objective in the tasks of the Union.

## **8. Observations of NGOs**

Numerous NGOs have called for combating social exclusion to be expressly incorporated in the scope of the Union when the Treaty is revised.

Some of the NGOs (Europa Caritas, European Anti-Poverty Network, European Federation of National Organizations Working with the Homeless, International Movement ATD Fourth World), which the European Parliament considered sufficiently representative, were invited to express their concerns at a major public hearing organized by the Committee on Institutional Affairs and held in two parts on 17-18 October 1995 and on 26-27 February 1996. Their contributions have been summarized in a Committee on Institutional Affairs publication entitled: 'The 1996 Intergovernmental Conference: the European Parliament listening to citizens'.

Generally, the NGOs stress that the European Union cannot ignore the fate of the less well-off at a time when it says it wants to become closer to citizens. However, they point out that the current version of the Maastricht Treaty does not expressly provide for Union action in the field of combating social exclusion. They fear that a narrow interpretation of the concept of subsidiarity only encourages some States to challenge any Community action in the field. Consequently, although they consider that combating social exclusion often belongs at the local or regional level and is more often a matter for private initiative than for public authorities, they also call for the Treaty to include combating social exclusion as one of the objectives and tasks of the Union, and for it to include an article governing Union action and providing in particular for extension of qualified majority voting and for consultation of the associations and foundations working in the social field.

## **9. Conclusion**

Helping to ensure that the issue of combating poverty and social exclusion is adopted within the IGC so as to flesh out European Union social policy constitutes one of the objectives of the European Parliament. That objective is formulated on the basis of the report by Dury and Maij-Weggen and fits into the framework of the priority which has emerged within Parliament for adding a new employment chapter to the future Treaty.

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