

European Communities

EUROPEAN PARLIAMENT

Working Documents

1982-1983

14 March 1983

DOCUMENT 1-1337/82

Report

drawn up on behalf of the Committee
on Social Affairs and Employment

on the final report from the Commission to the
Council on the first programme of pilot schemes and
studies to combat poverty

Rapporteur : Mr R. BOYES

On 17 February 1982 the President of the European Parliament referred the motion for a resolution (Doc. 1-1008/81) tabled by Mr LEZZI pursuant to Rule 47 of the Rules of Procedure, on the final report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty to the Committee on Social Affairs and Employment.

By letter of 7 May 1982, the Committee on Social Affairs and Employment requested authorization to draw up a report on the final report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty (COM(81) 769 final).

At its meeting of 16 June 1982, the Bureau of the European Parliament authorized the committee to draw up such a report.

On 25 February 1982, the Committee on Social Affairs and Employment appointed Mr BOYES rapporteur.

At its meeting of 27 May 1982, the committee adopted an interim report¹.

At its meetings of 1 December 1982 and 25 February 1983, the committee considered the motion for a resolution and adopted it unanimously at the latter meeting.

The following took part in the vote : Mr Papaefstratiou, chairman; Mr Pattison, second vice-chairman; Mr Boyes, rapporteur; Mr Ceravolo, Mr Chanterie, Ms Clwyd, Mr Duport, Mr Eisma, Mr Estgen, Mr Ghergo, Mrs Maij-Weggen, Mr Patterson, Mrs Salisch and Mr Tuckman.

¹ Doc. 1-386/82, adopted in plenary sitting on 12 October 1982 (OJ No. C 292, 8.11.1982, p.47)

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A

The Committee on Social Affairs and Employment hereby submits to the European Parliament the following motion for a resolution together with explanatory statement

MOTION FOR A RESOLUTION

on the final report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty

The European Parliament

- having regard to the final report on the first programme of pilot schemes and studies to combat poverty (COM (81) 769 final),
 - having regard to the motion for a resolution LEZZI (Doc. 1-1008/81),
 - having regard to the interim report of the Committee on Social Affairs and Employment (Doc. 1-386/82),
 - having regard to the report of the Committee on Social Affairs and Employment (Doc. 1-1337/82),
- (a) having regard to the fact that poverty is a long-established, persistent and increasing problem with substantially more than 30 million - more than 1 in 10 of the population - living in poverty in the Community¹,
- (b) having regard to the fact that unemployment has more than doubled within the Community since the end of the 70's and that long-term unemployment for both men and women has accelerated - particularly in the less favoured regions - at an alarming rate excluding disadvantaged groups from the labour force and adding them to the 'traditional' groups of poor,
- (c) having regard to the fact that the economic crisis creates an environment in which it is likely that "traditionally" underprivileged groups - including the elderly, the handicapped, migrant workers, ethnic minorities, the illiterate and unemployable - will be increasingly excluded and stigmatised,

- (d) having regard to the problems of the poor, which include a lack of money, poor housing, unemployment, no leisure, fewer educational opportunities and poor health,
 - (e) having regard to the instances of civil unrest which have already occurred within the Community and the enormous danger of political instability and the threat to the democratic principles of our societies which results from this tendency of pushing more and more people towards poverty,
 - (f) having regard to the widespread public ignorance of the meaning and causes of poverty,
 - (g) having regard to the fact that, if a further programme to combat poverty is not financed, community action in this field could not be considered complete as poverty still exists and is on the increase in all Member States,
 - (h) having regard to the fact that, although the first programme was not without imperfection, it still contributed to the understanding of the nature, causes, extent and dynamics of poverty in the Community and to the stimulation and dissemination of practical innovations of Community relevance; and in so doing created a framework of resources, manpower and expertise which still exists informally but which could be dissipated in the absence of a further programme,
 - (i) having regard to the fact that the Commission recognises in the final report on the first programme the need for separate action at community and national level,
 - (j) having regard also to the fact that the Commission recognises in the final report on the first programme the need for all community policies to take specific account of their effects on poverty,
 - (k) having regard to the fact that a community dimension still exists beyond these levels which is most strongly founded upon the need for continuing cross-national investigations and exchanges of experience, knowledge, and expertise upon common and inter-related themes:
- 1 Supports the Commission's proposal for the introduction of an anti-poverty clearing house for the Community to promote and disseminate experience on efforts to combat poverty.

2 Calls for the establishment of an exploratory and innovatory programme of cross-national projects based upon common or integrative themes:

- i. the effect of unemployment on poverty and the strategies by which these effects may be combatted. Special consideration should be given to the consequences of long term unemployment (people unemployed for longer than one year);
- ii. the regional dimension and the extent to which poverty varies according to the socio-economic environment of the different regions. Emphasis should be placed on the problems of people living in the disadvantaged regions and the rural areas within these regions, which continue to suffer from major structural and employment-related problems;
- iii. the problems faced by people who obtain work for a short period (government scheme) during a longer sustained period of unemployment;
- iv. a cross national project on problems in inner cities which have suffered, and continue to suffer, economic and social decline. The project should be concentrated on the disillusionment and pathogenic effects of unemployment among young people and the hardships faced by the old;
- v. an improvement in data collection and information dissemination.

3 Considers that the minimal financial requirement for a new programme is a budget of £10 million, to be supplemented by a further £10 million from Member States, which would realistically reflect the amount requested for the interim programme.

4 Regards a funding period of 5 years as a minimum requirement to ensure basic continuity in design and execution of projects.

5 Instructs its President to forward this resolution to the Commission and the Council of the European Communities.

EXPLANATORY STATEMENTI Historical background

- I On the basis of the social action programme, adopted by the Council of Ministers on 21 January 1974, which listed among its priorities specific measures to combat poverty through a series of pilot schemes, the Commission proposed a programme entitled 'Proposal from the Commission to the Council on the first Programme of Pilot Schemes and Studies to Combat Poverty'¹ (Doc. 76/75) which was approved by the Parliamentary opinion of 13 May 1975².
- 2 This anti-poverty programme was allocated a budget of 2.5m ECU in 1975 and 2.875m ECU in 1976.

The Commission set up an Advisory Group (which met in March 1976 for the first time) comprising nine government representatives, seven independent experts and two members representing both sides of industry. This Group was to be consulted by the Commission on all matters of importance relating to the development of the programme to combat poverty.

In November 1975 the Commission approved a total of 21 projects proposed by the governments of the Member States and two cross-national studies proposed by the Commission and agreed by the Member States concerned. Two of these pilot schemes were subsequently withdrawn, but the rest, together with the cross-national studies, have been developed and implemented³.

The cross-national studies were initially funded for only one year and final reports on both were submitted to the Commission. The national schemes were initially funded for a period of two years but on 13 December 1977 the Council of Ministers agreed to renew the programme for a further three years. At the same time, the programme budget was increased to allow six new schemes and studies to be adopted, as well as a second phase for each of the two earlier studies. The amounts allocated for 1977, 1978 and 1979 were, respectively, 3.5 million, 5 million and 5.75 million units of account. These developments were

1 Doc. 76/75, 7 July 1975

2 OJ C 128, 9 June 1975

3 ECO SOC - CES 84.180, 30 January 1980

approved in the Opinion of the Committee of 22 June 1977 on the Proposal for a Council Decision modifying the Decision of 22 July 1975 concerning a programme of pilot schemes and pilot studies to combat poverty.

- 3 On 29 March 1978 the Commission adopted a series of pilot schemes and studies extending the programme (SEC (78) 1360).

In addition on 6 December 1978 the Commission decided:

- (a) to continue the implementation of schemes in progress, most of which had been approved in 1975;
- (b) to continue the implementation of a pilot study which had been updated;
- (c) to implement a proposal concerning the "Evaluation and Control" of the programme;
- (d) to implement a proposal relating to the elaboration of 8 national reports on poverty and measures taken to combat it in the Member States of the Community.

- 5 On the basis of Article 6 of the aforementioned Decision, the Commission submitted to the Council and the European Parliament a second report¹ on the results available relative to the projects undertaken with financial assistance from the Community².

- 6 Based upon an interim report³, the Commission submitted its final report ('Final Report from the Commission to the Council on the First Programme of Pilot Schemes and Studies to Combat Poverty')⁴ to the Council.

1 COM (79) 537 final

3 Com (80) 666

2 ECO SOC - CES 84/80, 30 January 1980

4 Com (81) 769

In a first reaction, the Committee on Social Affairs and Employment, which was the Parliamentary Committee responsible for the matter, produced an interim report¹. This was to ensure that even the 1983 budget would include provisions to enable continuation of the work of the past years, not only because of the long history of the problem, but also because the economic crisis meant that the problem of poverty was becoming one of the most menacing facing our Community.

II Specific remarks

Each of the following lettered paragraphs corresponds to the paragraph in Motion for Resolution with the same letter.

- (a) Chapter 4 of the Commission's report on the final programme presents the results of the reports on poverty in each Member State. This included an assessment of the number living in poverty defined as less than half the average net income per person. On this basis it was estimated that roughly 10 million or 11.4 % of all households in the Community are poor. The statistics were gathered in each Member State at various points between 1973 and 1979 (see appendix A). It is apparent, given the out-dated data base and continuing impact of the economic recession, that the numbers will now be considerably greater than 30 million.

- (b) In 1978 unemployment within the Community stood at 6 million (5.5 % approx.), while in September 1982 it was listed at 11.6 million to which must be added another 2 million who would like to work but who are unregistered. Long term unemployment (defined as unemployed for a period of more than 12 months) has increased significantly.

The Commission's final report on the first programme recognises that increasing unemployment, growing instability in employment and

1 Doc 1 - 386/82, adopted in plenary on 12.10.1982

the growth of precarious forms of employment all combine to exclude groups disadvantaged within the labour market, thus adding them to the "traditional" groups of poor. The following selected quotations from pages 136 and 137 of the Commission's final report illustrate this point:

"Low pay, instability of employment and bad working conditions in the low paying sector were identified as a potent combination, producing prolonged poverty".

"The pilot projects report that low pay and precarious forms of employment are driving into poverty workers who were once far above the poverty line".

"Unemployment has now risen to damagingly high levels, affecting workers of all ages, but in most countries falling especially heavily on young people and on those with any kind of labour market disadvantage".

"The research reports on unemployment and on persistent poverty and all the national experts point to the growth of unemployment as a serious poverty issue".

"The growth of long term unemployment in different countries, combined with the inadequacies of the social security arrangements, especially for those out of work for more than 12 months, is bringing new groups into poverty. Even when the economies of Member States recover, those who have been out of work for lengthy periods may continue to be excluded from the labour force and face long term poverty".

"Unemployment may be said to have been "exported" into other parts of the social security system. The progressive exclusion from the labour market of many who formerly would have been in employment...has contributed to the sustained growth in the numbers supported by social security ... (which) places serious restraints on its ability to upgrade the position of those whose benefits are inadequate and to extend its scope to others in need".

- (c) Given the pattern of social and economic stratification characteristic of Europe's actual economic and social system, the progressive exclusion of groups disadvantaged within the labour market inevitably places an increasing burden upon an overstretched social security system. The reduction in available resources means even less opportunity for escape or advancement for those at the foot of the social scale - the elderly, the handicapped, migrant workers, ethnic minorities, the illiterate and the unemployed.

Excluded groups are typically trapped at the foot of the social ladder with the poorest jobs, housing, education - they are effectively in a "poverty trap". Literacy for large numbers is not guaranteed and therefore they are considered unfit for qualified manual labour offered by firms recruiting for modern labour markets. The net result is under-employment or irregular low paid jobs in marginal industries which results in a lack of resources, i.e. housing and health. Often, children are denied minimal educational opportunities. Many in this category are excluded from political and pressure group activity.

The Commission's final report on the first programme recognises this process (page 137):- "The Pilot Projects stress the isolation of the poorest people in society, especially the long term poor, from the rest of the population. There is a gulf between the poorest and the non-poor, between the poorest and the services established to help them, and between the poorest and many of the mechanisms of society.

- "Low levels of education and training, illiteracy, and for immigrants, poor command of the local language, together with the need to devote their energies to the sheer battle for survival both prevent the poor from

participating in society and put them in a weak position to seek to change the conditions in which they live. The marginality and isolation of certain groups has often been reinforced by policies which segregate them in separate and frequently unsatisfactory programmes."

(d) At page 148 the Commission's final report on the first programme points out that:-

"The alienation caused by poverty and particularly political instability which may result in any region which has fallen markedly behind the level of economic and social development of the bulk of the community is the concern of the community as a whole".

(e) Exclusion isolation and stigma are reinforced by public ignorance of poverty. To quote page 138 of the Commission's final report on the first programme:- "The Research Project on the Perception of Poverty adds evidence to the findings of the Projects and the experts' reports on this question.

-About half the population believes that poverty does not exist in their community.

-While some of the non-poor who accept that poverty exists recognise that the main cause of poverty lies in the failings of society a substantial minority attribute poverty to individual failings.

"The poor are generally dispersed and not organised as a sectional interest. They must in the main rely on attracting the support of the non-poor to assert their rights to a fair share of society's resources. Public ignorance of poverty, the attitudes of many of the non-poor combined with the impotence of the poor themselves can too often lead to a lack of public support for anti-poverty policy".

The findings of the survey suggesting that a significant minority see the poor as deviant and un-deserving can perhaps be attributed to the structure of European societies. "Social Theory and Social Policy 1971" (author: Robert Pinker) puts it well:- "In times and places where the values of the economic market are dominant poverty has always been the most frequently and heavily penalised form of deviance".

The Commission itself recognises this factor in the final report on the first programme when at page 135 in commenting upon the existence of

poverty and disadvantage throughout the community it states:-

"It results from the whole pattern of social and economic stratification which characterises European society and from the inadequate development of many anti-poverty policies".

(f) Page 134 of the Commission's final report states:-

"Poverty still exists and is even increasing in all member states. It affects some people for parts of their lives and some others for most of their lives. It takes varying forms in different states but no state can yet claim to have eliminated it".

(g) Both Espoir (European Special Programme - Observation, Information and Research) which evaluated the first programme and the Commission in its final report recognised that the first programme was not without imperfections. Both organisations point to the ad-hoc selection of initial projects and a lack of overall coherence. . . . But at page 139 the Commission's report points out:- "what the programme has begun to achieve in its first five years is the development of a European Community of project workers, and research workers who are aware of each others work."

An undoubted body of expertise and knowledge has been developed which has carried on informally in the form of Escap, the UK Forum on Poverty etc. In the absence of a further programme the European dimension will be lost.

(h) Pages 142 - 144 of the Commission's final report identify actions which need to be taken at National level. These include principally:-

- (i) Measures to reduce unemployment;
- (ii) Measures to reduce regional disparity;
- (iii) Measures toward an effective minimum income;
- (iv) The development of social insurance or the equivalent to reduce the scope of social assistance;
- (v) Re-examination of methods of financing social security so that social insurance contributions do not create poverty;
- (vi) Strengthening of programmes designed to combat work related poverty by the establishment and enforcement of minimum working conditions;
- (vii) The reorientation of educational priorities including adult literacy campaigns;

- (viii) The reorientation of housing policies to eliminate unfit housing;
- (viiii) The systematic elimination from major social programmes of methods of organisation and rules which have the effect of reducing its potential benefits of the programme for the poor.

It must be recognised that much can be done at national level to combat unemployment and reorganise stigmatising and alienating aid structures.

(i) At page 149 the Commission's final report states:-

"All community policies need to take specific account of their effects on poverty. The financial instruments, particularly the Regional Fund but also the Social Fund, EAGGF and the Investment Bank need to be given greater financial strength with the explicit aim of combatting poverty".

(j) The Commission recognises the existence of a Community dimension over and above the efforts which can be made to tackle poverty at national level and through existing community instruments. At page 138:-

"What has emerged clearly from the experience of the last 5 years is how little those working to help the poor knew about the experiences of those engaged in similar activities in other member states..... The various conferences and seminars associated with the poverty programme have been useful in establishing contacts and sharing information. Even more useful have been the visits which took place of project workers to similar projects in other countries. These visits were financed from a variety of sources of funds. Such visits need to be promoted more systematically in the future to promote a better exchange of operating methods and experience."

At page 152 "All the reports of the national experts have highlighted the inadequacies of the existing statistics the Commission needs to initiate action to collect comparable data on the poverty situation in Member States on a regular basis".

Also on page 152 "An anti poverty clearing house needs to be established for the Community to promote and disseminate experience on efforts to combat poverty".

These aims are summarised on page 141 which lists the lessons of the first programme:-

First a further programme of projects and studies needs to be built around common aims to deal with maximum values.

Second systematic arrangements are needed to secure the interchange of knowledge and to transfer innovative approaches between member states.

Third a further programme needs the stability of funding for a period of not less than five years.

Fourth, a further ^{/programm} needs to introduce a specific category of project combining research and action with a clear requirement for quantitative evaluations.

Fifth, a new criterion should be introduced for selection of projects the cost-effectiveness of the method of helping the poor.

Sixth, a concerted effort needs to be made at the level of the Community as well as in member states to collect adequate and comparable statistics in each dimension of poverty so that progress in combatting it can be monitored on a regular basis.

Specific items raised in the Motion for a Resolution

1. Anti-poverty clearing house The Commission sees the main functions of such a clearing house as including the following:-

- (i) To collect information about anti-poverty projects throughout the Community and disseminate this information;
- (ii) To maintain a library of research studies on poverty for the use of research workers and project leaders;
- (iii) To sponsor seminars for poverty research workers and for the leaders of projects in particular fields of action against poverty;
- (iv) To finance visits of project leaders to comparable projects in other parts of the Communities;
- (v) To create an infrastructure for poor persons organisations.

2. Projects

In 1981/2, the Commission undertook a study of the obstacles and difficulties encountered by the projects in the first programme, "Strategies and obstacles in the European Poverty Programme", and the lessons that may be drawn for the future.

This report recommended that in future programmes:

1. what is needed is multi-national teams of projects tackling similar problems and engaged in the collaborative adaptation of the strategies which they individually develop. It is by this new form of cross-national action-research that practical skills and knowledge which can be used for combatting poverty can best be developed, tested, exchanged and diffused.

2. Each cross-national project should not work in isolation but should be linked (formally and informally) in each country to
 - local groups of disadvantaged people
 - local and national voluntary organisations
 - local and national government
 - the social partners
 - the organs of public opinion and the mass media
 - social researchers

3. Duration of Funding

The Commission states at page 139 of the Final Report "any new programme of projects needs an expectation of funding for a full five-year period".

CONCLUSION

To repeat a quotation from page 135 of the Commission's Final Report:-

"It (widely dispersed poverty) results from the whole pattern of social and economic stratification which characterises European Society and the inadequate development of the many anti-poverty policies".

This quotation recognises that poverty is inherent in a capitalistic heirarchical class system where those who control the means of production and thereby, the main resource allocation structures and mechanisms, effectively conspire to marginalise and exclude certain disadvantaged groups by ensuring that they have little chance -through lack of access- to resources - of escape or advancement.

To the extent that the economic crisis and rapidly worsening unemployment is increasing this process of marginalisation and exclusion the Community itself cannot be held blameless. Page 145 of the Commission's final report:-

"Some unemployment in the Community is partly or wholly due to the existence of the fundamental policies underlined in the Treaty of Rome. The Community has, therefore, a responsibility for alleviating the damage done."

Given the workings of the structure of our society and the tendency towards exclusion and marginalisation in times of crisis it is the duty of the Community to increase awareness of the meaning and causes of poverty and at the same time to create a framework which will allow the poor themselves a voice within the system.

The current crisis and mass unemployment has inflicted the suffering of stigma and dependence upon millions of individuals in the families affected. It cannot be denied that they are being pushed toward, and are pushing "traditionally" deprived groups even further beyond, the boundary which places them outside the main stream of life with little prospect of return.

MOTION FOR A RESOLUTION - DOCUMENT 1-1008/81

tabled by Mr LEZZI

pursuant to Rule 47 of the Rules of Procedure

on the report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty

The European Parliament,

- having regard to Article 118 of the Treaty establishing the EEC, which calls on the Commission to promote close cooperation between Member States in the social field,
 - having regard to the Report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty,
 - having regard to the gravity of the current economic crisis which is reflected in an unacceptable increase in unemployment,
 - whereas the economic crisis affects already disadvantaged categories (handicapped, unemployed, elderly, illiterate etc.) particularly badly,
 - whereas the Community has not provided adequate protection for the interests of these categories even in periods of economic growth,
 - whereas the figure of 30 million poor in the mid-1970's quoted by the Commission in its Report on poverty, which means more than 30 million in 1982, is unacceptable in a Community which is seeking to ensure social progress,
 - whereas the problem of poverty should figure amongst the priorities for Community action,
 - whereas, furthermore, it is the duty of the European Parliament to draw the attention of public opinion and of the other Community institutions to the scale of poverty in Europe,
 - considering that the proposals contained in the Commission's report call for a practical response.
1. Supports the conclusions of the Commission's report concerning the need to extend Community action in the campaign against poverty,

particularly as regards :

- the need to increase aid from the Social Fund, the EAGGF, the Regional Fund and the Investment Bank by restructuring the Community budget to set up programmes for the overall social and economic development of underdeveloped areas or areas in decline within the Community with the aim of tackling the problem of long-term unemployment and covering the fields of education and training, re-education, advice, aids to worker mobility, placement services and early retirement
 - the need to contribute to the financing of national campaigns to combat adult illiteracy, teach the local language to adult immigrants and deal with the special educational needs of their children
 - the need to introduce a minimum income in all the Member States
 - the creation of an anti-poverty compensation bank with the aim of building on the results obtained so far
 - the creation of new jobs and the sharing of existing work as the mainstay of the anti-poverty campaign;
2. Supports the work of the voluntary organizations which operate in the areas affected by poverty in assisting the groups concerned (handicapped, long-term unemployed, illiterate, drug addicts, former prisoners etc.) and to relieve poverty but considers that their action is inadequate in view of the gravity of the problem;
 3. Regrets the fact that after many years of studies and pilot schemes encouraged by the European Parliament, the Commission has not yet submitted specific proposals to the Council on the campaign against poverty;
 4. Invites the Council to place the Commission's report on the agenda of a forthcoming meeting of the Council of Ministers of Social Affairs and to inform Parliament of the action which it intends to take on this report;
 5. Considers that a campaign against the causes of poverty, designed to combat illiteracy and to improve the situation of the elderly, handicapped, unemployed and people in other under-privileged groups, can in itself provide a means for the creation of new jobs;
 6. Instructs its President to forward this resolution to the Commission and the Council.