



European  
Commission



Network of  
Independent Experts  
on Social Inclusion  
2012

Assessment of the implementation of the  
European Commission Recommendation on  
**active inclusion:**  
*A study of national policies*

January 2013

**SYNTHESIS REPORT**

This publication is supported by the European Community Programme for Employment and Social Solidarity (2007–2013).

This programme is managed by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the Europe 2020 Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

For more information see: <http://ec.europa.eu/progress>

Assessment of the implementation of the  
European Commission Recommendation on  
**active inclusion:**  
A study of national policies

HUGH FRAZER AND ERIC MARLIER  
NATIONAL UNIVERSITY OF IRELAND MAYNOOTH, CEPS/INSTEAD

## SYNTHESIS REPORT

**European Commission**

Directorate-General for Employment, Social Affairs and Inclusion  
Manuscript completed in January 2013

This publication has been prepared for the European Commission by



© Cover illustration: European Union

Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for use of any information contained in this publication.

Further information on the Network of Experts on Social Inclusion is available at:  
<http://ec.europa.eu/social/main.jsp?catId=1025&langId=en>.

*Europe Direct is a service to help you find answers  
to your questions about the European Union*

*Freephone number (\*):*

**00 800 6 7 8 9 10 11**

(\*) Certain mobile telephone operators do not allow access to 00 800 numbers  
or these calls may be billed.

More information on the European Union is available on the Internet (<http://europa.eu>).  
Cataloguing data can be found at the end of this publication.

Luxembourg: Publications Office of the European Union, 2013

ISBN 978-92-79-28796-1

ISSN 1977-9232

doi: 10.2767/18362

© European Union, 2013

Reproduction is authorised provided the source is acknowledged.

# Table of contents

Preface	5
1. Summary, conclusions and suggestions	7
1.1 Summary	7
1.2 Conclusions and suggestions	12
2. Integrated comprehensive strategies	17
2.1 Comprehensive and integrated policy design	18
2.2 Integrated implementation	27
2.3 Vertical policy coordination	29
2.4 Active participation of relevant actors	30
3. Description and assessment of measures introduced or planned under the three strands	35
3.1 Adequate income support	35
3.2 Inclusive labour markets	41
3.3 Access to quality services	52
4. Financial Resources	57
4.1 National resources	57
4.2 EU Structural Funds	58
5. Monitoring and evaluation	63
5.1 Involvement	65
5.2 Role of NRPs and NSRs	65
5.3 Social experimentation/innovation	66
6. The experts' recommendations	69
6.1 Developing national strategies	69
6.2 Priority actions at Member States level for each strand	76
6.3 Priority actions at EU level	85
7. Summary tables	89





## Preface

On 3 October 2008, the European Commission adopted a Recommendation on the active inclusion of people most excluded from the labour market, promoting a comprehensive strategy based on the integration of three key and equally important social policy pillars, namely: adequate income support, inclusive labour markets, and access to quality services. The active inclusion strategy has been endorsed by the European Union Council of Ministers (see Council Conclusions of 17 December 2008 on “Common active inclusion principles to combat poverty more effectively”) and by the European Parliament (see European Parliament Resolution of 6 May 2009 on the active inclusion of people excluded from the labour market [2008/2335(INI)]). The European Commission has announced an assessment of the implementation of the Recommendation by Member States in the second semester of 2012.

In this context, members of the European Network of Independent Experts on Social Inclusion were asked to prepare country reports on the implementation of the Active Inclusion Recommendation in their Member State. Their reports are intended to contribute to the European Commission’s overall assessment of the on-going work on the Recommendation’s implementation, to the preparation of the EU Social Protection Committee (SPC) annual report in winter 2012/2013 and to the preparation of the 2013 Annual Growth Survey.

In preparing their country reports, the experts focussed their assessments on three issues. First, the extent to which Member States have developed integrated comprehensive active inclusion strategies in line with the 2008 Recommendation. Secondly, the extent to which new or expanded measures have been introduced under each of the three strands since 2008. Thirdly, the impact and the cost effectiveness of the overall strategy and the individual strands in facilitating the integration into sustainable, quality employment for those who can work and providing resources which are sufficient to live in dignity, together with support for social participation, for those who cannot work.

This Synthesis Report has been produced by the Network Core Team (NCT) on the basis of the experts’ reports covering the 27 EU Member States. It starts with an analysis of the extent to which Member States have developed integrated comprehensive strategies. Then, it assesses how effective Member States have been in developing measures under each of the three strands. Next, it looks at the resourcing of active inclusion measures both by Member States and by EU Structural Funds and examines the arrangements in place to monitor their implementation. Finally, it synthesises the suggestions made by the experts to strengthen the implementation of the Active Inclusion Recommendation at both national and EU levels. The report begins with a summary of the main findings of the independent experts’ country analyses and, drawing on these analyses and the NCT’s overall assessment, it puts forward a series of concrete suggestions for advancing the implementation of the Active Inclusion Recommendation.

---

We want to emphasise that in this Synthesis Report, where the experience in one or more individual Member States is highlighted, this is either because the independent experts from these countries have emphasised the particular point or because we think they represent a good illustration of the issue under discussion. Consequently, the fact that a particular country is mentioned does not necessarily mean that the point being made does not apply to other countries. In producing their reports, experts cite many different sources and reports in support of their analysis. References to these have not been included in this report. Readers wishing to follow up the original sources are invited to go to the individual experts' reports.



# 1. Summary, conclusions and suggestions

## 1.1 Summary

### 1.1.1 Few integrated comprehensive strategies

Since the adoption of the European Commission Recommendation on Active Inclusion in 2008, the development and implementation of integrated comprehensive strategies for the active inclusion of people excluded from the labour market which combine, in a balanced way, adequate income support, inclusive labour markets and access to quality services has been quite limited according to the country analyses carried out by the European Network of Independent Experts on Social Inclusion. While there has been progress in some Member States, this is often uneven and partial. Overall, there is still a long way to go to for the effective implementation of the Recommendation across the EU. Somewhat more progress has been made in designing and implementing active inclusion measures for those who can work than for those who cannot work.

Even where there are significant elements of a comprehensive active inclusion approach, this is not necessarily related to the Recommendation. It is also evident that the approach to active inclusion has changed in many countries over the period 2008 to 2012. As the impact of the economic and financial crisis has deepened and as an increased emphasis has been put on financial consolidation and austerity measures, resources have become tighter and the approach has tended to become (even) more unbalanced. A significant factor in many countries which has limited the implementation of an active inclusion approach has been the introduction of austerity measures in response to the economic and financial crisis.

A fully comprehensive policy design which defines the right mix of the three strands of the active inclusion strategy, taking account of their joint impact on the social and economic integration of disadvantaged people and their possible interrelationships, including synergies and trade-offs, is only evident in seven Member States (DK, FI, FR, MT, NL, PL, SE) for those who can work and in just three Member States (DK, NL, SI) for those who cannot. However, for both groups there is something to build on as fourteen Member States are assessed by Network experts as having some elements of comprehensive policy design for those who can work and for those who cannot work. While only five Member States (EE, EL, IT, LV, LT) are deemed to have no comprehensive policy design for those who can work, this is missing for as many as ten Member States (BE, DE, EE, EL, IE, IT, LV, LT, PL, SE) for those who cannot work. Overall, the much weaker application of active inclusion policies to those who cannot work is striking and is related to the excessively dominant and narrow focus on work as the solution to social exclusion and poverty issues. (See Table 7.1)

The most common weakness is that, while some elements of all strands are often present, many Member States' strategies tend to be imbalanced. Often far greater attention is given to the inclusive labour market strand, and in particular to activation measures, than to the adequate income support and access to quality services. The unbalanced approach often seems to reflect a lack of understanding amongst policy makers as to what the term active inclusion means. Thus, while the phrase "active inclusion" increasingly appears in

policy documents, in fact in practice it is mostly being interpreted simply as labour market activation. A second common weakness is the lack of an integrated approach to the design and implementation of strategies in many Member States. While most Member States to a greater or lesser degree include some elements of each of the three strands of active inclusion, in most cases the different strands have been set out more or less independently. Very often there is little apparent attention given to the mutually reinforcing effects of the three strands and to reinforce these potential interactions.

### 1.1.2 Weak implementation

Integrated implementation across the three strands of the active inclusion strategy to effectively address the multifaceted causes of poverty and social exclusion and to enhance coordination between public agencies and services which contribute to delivering active inclusion policies has been quite limited. Only six Member States (BE, DK, FR, MT, SI, SE) in the case of those who can work and three (LU, MT, SI) in the case of those who cannot are deemed by the experts to have developed effective systems for integrated implementation of active inclusion policies. However, in both instances thirteen countries have developed some elements of integrated implementation. Yet, just eight (EE, EL, ES, IT, LV, LT, PL, SK) in the case of those who can work and ten in relation to those who cannot work (BG, DE, EE, EL, ES, LV, LT, PL, SK, SE) have no system of integrated implementation. The main barrier to integrated implementation of active inclusion is the fragmentation of responsibilities across different ministries and agencies and the lack of effective coordinating mechanisms. Another problem is that integrated national plans are often not implemented consistently at local or regional level.

8

Implementation is often adversely affected by the lack of effective vertical coordination arrangements. The extent to which there is effective policy coordination among local, regional, national (and EU) authorities in the light of their particular roles, competences and priorities varies significantly across countries. There are five countries (BE, DK, FI, LU, NL) that are assessed as having such coordination arrangements in place for active inclusion measures for both those who can and for those who cannot work. However, many countries, fifteen in the case of measures for those who can work and twelve for those who cannot work, have some elements of vertical policy coordination. On the other hand, there are six countries where no such effective coordination exists (EE, EL, FR, HU, LT, PT) in the case of policies for those who can work and nine (DE, EE, EL, FR, HU, IE, LT, PL, PT) for those who cannot work.

### 1.1.3 Limited participation

The European Commission Recommendation envisaged that all relevant actors (including those affected by poverty and social exclusion, the social partners, non-governmental organisations [NGOs] and service providers) would actively participate in the development, implementation and evaluation of active inclusion strategies. In most Member States, there has been some degree of active participation and, in the case of strategies for those who can work, nine countries (BE, BG, DK, ES, FI, LU, NL, SI, SE) are assessed as fully achieving such participation, though this falls to six (BE, CY, DK, FI, NL, SI) for those who cannot work. There are five countries (EE, EL, HU, IE, LT) where the active participation of relevant actors in developing active inclusion policies for those who can work has not at all been evident and six (DE, EE, EL, HU, IE, LT) in the case of those who cannot work.



In several countries (e.g. BE, BG, CY, CZ, DK, ES, FI, FR, LV, LU, MT, NL, PL, SI), experts point to improvements since 2008 and in some cases to quite well developed structures which are in place to enable the active participation of relevant actors in the development of active inclusion (and other anti-poverty) measures. However, in some countries (e.g. EL, IE) the situation seems to be getting worse.

#### 1.1.4 Adequate income support

Only seven Member States (AT, CY, DK, FI, FR, LU, SI) in the case of those who can work and six (AT, DK, FI, FR, LU, SI) in the case of those who cannot are considered to have strengthened measures since 2008 to recognise the individual's basic right to resources and social assistance sufficient to lead a life that is compatible with human dignity as part of a comprehensive, consistent drive to combat poverty and social exclusion. In eight cases, support has remained much the same for those who can work (BG, DE, EE, ES, IT, MT, NL, PL) as well as for those who cannot work (BE, CY, DE, EE, EL, MT, NL, SK). Very worryingly, this means that in (almost half of the Member States (the remaining ones) the experts assess that policies/measures have been weakened since 2008. In most Member States there is little evidence of progress being made to ensure that resources are adequate. Only a few countries have made significant efforts to improve their benefits systems and ensure the adequacy of benefits since the adoption of the Active Inclusion Recommendation. In many countries, experts highlight that there has been increased conditionality and a failure to up-grade social protection payments sufficiently to ensure an adequate minimum income. However, at the same time many stress that social protection payments continue to play a key role in reducing the severity of poverty and a few (e.g. AT, DK, FR, LU, SI) highlight interesting examples of efforts to strengthen systems. (See Table 7.2)

In several Member States (e.g. AT, IT, SI, UK), experts highlight significant efforts that have been made to ensure that provision of resources is linked to activation. Put differently, the right to sufficient resources is combined with active availability for work or for vocational training for those who can work or is subject, where appropriate, to economic and social integration measures in the case of other persons; and it is combined with policies at national level, for the economic and social integration of those concerned. In several countries, experts point out that linking to resources to activation has actually had a negative effect by treating restrictions and increased conditionality in benefits in itself as an "activation" measure. Also, in several Member States experts (e.g. BE, CZ, LV, LT, SI, SE) highlight measures that have been taken to ensure that an incentive to seek employment for persons whose condition renders them fit for work has been safeguarded and to make work more financially appealing.

#### 1.1.5 Inclusive labour markets

The area in which active inclusion policies/measures taken since 2008 have most frequently been strengthened is in relation to ensuring that persons whose condition renders them fit for work receive effective help to enter or re-enter and stay in employment that corresponds to their work capacity. Measures for those who can work have been strengthened in twelve Member States (AT, DE, DK, EE, EL, ES, FI, HU, IE, MT, NL, SI). However, in eight countries (BG, CZ, FR, LU, PL, PT, SK, UK) measures have weakened. In some countries, experts consider that activation measures have not sufficiently focussed on those most distant from the labour market.

There are many examples of countries expanding and increasing investment in human capital measures since 2008. The following are the most common approaches highlighted by the national experts: adapting education and training systems to better link education and employment and enhancing qualifications; tackling early school leaving; increasing targeting of vulnerable groups; and developing personalised and tailored services at local level.

Several Member States (e.g. BE, FI, FR, PL, SI) have introduced measures to prevent people losing touch with the labour market such as immediate and extensive guidance in order to reintegrate the unemployed into the labour market as soon as possible. Several have also taken steps to increase the incentives to take up employment and to overcome welfare traps through a combination of increasing the conditionality of benefits, reducing high marginal effective tax rates and raising low wages. However, there are two criticisms often made of this approach. First, sometimes increased pressure to take up employment can force people into low paid and poor quality employment. Secondly, too narrow a focus on employment and the avoidance of welfare traps can result in the income position of those who are not able to work being further eroded and can contribute to a failure to provide an adequate level of social protection.

Several experts (AT, BE, CZ, ES, FI, FR, SI) highlight efforts being made by their countries to expand the social economy and to develop sheltered employment opportunities as a way of creating more opportunities for those distant from the labour market.

A common criticism made by some experts is that there is an over concentration on supply side measures at a time when not many jobs are available and that more needs to be done to increase the availability of jobs. Only a few experts (e.g. DK) identify significant efforts to tackle labour market segmentation, ensure quality jobs and promote job retention and advancement.

### 1.1.6 Access to quality services

In only a small number of Member States (six in the case of those who can work [AT, BE, EE, DE, LU, MT] and four in the case of those who cannot work [BE, EE, LU, MT]) have steps been taken since 2008 which have strengthened services overall which are essential to supporting active social and economic inclusion policies, including social assistance services, employment and training services, housing support and social housing, childcare, long-term care services and health services. In many Member States, services have not changed significantly. However, in nine Member States (CZ, EL, IE, IT, LV, PT, RO, SK, UK) experts consider they have, overall, weakened – for both those who can and cannot work.

Several experts (e.g. AT, BE, DK, LU, MT, PL) highlight efforts to increase the availability and accessibility of services and some (e.g. CZ, MT) highlight efforts to improve the quality of services, in particular by investing in human capital and improving working conditions. However, some (e.g. BG) highlight the failure to develop comprehensive and coordinated services which are delivered in an integrated way.



### 1.1.7 Financial resources

In many countries, the lack of a clearly defined active inclusion strategy makes it difficult to assess the overall cost of implementing active inclusion strategies and the extent to which the necessary steps have been taken to ensure that the strategies have been underpinned by the provision of the necessary resources from the national budget. Only a few experts have been able to assess the sustainability and adequacy of funding provided. In general, it would seem that the adequacy of funding is more evident for the inclusive labour market pillar. A key issue is the extent to which the national authorities have been able, in a period of economic and budgetary constraints, to strike the right balance between work incentives, poverty prevention and alleviation, and sustainable budgetary costs. Many experts (e.g. CZ, IE, NL, RO) stress that the effect of the financial crisis is leading to reduced budgets for active inclusion measures in many countries and to restrictions in services.

Many experts (e.g. AT, BE, BG, CY, CZ, DE, EL, ES, FI, HU, IT, LV, LT, MT, NL, PL, RO, SI, SK) stress that EU Structural Funds have played a critical role in the development of active inclusion measures in many countries. However, they tend to have been used more to support the inclusive labour market strand than to support the development and implementation of an integrated comprehensive active inclusion strategy. They tend to be predominantly used to support intensive guidance for people who are socially excluded on the one hand and on actions aimed at helping the most vulnerable groups (such as young people, single parents and immigrants) on the other hand.

### 1.1.8 Monitoring and evaluation

In only a few countries are arrangements in place to monitor and evaluate the implementation of the Active Inclusion Recommendation and the impact of the measures that have been introduced in this context. More commonly there may be some evaluations of individual schemes but an evaluation of interactions between the three pillars is largely missing. The extent to which all relevant actors are involved in monitoring and evaluation arrangements varies widely but overall involvement has been quite limited. The role of the National Reform Programmes (NRPs) as well as the National Social Reports (NSRs) in the monitoring and evaluation of active inclusion strategies has been very limited. Where there has been an impact this tends to be more evident in relation to the inclusive labour market strand. Very few experts (e.g. SI) provide positive examples of the impact of the NRPs and NSRs on monitoring and evaluation. Also, there is only very limited evidence (e.g. NL, SI) of the use of social experimentation/innovation in the development of active inclusion measures.

### 1.1.9 Experts' recommendations

Experts identify quite a wide range of actions that Member States should take to strengthen or to develop integrated comprehensive active inclusion strategies. The six areas most frequently suggested are: the need to put arrangements in place to draw up an integrated strategy; increasing coordination between strands; developing a more balanced approach to the three strands; enhancing monitoring, evaluation and research (including in the field of social impact assessments); increasing the participation of stakeholders in the process and improve its governance; and focusing initially on specific areas or groups.

In relation to the adequate income strand, by far the most common area that experts prioritise for action is strengthening social protection systems and, in particular, ensuring that benefit levels are adequate to live life with dignity. In relation to inclusive labour markets, the most frequent recommendations relate to improving the quality of employment and support services, better targeting of particular groups, increasing access to jobs, improving the quality of work, countering in-work poverty and developing the social economy. In relation to ensuring access to quality services, the most common recommendations focus on two things: raising the quality and accessibility of services and better targeting the most vulnerable groups.

Experts recommend a wide range of actions that they think could usefully be taken at EU level to enhance the implementation of the Active Inclusion Recommendation by Member States. Three areas recur particularly frequently: the need for more rigorous assessment and reporting of the implementation of the Recommendation by Member States; the need to underpin the development of active inclusion strategies with more analysis and research; and the importance of enhancing the use of EU Structural Funds in support of active inclusion measures. Other areas suggested for EU-level action include: enhanced exchange and learning and awareness raising; ensuring that “bail out” packages take the Active Inclusion Recommendation into account; linking active inclusion more closely to the implementation of the Europe 2020 Strategy and to the development of Social Europe; and establishing an EU minimum income floor.

## 1.2 Conclusions and suggestions

12

The implementation of the 2008 Active Inclusion Recommendation has been extremely limited in most Member States. While there are significant examples of worthwhile measures being developed in particular areas, especially in relation to activation of the unemployed, integrated and comprehensive strategies built around the mutually reinforcing roles of each of the three strands are largely missing in most Member States.

Three main explanations for the lack of progress since 2008 are evident. First, and most importantly, the impact of the economic and financial crisis and the dominant focus on financial consolidation has undermined the commitment to improve income support and ensure access to services. Indeed, these areas have been some of the main casualties of austerity programmes. Related to this, the very rapid rise in unemployment has led to efforts to develop an inclusive labour market becoming the dominant strand in many countries. Too often the situation of those unable to work has taken a back seat. Secondly, many policy makers do not seem to have fully realised the integrated three stranded approach of active inclusion and have often confused “active inclusion” with “activation”. Thirdly, in some countries there appears to be a lack of (ideological) belief in the integrated nature of the active inclusion approach and, in particular, in the importance of ensuring an adequate income for all. The mutually reinforcing role of the three strands, which is at the heart of the active inclusion approach, is often not sufficiently recognised and, perhaps, not widely accepted. It would seem that many Member States have still to be convinced that improving income support and access to services is a necessary investment in achieving a more inclusive labour market and society. Indeed, the limited development of and sometimes cut backs in the adequate income and quality services strands in many Member States might



imply a tendency to see them as costs and barriers rather than as necessary prerequisites for achieving a smart and sustainable as well as an inclusive economy and society in the future.

For the above reasons, an active inclusion approach has been largely missing from the implementation of Europe 2020 and from the new economic governance arrangements. However, if the EU's economic, financial and social crisis (and, perhaps, political crisis) is to be successfully addressed and if the Europe 2020 targets are to be achieved, the effective implementation of the Active Inclusion Recommendation remains a necessity, not a luxury. In our view, this is primarily for three reasons. First, given the high level of unemployment and especially the growth in long-term and youth unemployment, it is vital that people do not become too distant from the labour market and too demoralised to be able to take advantage of job opportunities when they arise. This means ensuring that people have access to an adequate income and to support services so as to maintain their well-being and to ensure that they are physically and psychologically in a position to take advantage of training and education opportunities. This will ensure that they will have the skills and self-confidence necessary to access job opportunities when they do arise. Secondly, we know that many households affected by the current crisis have young children and that children growing up in poverty and social exclusion are less likely to reach their full potential and are more likely to drop out of school or leave school without good qualifications. They are thus less likely to contribute to their full potential to the development of society and the economy in the future. Thus, an active inclusion approach to supporting the well-being of families so that children grow up in households with an adequate income and with access to the services necessary for their development is key to ensuring a sustainable and inclusive economy in the future. Thirdly, it is also key to preventing an increased demand on income support and social services in the future and thus to reducing costs in the long term. For various reasons such as ill-health, disability, lack of skills, caring responsibilities or where they live some people will not be able to access jobs that can lift them out of poverty in the immediate future and in some cases in the long term. If EU poverty targets are to be reached and thus the goal of an inclusive society to be achieved it is vital that the income supports and services are in place to avoid them living in poverty and to enable them to participate as fully as possible in society.

The range of the Network experts' recommendations set out in Section 6 of this report provide a very practical and wide-ranging set of suggestions as to how the implementation of the Recommendation can be made much more effective and central to efforts to build a more inclusive and more social Europe. They respond directly to the specific implementation weaknesses which are identified in the body of the report.

Rather than repeat all the national level recommendations here we would just highlight eleven things we consider particularly important at European level if the ambitions of the Recommendation are to be progressed. These cover actions to put active inclusion more firmly at the centre of EU policy making (especially the Europe 2020 Strategy), to strengthen monitoring and reporting, to increase resources, to improve exchange and learning, and to strengthen involvement of stakeholders.

## Putting Active Inclusion at the centre of the EU Policy Processes

1. There needs to be a high level political restatement of both the European Commission's and EU Council of Ministers' commitment to executing the Active Inclusion Recommendation and to ensuring a balanced, integrated and comprehensive 3-pillar approach to its implementation. In particular, there is a need to reaffirm that ensuring both an adequate income and access to quality services for all are as important as ensuring access to the labour market for those who can work.
2. Active inclusion should be made a central part of the forthcoming European Commission Social (Investment) Package and should be a key element in the forthcoming European Commission Recommendation on child poverty and well-being.
3. Active inclusion needs to be more fully built into the Europe 2020 governance cycle. Thus, the Annual Growth Survey should set priorities each year in relation to active inclusion and Member States should be asked to report on the development of integrated and comprehensive strategies in their National Reform Programmes and National Social Reports.
4. A comprehensive and integrated active inclusion strategy should be made an integral part of "bail out" packages when they are agreed between the Troika and the Member States concerned. This would then become an integral part of the implementation and monitoring of the package.

### Enhancing monitoring and reporting

5. The European Commission and the EU Social Protection Committee (SPC) should agree a set of indicators for regularly monitoring and reporting on Member States' implementation of the Active Inclusion Recommendation as an integral part of their monitoring of the NRPs and NSRs. These indicators need to cover the three strands. In the light of this monitoring and reporting exercise the Commission should, as necessary, propose Country Specific Recommendations (CSRs) for strengthening active inclusion strategies and measures.
6. The European Commission could usefully cluster countries on the basis of their strengths and weaknesses in relation to various dimensions of active inclusion and use such clusters when assessing progress and when making CSRs. The identification of "clusters of active inclusion challenges" faced by Member States could then be used by the Commission and the SPC as a basis for enhanced mutual learning (including Peer Reviews).

### Resourcing active inclusion

7. Greater use should be made of Structural Funds to support comprehensive and integrated active inclusion strategies. Rather than support individual actions under the different strands, resources should first be devoted to supporting Member States to develop comprehensive strategies and then used to support particular measures that are integral to the overall strategy.



8. Given the particular weakness of the adequate income strand, further efforts should be devoted to agreeing criteria for establishing an adequate minimum income that could be used to monitor and benchmark Member States' performance in this regard. Under subsidiarity, such actions would need to be implemented by Member States but the EU as a whole could set the guidelines for the actions. Also, in the light of the increased centralisation of economic and financial governance in the EU, consideration should be given to how this can best be balanced with EU level support for social protection systems. Such a development could help poorer Member States to provide an adequate level of income support and could also help to strengthen the key role of social protection systems as economic stabilisers. In the first instance, the focus might be on helping Member States to ensure adequate unemployment benefits and a minimum income for all children.

### **Enhancing exchange and learning**

9. The SPC and the European Commission should consider developing a systematic programme for increasing awareness and understanding of the active inclusion approach amongst policy makers and should develop training and learning opportunities on how to develop integrated and comprehensive strategies. In doing so they should draw on the many examples of good practice that are documented in this report and in the experts' individual country reports.
10. To better understand the potential of a balanced approach to social inclusion, in-depth research needs to be carried out to assess how effective interactions between the three strands can be achieved.

### **Strengthening involvement of stakeholders**

11. The SPC and the European Commission should agree criteria which would be used to monitor and report on the involvement of stakeholders in the development, implementation and monitoring of active inclusion strategies.



## 2. Integrated comprehensive strategies

Since the adoption of the European Commission Recommendation on Active Inclusion in 2008, the development and implementation of integrated comprehensive strategies for the active inclusion of people excluded from the labour market which combine, in a balanced way, adequate income support, inclusive labour markets and access to quality services has been quite limited according to the country analyses carried out by the European Network of Independent Experts on Social Inclusion. While there has been progress in some Member States, this is often uneven and partial. Overall, there is still a long way to go to for the effective implementation of the Recommendation across the EU. Somewhat more progress has been made in designing and implementing active inclusion measures for those who can work than for those who cannot work.

Even where there are significant elements of a comprehensive active inclusion approach this is not necessarily related to the Recommendation. As the German expert comments, “In Germany, the European active inclusion strategy has never played an important role in the labour market and social policy debate. One reason is that the activation paradigm had already entered the German policy discourse in the second half of the nineties. While the Hartz reforms have been the major policy reform in the context of active inclusion in Germany, the activation approach was introduced step by step over the following years in other labour market and social policy areas. Since then, the concept of the ‘activating welfare state’ has become the leading paradigm of the German welfare state.” The Irish expert points out that the impetus for change in Ireland reflects in part a change of government and in part the impact of the European Union/ International Monetary Fund programme. She thus concludes that “It is difficult to attribute a strong role to the Recommendation in this, especially as the three-fold EU framing of active inclusion has still not taken hold in Ireland. Part of the reason for this is that there is no ‘owner’ or sponsor or driver of activation in the Irish administrative system.” Similarly, the Swedish expert stresses that “The policy implemented by the centre-right government that came into power in the autumn 2006 was largely formulated before the election. Thus, Sweden is not implementing EU policies; it is first and foremost a national policy agenda that is implemented. It is also important to understand that this agenda is driven by ideological beliefs; it is not a consequence of the economic crisis.” Rather similarly, the UK experts comment that “The government could be described as having a clear focus, rather than a comprehensive active inclusion strategy. Their central aim is to rebalance the economy away from public towards private sector employment, and to move households from ‘welfare dependency’ (claiming state benefits) to ‘self-reliance’.”

It is also evident that the approach to active inclusion has changed in many countries over the period 2008 to 2012. As the impact of the economic and financial crisis has deepened and as an increased emphasis has been put on financial consolidation and austerity measures, resources have become tighter and the approach has tended to become (even) more unbalanced. For instance, the Cypriot experts point out that “in general, the government has shown willingness to allocate national resources to promoting social objectives. Yet, the increasing fiscal deficit forced several cash transfers during 2011 to be reconsidered. The political agenda, until 2011, was primarily focused on fighting poverty and then on preserving work incentives; fiscal imbalance was not a particular concern. After 2011 the picture has been reversed, with national social policy objectives taking a back seat.” In Portugal,

the expert points out that “The first period (2008-2010) was clearly marked by an attempt to face the emerging effects of the economic crisis and several temporary measures were adopted, while the continuity of existing social action supports, employment support measures and access to services was ensured and in some cases strengthened. By contrast, the policy developments that occurred between late 2010 and 2012 are strongly shaped by the conditions agreed under the Memorandum of Understanding and by an almost exclusive concern to comply with the budget consolidation requirements. At the same time, the political shift made in 2011 would bring about a different ideological approach to the role of the State in the design and implementation of social policies.”

The variation in policy priorities over the period 2008-2012 is also evident in Slovakia where the expert points out that in the first half of 2008, new labour market measures were introduced to facilitate labour market re/entry of disadvantaged jobseekers. Then, in 2009, the emphasis was shifted to sustaining jobs of those who already had them. Since 2010-2011, “fighting the deficit has become the integrating principle of Slovak policy-making and in 2010 and 2011 the minimum income scheme was not indexed”. Similarly, the Spanish expert comments that “in many ways, the crisis of May 2010 prompted the change from a relatively favourable environment for active inclusion development to labour reform priority, which is being largely understood as the creation of incentives for companies to increase contracting and greater internal flexibility of companies, as well as easing dismissal and reducing the cost thereof.” In Italy, the expert comments that “considering the full period between 2008 and 2012, different policy visions (i.e. long-term perspectives) create a situation characterised by a lack of comprehensive design (i.e. medium-term strategies), scarce integration between policy fields (i.e. short-term synergies), and a confused mix of the three strands of the active inclusion strategy (i.e. actual national courses of action)”.

A significant factor in many countries which has limited the implementation of an active inclusion approach has been the introduction of austerity measures in response to the economic and financial crisis. For instance, the Italian expert comments that “As an effect of the austerity measures taken to face the on-going economic crisis, resources were reduced in critical policy fields such as human capital and social economy development. Austerity packages reduced social security protection and public services expenditure, jeopardised the capacity of local authorities to provide essential services to their citizens and aggravated regional inequalities in the availability of and access to quality services. A significant reduction in national funds devoted to social policies compromised local welfare systems.” Similarly, the Romanian expert comments that “on the background of the austerity measures, the initial progress in the direction of active inclusion and poverty reduction is put off by decreasing job opportunities, cuts in the social benefits and restricted access and cuts in services both in terms of ease of use and coverage”.

## 2.1 Comprehensive and integrated policy design

According to the independent experts’ analyses, a fully comprehensive policy design which defines the right mix of the three strands of the active inclusion strategy, taking account of their joint impact on the social and economic integration of disadvantaged people and their possible interrelationships, including synergies and trade-offs, is only evident in about a quarter of Member States (DK, FI, FR, MT, NL, PL, SE) for those who can work and in just three Member States (DK, NL, SI) for those who cannot. However, for both groups there is



something to build on as just over half of Member States have some elements of comprehensive policy design. While only five Member States (EE, EL, IT, LV, LT) are deemed to have no comprehensive policy design for those who can work this is missing for over a third of Member States (BE, DE, EE, EL, IE, IT, LV, LT, PL, SE) for those who cannot work. (see Table 2.1)

**Table 2.1: Individual experts’ assessment of the extent to which an integrated comprehensive policy design has been developed in their Member State**

	Yes	Somewhat	No
<b>For those who can work</b>	DK, FI, FR, MT, NL, PL, SE	AT, BE, BG, CY, CZ, DE, ES, HU, IE, LU, PT, RO, SI, SK, UK	EE, EL, IT, LT, LV
<b>For those who cannot work</b>	DK, NL, SI	AT, BG, CY, CZ, ES, FI, FR, HU, LU, MT, PT, RO, SK, UK	BE, DE, EE, EL, IE, IT, LT, LV, PL, SE

Overall, the much weaker application of active inclusion policies to those who cannot work is striking and is related to the excessively dominant and narrow focus on work as the solution to social exclusion and poverty issues. For instance, the Swedish expert comments that “The most serious flaw in the current policy is that the government, even though they are gradually forced to rethink this position, seem to believe that everyone can, if given enough support and coaching, find an employment (or become self-employed). Hence, the government do not have an integrated policy about how to provide a decent living, including decent incomes, for people that are unable to support themselves via the labour market. The current policy continues to deepen the economic divide between those who are fully integrated in the labour market and those who are excluded from the labour market.”

### 2.1.1 Examples of good practice

In the relatively small numbers of countries with a comprehensive policy design experts highlight some interesting examples of good practice. For instance:

- in Finland, the three topics of adequate income support, inclusive labour markets and access to quality services are each considered and are part of the policy portfolio, but inclusion to labour markets is seen as the primary goal. A comprehensive approach is evident in the action programme for reducing social exclusion which launched in early 2012 and covers a range of issues such as: strengthening equality between different population groups; promoting health by reducing health inequalities; prevention of work and labour market disadvantage; improving the position of low-income groups; reducing exclusion of children and the young; reforming the social and health services; improving the effectiveness of NGOs’ work; and legislative projects;
- in France, although active inclusion is not an explicit part of government policy, the three strands of active inclusion are found in the strategy and the instruments of French policy: means-tested benefits, with the introduction of the Revenu de Solidarité



Active (RSA, i.e. active solidarity income), a labour market with a major commitment to increasing employment, and the provision of a wide range of services;

- in Malta, the 2008 National Action Programme on Social Inclusion promoted an integrated active inclusion strategy based on three pillars: adequate income support by undertaking a review of the social security system and providing measures to increase solidarity; access to inclusive labour markets through instituting measures aimed at increasing the overall employment rate and facilitating the entry of women and vulnerable groups into the labour market; and access to quality social services by strengthening measures to enhance work life balance, reduce burdensome procedures and enhance the effectiveness and quality of its social welfare services. The 2011 NRP was even more focused and provided for specific measures to target social inclusion, and dedicated Part 3 to a thematic coordination of the targets. The 2012 NRP further consolidates this approach;
- in the Netherlands, labour market participation is considered to be the key to preventing poverty and social exclusion. Dutch strategies, both before and after the 2008 Recommendations, thus focused on increasing employment and employability. The new and expanded active inclusion strategies (introduced after the 2008 Recommendation) aim to increase the labour market participation and working hours of women, the (partially) disabled and the long-term unemployed, for example. The Dutch minimum income scheme can be considered to be an integrated approach. The Dutch minimum income scheme not only determines the conditions and levels of social benefits but also includes assistance for exceptional expenses, reintegration facilities and subsidised work.

### 2.1.2 Some signs of progress

Although a fully comprehensive and balanced approach to active inclusion is still to be achieved by most Member States, several experts do report signs of progress in this direction. For instance:

- Belgium, in its 2011 NRP, puts forward active inclusion as one of the three key priorities in the field of social inclusion. During the preparation of the 2012 NRP, the anticipated formulation of specific sub-targets for each key priority was extensively discussed. The idea was eventually abandoned due to fears for (the possibility of) future sanctions from the EU if sub-targets are not achieved. Furthermore, active inclusion was also included as a key objective in the 2012 policy note of the State Secretary responsible for the coordination of anti-poverty policy. In the 2012 National Social Report (NSR), which was only recently presented, an entire chapter was dedicated to the global strategic approach with an efficient and effective social security system, an enhancement of the employment rate and the transfer of policy domains to the Regions as a consequence of the sixth state reform as being the main priorities. This chapter treated all three stands of the active inclusion strategy as mutually reinforcing and thus not as independent domains as was the case before. Also in Belgium, there is a positive evolution towards a more integrated, comprehensive active inclusion strategy on the Regional levels (see Box 2.1);



### **Box 2.1: Comprehensive approaches at regional level in Belgium**

Flanders is currently developing an integrated policy framework W<sup>2</sup> (work-welfare) that also focuses on people who are not able to participate in the labour market. This will lead to the anchoring of the collaboration between the policy domains Work, Social Economy and Welfare, with the perspective to optimising labour market participation while taking into account other needs as well;

The Walloon Marshall Plan 2 focuses on education and training, particularly on qualification through work based learning, including multi-dimensional pathways for the most vulnerable young people;

In Brussels, the Poverty Reduction Policy Paper offers a comprehensive approach with strategic targets covering the three pillars of active inclusion. These targets range from the enhancement of the lowest incomes, over employment (with a particular emphasis on vulnerable groups), to measures aimed at providing adequate social housing facilities.

(Source: Belgian experts' report)

- In the Czech Republic, while the designing of policies in a number of public policy areas is characterised by a relatively strong departmentalism, interconnectivity in addressing active inclusion has, in some respects, been improved. At the conceptual and programme level, conceptual documents are gradually being developed and have addressed the issue of interconnectivity, for instance in relation to active inclusion. These reflect its links with other dimensions of social inclusion, as well as other dimensions of public policy. These are, above all, the National Reform Programme, and also the Vision by the Department of Labour and Social Affairs for Social Inclusion towards 2020, the Strategy to Combat Social Exclusion 2011-2015 and others. As a result, greater account is being taken of a broader range of policies concerning active inclusion during the implementation of measures, which can be seen, for example, in the area of social services – in the process of designing and implementing the Regional Plans for Development of Social Services;
- In Estonia, while an integrated comprehensive strategy has not yet been designed, a quite integrated and comprehensive approach to the active inclusion of people excluded from the labour market was typical of reforms, measures and activities introduced since 2008 under each of the three strands. The service oriented approach in the field of social protection and social inclusion with the main emphasis on the quality labour market, education and social welfare services has been quite successfully carried out in Estonia since 2008. However, the individual's basic right to resources and social assistance sufficient to lead a life that would be compatible with human dignity is not guaranteed;
- In Germany, while the federal governments have not been willing and able to design a comprehensive strategy for the fight against poverty in general, or for an active inclusion strategy in particular, there is more or less close interaction between social protec-

tion, labour market integration and quality service measures in areas such as active inclusion policies for long-term unemployed people, the active inclusion of migrants in the context of a national integration strategy, the active inclusion of elderly workers in the context of an age-appropriate working environment, the reconciliation of family and professional life in the context of the “new family policy”;

- In Italy, a revamped multi-dimensional approach to foster an integrated implementation of social inclusion, employment and development measures at a territorial level was evident in the 2007–2013 National Strategic Reference Framework concerning the utilisation of the EU Structural Funds (NSRF). The NSRF experimented with mechanisms aimed at integrating social inclusion priorities in growth policies. A national strategic group and thematic inter-institutional working groups were established to enhance cooperation between central and regional administrations. Institutional and socio-economic partnerships were created to foster integrated implementation of policy measures. However, the NSRF example remained quite isolated in the national scenario;
- In Poland, the expert comments that, although neither a single comprehensive strategy covering at once all three strands of active inclusion specified by the EC has been drafted nor has satisfactory balancing of the three strands been achieved, nevertheless, the improvement of the comprehensive approach is visible: (i) strategic documents quite often integrate more than one strand of active inclusion; (ii) implementation of the three-strand policies has intensified (iii) awareness of the need to develop more comprehensive approach has increased;
- Ireland could be said to be on the way to designing and putting in place a strategy for the active inclusion of people excluded from the labour market. However, this is somewhat one-dimensional as it is being spearheaded by (and largely limited to) a reform of the activation-oriented services (principally job search, placement, training provision);
- In Luxembourg, while there is no formally titled integrated active inclusion strategy, many policy changes in different domains during recent years go in the direction of the European recommendation on Active Inclusion and its 2012 National Reform Programme and National Social Report Luxembourg the government claims to have an active inclusion policy in the framework of the social protection and assistance system linked to the minimum income scheme;
- In Portugal, the only area in which it is possible to identify a comprehensive policy design and an effort for an integrated implementation encompassing the three pillars and aiming at reinforcing synergies between them is the implementation of the Guaranteed Minimum Income (at present the Social Insertion Income) which was introduced in 1996 but its implementation was reoriented with the launch of the Strategy for Active Inclusion in 2007 (see Box 2.2). However, the change of government in 2011 and the piecemeal implementation of the Strategy have put this positive development at serious risk;



### Box 2.2: Portuguese Strategy for Active Inclusion

The launching in 2007 of the Strategy for Active Inclusion was a positive national development in the re-orientation of the implementation of the Guaranteed Minimum Income (at present the Social Insertion Income) towards its initial goals and principles at a time when the benefit component of the Programme had reached a stable threshold and a consolidation status within the solidarity regime of benefits, in spite of the very low levels of income it provided.

The Strategy focused on three insertion dimensions:

1. a priority intervention addressed at families with children and young people in order to ensure access to health care, social equipment and support, qualified school trajectories and support to family life;
2. intervention in the mediation process regarding the professional insertion of the beneficiaries, ensuring the development of skills and of the personal, social and relational capacities necessary for and previous to professional integration; the definition of personalised job plans, and a continued monitoring process of the beneficiaries' trajectories;
3. a participated intervention in the accompanying process of the families ensuring a personalised and systematic following of the families through their autonomisation trajectory, the responsabilisation and participation of all the relevant social local partners and the building up of insertion trajectories directly involving the civil society.

The Strategy for Active Inclusion was therefore aiming at strongly increasing the number of families with access to an agreed Insertion Programme, to ensure more continuous and closer accompanying procedures regarding the beneficiary families, and also a more personalised and adequate insertion programmes.

This new strategy gave a reinforced focus on a more integrated intervention of the social security services and local employment centres and a stronger cooperation with social solidarity institutions, namely through the reinforcement of their role in the Social Insertion Income protocols.

(Source: Portuguese experts' report)

- In Romania, social policy making is more and more taking into consideration the principles of active inclusion translated into the development of wide-ranging policy measures addressing the disadvantaged groups. The policy design for active inclusion places emphasis on the balance between flexibility of the labour market and security of employment and social position of people. The recently adopted Labour Code (Law 40/2011, updated version of Law 53/2003) covers some main aspects including: flexible and reliable contractual arrangements comprehensive lifelong learning strategies to ensure the adaptability and employability of workers, particularly the most vulner-



able; social security system that provides income support encourages employment and facilitates labour market mobility. This includes coverage of social protection provisions (unemployment benefits, pensions and healthcare) that help people combine work with private and family responsibilities such as childcare;

- In Spain, the 2011 NRP clearly supports the active inclusion of vulnerable and excluded groups and the fight against poverty. It highlights in particular detail the most vulnerable groups and also makes mention of employment and education challenges. However, the 2012 NRP is actually a step back in terms of active inclusion of vulnerable groups. The Annual Plan on Employment Policy 2012 mentions specific vulnerable groups: persons with special difficulties integrating in the labour market, particularly young people, with particular attention to those lacking training, women, the long-term unemployed, the over 45s, the disabled or socially excluded, and immigrants.

### 2.1.3 Unbalanced approach

The most common weakness is that, while some elements of all strands are often present many strategies tend to be imbalanced. Often far greater attention is given to the inclusive labour market strand, and in particular to activation measures, than to the adequate income support and access to quality services. As the Belgian experts comment, “The continued focus of Belgian policy makers on work as the best route out of poverty entailed that those who cannot work were not sufficiently taken into account. As regards the active inclusion strategy, it means that the minimum income and access to service pillars are overshadowed by the inclusive labour market strand.” Similarly, in the Czech Republic the expert concludes that “The strategy is not quite balanced with respect to the three strands: most emphasis is put on inclusive labour markets (in this case the work-first strategy aiming at getting people to work quickly by favouring conditionality of benefits and incentives rather than human resources development). Little emphasis is placed on adequate income support.” In Cyprus, the experts consider that “Cyprus has made progress towards labour market activation, but in a somewhat unbalanced way: far more is done for income support than bettering access to quality services. Furthermore, as the economic crisis continues the country will be fighting to regain its competitiveness and control the increasing fiscal deficit and public debt. Social needs are going to increase steeply while the capacity of the current social welfare system to meet these needs will be reduced.”

In Greece, the experts emphasise the lack of an overall strategy and report that “during the last three years, apart from an increase in the number and the strengthening of employment support and activation measures, no other measures have been taken by consecutive governments in relation to the three strands of active inclusion so as to ensure an adequate income support for those in need, while access to services (let alone to quality services) has been rather weakened. Neither any new universal measures/ initiatives have been implemented in order to protect the most vulnerable population groups from the crisis/ recession impacts.” In Hungary, the expert assesses that “Although not planned as an integrated strategy, elements belonging to the three strands are highlighted in policy documents; however, the successful implementation of proposed plans should be further enhanced. While especially work incentives and also the idea of making work pay is more emphasised, it goes parallel with a significant decrease in the value of income support and with the still significant labour market discrimination of certain groups (primarily women with small children, the Roma and older workers), while the planned improvement to increase the quality



and availability of services is not fully implemented yet.” The Irish expert, while reporting significant initiatives in the area of labour market activation, notes cuts in income support and the lack of attention to improving access to quality services with continuous cut-backs in essential services and she concludes that “hence, overall I could not say that Ireland has implemented the Recommendation in a balanced manner”.

The unbalanced approach to active inclusion is also evident in Latvia, where the expert assesses that “The government implements active inclusion within the social inclusion policy by rather one-sided and half-way measures; thus over-emphasising employment and almost ignoring the two other strands - income support and access to services. Likewise, quality employment for social exclusion risk groups is not emphasised.” Similarly, the Luxembourg expert comments that “The service pillar of the active inclusion policies as described in the 2012 NSR is somewhat underdeveloped and limits itself to social support by the Social Offices and the access to child care. It could be more comprehensive by including also education, housing and some health care issues (which are now developed separately). It seems to reflect a vision on Active Inclusion, where the pillars are not equally important, with the employment pillar highest in the hierarchy.” In Romania; the expert notes that “The focus goes on increasing employment opportunities among vulnerable groups while quality of employment, ensuring adequacy of income and access to social services are not sustained by specific targets or actions.” Likewise, in Spain the expert concludes that “the Active Inclusion Recommendation has been progressively but patchily adopted in Spain institutionally and politically speaking, whilst the dominant element is that referring to labour inclusion, the linkage thereof with the other two pillars being either weak (guarantee of appropriate income) or patchy (in the case of access to quality public services).” The Slovak expert emphasises that “Although the 2008–2010 National Report on Strategies of Social Protection and Social Inclusion and the 2008 National Reform programme targeted elements from all three active inclusion strands, they did not do it in the way that could be called comprehensive and balanced. Employment activation and inclusion had been always dominating. Access to public and social services seemed not to be dealt with in a coherent and well-considered way but rather as a summary of the policies already implemented or intended by ministries of the government that could have fitted under the active inclusion umbrella. The adequate (i.e. decent) income strand was the most neglected element in all strategic documents.” In Sweden, the expert states that “there is no Plan B about how to avoid poverty and social exclusion among those who lack realistic options to find employment. The lack of a plan B is in a way a consequence of the government’s more or less explicit definition of social exclusion: ‘social exclusion = not working’.” The UK experts comment that “the government’s active inclusion strategy focuses on welfare to work, and references to adequate/ generous income usually refer only to severely disabled/elderly people”.

The unbalanced approach often seems to reflect a lack of understanding amongst policy makers as to what the term active inclusion means. Thus, while the phrase “active inclusion” increasingly appears in policy documents, in fact in practice it is mostly being interpreted simply as labour market activation. This is well explained by the Greek experts when they write that the “lack of understanding of what the ‘term’ actually stands for, is being observed even among public officials in social policy related government departments – let alone in regional and local administrative bodies and services. It would not be an exaggeration to say that, on several occasions, the terms ‘Active inclusion’ or ‘Inclusive Labour Markets’ have been used to reflect merely ‘Active Labour Market Measures’.”

## 2.1.4 Lack of integrated policy making

A second common weakness is the lack of an integrated approach to the design and implementation of strategies in many Member States. While most Member States to a greater or lesser degree include some elements of each of the three strands of active inclusion in most cases, as the Belgian experts put it, “the different strands have been set out more or less independently”. Very often, there is little apparent attention given to the mutually reinforcing effects of the three strands and to reinforce these potential interactions. As the Austrian expert comments, Austria has “rather encompassing strategies and measures in all three policy strands” but “what is missing is an overall and comprehensive strategy which is based on a critical assessment of existing systems proactively dealing with the weaknesses and challenges of the major schemes established”. Similarly, the Greek experts explain that a partial explanation for the lack of integrated policy making “is the fact that responsibility for the different policy strands lies with various government departments and there are no institutional arrangements that would ensure, among other things, the necessary synergies and trade-offs”. The Irish expert likewise comments that “rather than an integrated approach, I would characterise the Irish approach as ‘cross-cutting’ in that it addresses often in the same process a number of policy areas, and undertakes administrative reform but this is not in the integrated way intended by the Recommendation”. The Latvian expert explains the lack of an integrated comprehensive strategy is the result of all active inclusion strands being developed as “autonomous strands of the policy where policy priorities and policy measures are more related to the configuration and capacity of the given sectoral ministry, available state and municipal funds, cooperation experience of the involved institutions, but not to the integrated comprehensive strategy”. The Lithuanian experts note that “Lithuania does not have any special integrated strategy assigned to implement the 2008 Recommendations on active inclusion. Each of the three strands of active inclusion was mentioned in one or another manner in the listed priority actions of both documents (i.e. the 2008-2010 National Report of Lithuania on Social Protection and Social Inclusion Strategies and the 2011 National Reform Programme). However, there are no ideas about their joint impact on the social and economic integration of disadvantaged people and their possible interrelationships, including synergies and trade-offs.” Likewise, the Portuguese expert assesses that “Portugal’s commitment towards the implementation of the principles embedded in the European Commission Recommendation on the active inclusion of people most excluded from the labour market has been translated into a set of measures and policy initiatives, rather than into an integrated comprehensive strategy”.

26

## 2.1.5 Little impact in some countries

Some experts consider that the European Commission Recommendation had little or no impact or even parallels in policy development in their countries. For instance, the Bulgarian experts conclude that “the messages of the recommendation have not been part of Bulgarian policies during the economic crisis either as a direct causal link or just by following compatible principles even without any reference to the recommendation”.



## 2.2 Integrated implementation

Integrated implementation across the three strands of the active inclusion strategy to effectively address the multifaceted causes of poverty and social exclusion and to enhance coordination between public agencies and services which contribute to delivering active inclusion policies has been quite limited (see Table 2.2). As the Austrian expert comments, “concerning the question of integration of implementation across different policy areas, it appears to be fair to say that fragmentation still outweighs integration. Different to some other EU Member States, not much attempts have been made to bundle the competencies of implementation of different policy areas of social inclusion in one institution (like e.g. the joined local welfare and PES-offices in some Nordic welfare states).” Only six Member States (BE, DK, FR, MT, SI, SE) in the case of those who can work and three (LU, MT, SI) in the case of those who cannot are deemed by the experts to have developed effective systems for integrated implementation of active inclusion policies. However, in both instances a significant number (12) have developed some elements of integrated implementation. However, just under a third (EE, EL, IT, LV, LT, PL, SK, ES) in the case of those who can work and slightly more in relation to those who cannot work (BG, DE, EE, EL, ES, IE, LV, LT, PL, SK, SE) have no system of integrated implementation.

**Table 2.2: Individual experts’ assessment of the extent to which integrated implementation of active inclusion strategy has been developed in their Member State**

	Yes	Somewhat	No
<b>For those who can work</b>	BE, DK, FR, MT, SI, SE	AT, BG, CY, CZ, DE, FI, HU, IE, LU, NL, PT, RO, UK	EE, EL, ES, IT, LV, LT, PL, SK
<b>For those who cannot work</b>	LU, MT, SI	AT, BE, CY, CZ, DK, FI, FR, HU, IT, NL, PT, RO, UK	BG, DE, EE, EL, ES, IE, LV, LT, PL, SK, SE

The main barrier to integrated implementation of active inclusion highlighted by experts is the fragmentation of responsibilities across different ministries and agencies and the lack of effective coordinating mechanisms. This problem is well described by the Polish expert who comments that “harmonised implementation of active inclusion policies of all strands is poor, and there is no sign of improvement in this area. There is no single agency responsible for coordinating programmes, drafting legal acts and monitoring policy implementation. Responsibilities for the strands and segments are spread over various agencies. The Ministry of Labour and Social Policy is the most important but still its coordinating role is weak.” Similarly, the Irish expert notes that “The weak point of integrated implementation in Ireland pertains to the other services mentioned in the Recommendation: training, housing support and social housing, childcare, long-term care services and health services. While training provision for the unemployed has been the subject of a lot of concern and significant reform effort, the fact that it is now to be coordinated by the Department of Education and Skills does not per se make for a more integrated planning and delivery, although it may represent an improvement in other respects. The other services outlined above continue to be operated in silo fashion and there are no particular attempts to my knowledge to improve their coordination.”



There are a number of interesting individual initiatives highlighted by experts. For example:

- In Austria, the programme “fit2work” addresses people with health problems and their employers. It offers integrated advice regarding health prevention, in cases when health issues may lead to job loss, and concerning medical and professional rehabilitation. Fit2work offers case management, making use of all services etc. offered by Public Employment Service offices, social insurance providers, the federal social offices (Bundessozialämter) and the Health and Safety Executive (Arbeitsinspektorat);
- In Ireland, the recently introduced Action Plan for Jobs and the Pathways to Work Programme are both relatively strong attempts at developing and implementing an integrated approach but they are still sectoral;
- In Luxembourg, good practice in integrated implementation is the cooperation between the world of education, youth work and employment. A second example of an integrated approach can be found in the care for children at primary school age, both serving a better start in life for all children and better facilities for working parents: the compulsory local plans for “accompagnement périscolaire” (i.e. extracurricular accompaniment);
- In Sweden, the government definitely want to achieve a more integrated approach. In a first step sickness benefits and early retirement has been integrated, which means that early retirement, as the new name health and activation benefit indicates, is seen as health problem, not a retirement issue. Transferring people from sickness benefit to labour market agencies also mean a more integrated activation policy. However, this is not unproblematic. Labour market agencies are, for example, not used to work with people that not only are in need of a job but also in need of different forms of health rehabilitation;
- In the UK, joined-up services were central to the previous government’s approach to social exclusion. They are also a key theme for the current government in relation to its focus on the most disadvantaged families in particular (the 120,000 or so ‘troubled families’, who will have a key worker engaging with them). This group is a central concern of the current government’s social justice strategy, which also emphasised prevention (especially supporting positive behaviours); recovery and independence, rather than maintenance; and giving people second chances. It also included sections on young people and adults with multiple disadvantages. Multi-agency delivery was said to be one of the ‘watchwords’.

Integrated approaches to delivery are often more evident at regional and local levels. For instance:

- In Belgium, the local policy level seems to offer well anchored services which encompass all three strands of the active inclusion approach. Through the Right to Social Integration (RSI), the municipal Public Centres for Social Welfare provide two forms of support, the living wage and employment. Apart from the RSI, the centres can also help their clients by supplying a very wide range of services in the light of the Right to Social Assistance. This integrated approach on the level closest to the beneficiaries allows the public authorities to create a tailored response aimed at effectively addressing the multifaceted causes of poverty and social exclusion.



## 2.3 Vertical policy coordination

The extent to which there is effective policy coordination among local, regional, national (and EU) authorities in the light of their particular roles, competences and priorities varies significantly across countries (see Table 2.3). There are five countries (BE, DK, FI, LU, NL) that are assessed as having such coordination arrangements in place for active inclusion measures for both those who can and for those who cannot work. However, many countries, sixteen in the case of measures for those who can work and twelve for those who cannot work, have some elements of vertical policy coordination. On the other hand, there are several countries where no such effective coordination exists (EE, FR, EL, HU, LT, PT) in the case of policies for those who can work and ten (BG, EE, FR, DE, EL, HU, IE, LT, PL, PT) for those who cannot work. As the French expert comments “there is still little vertical coordination between the government and local authorities although local authorities play an important role in welfare actions, mainly in the form of services”. Likewise, the German expert notes that “The vertical policy coordination system in federalist Germany is rather heterogeneous and varies in the different social policy areas. Up to now, no single coordination system has been developed for active inclusion strategies. The coordination system varies according to the different policy areas and strands, as well as to the specific target groups.”

**Table 2.3: Individual experts’ assessment of the extent to which vertical policy coordination has been developed in their Member State**

	Yes	Somewhat	No
<b>For those who can work</b>	BE, DK, FI, LU, NL	AT, BG, ES, CY, CZ, DE, IE, IT, LV, MT, PL, RO, SI, SK, SE, UK	EE, EL, FR, HU, LT, PT
<b>For those who cannot work</b>	BE, DK, FI, LU, NL	AT, CY, CZ, ES, IT, LV, MT, RO, SE, SI, SK, UK	BG, DE, EE, EL, FR, HU, IE, LT, PL, PT

In some countries, there is an increased emphasis on local provision and less control from the centre. For instance, in the UK localisation is increasing. Central targets have been abolished. Parts of the Social Fund for those on the lowest incomes will be administered by county councils. Council tax benefit will in future be delivered by local authorities, with their own rules (outside the new Universal Credit scheme). Accompanying increasing localisation are two further developments: less ring-fencing of funds, and less guidance from central government to local authorities. The UK experts comment that in terms of the groups relevant to active inclusion strategies, some commentators have argued that increasing localisation of services will result in a more fragmented experience for many, with a greater likelihood of “postcode lottery” provision. In the Czech Republic, the expert notes that “vertical policy coordination is problematic in some areas, namely those where local actors play the main role in the given field, but are not subject to much regulation by the national authorities”. In Italy, the expert highlights that the increased emphasis on decentralisation requires “vertical coordination between national, regional and local levels, but significant separation exists between decision making levels. For instance, on the one hand, the national institute of social insurance delivers monetary support to workers facing work and family hardships. On the other hand, regional and local authorities implement plans and targeted projects that combine employment, social, health and development policy fields. Moreover, different

institutional capacity exists among regional and local authorities to implement social plans coordinated with health and employment services.”

There are several experts who highlight interesting initiatives to strengthen coordination between different levels of government. For instance:

- In Belgium, in order to coordinate policies at different levels, the (permanent) Inter-ministerial Conference on Integration into Society, which brings together all policy levels, was intensified in 2011 by creating five thematic working groups (homelessness, digital divide, indebtedness, integration of Roma, housing solidarity) and the permanent working group poverty, which has to ensure the coordination of the policy between the federal level and the federated entities;
- In Estonia, an example of recent positive developments in vertical coordination of social policies might be the elaboration of recommended guidelines to local governments for providing welfare services so as to ensure availability and quality requirements of minimal required social services in every municipality;
- In Finland, the expert considers that vertical policy coordination is traditionally much better organised than the horizontal one, if only for the reason that the roles and distribution of powers are legislated upon and quite clear cut for the most part. The dialogue between the central government and the municipalities has been structured around the municipal reform, with hearings across the country, organised in a top-down fashion by Ministry of Finance, coordinating the reform.

## 2.4 Active participation of relevant actors

The European Commission Recommendation envisaged that all relevant actors (including those affected by poverty and social exclusion, the social partners, non-governmental organisations [NGOs] and service providers) would actively participate in the development, implementation and evaluation of active inclusion strategies. In most Member States there has been some degree of active participation and, in the case of strategies for those who can work, a third (BE, BG, DK, FI, LU, NL, SI, ES, SE) are assessed as fully achieving such participation, though this falls to six (BE, CY, DK, FI, NL, SI) for those who cannot work. There are five countries (EE, EL, HU, IE, LT) where the active participation of relevant actors in developing active inclusion policies for those who can work has not at all been evident and six (EE, DE, EL, HU, IE, LT) in the case of those who cannot work. (see Table 2.4)



**Table 2.4: Individual experts' assessments of the extent to which there has been active participation of relevant actors in their Member State**

	Yes	Somewhat	No
<b>For those who can work</b>	BE, BG, DK, ES, FI, LU, NL, SI, SE	AT, CY, CZ, DE, FR, IT, LV, MT, PL, PT, RO, SK UK	EE, EL, HU, IE, LT
<b>For those who cannot work</b>	BE, CY, DK, FI, NL, SI	AT, BG, CZ, ES, FR, IT, LU, LV, MT, PL, PT, RO, SE, SK, UK	DE, EE, EL, HU, IE, LT

In some countries, experts point to improvements and in some cases to quite well developed structures which are in place to enable the active participation of relevant actors in the development of active inclusion (and other anti-poverty) measures. For instance:

- In Belgium, the Combat Poverty, Insecurity and Social Exclusion Service is the most important channel for participation of all relevant stakeholders in policies regarding the reduction of poverty and thus also active inclusion policy. The service produces analyses and recommendations for policy makers in Belgium in consultation with associations representing the poor, Public Centres for Social Welfare, trade unions, professionals from different sectors, administrations, etc. and it produces a biennial report on poverty embedded in a strong consultative process across the country;
- In Bulgaria, during the last few years there was bigger focus on civil organisations' opinion. The practice of inviting civil society organisations when discussing legislative changes became somewhat more widespread, but the discussions have remained in many cases formal, and did not affect decisions on significant. Civil protests have proven more effective than the informed policy debate in putting pressure on the government to take some decisions;
- In Cyprus, the authorities responsible for social policy are now investing more in communicating their actions to social partners and asking for their feedback. This is illustrated, for example, in the actions of the Social Welfare Services and by the Cyprus NRP 2012 documenting the opinion of stakeholders on several issues. This is good practice insofar as it promotes social dialogue and brings different perspectives to the debate;
- In the Czech Republic, active participation of relevant stakeholders in the development, implementation and evaluation of strategies has improved owing to the fact that social inclusion has been established as a topic of discourse, as well as owing to the projects financed under the European Social Fund (ESF). The role of various actors, non-governmental organisations in particular, has traditionally been strong in the provision of social services and crisis intervention services. In recent years, this role has been further reinforced due to the projects funded through the ESF;
- In Denmark, the involvement of stakeholders in the process of developing strategies and initiatives is positive in the sense that a constructive platform for involvement of various organisations exists (i.e. the Contact Committee which has representatives of relevant ministries, local and regional authorities as well as interest organisations).

However, they conclude that “the platform is not of much use, when the organisations have no real influence on the outcome of the NRP due to unrealistic deadlines in the hearing process. Furthermore, the insight of the organisations representing the social dimension has not always been a top priority for the different governments”;

- In Spain, the multiplication of social and institutional actors in the development of the active inclusion strategy is an undeniable fact. What was a relationship between the public employment service and the unemployed has now become a situation in which numerous social protagonists participate in the design and/or implementation of active inclusion. In this sense, active inclusion governance has expanded. It is striking that the Social Action Third Sector now has a “voice” in public policy consultation processes (such as the National Action Plan for social inclusion [NAP/inclusion] 2008-2010 or the NRP 2011), as well as in managing the majority of social and labour integration projects geared towards the most excluded or most at-risk groups, at local level;
- In Finland, strategy development in the Finnish governance system is first and foremost a vertical coordination effort, though once the drafts are available there is a wide and broad hearing process. In the discussions around working life issues NGOs and third sector also play a role. The third sector is very active in both social and health issues and in social inclusion more broadly. Majority of funds are allocated through the Raha-automaattiyhdistys / Slots Machine association (RAY), who allocates approximately 400 million annually for promotion of health and welfare. In the current strategy, RAY has focused its efforts on supporting voluntary organisations and forms of peer support;
- In France, stakeholders, both unions and employers’ associations and persons suffering from poverty and exclusion, are particularly strongly involved in the Conseil national de lutte contre les exclusions [National Council against Exclusion], however they are involved to a much lesser extent in the whole of the society, despite a large number of experiments;
- In Latvia, in comparison with the situation in 2009, there is evidence of progress in respect of involving stakeholders in decision making upon the implementation of measures for reducing the financial and economic crisis (the reconsideration of the national budget expenditure part, the formulation of specific measures for social exclusion groups within the frame of the ESF support as well as the frame of the Social Security Network Strategy). However, in view of the rate of decision - making, lack of a consistent strategic approach and the political orientation of the ruling coalition, the current practice in reducing national budgetary expenditures does not testify that any assessment of the social impact is undertaken, in particular in respect of poverty and social exclusion risk groups;
- In Luxembourg, there is a good tradition in cooperation and dialogue between government and societal partners. Social partners and the broader civil society are regularly consulted on new measures and regulations. Luxembourg government actively supports EAPN Luxembourg as the organisation representing people at risk of poverty or exclusion and their support NGOs. NGOs do also take an active part in the implementation of active inclusion policies, in many cases as service deliverers contracted or subsidised by government;



- In Malta, continuous consultation is facilitated by the sheer size of the island, in which everybody knows everybody else working in the same field. Also, institutionally, there are two structures which contribute to the flow of communication between state and non-state segments: the Council for Voluntary Sector within the office of the Commissioner for Voluntary Organisation and the Malta Council for Social and Economic Development;
- In the Netherlands, the interests of social welfare recipients are represented in the Netherlands by local and national client councils. The National Client Council (LCR) is an interlocutor of the Minister of Social Affairs and Employment for new work and income policy development. In terms of developing client participation, the LCR is the formal interlocutor of the umbrella organisation of Dutch Municipalities (VNG) and other involved parties. The LCR includes representatives of national client interest groups and municipal client councils, and of the client councils of the Institute for Employee Benefit Schemes (UWV) and the Social Insurance Bank (SVB). On a local scale, 80 per cent of the municipalities consult with municipal client councils. A recent study shows that municipalities adopt about 80 per cent of the proposals of client councils, while at the national level, the LCR has also been able to place issues on the agenda;
- In Poland, in recent years, involvement of relevant actors – social partners, local government representatives and sometimes stakeholders – in the process of drafting, implementation and monitoring of the active inclusion measures has improved. At present, two forms of involvement of relevant actors may be tentatively distinguished. One of them consists in the participation of selected social partners in the Task-Forces/consultative bodies formally established for monitoring – and sometimes for drafting – strategies/ programmes. Another one involves simply participation of partners in the public debate, after the strategy/ programme has been drafted;
- In Slovenia, social partners have been actively engaged in the development, implementation and evaluation of strategies through the Economic and Social Council of the Republic of Slovenia which was primarily set up to deal with issues related to the social agreement and wage policy, social policy, employment issues and working conditions, collective bargaining, prices and taxes, the economic system and economic policy.

However, in some countries the situation seems to be getting worse. For instance, the Irish expert points out that participation of relevant actors “is a weak point in Ireland currently and is one that has got weaker over the three year period since the Recommendation was issued”. In other countries with weak arrangements, nothing has changed as a result of the Recommendation. For example, in Greece the experts comment that “consultation and cooperation with stakeholders in general, remains at low levels and it is mainly reflected in their ‘formal’ participation in a few Committees, which usually concern the implementation process and not the decision making process. Social partners’ involvement (...) continues to remain rather limited. As to the involvement of those experiencing poverty and social exclusion, no provisions or arrangements whatsoever are there to facilitate their active participation.”





### 3. Description and assessment of measures introduced or planned under the three strands

#### 3.1 Adequate income support

Only seven Member States (AT, CY, DK, FI, FR, LU, SI) in the case of those who can work and six (AT, DK, FI, FR, LU, SI) in the case of those who cannot are considered to have strengthened measures since 2008 to recognise the individual's basic right to resources and social assistance sufficient to lead a life that is compatible with human dignity as part of a comprehensive, consistent drive to combat poverty and social exclusion. In nearly a third (8) of cases support has remained much the same. However, very worryingly, in many countries (13) the experts assess that policies/measures have been weakened since 2008. (see Table 3.1)

**Table 3.1: Adequate income support: Individual experts' assessments of the extent to which policies/measures have been strengthened, have stayed much the same or have been weakened since 2008**

	Strengthened	The same	Weakened
<b>For those who can work</b>	AT, CY, DK, FI, FR, LU, SI	BG, DE, EE, ES, IT, MT, NL, PL	BE, CZ, EL, HU, IE, LT, LV, PT, RO, SE, SK, UK
<b>For those who cannot work</b>	AT, DK, FI, FR, LU, SI	BE, CY, DE, EE, EL, MT, NL, SK	BG, CZ, ES, HU, IE, IT, LT, LV, PL, PT, RO, SE, UK

##### 3.1.1 Adequacy of resources

In most Member States, there is little evidence of progress being made to ensure that resources are adequate. Only a few countries have made significant efforts to improve their benefits systems and ensure the adequacy of benefits since the adoption of the Active Inclusion Recommendation.

In many countries, experts highlight that there has been increased conditionality and a failure to up-grade social protection payments sufficiently to ensure an adequate minimum income. However, at the same many stress that social protection payments continue to play a key role in reducing the severity of poverty. For instance:

- In Belgium, the combination of stricter conditionality and the decision to reduce the allocated resources for upgrading of the benefits in 2013-2014 seems to indicate an erosion of the minimum norm for social benefits in the direction of the social assistance level instead of an upgrade to meet the at-risk-of-poverty threshold (EU definition, i.e. 60% of national median household income);



- In Bulgaria, the Guaranteed Minimum Income was last raised at the beginning of 2009. Minimum income schemes in Bulgaria have remained inadequate without any provisions for adjustment to inflation. Keeping benefits low has no other obvious reason except sticking to a workfare philosophy, which became very fashionable in Bulgarian policy circles both on the right and the left;
- In the Czech Republic, the cumulative effect of changes implemented between 2007 and 2012 was to weaken the adequacy of incomes. Benefits were cut (for instance, the living minimum was not revalued over the period in question and remained far behind the development of wages and prices), consumption was affected by changes such as the increase in VAT and rent increases, and the conditionality of benefits was reinforced with the aim of increasing the pressures concerning job search. However, in spite of these changes, still in 2011, the effectiveness of social transfers in reduction of poverty was the second best in the EU and the risk of social exclusion the lowest in the EU;
- In Estonia, despite the rise in the subsistence level in 2011 this is still extremely low, lower even than the minimum food basket cost (85.1 euros per month in 2011); the at-risk-of-poverty threshold (based on the EU definition) was 279.9 euros per month in 2010;
- In Finland, a recent study has shown that the basic income level on basic subsistence was perceived to be insufficient. Most of the households living on basic benefits themselves felt that they were unable to meet reasonable minimum living costs. With the introduction of the guarantee pension, pensioners are currently the only population group for whom basic benefits are sufficient to safeguard reasonable minimum living costs. Income in other types of households on basic benefits however only covers about two thirds of reasonable minimum living costs;
- In Germany, a 2011 research report shows that the impact of reforms in recent years means that the recipients of minimum social income benefits, including recipients of basic income support for job seekers, normally have to live on an income level below the poverty line;
- In Greece, under the pressure exercised by the fiscal consolidation effort that Greece undergoes, apart from the recent reduction in the amount of the unemployment benefit, a number of other negative changes have also taken place as regards the system of benefits. Some of the benefits provided have become means-tested, while other benefits have become stricter as to their eligibility conditions and some other have been reduced;
- In Hungary, since 2008, the value of income support has decreased in real terms and the conditions of the provisions also have become stricter. Thus, while resources are linked to activation and the incentive to work element has been increased, income support can be considered to be increasingly insufficient. The minimum income scheme less and less ensures basic needs at minimum standards and the discretionary element (“tidy living environment”, regulated in local government decrees and also evaluated locally) is increasing, which further limits the availability of such assistance. According



to the expert, the regulation has a punitive tone and includes some harsh sanctions: regardless of educational level one has to accept the job offered (if not, one is denied provision for one year), the same is true if one is fired from the job. One also has to accept jobs far away from one's place of residence;

- In Italy, benefits are mostly below the poverty risk threshold and not sufficient to meet specific needs of vulnerable groups, while there is no coherent system to provide income support to individuals and households at risk on poverty;
- In Latvia, the level of minimum income schemes is so low that it can satisfy only the very minimum of basic needs (mostly food). As it has been indicated by specialists of social work, support provided by the current Guaranteed Minimum Income (GMI) benefit amount cannot serve as an effective instrument for poverty reduction; at best it maintains benefit recipients at the same income level, preventing further deterioration of the living standards of these groups of the population. The minimum income (GMI) is not tied to any calculations characterising the poverty threshold or budget standard approach;
- In Malta, a recent study by Caritas on the minimum wage showed that in the case of three types of households, living a frugal lifestyle, faced serious problems to survive if their income was at the level of the minimum wage. The report presents the minimum estimated cost of the selected items put together for the three household types. Assembled with a frugal approach, the basket includes eight basic categories: (1) food, (2) clothing, (3) personal care, (4) health, (5) household goods, maintenance and services, (6) education and leisure, (7) transport and (8) housing;
- In Portugal, the most recent changes to the Social Insertion Income (Rendimento Social de Inserção [RSI]) taken in the context of the budgetary consolidation process – together with the restrictions introduced in the eligibility criteria for the granting of the family allowance for children and young people – introducing further access restrictions to the Programme and penalising families with children in a particularly difficult economic and social context will continue to contribute to a disinvestment in children's needs and in the country's future;
- In Romania, most of the social assistance benefits have a low adequacy and spending on poverty targeted programmes has decreased relative to GDP in recent years. Well-targeted programmes such as the Guaranteed Minimum Income or income-tested family allowances are underfunded, leaving out 60% of the rural poor and 77% of the urban poor;
- In Slovakia, an already inadequate minimum income scheme has also suffered from the fact that regular indexation of benefit in material need was not carried out in 2010, 2011 and 2012, nor is it planned to index the minimum income scheme in 2013 and 2014. Moreover, some allowances such as activation allowance, were not indexed even since 2007;
- In Spain, the minimum income scheme (MIS) has wide but highly fragmented coverage (unequal “universalisation”); its protection level does not guarantee social benefits to the extent of guaranteeing fair living standards, but protects beneficiaries from severe



poverty. Secondly, the trend of linking income receipt to workfare activation activities is being consolidated, and varies according to the programmes and at-risk groups; conditionality is increasing in MIS programmes;

- In Sweden, eligibility criteria applied in the income maintenance (social insurance) system has become stricter. Strict deadlines and time limits have been introduced in both sickness benefit and unemployment benefits. The early retirement system has been reformed and is now a part of the sickness insurance system (not the pension system) and renamed to sickness and activation benefit. Because of mainly non-decisions the income ceilings, i.e., the maximum benefit, in the social insurance system have been kept more or less constant over time. At same time the average income increase has been substantial. As consequence the system is developing into a flat rate system and the relative income loss most people are experience in case of illness or unemployment is substantial and increasing over time;
- In the United Kingdom, while benefit levels have been increased faster than wages recently they are still low, and those on low incomes have experienced higher inflation due to price rises for basic goods. Also, conditionality is being personalised, but also ratcheted up (again) and extended (e.g. to lone parents with a youngest child aged 5, and in future the partners of more claimants).

However, some experts highlight interesting examples of efforts to strengthen systems. For instance:

- Austria has replaced social assistance by the so-called “Guaranteed Minimum Income” scheme (GMI) with the declared goal of a substantial harmonisation of the social assistance schemes of the federal provinces. However, the change towards GMI did not address the problem of insufficient benefit levels in a structural way;
- In Denmark, as part of the 2012 Budget Bill, it was decided to abolish the low benefits in the social assistance system from January 2012. These benefits include start help, introductory benefit, the ceiling on social assistance benefits. The government has also abolished the ceiling on the allowances to children and young people, so that families can obtain full allowances for all children;
- In France, measures taken to review the means-tested benefits have applied to benefits for adults with disabilities and elderly persons with low pensions. The increase of around 25% has reduced the intensity of poverty for these persons but has not enabled them to cross the poverty line. For the other means-tested benefits, the new feature of the recent period was converting the Minimum income for professional integration (Revenu Minimum d’Insertion [RMI]) into the Active solidarity income (Revenu de Solidarité Active [RSA]);
- In Luxembourg, transfers are clearly moderating the intensity of poverty, as they compensate for the increase of the poverty rate before transfers. Moreover, in spite of the economic crisis and the austerity plans, the minimum income benefit level slightly increased since 2008. However, the minimum income benefit remains below the 60% median at-risk-of-poverty threshold;



- In Slovenia, the Social Benefits Act (2010) enacted a higher amount of the minimum income and a new equivalence scale that includes work incentive. However, the basic minimum income amounts to about 44% of the 2010 60% median at-risk-of-poverty threshold, which is relatively low and not much better than the former less-than-forty per cent.

### 3.1.2 Linking resources to activation

In several Member States experts highlight significant efforts that have been made to ensure that provision of resources is linked to activation. Put differently, the right to sufficient resources is combined with active availability for work or for vocational training for those who can work or is subject, where appropriate, to economic and social integration measures in the case of other persons; and it is combined with policies at national level, for the economic and social integration of those concerned. Progress seems most evident where Member States, at either national or sub-national levels, have introduced measures to integrate the administration of benefit payments with the development of activation measures. For instance:

- In Austria, transfers from unemployment insurance (i.e. both unemployment benefit and unemployment assistance) and GMI are sufficiently linked to activation. Both recipients of benefits from unemployment insurance and from GMI are obliged to take part in Active Labour Market Policy (ALMP) measures, and different sanctions apply if they refuse to do so;
- In Italy, activation processes can be found in a few regional experiments with minimum income schemes. These attempted to combine allowances with the provision of employment services (e.g. vocational guidance and training, job-seeking and employment opportunities) for those who can work, as well as social integration services (e.g. local welfare systems) to those who cannot work. Importantly, a similar policy orientation will guide the experimentation with a new social card at a national level;
- In Slovenia, the cooperation between Centres for Social Work and Employment Offices has very much developed in order to better target social assistance and unemployment benefits, as well as to include the unemployed into active employment policy programmes and thus support the (re)integration of people into the labour market;
- In the United Kingdom, social security recipients are subject to a range of employment conditions, unless they are specifically exempted from them. Recipients of Jobseekers Allowance are required to be actively seeking and available for work. They may also be required to take part in Mandatory Work Activity, a compulsory scheme requiring them to undertake work-related activity. Recipients of Employment and Support Allowance who are deemed to be capable of some work are assigned to the “Work-Related Activity Group” of recipients and are required to take part in activity that will bring them closer to the labour market. If these employment conditions are not met, Jobseeker’s Allowance and Employment and Support Allowance claimants may be subject to a sanction.
- In several countries, experts point out that linking to resources to activation has actually had a negative effect by treating restrictions and increased conditionality in benefits

in itself as an “activation” measure. For instance, in Belgium, while the latest federal government declaration added a gradual upgrading of benefits up to the 60% median poverty risk threshold to its agenda for 2020, in fact a dominant making work pay emphasis has led to the government lowering the benefits for long-term unemployed to (more or less) the national minimum income level rather than raising them to the poverty risk threshold. In the experts’ view, this will have serious financial consequences for beneficiaries.

### 3.1.3 Preserving an incentive to work

In several Member States experts highlight measures that have been taken to ensure that an incentive to seek employment for persons whose condition renders them fit for work has been safeguarded and to make work more financially appealing. However, not all these initiatives successfully combine the dual goal of ensuring incentives to work and ensuring an adequate income for all. Policies that fit best with the aim of active inclusion should do both. Thus, reductions in benefits to provide an incentive to work are not a positive development if they result in an increase in poverty. By contrast, initiatives to increase the income that can be received from work through measures such as raising minimum wages, allowing the retention of (some) benefits while moving into work, reducing taxes on low paid workers or helping with the costs of working (e.g. child care and transport costs) can be positive.

The following are some examples of how Member States have gone about preserving or increasing an incentive to work:

40

- Belgium has introduced a targeted reduction in social security contributions for low skilled workers and the maintenance of enhanced child allowances for some period after re-employment. The transition from the living wage to (part time) employment has also been eased with the so-called Socio-Professional Integration (SPI)-exemption. In calculating the social assistance or living wage benefit, a partial exemption is made for income from work or vocational training;
- In the Czech Republic, owing to the introduction of relatively complex “making-work-pay” schemes, the incentives to work improved as early as in 2007 and the following years. This improvement followed both from the decline in the absolute level of social benefits and in the replacement ratios to wages, and from the introduction of positive incentives. For instance, under the minimum income support scheme, incentives were strengthened as early as in 2007: only 70% of earnings from employment are taken into account when calculating the entitlement to social assistance, and 80% of income replacing earnings are considered in the social insurance systems. Also, from 2009, it was possible to have one’s benefits raised above the existence minimum level through participation in public service (but this was cancelled since 2012). As for the system of support in unemployment, the Act on Employment laid it down that the entitlement to unemployment benefits could be retained, as long as earnings did not exceed half the minimum wage (cancelled in 2011). An important incentive for low-wage workers was also the increase in tax credits as from 2008;
- In Latvia, the receipt of the Guaranteed Minimum Income (GMI) benefit includes two conditions aimed at increasing the activity of the recipient. First of all, conditions re-



quire the GMI benefit recipient fulfils the co-participation obligation (based on the assessment of the client's situation). For instance, working-age unemployed residents must register with the State Employment Agency (with exceptions in respect of specific groups of the population). Secondly, a possibility is provided to decrease the GMI benefit amount if the benefit recipient does not comply with co-participation requirements;

- In Lithuania, extra benefit payment was introduced for former long-term unemployed in 2012. The benefit is granted during the six months if person has started to work and earn monthly no more as two minimal wages. In this case a social assistance benefit is acting as additional incentive to return to labour market. The main objectives of this regulation are (1) to save incentives to work, (2) to reduce poverty trap. This measure could be treated as positive example of integration of two strands of social policy;
- Slovenia, in March 2010, in order to maintain a work-incentive ratio between the minimum wage and the minimum income after a foreseen increase in social transfers, gave the biggest increase ever in the minimum wage (by 23%). Also an important novelty brought by the Social Benefits Act (2010) is an activity supplement to be granted to the beneficiaries of cash social assistance who are working for at least 60 hours per month or are taking part in Active Labour Market Policies (ALMPs), or are included in the psycho-social rehabilitation programmes. Cash social assistance beneficiaries are also allowed to exempt parts of their work income from the means-test;
- Sweden has introduced a job tax deduction, which means that income from work is taxed significantly lower than other types of incomes. Since most social benefits including pensions are taxed, job tax deduction is seen as an important activation measure.

### 3.2 Inclusive labour markets

The area in which active inclusion policies/measures taken since 2008 have most frequently been strengthened is in relation to ensuring that persons whose condition renders them fit for work receive effective help to enter or re-enter and stay in employment that corresponds to their work capacity (see Table 3.2).

**Table 3.2: Inclusive labour markets: Individual experts' assessments of the extent to which policies/measures have been strengthened, have stayed much the same or have been weakened since 2008**

	Strengthened	The same	Weakened
<b>For those who can work</b>	AT, DE, DK, EE, EL, ES, HI, HU, IE, MT, NL, SI	BE, CY, IT, LT, LU, RO, SE	BG, CZ, FR, LU, PL, PT, SK, UK
<b>For those who cannot work</b>	CY, DK, EE, ES, FI, MT, NL	AT, BE, FR, DE, EL, HU, IE, LT, LU, PL, RO, SE, SI, SK	BG, CZ, IT, LV, PT, UK



Measures for those who can work have been strengthened in twelve Member States (AT, DK, EE, FI, DE, EL, HU, IE, MT, NL, SI, ES). For instance, the Austrian expert reports the expansion of “a rather elaborated system of ALMP measures and personalised services aiming at improving the employment chances of people with low qualification or with other problems which make it difficult for them to find a (permanent) job” and the recent expansion of programmes which are specifically targeted on groups such as young people and recipients of GMI. The Estonian expert reports that “There are many measures and activities taken in Estonia since 2008 to ensure that persons whose conditions render them fit for work receive help to enter or re-enter and stay in employment, especially active and preventive labour market measures for long-term unemployed and young unemployed, for persons with social or economic coping difficulties, and for persons with special needs have been developed in recent years.” The Irish expert highlights a range of recent relevant actions in regard to activation (see Box 3.1).

### **Box 3.1: Recent activation measures in Ireland**

The main relevant actions in regard to activation in Ireland have been:

Introduction of an active case management and profiling services for benefit recipients of working age by the Department of Social Protection;

reform and consolidation of job-placement services and related provisions for the unemployed in the Department of Social Protection and effective separation between job placement and training provision (the latter being moved to the Department of Education and Skills);

scaling up, targeting and further diversifying training and work experience offers. The creation of new Community Employment places as part of the response to the crisis, and the rolling out of a new job creation programme, the Community Work Placement Initiative (Tús) are noteworthy developments.

With the integration of the “FAS” employment services and the Community Welfare Service into the Department of Social Protection, there has been a restructuring of the way the different departments operate but this is focused on labour market activation solely.

(Source: Irish expert’s report)

In Hungary, the expert highlights how “The government strengthens ALMPs which deliver positive results by reallocating available ESF resources to the most successful ESF co-funded programmes implemented by the Public Employment Service and non-governmental service providers. They introduced decentralised, comprehensive labour market programmes for the employment of disadvantaged people. The main target groups are the low-skilled, young career starters, older people (50+), parents returning to the labour market after parental leave, and those at risk of long-term unemployment including the Roma.” In Greece, the experts, while not considering the various initiatives sufficient to address the scale of the unemployment measures do note a number of positive developments and “an increase



in the number of active labour market programmes, the vast majority of which are run by the Greek Manpower Employment Organisation. Some of these programmes are rather 'old fashioned' in the sense that most of these are a continuation of previous programmes which have been expanded to cover more people, though they are still of a rather limited coverage, especially for the vulnerable groups. Nevertheless, a number of new programmes have been introduced aiming, in the main, at: i) the creation and prevention of jobs (in particular, jobs in the tourism sector) through the subsidisation of social security contributions, ii) the promotion of employment for the unemployed and for vulnerable groups through subsidies (including the conversion of the unemployment benefit into a 're-integration voucher'), work experience schemes, vocational training schemes as well as support for small scale entrepreneurship opportunities, iii) re-activation of those workers laid off, and iv) provision of vocational training (including initial vocational training for young people)." The Luxembourg expert reports that the government is "making great efforts for more and better labour market participation. Both on the side of excluded citizens and on the side of (potential) employers measures are taken to support the targets set. Personalised accompaniment, guarantees for income improvement when taking up a job, different forms of (wage) subsidies, job integration and organising socially useful activities for those furthest from the labour market are the strategies followed." The Maltese expert comments that "steps to promote inclusive labour markets in Malta have been extensive and far reaching". The Spanish expert reports that "during recent years a change has occurred in favour of active employment policies, with a special emphasis on the most excluded groups. All the programmes have various activation and participation demands in terms of activities to strengthen access to employment and professional training. Given the high unemployment rates and low requirements by companies, activation aimed at employment takes a back seat to professional training."

However, in nearly a third of countries (BG, CZ, FR, LU, PL, PT, SK, UK) measures have weakened. For instance, in Poland the role of standard ALMP was increasing between 2008 and 2010, but it declined dramatically in 2011 as a result of limited financing due to fiscal austerity. At the same time, measures aimed at strengthening local initiatives, targeted at the socially excluded were promoted, and new institutional arrangements became effective in 2010. But their scope and importance have remained relatively small. In the Czech Republic, the expert assesses that "A decisive and persistent problem, when it comes to active inclusion, is the fact that the scope of anti-cyclical measures of active employment policy that were taken during the crisis was rather limited. The scope of such measures only increased temporarily and slightly in 2010, while the years 2009 and 2011 saw the already limited scope of these measures fall further. In the same line, the staffing of public employment services was not strengthened." The French expert points out that "It is a paradox to try to make the labour market an instrument for inclusion when it is progressively splitting into two segments, one with the large majority of public servants and employees in the private sector with permanent jobs and the other with short-contract and temporary jobs, both precarious. Recent evaluations carried out on the changes in the labour market show that the structure of the market is stabilising and that, under the effect of the crisis, the situation of persons in difficulty is deteriorating. However, it appears that, during the crisis, the situation of some high earners has improved even further, increasing inequalities." In Lithuania the experts point out that "during the crisis the allocations for Active Labour Market Policy Measures have decreased dramatically both in absolute numbers and in percentages. In 2007, the allocations of the Employment Fund for Active Labour Market Policy Measures have increased to 41% of the expenditures of the Employment Fund whereas in

2009 these allocations decreased to 1.8%. Later, the expenditure for Active Labour Market Measures began to increase (3.5% in 2010; 8.3% in 2011), but these percentages and amounts are significantly less than in the period before crisis, namely in 2007 or in 2008.” In Portugal, the expert points out that policy developments which occurred in 2011 and 2012 are strongly shaped by commitments under the Memorandum of Understanding and by “an almost exclusive concern to comply with the budget consolidation requirements” and “the response to the rising (un)employment challenges are focused on fostering access to employment at any cost. Concerns about ensuring quality jobs, on tackling labour market segmentation, on providing supportive working environments are totally absent from the present orientations and measures in this field.”

In some countries, experts consider that activation measures have not sufficiently focussed on those most distant from the labour market. For instance, in Germany, in contrast to the activating rhetoric of the Hartz IV reform, long-term unemployed persons had only low priority in the German labour market integration policies. This can be derived from the fact that long-term unemployed were underrepresented in all types of integration measures. It is therefore no wonder that the integration rate of long-term unemployed into the normal labour market has not improved since 2005.

### 3.2.1 Increased investment in human capital

There are many examples of countries expanding and increasing investment in human capital measures since 2008. The following are the most common approaches highlighted by the national experts.

#### **Improving inclusiveness of education and training**

Many experts point to measure to improve the inclusiveness of their education and training systems. For instance:

- Austria is developing programmes for qualification for unemployed as well as for people in active employment;
- Belgium is reforming programmes of tertiary and secondary education systems in order to widen access and is improving transitions from education to work through better career-guidance and partnerships with enterprises;
- Denmark develops effective lifelong learning strategies (a national strategy on lifelong learning was published in 2007) and, as part of the 2012 Budget Bill, is increasing the number of young unemployed being trained through apprentice schemes and is developing jobs and skills development packages for academically weak young people;
- In the Estonian NRP, a lot of attention is paid to the prevention and reduction of youth unemployment via high-quality education provision, reduction of school drop-out rates and better preparation for entrance to the labour market. A lot of emphasis is laid also on reducing the share of adults (25-64) without specialised professional education (vocational or university), especially among those aged 25-34; as well as on increasing the participation of the adults in life-long learning, first of all increasing the opportunities for adult continuing education and retraining and providing formal education to adults



without specialised education. To prevent and decrease the duration of unemployment they plan to increase the effectiveness of the provision of active labour market measures;

- In Hungary, there is an on-going modernisation of the education and training system which aims to improve skills of the labour force, by the development of vocational and adult training (new legislation), improving the quality and labour market relevance of vocational training to increase competitiveness (preparatory vocational training may begin in the 9th grade, rules of vocational examination have changed), by strengthening the dual practical training elements, increasing the role of national chambers of commerce, by continuing the development of career guidance system and several adult training programmes (co-financed by ESF) for low-skilled disadvantaged adults aimed at acquiring basic or vocational education responding to labour market needs, for the development of language and IT competences and in-company trainings to foster adaptability of companies (resources have been raised);
- In Latvia, the activity “Improvement of national qualification system, vocational education contents and cooperation among the bodies involved in vocational education” aims to ensure coordinated development of vocational education to meet labour market needs by means of close cooperation with the social partners – i.e. employers and trade unions. Although the activity does not focus on the integration of social exclusion risk groups into the labour market, vocational education is one of the instruments for integrating risk groups into the educational system and later into the labour market;
- In Malta, there has been an increasing investment in human capital by: allocating additional funds for training; continuation and consolidation of the Training Aid Programme which subsidises between 25 and 80 per cent of training expenses; and offering training programmes for workers who want to work in the Green economy sector;
- In Slovenia’s NRP 2012-2013, the government promises to set up financial mechanisms supporting the development and introduction of life-long learning: advanced study programmes, adapted forms and methods of teaching, different target student groups, and e-education. Reinforcement of the concept of life-long learning is also among the foreseen education policy measures.

### **Adapting education and training systems to better link education and employment and enhancing qualifications**

Some experts highlight efforts to better take into account the need for new competence requirements and the need for digital skills. For instance, the Danish expert points to the adaptation of training systems in response to the need of young unemployed for new competences. The Belgian experts point to efforts to promote mobility through the reorientation and enhancement of qualifications such as the validation of technical and language skills, improving access to education and training for all, as well as on language training aimed at facilitating regional mobility. They highlight the strengthening of lifelong training capacity, offering more and new programmes directed mainly towards the development of the most needed skills and on career path counselling, while prioritising vulnerable groups such as older employees or individuals with disabilities.

## Tackling early school leaving

Several experts highlight efforts to tackle early school leaving. For instance, the Belgian experts highlight several initiatives. These include: efforts encouraging schools to formulate their own tailored strategies against early school-leaving; the targeting of early school-leavers as a priority group for tailored job and training offers with the aim of guiding people to hard-to-fill vacancies and the broader labour market; the reforming of vocational education so that school failure in the last two years of compulsory education can be replaced by a system of permanent remediation; and the introduction of a new unique alternating contract for all registered youths within the framework of alternating training connected to compulsory school attendance.

## Targeting vulnerable groups

Several experts highlight efforts to target those who face particularly severe barriers to employment and are furthest away from the labour market. For instance:

In Bulgaria, an example of a newer generation of programmes, which take a more integrated approach to employability and employment, is the programme Take your life in your own hands. It was developed with the strong influence of NGOs at the design stage. The idea of the programme is to target very difficult non-working groups including the discouraged who have stopped looking for work. The programme combines individual counselling provided by NGOs among others with tailored training courses and continuing on-the-job support;

- In Cyprus, action is taken in recent years by the government to integrate those furthest away from the labour market and to enhance the employability of vulnerable groups, including the introduction of schemes to: improve the employability of economically inactive women; attract and assist economically inactive and unemployed people in the labour market through flexible forms of employment; provide incentives for hiring individuals with disabilities in the private sector and Local Authorities; provide incentives for hiring disadvantaged individuals in the private sector and Local Authorities; design training programmes combined with programmes to supported the employment or entrepreneurship of persons with disabilities; offer Greek language, orientation and vocational training programmes to immigrants; and subsidise the self-employment of older people;
- In Germany, the National Action Plan Integration, adopted by the federal government in 2012 has the active inclusion of migrants as an integral element of this national integration strategy towards immigrants. The action plan is especially aimed at improving the participation of migrants in education, training and employment. Germany has also introduced a series of labour-market integration measures for long-term unemployed people, ranging from loosening the labour-market regulation to the introduction of new-labour market integration measures. The programme “Perspektive 50plus” has initiated the establishment of 78 regional employment pacts for the professional re-integration of long-term unemployed people. Currently, 421 job centres, and thus more than 95% of all job centres, are participating in this programme and they are allowed to develop their own re-integration strategies according to the specific regional or local needs;



- In Hungary as of 2013, in the framework of the Job Protection Plan, employers' social security contributions will be significantly reduced in case of employing the most disadvantaged less competitive people (the five target groups include young people under 25 and career starters; older people (above 55); the low-skilled; the long-term unemployed; and mothers wanting to re-enter the labour market after parental leave). There are smaller scale targeted labour market and training programmes for the particularly disadvantaged. The development of the social economy is an ESF co-funded programme. There is a new public work scheme combined with training/competence development to provide jobs also for long-term unemployed/inactive people who are not able to enter to the primary labour market. The proclaimed aim of the public work programme is to promote long-term integration to the competitive labour market through activation (temporary job in a protected work environment) and support to acquire basic competencies. The amount of public work wage is higher than that of social assistance, but lower than the official minimum wage.

### **Developing personalised and tailored services at local level**

Closely linked to targeting vulnerable groups is the recognition in many Member States of the need to develop more personalised and tailored services. Several experts highlight interesting examples. For instance:

- In Germany, a main element of the Hartz reforms was the expansion and improvement of labour market integration services, especially in the context of the new basic income support for job-seekers. Job centres are obliged to support job-seekers in a comprehensive way, according to her or his specific needs, with the aim of integrating them as well and as fast as possible into the employment system. For this purpose, the job centres have to provide personal contact persons for every job-seeker (and his needs community) who can provide intensive counselling and support during the job-search process;
- In Greece, there has been a considerable improvement in the provision of public employment services by the Manpower Employment Organisation (OAED) through the creation of 121 Employment Promotion Centres, which provide guidance, job search support etc. based on an individualised approach. Nevertheless, the functioning of OAED falls still short of the desirable level of performance, especially under the current conditions of very high unemployment. This is partly due to the fact that it has not been properly and adequately resourced;
- In the United Kingdom, personalisation is now the order of the day, in terms of both conditionality and support to get into employment. The government has promised that the Work Programme will deliver personalised support to claimants, reflecting their individual needs. However, it is difficult for the DWP to ensure that this happens when it has given providers the freedom to design services as they wish (the "black box" approach). Instead, it has required contractors to specify in their bids the "minimum service offer" that would be available to all their clients.

### 3.2.2 Development of active and preventive labour market measures

It is already evident from the previous section that several Member States have expanded the scale of their active and preventive labour market measures, in particular through initiatives targeting vulnerable groups and developing personalised and tailored services at local level. In addition, many have also introduced measures to prevent people losing touch with the labour market such as support for temporary employment opportunities (e.g. internships, providing a social guarantee to young people, introducing measures to reduce the costs of employing people, and providing immediate and extensive guidance in order to reintegrate the unemployed into the labour market as soon as possible). Examples cited by experts include the following:

- Belgium aims to create 10,000 paid internships to help unemployed young people in finding a (temporary) working experience. It has also tried to prevent as many job losses as possible by means of extended support measures as well as the promotion of temporary reduction of working time and temporary unemployment. In the event of inevitable job losses, the plan provides immediate and extensive guidance in order to reintegrate the unemployed into the labour market as soon as possible. In addition, measures have been taken to modify the labour market in accordance with flexicurity principles;
- Finland has introduced the social guarantee for young people in full from the beginning of 2013 whereby every young person under 25 years old and recently graduated people under 30 years old will be offered a job, on-the-job training, a period in a workshop or rehabilitation within three months of becoming unemployed;
- France has lowered the cost of work by applying reductions or exonerations from social security contributions. The policy of exoneration from social security contributions on low salaries was introduced in 1993. It was intended to reduce the payroll costs to encourage employers to take on more staff in this low salary bracket. Over the years, this policy has become one of the preferred instruments of French employment policy. These exonerations apply to people whose salaried income is less than 1.6 times the minimum salary. These exonerations have increased over the past few years. Studies carried out on the effect of this measure estimate that around 800,000 jobs have been created or saved since the introduction of these measures whose cost is considered to be very high as it is forecast to amount to nearly €30B in 2012, i.e. 55% more than in 2002. This policy has no negative effects on the social security funds as the state has compensated for this loss of revenue by handing on the revenue from various taxes. However, it encourages the continuation of low salaries and, probably, a larger number of low quality jobs;
- In Poland, the list of main labour activation measures comprises: trainings courses; intervention and public works; socially useful works; apprenticeships and on-the-job training; business grants for unemployed; subsidised works (jobs subsidies for the employers). Since 2009, a new labour activation instrument in the form of individual work plan intended to make activation process better tailored to the individual needs, is in effect. The most important programme “Active Forms of Counteracting Social Exclusion” is aimed at supporting the development of the centres for social inclusion and social inclusion clubs and it carries three components: (i) strengthening the role of



social employment establishments as partners of social assistance centres and labour offices; (ii) strengthening cooperation of social inclusion centres and clubs and other actors by their consolidation into the Platform; (iii) promotion of good practice examples in the area of social inclusion;

- In Slovenia, financial resources for ALMPs were considerably increasing from 2008 to 2010, but in 2011 they accounted for less than two thirds of the 2010 resources due to the economic crisis. Compared to 2008, ALMPs were more developed in 2009 and 2010, and much more persons were included. More emphasis is being placed on the promotion of the social assistance beneficiaries' inclusion into ALMPs, in particular of those 75% of the long-term recipients who are employable.

### 3.2.3 Continual review of incentives and disincentives resulting from tax and benefit systems

Several Member States have taken steps to increase the incentives to take up employment and to overcome welfare traps through a combination of increasing the conditionality of benefits, reducing high marginal effective tax rates and raising low wages (see also Section 3.1.3 for specific examples). However, as the Belgian experts point out, there are two criticisms often made of this approach. First, sometimes increased pressure to take up employment can force people into low paid and poor quality employment. Secondly, too narrow a focus on employment and the avoidance of welfare traps can result in the income position of those who are not able to work being further eroded and can contribute to the failure to ensure an adequate level of social protection.

The following are some of tax changes that Member States have introduced to help to make work pay for those on low incomes:

- Belgium has increased the tax-free income by 200 euros for low and middle income workers and preserved wage indexation in order to sustain the purchasing power of workers and to cushion the impact of the crisis. However, a recent study shows that the effects of increased wage costs are having a detrimental impact on job creation in Belgium and some people advocate a reform of the indexation mechanism, considering that work is potentially an important weapon against poverty, while ignoring the direct impact of the measure on low income households;
- Denmark proposes the introduction of a fully funded tax reform that lowers taxes on labour income significantly through gradually increasing the employment allowance for all people and a special increase will apply to single parents and the introduction of a higher income threshold for top rate taxation;
- Slovenia has introduced a supplement to the general tax allowance in order to alleviate the income tax burden for low-income tax payers. Following an increase in the minimum wage (Minimum Wage Act 2010) and starting with the taxation of 2010 income, a supplement to the general tax allowance was increased to €3,019.83 per year for tax payers with taxable income up to €10,200, and has remained €1,000 (in fact, it was

adjusted to €1.047.50) for those with taxable income amounting to €10,201-11,800. Due to that, the disposable net income of the person earning €10,200 increased by €483 (both at an annual level).

### 3.2.4 Support for the social economy and sheltered employment

Several experts highlight efforts being made by Member States to expand the social economy and to develop sheltered employment opportunities as a way of creating more opportunities for those distant from the labour market. For instance:

Austria has supported employment projects, e.g. within so-called “social economic companies”. These offer opportunities for social stabilisation and individualised training for people with special needs, who are supposed to be in need of special offers before they can be re-integrated to the first labour market. These offer opportunities for social stabilisation and individualised training for people with special needs, who are supposed to be in need of special offers before they can be re-integrated to the first labour market. Overall, 221.19 million EUR were spent on “employment promotion” in 2011. This corresponds to 22.69% of the 2011 subsidies budget;

Belgium has encouraged the stimulation of social economy initiatives. A recent initiative was the subsidisation of innovating projects in that sector, which mainly aimed at supporting projects enhancing the purchasing power of people living in poverty, such as group purchases of energy. In 2011, 57 organisations and enterprises received financial support for new projects;

50

The Czech Republic saw a substantial expansion in 2011 in support for the operation of sheltered workshops and workplaces which indicates a growing need for these measures. Measures in the field of social economy are represented primarily by sheltered employment for disabled people. The ESF projects in the area of employment provide support in the field of social economy. So far, 45 so-called Social Businesses, which are typical beneficiaries of this support, have been established in the country;

- Spain has seen a growing role for the social economy and NGOs in the management of active inclusion programmes for groups at risk of exclusion in terms of adaptation to individual needs and their low cost, capacity to manage protected employment and speciality in labour intermediation (such as for the disabled and Roma people);
- Finland has allocated additional funds for workshop-based sheltered employment and training. These efforts are important in combating the social exclusion and segregation, though at the same time the assessments of such types of employment and social economy have not been uniformly positive;
- France has encouraged a segment of the labour market for people in difficulty, the social economy sector. The number of charities and work cooperatives in this sector organising insertion actions for young people and older workers has increased. Currently, this sector accounts for between 7% and 8% of GDP, including 3% for the work cooperatives and charities, and employs 10% of salaried workers. There is a higher proportion



of women working in this sector than in the private sector (65.5% vs. 40%). There is a significant proportion of more vulnerable groups but a preponderance of short-term contracts, which reflects that the quality of jobs could be significantly improved;

- Slovenia's Social Entrepreneurship Act (2011) focuses on socially beneficial activities and employment of hard-to-employ people and promotes self-employment, job creation and the integration of people with disabilities in the labour market. This is a new formal form of entrepreneurship in Slovenia, although a number of associations, sheltered workshops and institutes in Slovenia already work under the principles of social entrepreneurship, employing a total of 17,000 people. The Act defines as socially beneficial the activities focused on employment of disabled persons, first-job seekers, the unemployed, welfare recipients, long-term unemployed and other hard-to-employ people.

### 3.2.5 Efforts to increase access to employment

A common criticism made by experts is that there is an over concentration on supply side measures at a time when not many jobs are available and that more needs to be done to increase the availability of jobs. This is well put by the Latvian expert when she says: "In Latvia, active inclusion is based on traditional supply-side activation approaches – enhancing activation and increasing sanctions which penalise the unemployed, when there are few decent jobs to go to, and this trend is becoming stronger. There are no discussions at the government level on sustainable, quality employment but on enhancement of employment opportunities for working-age individuals at risk of social exclusion. Hence, if social assistance recipients cannot enter the labour market, they have to participate in employment promotion activities." However, several experts do cite positive initiatives to encourage employers to create more jobs and to recruit more long-term unemployed and people facing particular difficulties accessing the labour market. For instance:

- In Austria, "employment promotion" measures include amongst others so-called company integration subsidies allowance (wage subsidies for employers employing former long-term unemployed), short-term work benefits. However, between 2010 and 2011 especially the number of people within the programme of company integration subsidies got reduced;
- Hungary has provided targeted social security contribution tax allowances to employers to boost labour demand for certain disadvantaged groups. The most important tax reliefs targets are young career starters, people registered as job-seekers for more than three months, or those returning from parental/care leave and disabled workers. The "START programme" promotes the labour market entry of young people by providing a contribution allowance. The allowance intends to ease the acquisition of work experience for career starters by reducing the employment-related costs for employers in case they employ a young career starter who has a START card. The START card is issued by the National Tax Authority upon the request of the young career starter. The card can be issued only once. The programme is funded by the Labour Market Fund. Since the launch of the programme (end of 2005), more than 190,000 young career starters with START cards have been employed. Some experts argue that only those

young people found employment who could have done so anyway without the card, and that this method has often supported multinational companies and did not really reach disadvantaged young people

- The Netherlands has introduced wage subsidies for employers who hire relatively disadvantaged unemployed workers (recipients of Work and Income according to the Labour Capacity Act) (January 2009). Disadvantaged workers can also acquire work experience while retaining their benefits;
- In Slovenia, the state subsidises employers who employ the beneficiaries of cash social assistance in order to decrease dependency on social assistance through earning a living (Social Benefits Act 2010, Article 41). The beneficiary should have received cash social assistance for at least 12 months and be employed for at least two years. Also, training at workplace (the ALMPs programme) is organised for an ever higher number of unemployed persons;
- The UK has introduced a number of measures to encourage employers to take on new workers and apprentices. The Apprenticeship Grant for Employers of 16 to 24 year olds provides wage grants to assist employers in recruiting their first apprentice. The National Apprenticeship Service will provide up to 40,000 Apprenticeship Grants to small to medium sized employers (with up to 250 employees) recruiting 16 to 24 year olds. The wage incentive element of the Youth Contract began in April 2012, and will be available for three years. It comprises 160,000 wage incentives of up to £2,275 each for employers who take on a disadvantaged or disabled 18 to 24 year old from the Work Programme for at least 26 weeks. The government has also introduced a new enterprise allowance for young people.

### 3.2.6 Efforts to tackle labour market segmentation

Only a few experts (e.g. DK) identify significant efforts to tackle labour market segmentation, ensure quality jobs and promote job retention and advancement. As the Austrian expert comments “questions of low wage employment, in-work poverty, precarious jobs or labour market segmentation did not attract much attention by the most important political actors”.

## 3.3 Access to quality services

In only a small number of Member States (six in the case of those who can work – AT, BE, EE, DE, LU, MT – and 4 in the case of those who cannot work – BE, EE, LU, MT) have steps been taken since 2008 which have strengthened services overall which are essential to supporting active social and economic inclusion policies, including social assistance services, employment and training services, housing support and social housing, childcare, long-term care services and health services (see Table 3.3). For instance, in Estonia the expert reports that in order to improve welfare services so that they correspond better to people’s needs and in order to increase satisfaction with their provision, “advisory guidelines to local governments were worked out in 2012 for minimal required social services that every local government should provide, but local governments with a small income base have big problems ensuring availability of various services”. In Luxembourg, the expert comments that



“the measures taken in recent years in the framework of services could be characterised as follows: more decentralisation; more and better focus on vulnerable population groups; more outreaching; more personalised accompaniment; and more and better cooperation between sectors and services”.

**Table 3.3: Access to quality services: Individual experts’ assessments of the extent to which policies/measures have been strengthened, have stayed much the same or have been weakened since 2008**

	Strengthened	The same	Weakened
<b>For those who can work</b>	AT, BE, DE, EE, LU, MT	BG, CY, DK, ES, FI, FR, HU, LT, NL, PL, SE, SI	CZ, EL, IE, IT, LV, PT, RO, SK, UK
<b>For those who cannot work</b>	BE, EE, LU, MT	AT, BG, CY, DE, DK, ES, FI, FR, HU, LT, NL, PL*, SE, SI	CZ, EL, IE, IT, LV, PT, RO, SK, UK

In many Member States, services have not changed significantly. However, in nine Member States (CZ, EL, IE, IT, LV, PT, RO, SK, UK) experts consider they have, overall, weakened. For instance, the Czech expert points out that “as the gap between service capacities and clients’ needs widens, the availability of services is becoming increasingly limited for certain groups of users. As regards employment services, in spite of their apparent effectiveness and efficiency, this applies particularly to the hardest to place long-term unemployed people. The availability of pre-school childcare facilities in small municipalities (facilities for children under three years are largely unavailable) and socially excluded communities where only a smaller proportion of children attend kindergartens is also problematic. Financial accessibility of pre-school facilities (for children under three years in particular) has become more limited since January 2012 (...). Also the rising fees in health care impede the financial accessibility of health care for population groups living on the lowest incomes. In services for the elderly and handicapped or crisis interventions, we observe stagnation in population covered by services but increasing needs.” The Greek experts comment that “In general, public health and social care provision in Greece continues to be deficient and inadequate to meet existing and emerging needs in these areas. And no measures have been taken towards this direction so as to facilitate access to quality services in these areas, especially for the most vulnerable groups of the population who are at a greater risk under the conditions imposed by the current economic crisis. It should be underlined that the recessionary phase that Greece undergoes and, in particular, the fiscal consolidation effort which has been under way over the last two years in Greece, has already exercised additional significant pressures on the capacity and the efficiency of the health and social care system.”

The weakening of services is also evident in Latvia, where the expert comments that access to social services has been the least developed of the three pillars of active inclusion. The expert points out that “Fiscal consolidation measures that have concerned areas relevant for the population like health care, the social sector, education and transport, have had a negative impact on the accessibility of services not only for the poor and at social exclusion risk groups but likewise for inhabitants with average incomes. The decrease of expenditures in the public sector has had a direct impact on the accessibility and scale of many essential



social services.” In Spain, “the decentralisation of personal social services with no guarantee of basic benefits and suitable funding, their discretionary nature and scarce availability are all causes of inequality and exclusion. These features limit the proactive capacity of social services, to the extent that management of monetary benefits (passive policies) is more important than the follow-up of excluded individuals on a case by case basis and the coordination with other services (employment, health, and housing) that are fundamental to strengthen social inclusion pathways.”

### 3.3.1 Availability and accessibility of services

Only a few countries have given much attention to increasing the territorial availability, physical accessibility and affordability of services since 2008, and these are often only in specific areas. However, experts cite some positive examples. For instance:

- In Austria, efforts have been made to improve childcare through incentives set by the national government in form of co-financing new childcare facilities. At the end of May 2012, the government decided for a federal contribution for the further expansion of the number of childcare places. The federal contribution is of the type of a start-up co-financing, and amounts to 10 million EUR in 2011 and 15 million EUR per year from 2012 to 2014. It is planned that this should contribute to the establishment of around 5,000 new places per year, with a special focus on places for children aged up to 3 years;
- In Belgium, substantial efforts have been made to improve the affordability of health care: Among the recent achievements is the further development of the “maximum health bill”, which is an instrument created to protect families when their total expenses on care exceed a specified threshold. Furthermore, the federal government aims to speed up and simplify access to the OMNIO status providing higher health care insurance reimbursements for economically vulnerable people;
- In Belgium, regional initiatives mainly focus on guaranteeing the affordability of long-term care, particularly for the elderly. The new measures focus on the extension of services for short-term stays, home support and personal care such as informal care, temporary care and care attendance;
- In Denmark, since 2008, initiatives in the area of health and long-term care to promote equal access to treatment for all and better quality of treatment have been launched. In order to support equal access to treatment, the former government established a Prevention Commission which was tasked with making documented and cost-effective proposals for strengthening the preventive effort i.e., by paying special attention to less resourceful groups. Also additional funding has been allocated to strengthen the psychiatric system and to improve health among most vulnerable groups and co-payments on several health services have been abolished;
- In Luxembourg, from 2011 onwards a new network of 30 local social services has been put in place with a view to realising the right to social accompaniment and to ensuring access to all relevant services, including those facilitating access to employment;



- In Malta, access to services has been enhanced by efforts to reduce burdensome procedures through measures such as undertaking: initial work towards the introduction of a single means testing mechanism to streamline eligibility to means-tested benefits and services across government; preparatory work towards the introduction of an on-line application system for all benefits; providing beneficiaries with on-line access to relevant social security information through the development of a SABS Web Query Tool for DSS employees; facilitating the annual review of benefit entitlements through better networking between government entities, thereby reducing unnecessary bureaucracy constraining service delivery; and the setting up of a mechanism to streamline processes relating to the registration of births and deaths;
- In Poland, childcare has visibly improved for children 3-6, less so for the younger ones but recently financing of childcare revealed problems (restrictive rules imposed by local governments, increase of fees).

### 3.3.2 Quality of services

Several Member States have worked to improve the quality of services, in particular by investing in human capital and improving working conditions. For example, in the Czech Republic the Ministry of Labour and Social Affairs (MLSA) lays emphasis on enhancing the quality of social services. Since January 2007, the Standards of Quality of Social Services have constituted a binding legislative provision. The control of the Standards lies with the MLSA (which has a network of about 120 external and professionally trained inspectors of the quality of social services at its disposal). The MLSA also provides methodological guidance (among other things, service providers have access to Methodological Guides on the Standards of Quality). With the use of ESF, sixty so-called “mentors in the standards of quality” were trained (a training course focusing on the practical application of the standards, comprising 120 hours of tuition). Organisations providing social services use the funding for training their staff in the provision of social services. Malta has been enhancing effectiveness of social services by consolidating standardisation practices and strengthening the Department for Social Welfare Standards by: the design of a 2-year part-time post-graduate course on the “Assessment in the Regulation of Social Care”; and the submission of an EU funded project for carrying out a mapping exercise across the public and voluntary social care sectors, with the aim of establishing National Occupational Standards at vocational level and to determine training needs of the workforce. However, some experts highlight the failure to develop comprehensive and coordinated services which are delivered in an integrated way. For instance, the Bulgarian experts conclude that “There is still a lack of understanding that the family in difficulty needs (public) integrated universal (social, health, educational, transport, assistance with employment, etc.) services and the specialists should be working with children and families giving the best quality depending on the possibilities and the needs of the family concerned. Such a package of guaranteed services has not been developed so far. It needs to be regulated legally and supported with a financial standard and methodological guidelines including not only social but also health, educational and other services.”





## 4. Financial Resources

### 4.1 National resources

In many countries, the lack of a clearly defined active inclusion strategy makes it difficult to assess the overall cost of implementing active inclusion strategies and the extent to which the necessary steps have been taken to ensure that the strategies have been underpinned by the provision of the necessary resources from the national budget. For instance, in Poland the expert considers that “Financing of the active social inclusion policies and programmes set within the three strands specified by the European Commission remains incoherent. In other words, there are no specific social budgeting rules allowing it to ensure adequate levels of expenditures and to coordinate spending that regards income support, inclusive labour markets and accessible quality services in a longer perspective. In fact, this is a clear consequence of the lack of effective comprehensive social inclusion strategy.” The difficulty of identifying the proportion of national resources devoted to active inclusion is well explained by the French expert when he writes that “A consolidated summary of all government expenditure relating to the fight against poverty is not available. This is currently being drawn up by the Observatoire national de la pauvreté et de l’exclusion sociale (ONPES, ‘National Observatory of Poverty and Social Exclusion’) and should be completed in 2013. As regards active inclusion, this measure will be even more complex and will require a meticulous approach which will probably not be undertaken in the near future without specific instructions from the European Union or the French government.” Similarly, the Greek experts note that “given that an active inclusion strategy has still to be developed in Greece, it is hardly possible to expect that any efforts have been concentrated to ensure that appropriate financial resources from the national budget have been allocated to implement measures which form part of this strategy. So, the financial resources devoted to the various measures implemented under each of the three strands of the active inclusion policies, have not been allocated on a prioritised basis with the view to promote a combination of specific measures which serve the active inclusion objectives. Besides, given the budgetary strains imposed by the current fiscal conditions of the country, no efforts have been made by consecutive governments over the last three years on finding room for budgetary manoeuvre in introducing measures targeted at alleviating poverty and social exclusion.” The Latvian expert points out that as in Latvia there is no uniform active inclusion strategy but only some active inclusion policy measures “it is impossible to provide information and assess the adequacy of national resources for developing and implementing the active inclusion strategy and its three pillars”.

Only a few experts have been able to assess the sustainability and adequacy of funding provided. In general, it would seem that the adequacy of funding is more evident for the inclusive labour market pillar. For instance, the Austrian expert notes that “even during the financial and economic crisis the government has been rather successful in ensuring that active inclusion measures are underpinned by the provision of the necessary resources from the national budget”. The Maltese expert reports that “budgetary provisions for social welfare did not decrease despite the pressures brought about by the international downturn, and were actually increased in certain areas like additional cash benefits to persons over 80 still living at home”.

A key issue is the extent to which the national authorities have been able, in a period of economic and budgetary constraints, to strike the right balance between work incentives, poverty prevention and alleviation, and sustainable budgetary costs. Many experts stress that the effect of the financial crisis is leading to reduced budgets for active inclusion measures in many countries and to restrictions in services. For instance:

- In the Czech Republic, on the whole, the field of active employment policy, in particular, may be assessed as heavily underfinanced. As regards social services, it is not possible to guarantee that the increasing need in this field is met within the resources available. The support of housing (namely, construction of social housing) is limited for the time being. Similarly, support of preschool childcare facilities for children under the age of three years is also negligible;
- In Ireland, given requirements for financial consolidation and austerity, welfare funding has been fairly well protected. However, while ALMPs have seen an increase in expenditure, services have been the main casualty in terms of expenditure cuts;
- In the Netherlands, part of the austerity measures is cutbacks in the total budget of the Ministry of Social Affairs and Employment and major cutbacks in the Municipalities Fund and the specific budgets. In 2012 the reintegration budget has been halved compared to the 2010 budget and the most significant cuts will affect childcare and reintegration;
- In Romania, adequate financing for integrated strategies continue to be challenged by austerity cuts, particularly to benefits and services, but also to activation support. Romania is among the Member States with the lowest levels of government expenditure as a proportion of GDP in 2010.

## 4.2 EU Structural Funds

EU Structural Funds have played a critical role in the development of active inclusion measures in many countries. However, they tend to have been used more to support the inclusive labour market strand than to support the development and implementation of an integrated comprehensive active inclusion strategy. They tend to be predominantly used to support intensive guidance for people who are socially excluded on the one hand and on actions aimed at helping the most vulnerable groups (such as young people, single parents and immigrants) on the other hand. For instance:

- In Austria, persons distant from the labour market are the target group of ESF measures under priority 3b of the Operational Programme for “Employment Austria 2007-2013”. The projects are implemented by the Territorial Employment Pacts (TEP) and in the two year period 2010-2011 around 60 projects were established. In 2010, about 3,500 persons distant from the labour market entered the projects. The projects are planned as pilot projects oriented towards the special needs of the groups on the margins of the labour market. In the long run, experiences of the pilot projects should be integrated into mainstream measures;



- In Belgium, ESF funds are particularly used to support specific interventions tailored to the needs of groups within the Public Centres for Social Welfare - clientele for which mainstream activation measures appear to be less effective, such as young people between 18 and 25, single-parents, people of foreign origin and people over 45. The federal ESF Operational Programme (OP) builds on two pillars: a pillar “Social Integration” and a pillar “Employment”. The current OP came into being through cooperation between the Administration for Social Integration, Poverty Reduction and Social Economy and the Federal Public Service (FPS) Employment, Labour and Social Consultation. The ESF budget for the federal programme 2007-2013 amounts to 45,064,810 euros - 38,305,088 euros of which go to the pillar “Social Integration” and 6,759,722 euros to the pillar “Employment”. The OP focuses on three axes, two of which are of specific interest in the light of the active inclusion approach: Axis 1 (promotion of social and occupational activation paths) and Axis 2 (career planning and encouragement of diversity at work). The emphasis in Axis 1 lies on specific interventions tailored to the needs of groups within the municipal Public Centres for Social Welfare (PCSW) clientele for which mainstream activation measures appear to be less effective, such as young people between 18 and 25, single-parents, people of foreign origin and people over 45. Axis 2 mainly focuses on structural actions aimed at coping with diversity at work and tackling discriminatory practices. This includes projects such as awareness campaigns concerning keeping the elderly employed and the project of “experts by experience”;
- In Bulgaria, the use of structural funds has been vital, especially in the last two years, for social policy. There are quite few programmes funded from the EU Structural Fund which deserve mentioning because they offer previously non-existent types of services or reach to target groups which have been previously neglected. Activating Inactive Persons and Improving the Quality of Services provided by Employment Agency services for citizens and businesses with a focus on vulnerable groups on the labour market are two such programmes. The use of structural funds has been vital especially in the last two years for social policy in Bulgaria. In the years before 2010, most of the national employment programmes were not funded by the Structural Funds but through the national budget. Thus, the distinction between the financing from the Structural Funds and state budget was blurred, as a result of the sharp decrease of funding from the national budget. For example, the budget expenditures for active labour market programmes decreased to 65 million in 2010 while the funds from the Operational Programme “Human Resources Development” amounted to EUR 308 million and a significant proportion of them was channelled to employment programmes. In 2011, the planned funds for active measures from the state budget are BGN 73 million and funds available under the Operational Program “Human Resources Development” were 330 million;
- In Cyprus, the constraints imposed on public finances, make the implementation of policies to achieve the Europe 2020 targets depend largely on the EU financing assistance. The operational programme “Employment, Human Capital and Social Cohesion” is of particular interest to social inclusion, because it includes measures that support vulnerable population groups and promotes their labour marker participation, as well as their integration to society. In this framework a variety of welfare schemes have been introduced covering a wide spectrum of policy areas. However, a relatively low share has been devoted to improving the social inclusion of disadvantaged persons: only 2.2



per cent of total community budget according to the aggregated data presented in the 2012 NRP; while 16.6 per cent is directed to human capital investments and to improving the employability and adaptability of the working force;

- In the Czech Republic, Structural Funds have played an important role and the Operational Programme Human Resources and Employment (OP HRE) has been particularly important from a social inclusion perspective as it focuses primarily on the reduction of unemployment by means of active labour market policy and professional training, and also on the inclusion of socially excluded people back into mainstream society. Within the OP HRE € 398.6 million (21.7% of the OP) has been used to support the priority of Social Integration and Equal Opportunities, i.e., support for social integration and social services, support for social integration of Roma communities, integration of socially excluded groups in the labour market, equal opportunities of women and men in the labour market, reconciling work and family life and other areas of support;
- In Spain, structural funds, above all the ESF, are key to active inclusion policies. Specifically, the Anti-Discrimination Operational Programme has been crucial to the active inclusion of the disabled, immigrants, the severely excluded and Roma People. The “Acceder” programme developed by the Roma Secretariat Foundation for the latter group continues to be a benchmark due to its scope and effectiveness. In the same vein are programmes developed by the Fundación ONCE (whose focus is on the disabled), the Red Cross (immigrants) and Caritas (severely excluded people);
- In Greece, most of the measures implemented in the area of social inclusion, except the income support measures, are heavily co-financed by the EU Structural Funds, under the various Operational Programmes of the consecutive Greek Community Support Frameworks, as well as under the European Community Initiatives. This is also the case, in the current period under the Greek Strategic Reference Framework 2007-2013, where most of the measures taken or planned to be taken by the Greek Authorities to promote the social inclusion of vulnerable groups are supported by EU Structural Funds financing;
- In Finland, Structural Funds are an important addition to social inclusion-related activities and policy measures in Finland. The budget share in 2007-2013 is approximately 1.7 billion euro. When the leverage effects are considered, this is an important input. National funding share is approximately 2.01 billion euro, with 75% share being provided by the central government and 25% by the local authorities. An estimated 2.3 billion is provided by the private sector partners. In the area of social inclusion, many project activities are seeking to test and mainstream practices that could be significant in the future when combating the social exclusion and challenges of welfare when faced with the ageing population;
- In Hungary, EU funds are extensively used to support the development and implementation of measures related to the active inclusion strategy. At the end of 2008, the government and the National Development Agency decided to reallocate funds of the operative programmes of the New Hungary Development Plan “to cushion the impacts of the crisis, retain jobs and begin to prepare for the period after the crisis”. 51 billion HUF from the Social Infrastructure OP and 60 billion from the Transport OP were real-



located to the Economic Development OP. The aim was to “to make use of EU funding in a way that enables the protection of the highest possible number of jobs threatened on account of the crisis”;

- In Italy, the 2007–2013 National Strategic Reference Framework concerning the utilisation of the EU Structural Funds (NSRF) is a fundamental instrument to improve social inclusion policies devoted to disadvantaged groups. By the end of 2010, these policies constituted the largest number of projects (51%) financed under the NSRF;
- In Latvia, during the crisis the European Union funds were a major source of funding for the development and guaranteed the country and its inhabitants significant social assistance, safeguarded jobs (particularly in regions) and stimulated employment. The major support within the framework of the EU funds is aimed at two active inclusion pillars, namely, the inclusive labour market and quality services. The impact of the EU funds support on the third pillar - adequate income – has an indirect positive effect. The enhancement of service development, quality and accessibility, promoting the involvement or presence of the unemployed and employees in the labour market, facilitate, to a greater or lesser degree, income maintenance;
- In Lithuania, after 2009 the main sponsors of measures of active inclusion have become the EU structural funds. The analysis of the projects shows that according to the activities of the projects could be grouped into three groups: support for social enterprises and people with disabilities; support for public jobs; and projects that include vocational training, subsidised employment, job rotation and territorial mobility;
- In Malta, EU Structural Funds have been extensively used to support the development and implementation of an integrated active inclusion policy. For instance, social Inclusion policy is sustained primarily through an Operational Programme, Empowering People for More Jobs and a Better Quality of Life, which has been translated into numerous projects to enable improvements in education, and especially through Malta’s Employment and Training Corporation to encourage both individuals and employers to maximise the utilisation of available human resources, most especially female activity, through various support schemes;
- In the Netherlands, the priorities for ESF funding aim to guide more people to the labour market by focusing on groups on the margins. The main priorities are increasing labour supply (e.g. older workers, women and the young), promoting inclusiveness for the disadvantaged (e.g. prisoners or schools for children with special needs) and promoting adaptability and investing in human capital (e.g. early school leavers);
- In Poland, EU structural funds are widely used for co-financing active social inclusion programmes. In recent years, financing has come mainly from the ESF allocating resources through the Human Capital Operational Programme (HCOP) set within the National Strategic Reference Framework 2007–2013. This Programme assumes ten priorities, all clearly related to the development of human capital through the improvement of education, raising competences, trainings and alike. Until the end of June 2012, the actual budget for all HCOP projects amounted to PLN 29.291 billion (all sources combined), i.e. about EUR 7.323 billion or 64% of the total planned. And the number of



---

projects supported reached 33,921. HCOP projects are targeted, both, at people who can work and at those who cannot (disabled, elderly, uneducated immigrants) with a certain “bias” towards the latter group;

- In Romania, in spite of low absorption rate, European funding contributes to the core objective of strengthening the national mechanism for social inclusion in order to establish a framework for the elaboration and coordination of the social policies leading to a better understanding of the social exclusion situations in view of setting sectorial priorities, promoting the active inclusion and creating an adequate environment of the development of mutually supporting social policies in different intervention areas;
- In Slovenia, the ESF has co-financed the ALMP. It has also co-financed some of the programmes aimed at the development and modernisation of the Employment Service of Slovenia. In the framework of the Operational Programme of Human Resources Development for the period 2007-2013, the European Commission certified its co-financing amounting to €3.2 million in 2009 and €104.7 million in 2010. Out of this amount, €30.0 million were spent on the promotion of entrepreneurship and flexibility, €34.3 million on the promotion of employability of job searchers and the non-active, €23.5 million on the development of human resources and life-long learning, €2.1 million on equal opportunities and promotion of social inclusion, while the rest was spent on institutional and administrative capacity and technical assistance (Letna poročila...);
- In Slovakia, ESF resources are used in the development of the social inclusion area to a large extent (they are funding the majority of social inclusion policies). Within the programme period 2007-2013, the sources of the ESF are used in the operational programme Employment and Social Inclusion (total ESF allocation: 881 Million euros) with the objective “growth of employment, decrease of unemployment, social inclusion and capacity building” and in the operational programme Education (total ESF allocation: 618 Million euros) with the objective “ensuring a sustainable competitiveness of Slovakia through the adaptation of the educational system to the needs of the knowledge society”.



## 5. Monitoring and evaluation

In only a few countries are arrangements in place to monitor and evaluate the implementation of the Active Inclusion Recommendation and the impact of the measures that have been introduced in this context. More commonly, there may be some evaluations of individual schemes but an evaluation of interactions between the three pillars is largely missing. For example, the Hungarian expert comments that “there is no systematic monitoring of the implementation of the Active Inclusion Recommendation and the impact of the measures in its complexity, but of course several elements/ measures of active inclusion have been monitored and evaluated”. In Luxembourg, the expert highlights a strong tradition in the monitoring and analysis of the economic and social situation and monitoring of individual programmes but concludes that “a systematic integrated monitoring and evaluation of active inclusion policies does not exist. Therefore, the evaluations of the three strands should be brought together and be conducted from each other’s perspective.” The Maltese expert highlights that “monitoring and evaluation in Malta still lacks the scientific set-up that can produce holistic evaluations and cost-benefit analysis and can introduce an element of scientific experimentation”. In Portugal, the expert notes that “there are no specific arrangements in place to monitor the implementation of the Active Inclusion Recommendation. It is however possible to identify some initiatives regarding each of the three strands, although there is no integrated information system to produce comparable information across them.” Overall, she concludes that monitoring and evaluation has worsened as “Some of the structures in place in previous periods (e.g. during the NAP/inclusion process), which provided some potential for the monitoring and evaluation of measures, have either been extinguished or are under profound modification (...) Consultation mechanisms with different stakeholders have also suffered a clear pushback.”

There are, however, some examples of interesting developments cited by experts:

- In Belgium, the Federal Public Service “Social Security” has widened the scope of indicators towards new policy domains such as minimum income protection, the use of administrative data for monitoring pension issues, lifelong learning, health services, housing policies, etc. As a result, the “Indicators of Social Protection in Belgium” report provides information on indicators across the three active inclusion pillars. Nevertheless, all indicators are treated independently implying that their joint impact on the social and economic integration of disadvantaged people is not sufficiently taken into account;
- In the Czech Republic, although no systematic ex-ante or ex-post assessment of the social effects of the realised changes was carried out during the implementation of the changes, the Ministry of Labour and Social Affairs has, in recent years, conducted or outsourced a whole range of analyses related to the issues of social exclusion. Using data provided by the Czech Statistical Office, the Ministry also regularly (on a quarterly basis) assesses developments in the field of income and expenditure of households but without a particular regard for the categories at risk of poverty;
- In Estonia, although there are no special arrangements for monitoring the implementation of the Active Inclusion Recommendation and the impact of the measures introduced in this framework, independent think tanks and state institutions have under-

taken a number of analyses reflecting to some extent all or some of the three strands of the active inclusion strategy;

- In Finland, all policy measures and programmes are evaluated, though not always with external expertise. In the case of major policy instruments and new legislative proposals this is however the case. For instance, the new action for social inclusion is to agree on a set of indicators and a monitoring system, though this is still work in progress;
- In France, over the past 10 years, there has been a significant increase in the production of social security data and statistics which has helped the anti-exclusion policy. However, there is still greater emphasis on monitoring policies than on evaluation even though the evaluation of the Active Solidarity Income (RSA) was sound and a broader evaluation of social and welfare establishments and benefits is being prepared;
- In Germany, labour-market policy in the context of the Social Code Books III and II has become the most intensively evaluated field of social policy in Germany. Other political initiatives in the context of active inclusion have, up to now, not been evaluated in this scope and with such a differentiation. But more and more of these initiatives are embedded in monitoring systems;
- In Greece, although no mechanisms or any arrangements have been put in place to monitor and evaluate social policy measures in general or the social inclusion measures in particular, one positive development is that the new NRP 2012-2015 places a high priority on the reorganisation of the social policy system, which entails, among other things, the establishment of “a mechanism for central coordination, designation and monitoring of social policies” which will be under the responsibility of the Ministry of Labour, Social Security and Welfare;
- In Italy, while specific arrangements to monitor the implementation of the European Commission Active Inclusion Recommendation were not put in place, efforts to improve indicators on social inclusion policies were made, especially in the ambit of the 2007–2013 National Strategic Reference Framework concerning the EU Structural Funds;
- In Luxembourg, an example of a more integrated monitoring approach is the inter-ministerial working group monitoring the social impact of the crisis. The working group consists of representatives from the Ministry of Family and Integration and the Ministry of Social affairs. The working group is coordinated by the Service National de l’Action Sociale (SNAS – National Service for Social Action) and the Inspection Générale de la Sécurité Sociale (IGSS – General Inspection of Social Security);
- In Poland, in recent years, monitoring and evaluation of social inclusion policies seem more intensive than in the past. As a rule, monitoring and evaluation accompany projects/ programmes co-financed by foreign institutions (EU, World Bank) but more and more purely national programmes are subject to strict monitoring, too. Evaluation, however, is still less common and somewhat under-developed;



- In Slovenia, macroeconomic modelling was used for assessing the impact of planned revisions in the social policy regulation and structural reforms. The revisions of the minimum wage and the minimum income, as well as the regulation of entitlements to benefits from public sources – all approved in 2010 – were also based on studies, simulations and evaluations;
- In Slovakia, since June 2010 all legislative proposals have to go through ex ante assessment of selected impacts. However, up till now, existing evaluation practice has not shown any practical impacts as there is no obligation for authors of proposed bills to accept the results of assessments;
- In Sweden, mainly because of access to population based registers that uses a uniform personal-number identification system, evaluation is an on-going and fairly efficient activity. It has not improved in any significant way but it has maintained its high standard. Surveys such as the Labour Force Survey, EU-SILC, Income Distribution Survey and Survey of Living Conditions support the register-based system;
- In the United Kingdom, there is a developed system of impact assessments, monitoring and evaluation, and piloting and testing of policies are if anything increasing; but it is too early to evaluate the Work Programme, and Universal Credit has not yet come in.

## 5.1 Involvement

The extent to which all relevant actors are involved in monitoring and evaluation arrangements varies widely. Only a few positive examples are cited by experts. For instance:

- In Belgium, the working group “Actions” of the National Action Plan for social inclusion was the main channel through which a variety of stakeholders, such as local entities, social partners and NGOs were involved. The group gathered ten times for a thematic follow-up of the measures mentioned in the Action Plan since 2008. Additionally, the federal government strives to mainstream the pilot project “Experts by Experience in Poverty and Social Exclusion”;
- In Slovenia, through the Economic and Social Council of the Republic of Slovenia, the social partners have a formal possibility to actively engage in the evaluation of the active inclusion strategies.

## 5.2 Role of NRPs and NSRs

The role of the National Reform Programmes as well as the National Social Reports in the monitoring and evaluation of active inclusion strategies has been very limited. Where there has been an impact this tends to be more evident in relation to the inclusive labour market strand. For instance:

- In Belgium, an integrated overview of all three active inclusion strands is lacking. Again, the access to quality services and adequate income pillars were overshadowed by the attention dedicated to activation into work. In the 2012 NSR too, the evaluation with

respect to the active inclusion strand is relatively limited, apart from an overview of relevant indicators for the active inclusion approach in its technical annexes;

- In Bulgaria, the NRPs and NSRs have had little direct influence probably because despite some consultations they have remained essentially a product of the administration. Nevertheless, commitments and indicators for measuring progress set in these documents give grounds to a number of NGOs and trade unions to use them in their advocacy actions, at least by following on the implementation;
- In the Netherlands, even though the Bureau for Economic Policy Analysis has calculated the effects of all government structural reform plans presented in the NRP, no full ex-ante social impact assessment of the NRP has been conducted. Neither were there any separate social impact studies. For instance, it is not clear for which segment of the population financial incentives could be effective, or in which segments people may be indifferent;
- In Sweden, the NRPs and NSRs have had no impact on the Swedish monitoring and evaluation system. Evaluation is an on-going process.

Only a few experts provide positive examples of the impact of the NRPs and NSRs. For instance, the Slovenian expert considers that “the NRPs and NSRs have a rather important role in the monitoring and evaluation of active inclusion strategies. If nothing else, they ask for a periodic and systematic overview of challenges, developments and realisation of tasks set in the year before.”

### 5.3 Social experimentation/innovation

There is only limited evidence of the use of social experimentation/innovation in the development of active inclusion measures. Amongst examples cited by experts are the following:

- In the Netherlands, there is new and challenging research currently being carried out on the net effect of reintegration interventions. Some eight municipalities (together with the Employee Insurance Agency) experiment and assign interventions to a research and control group to determine what works for whom. The results are expected at the end of 2014;
- In Slovenia, social experimentation/innovation has been used in the development of active inclusion measures. This is particularly true in the field of labour market inclusion, though the new approach to granting social benefits – based on the Exercise of Rights to Public Funds Act (2010) – may also be considered a social experiment (see Box 5.1).



### **Box 5.1: Examples of social innovation in Slovenia**

MOSAIC: This Association for Social Inclusion has been implementing an alternative strategy for the social inclusion of vulnerable social groups on the basis of their training and employment in the developing activities that are related to ecology and based on natural and cultural heritage of the Pomurje region. Its objective is to improve the employment possibilities of vulnerable social groups (persons hard to employ and the disabled in particular) in activities such as ecological agriculture, ecological foodstuffs processing, traditional building, and environmental care.

In order to reintegrate (train and employ) the homeless, the first thrift store “Old Goods, New Use” was opened in 2010 in Ljubljana by the Kings of the Street, an Association for Help to the Homeless and their Self-Help. Donated goods are sold at low prices (mostly to people who would not be able to buy new and more expensive goods) and the income generated is used in accordance with the Association’s aims: for social integration of the marginalised groups, development of humanitarian activities, ecological purposes, etc.

(Source: Slovenian expert’s report)



## 6. The experts' recommendations

Experts were asked to recommend the priority actions that should be taken to improve the implementation of active inclusion both in their own countries and at EU level. Several themes recur regularly in their recommendations and these reflect the key weaknesses identified in the earlier sections of this report. Readers wishing to understand in more depth the issue being addressed should refer back to the relevant section of the report where issues are identified and also, when available, countries who already address the issue in question well are identified. The individual experts' reports of course will provide more information about the context for any specific recommendation. The recommendations are documented in the following sections.

### 6.1 Developing national strategies

Experts identify quite a wide range of actions that Member States should take to strengthen or to develop integrated comprehensive active inclusion strategies. These reflect the weaknesses identified in Section 2 of this report. The six areas most frequently addressed are the need to put arrangements in place to draw up an integrated strategy; increasing coordination between strands; developing a more balanced approach to the three strands; enhancing monitoring, evaluation and research; increasing the participation of stakeholders in the process and improve its governance; and focusing initially on specific areas or groups.

#### 6.1.1 Design a comprehensive and integrated strategy

Section 2.1 of this report highlights that many experts are concerned about a very fragmented and unbalanced approach to policy development. They note that an overall comprehensive and integrated approach to active inclusion is often lacking. Thus, in their recommendations, several experts focus on the need to put in place arrangements to develop more comprehensive and integrated strategies and some make practical suggestions for how this could be achieved. For instance:

- The Estonian expert stresses the need to work out an integrated comprehensive strategy for the active inclusion of people excluded from the labour market, combining, in a balanced way, adequate income support, inclusive labour markets and access to quality services;
- The Greek experts suggest that, in order to develop an integrated active inclusion strategy, a single managing authority should be established which would be responsible for the design, coordination, monitoring and evaluation of all the measures that are taken or planned in the context of an active inclusion strategy;
- The Irish expert proposes that a review group should be set up from the three main relevant departments (Social protection, Enterprise, Trade and Employment and Education and Skills) or else the National Economic and Social Council should be asked to review existing provision and develop a plan for better integration;



- The Latvian expert stresses that the development of a comprehensive active inclusion strategy should be part of the political agenda, instead of the current fragmented and poorly coordinated planning, implementation and monitoring of active inclusion strands;
- The Luxembourg expert calls for a sustained effort to come to a more comprehensive approach and a more integrated implementation and to achieve a better balance between the importance given to each of the three strands of active inclusion;
- The Romanian expert suggests that the effectiveness of parallel sectorial strategies would be enhanced by bringing them together into a common, articulated and well-structured policy document that highlights the cross-cutting aspects and encourages the use of clear benchmarks and instruments to measure progress in the active inclusion area.

### 6.1.2 Improve coordination between strands

Earlier sections of this report highlight the finding that many experts identify weaknesses in the horizontal and vertical coordination of active inclusion policies and programmes. Section 2.2 (on integrated implementation) highlights that many experts emphasise the need to improve coordination between the three strands of active inclusion at both national and especially sub-national levels. Section 2.3 on vertical policy coordination highlights weaknesses in coordination between different levels of governance. These weaknesses are addressed by several experts in their recommendations. For instance:

70

- The Austrian expert proposes starting a process of integrated planning in cooperation with the federal provinces and municipalities (especially regarding social services) and the social partners;
- The German expert suggests that a national board for social inclusion would be helpful to coordinate the different levels of government when implementing comprehensive and integrated policy concepts in areas such as the integration of elderly workers or migrants or the reconciliation of family and professional life and to ensure the participation of stakeholders in these processes;
- The Danish experts recommend the introduction of a more thorough integration between the different social pillars or strands so that initiatives in one area, e.g. income support, are backed up by initiatives in related areas, e.g. education;
- The Estonian expert argues for more effective horizontal and vertical policy coordination in the implementation across the three strands of the active inclusion strategy;
- The Spanish expert stresses the need to continue the development of progress made in recent years in the vertical and horizontal institutional coordination in active inclusion;
- The Dutch experts argue that municipalities could improve the quality of their services and their contribution to preventing poverty and to labour market policies by integrating their policies on reintegration, income provisions and debt assistance;



- The French expert suggests that consideration should be given to reinstating the National Action Plan for social inclusion as a means of ensuring that the various government programmes, local authority measures, actions by charities and not for profit associations and European funding, which are the drivers of the active inclusion policy, all pull in the same direction and succeed in coming together;
- The Polish expert proposes the establishment of a coordinating unit and suggests three different forms this could take: (i) Task-Force gathering representatives of social partners, experts and stakeholders; (ii) A more solid administrative unit affiliated to the Prime Minister or settled within the structure of one of the ministries; or (iii) one of the existing government agencies could be equipped with the necessary instruments and prerogatives;
- The Romanian expert recommends the further development of an active inclusion policy mix by strengthening the links between education, health services, social protection and labour market activation.

### 6.1.3 Develop a more balanced approach to the strands

Section 2.1.3 highlights the problem of a lack of balance between the three strands of active inclusion and the tendency in many Member States to give far more weight to the labour market strand at the expense of the adequate income and access to services strands. In response to this, several experts make recommendations which emphasise the need to achieve a better balance between the three strands of active inclusion. For instance:

- The Cypriot experts recommend rectifying the unbalanced approach which is stretched too far in the direction of providing adequate income support and gives relatively less attention to access to adequate and high quality services;
- The Czech expert recommends that a suitable balance should be achieved among the three strands of active inclusion, with more emphasis laid on active employment policy and human resources development in the field of labour market inclusion, as well as on the adequacy of income and access to quality services;
- The Hungarian expert stresses that, although it is justified and important to increase work incentives, “it is just as important to provide means for at least bare survival, and making employment a real option for those who could work by, among others, securing necessary services for that (transport, health care, public employment services, etc.)”;
- The Latvian expert suggests that all three active inclusion strands should be introduced in a more balanced way, devoting more attention to the planning of adequate income and quality services and their mutual interaction;
- The Portuguese expert calls for the restoration of the rights based approach embedded in the National Insertion Income Programme and the prevention of the erosion of the (limited) potential of the income benefit provided in the fight against poverty;
- The Slovak expert emphasises the need to pay balanced attention to all three pillars of active inclusion approach instead of prioritising a workfare approach;

- The Swedish expert stresses that the government needs to restore the income maintenance principle increasing the income ceilings in the unemployment insurance and, then, the sickness benefit. It should also carry through the plan to introduce a unitary unemployment insurance administered by the state; this new unemployment insurance should be more inclusive than is currently the case.

#### 6.1.4 Enhance monitoring, evaluation and research

Section 5 highlights that in many Member States there is a lack of evaluation of the impact of policies relating to the three strands of active inclusion. There is also often little evidence of efforts to analyse how the three strands interact and how policies can be mutually reinforcing. Thus, in their recommendations, many experts suggest that integrated national strategies could be significantly improved if they became more evidence based and were underpinned by better monitoring, evaluation and research.

One area where several experts suggest improvements could be made is in the more systematic use of social impact assessments. For instance:

- The Belgian experts recommend implementing systematic ex-ante poverty impact assessments of reforms in the social and employment fields;
- The Finnish expert argues for better monitoring methodologies and knowledge-sharing, including impact assessments and benchmarking;
- The Hungarian expert proposes that planned measures should be assessed ex ante and then ex post, regarding their social impact;
- The Irish expert recommends strengthening measures to monitor and evaluate developments (giving particular attention to programme effectiveness) and to introduce social impact assessment as a normal part of decision making; she also recommends involving stakeholders in this (and other ways) and making the results of social impact assessment public;
- The Luxembourg expert suggests (further) developing the social impact assessment system and ensuring that policy evaluations are done from the perspective of each of the three strands – for instance, the evaluation of labour market policies should be done also from the perspective of decent income provision and access to services;
- The Dutch experts propose that social impact assessments should be provided, especially for (cost-effective) measures that imply cutbacks in the provided services;
- The Portuguese expert suggests requiring an impact assessment of any measure proposed, particularly when there is evidence of the negative impacts of previous similar measures in terms of efficiency and efficacy as regards poverty reduction.

In addition to recommendations in relation to social impact assessments, a range of other suggestions are made as to how research and evaluation could strengthen integrated strategies. These include studying more carefully how interactions between the three strands work and can be enhanced, putting in place more rigorous monitoring and evaluation ar-



rangements so as to improve the effectiveness of policies and to ensure greater accountability, and developing better data basis to underpin policy development and monitoring. For instance:

- The Austrian expert proposes starting an integrated process of pro-actively assessing the strengths/weaknesses/challenges of the “active inclusion” model, addressing all three policy strands and their interaction;
- the Danish experts recommend that a greater effort should be made to monitor and evaluate in a systematic way the specific measures outlined under the strategies so as to enhance transparency and accountability;
- The Spanish expert recommends ensuring swift progress in developing active inclusion policy evaluation protocols. This will require an agreement between the State, social agents and social action NGOs on the indicators and the data to be collected for the different programmes and on the evaluation and dissemination of the results;
- The Finnish expert suggests decreasing unnecessary overlap of piloting and testing (improved by improved dialogue and monitoring);
- The Maltese expert proposes making research an essential component of each project as action must be accompanied by research at all its stages;
- The Dutch experts call for enhanced monitoring of the effects of policy measures and the identification of (potential) groups at risk so as to develop integrated responses to tackle them;
- The Romanian expert highlights the need to improve specific database and monitoring and evaluation procedures so as to ensure efficient implementation of mutually reinforcing social inclusion and employment strategies;
- The Slovak expert emphasises the need to improve regular monitoring and assessment of all programmes.

### 6.1.5 Increase participation and improve governance

Section 2.4 documents that in some Member States the involvement of relevant actors (including those affected by poverty and social exclusion, the social partners, non-governmental organisations [NGOs] and service providers) in the development, implementation and evaluation of active inclusion strategies is quite well developed. However, in many cases experts see significant room for improvement. They stress that integrated and comprehensive active inclusion strategies are more likely to be developed and implemented if arrangements for involving key stakeholders in the process are improved. Thus several make recommendations for improvements in this area. For instance:

- The Belgian experts recommend integrating local expertise into the design of a comprehensive strategy;

- The Czech experts argue that more attention should be devoted to the issues of governance, i.e. the interconnectivity among individual departments, the levels of management and the participation of all stakeholders in the active inclusion strategy;
- The Spanish expert suggests increasing and consolidating progress made in governance through the growing presence of Social Action NGOs in NAP/inclusion and in the various inclusion strategies (Roma, the disabled, immigrants) as these are the organisations that represent the interests of at-risk groups;
- The Finnish expert suggests improving the voice of the service users in the processes, including also ensuring a more effective use of methodologies and instruments for qualitative and experience-based indicators;
- The Irish expert calls for the reconstitution of the stakeholder process in Ireland as social and economic dialogue and inclusive planning are crucial to recovery and to putting in place a sustainable plan for future developments;
- The Italian expert recommends strengthening by law the participation of all relevant actors (including those experiencing poverty and social exclusion) in the development, implementation and evaluation of strategies;
- The Polish expert proposes that whatever coordination arrangement is chosen the unit should necessarily consider the wide participation of various actors;
- The Portuguese expert calls for the restoration/reinforcement of the former participation and coordination mechanisms at different levels (central and local) in order to ensure an integrated implementation across the three strands of the active inclusion strategy;
- The UK experts recommend resuming resourcing of the dialogue between stakeholders (including those with direct experience of poverty) and the UK government about its strategy on social inclusion (including active inclusion) in an EU context.

### 6.1.6 Focus initially on specific areas or groups

As highlighted in Section 2.1, many Member States are a long way from developing a comprehensive action inclusion strategy for all people of working age. This leads some experts to consider that developing a fully comprehensive and integrated active inclusion approach may be too much to achieve in one step. Also, several experts highlight the need to give more attention to specific disadvantaged groups or areas and many highlight how much less attention has been paid to those who cannot work compared to those who can. These considerations have led several experts to recommend that a good way forward might be to focus on more thematic approaches and on developing an integrated active inclusion approach in specific areas. For instance:

- The Bulgarian experts suggest that at this stage implementing a comprehensive active inclusion strategy, which would address the needs of all vulnerable groups, is too optimistic and so suggest concentrating on developing a truly integrated approach in a specific area, the housing conditions in the Roma ghettos. They suggest that this



can be done by updating the National Programme for the Improvement of the Housing Conditions of the Roma and reconfirming the commitment for its implementation. The implementation of this programme would require strong coordination between housing, health care, employment and education policies and would thus provide an example of a truly integrated approach;

- The Lithuanian experts recommend focussing on an elaborate activation programme for long-term recipients of social assistance benefits, which would join together the efforts of central government, municipalities, labour exchange, educational institutions and other stakeholders;
- The Dutch experts propose the development of a more elaborate approach so as to avert the increasing risk of poverty among vulnerable groups by tackling the accumulative effects of restrictive measures in social assistance, income provisions (poverty policies), social provisions and national insurance (long-term care);
- The Polish expert recommends the development of sectorial strategies / programmes. This may be seen as a supporting step towards the drafting of a single strategy of active social inclusion. Examples of well-developed segmental strategies, such as “Solidarity across generations”, are encouraging. She considers that such sectorial strategies might eventually be integrated into one comprehensive strategy, or become its alternative;
- The Slovenian expert proposes focussing on two areas. First, she suggests that social partners should intensify negotiations on the Employment Relationships Act revisions in order to start removing reasons for high labour market segmentation. Secondly, she urges the adoption of relevant regulation in the field of long-term care in order to ensure availability and affordability of services, as well as financial sustainability of the system in the conditions of rapid population ageing.

### 6.1.7 Other

A number of other interesting suggestions are made by different experts for strengthening an integrated approach. For instance:

- The Italian and Romanian experts emphasise a mainstreaming approach. The Italian expert suggests mainstreaming the three pillars of the active inclusion strategy into national policies, while following universal and multi-dimensional approaches. The Romanian expert recommends consistent mainstreaming of equality and non-discrimination principles to eliminate inequities within the social protection / assistance, education, health systems and on the labour market;
- The Czech and Spanish experts link effective active inclusion with the development of the NRPs and NSRs. Thus, the Spanish expert proposes that active inclusion policies must form a visible part of the NRP and NSR each year. The Czech expert suggests that strategic policies like the Strategy of Social Inclusion for 2011-2015 and the National Reform Programme (in the field of social inclusion) need to be implemented more consistently. They should be first elaborated into specific actions with a set deadline, tied



to operational goals, then backed by the necessary financial resources and there should be due monitoring of implementation progress;

- The Italian expert stresses the importance of eradicating discriminatory restrictions (e.g. against immigrants and ethnic minorities) from existing laws if active inclusion is to work;
- The Maltese expert stresses the importance of improving access to information and thus recommends developing community based information services, manned by knowledgeable and well-trained persons, as these are required as a form of outreach to those in need of services;
- The Luxembourg and UK experts emphasise the importance of providing the resources necessary for the implementation of the measures taken. For instance, the UK experts suggest that the government should consider more seriously its approach to deficit reduction so that public finance could be used to advance job creation, particularly for young people for whom levels of unemployment are at their highest for a generation;
- The Slovak expert suggests national approaches could be enhanced by learning from good practice elsewhere and thus there should be support for the participation of government's representatives in mutual learning activities in order to get information on "what works best" as an integrated strategy.

## 6.2 Priority actions at Member States level for each strand

Experts were asked to identify a wide mix of priority actions that their Member States should take to strengthen policies/measures under each of the three active inclusion strands, i.e. adequate income, inclusive labour market and access to quality services.

### 6.2.1 Adequate income

#### **Ensuring adequacy**

Section 3.1 documents that, in many Member States, ensuring access to an adequate income is often a very underdeveloped aspect of active inclusion. While there are some good examples highlighted of linking provision of financial resources to activation (Section 3.1.2) and addressing the issues of increasing incentives to work (Section 3.1.3), this is often at the expense of ensuring income adequacy (Section 3.1.1). In the light of these findings, many experts emphasise the need to strengthen social protection systems and, in particular, the need to ensure that benefits are adequate. For instance:

- In Belgium, efforts should be made to improve (rather than erode) levels of social benefits to ensure an adequate minimum income for all which should be towards the 60% median at-risk-of-poverty threshold;
- In Bulgaria, an increase in the Guaranteed Minimum Income (GMI) is long overdue and also the coverage of minimum income schemes will have to be increased by relaxing means tests, which are very restrictive. Also, there is a need to increase take-up by ad-



addressing the practice of stigmatising poverty in public speeches and in administrative practices;

- In the Czech Republic, the legislative commitment should be restored to regular revaluation of the living minimum reflecting the growth in prices (possibly also wages). The time limit imposed on the provision of benefits towards the costs of housing should be removed;
- In Germany, social protection should be improved as the raising of the benefit level for benefit recipients of this last safety net could improve the income situation and alleviate the poverty of this population group. But this reform of the social protection should be embedded in a reform of the activation and integration system of the second book of the German Social Code (SGB II);
- In Estonia, the subsistence level should be calculated on the actual expenditures necessary for minimal subsistence and the subsistence level should be raised at least to an amount that would ensure an income on the verge of absolute poverty. Also, the unemployment allowance rate and unemployment insurance benefit rate should be raised and/or the period of payment to increase the subsistence capacity of the unemployed should be prolonged;
- In Spain, the present MIS should be simplified and harmonised into a single scheme adaptable to various social exclusion groups and situations. The Active Insertion Income could be the source of a national minimum income scheme, which would provide a social protection cushion for the vulnerable as well as a catalyst to active inclusion. Coverage levels must be increased and, above all, the level of protection of the minimum income scheme in order to avoid not only severe poverty but also relative poverty. Specifically, improving protection of poor families with children is crucial in order to reduce the very high levels of child poverty. In this same vein, progress must be made in the compatibility of income and benefits for those experiencing in-work poverty;
- In Greece, a universal means-tested minimum income scheme should be established and to this end action should be taken to strengthen the administrative capacity and to divert resources, from other less pressing needs, to sufficiently fund such a general scheme. Also, the system of unemployment benefits should be urgently re-examined, in particular long-term unemployment assistance, in terms of level, coverage, conditionality and duration;
- In Italy, a national framework for minimum income schemes (MISs) should be introduced. It should be embedded in local welfare systems and supported by a progressive fiscal reform based on wealth taxation to address the core of the unequal income distribution and also reorganise all current social transfers in a harmonised manner (i.e. social allowance, civil invalidity pensions and allowances, maternity allowances and large household allowance) in order to provide an adequate minimum income, “at least at a level which is above the at risk of poverty threshold and sufficient to lift people out of poverty”;

- In Latvia, the GMI level should be tied to the indicators characterising incomes, including the minimum wages, the average household budget incomes, the subsistence minimum, etc. to provide adequate support to the poor;
- In Luxembourg, the study and debate on the appropriateness of the existing minimum income level should be continued. Use could be made of the expertise of persons experiencing poverty;
- In Lithuania, housing benefit for low income families should be introduced as it would increase the mobility of potential employees and have a positive influence from the viewpoint of inclusive labour markets. Universal family allowance should be restored as the means-tested benefit has fostered poverty traps and decreased incentives to work;
- In Malta, the minimum wage should be increased. Also, the obligatory retirement age should be removed and the pension of those who keep working after the current obligatory retiring age should be linked to the level of those who retire at the same time;
- In Poland, thresholds used for the income test should be revised as they have remained unchanged for years and should be adjusted as soon as possible;
- In Romania, the adequacy of minimum income schemes should be ensured through recognition of the basic right of individuals to have sufficient resources to live in dignity, and the concrete implementation of this right should be strengthened by eliminating disincentives for those who can work;
- In Slovakia, link subsistence minimum to a transparent basket of necessities based on a clear political commitment regarding the level of decent living and support research in this field. Also, link minimum income protection to a transparent threshold of decent living (subsistence minimum) and individualise minimum income protection;
- In Sweden, as 100 per cent employment rate is not possible the government needs to find a strategy to safeguard income security among those who are furthest away from the labour market through increasing the norm for social assistance (especially for families with children) and minimum benefits within the income maintenance system (unemployment, sickness benefit, “early retirement”) while still maintaining work incentives;
- In the United Kingdom, the need for adequate social security provision as a necessary component of active inclusion strategies should be reasserted, in part to promote its socially inclusive function and stem the trend to increasingly negative public attitudes to claimants.

## 6.2.2 Inclusive labour markets

Section 3.2 highlights that in many Member States the most developed strand of active inclusion is the development of policies to promote inclusive labour markets. Many examples are given of positive initiatives, particularly in relation to increased investment in human capital (Section 3.2.1) but also in relation to development of active and preventive labour



market measures (3.2.2), review of incentives and disincentives resulting from tax and benefit systems (3.2.3), support for the social economy and sheltered employment (3.2.4), and efforts to increase access to employment (3.2.5). Efforts to tackle labour market segmentation measures (3.2.6) are less well covered. However, while there are many good examples to draw on, many experts also highlight the scale of the challenge given rising unemployment and some significant gaps. A significant number also note cut backs adversely affecting employment services. In response to weaknesses or gaps identified, the most common recommendations made by experts relate to improving the quality of employment and support services, better targeting of particular groups, increasing access to jobs, improving the quality of work, countering in-work poverty and developing the social economy.

### **Improving employment and support services**

Many experts make recommendations for improving the quality and scale of employment and support services. In some case this is about restoring services that have been the victim of cut backs even though the need has increased. For instance:

- The Bulgarian active labour market measures should be restored at least to the pre-crisis level as unemployment in Bulgaria keeps rising and the forecasts show a picture of painfully slow recovery;
- In the Czech Republic, the scope of active employment policy should be extended and backed by increased national and EU resources. These should be used a) to enhance the counselling capacities of public employment services required for individual work; and b) to expand the scope of measures suitable for unemployed people facing multiple barriers to inclusion in the labour market;
- In Germany, more responsibility should be shifted to the local job centres as this is the only way to correct the main weaknesses of the recent labour market integration policy. The programmes and measures should be more individually tailored and adapted to the specific local labour market conditions. A national body for steering and control, representing not only the interests of the federal government but also those of the states and the communities as well as those of the social partners and civil society associations should be established;
- In Estonia, in order to make local activation of the unemployed more effective, local governments should work out and implement an action plan with interlinked organisation of services and principles of funding as well as relevant infrastructure;
- In Greece, action needs to be taken to improve the capacity of the public employment services, through devoting proper and adequate resources, so as to enable them to find appropriate ways to establish close links, both administrative and operational, with the competent public authorities and bodies in the other two strands of active inclusion;
- Spain's public employment services must integrate employment guidance for groups at risk of exclusion via specific pathways that allow the coordination of income guarantee with training and labour inclusion programmes and access to health and housing services. Coordination between personal social services and local employment services would be an important step forward;

- In Hungary, cooperation between the Family Support Centres and the Public Employment Services should not be only a formal exercise but a framework of mutual, substantial, tailor-made procedure. For that, human resources capacities of the affected organisations should be significantly improved. Also, public work should be made “a less dominant element of labour market tools as it is very expensive and its effectiveness to contribute to employment in the primary labour market has not been supported by evidence”;
- In Ireland, there is a need to review and enhance the focus on skills upgrading and skills development of the unemployed and a whole range of support services for inclusive labour markets (especially childcare) should be put in place so that there is an infrastructure of support services;
- In the Netherlands, active inclusion measures need to be improved by facilitating a more demand-oriented approach to better match labour supply and demand, not only in education but also in the services provided by municipalities and the Employee Insurance Agency (UWV);
- Portugal should improve the quality of public employment services and their ability to promote labour insertion trajectories through personalised services, avoiding exclusive quantitative target setting approaches. It should also ensure continuity in human capital investment, assessing actual outcomes of initiatives developed, preserving and enhancing positive achievements and correcting negative developments, and avoiding the successive dismantling of entire structures and the building up of new ones;
- Romania should enhance the efficiency and equity of the labour market policies and institutions towards sustained economic growth and also towards inclusive labour markets supporting the active labour market inclusion of disadvantaged people; ensuring decent, secure work and equal opportunities, including through anti-discrimination legislation;
- Slovenia should modernise the Employment Service in order to improve the results regarding early detection of obstacles for employment and increase its efficiency in matching the labour market supply and demand. Also, life-long career orientation should be further developed in order to alleviate a mismatch between skills and future labour market needs;
- Slovakia needs to stop weakening the personnel of public employment services and should look for both national and EU resources to better fund these services.

### **Better targeting of particular groups**

In the light of the analysis in Section 3.2, several experts prioritise the need to better target particular groups. For instance:

- Belgium should develop more and better measures aimed at reaching those on the lowest incomes instead of concentrating on short-term outcomes;



- Denmark's initiatives within education and teaching must do more to accommodate people with different levels of knowledge, social and cultural backgrounds;
- Greece should design new specific labour market measures targeted, in the main, at the newcomers in the labour market, which should entail, among other things, work experience programmes or engagement in work in areas, such as the social care and welfare services sector, where there is a shortage of adequate human resources;
- Malta needs to ensure that immigrants receive training and cultural orientation to avoid exploitation;
- Slovenia should increase considerably the participation of groups hard to employ (particularly older and low-educated persons) in the Active Labour Market Policies;
- Poland should improve activation measures targeted at the disabled people. This should involve strengthening the education system, job support and the revision of income support for the disabled (invalidity pensions and nursing benefits), leading necessarily to higher participation in the open labour market. It should also strengthen activation measures targeted at the older people;
- Portuguese activation measures addressing the most vulnerable groups should benefit from existing experiences on successful/unsuccessful practices, namely the investment in tailored support to professional integration and job maintenance;
- Sweden should continue to give high priority to unemployment, especially youth unemployment and unemployment among immigrants, and also develop a strategy to prevent the increase in long-term unemployment with active labour market programmes that focus on labour market tailored education.

### **Improving quality of work and countering in-work poverty**

The limited attention given to addressing increasing labour market segmentation and in-work poverty (Section 3.2.6) led some experts to make recommendations aimed at improving the quality of work. For instance:

- In Austria, the question of wage distribution and distribution of working time should be put on the national political agenda;
- In Germany, labour market integration policy should be re-orientated towards a more sustainable activation and integration approach. Instead of pushing the benefit recipients into short-term precarious and low-paid forms of employment, this policy should be more focussed on mid- and long-term integration, including more training and reintegration measures. There is a need for appropriate funds as well as for qualified case managers who can decide on differentiated integration measures for their clients;
- Italy should further reduce labour market segmentation (including gender, ethnic and regional disparities) through policy measures and fiscal provisions aimed at increasing open-ended contracts instead of atypical, temporary and precarious contracts; it



should also improve labour rights throughout the national territory, including safety at workplace, and fight against undeclared work;

- Lithuania should reform the way the Minimum Monthly Wage is increased so that it is related to the economic situation in the country (average monthly salary, inflation level, etc.); its amount should be reviewed on a regular basis;
- The United Kingdom should pay more attention to the quality/sustainability of employment and decent pay levels otherwise the focus on paid employment as a route out of poverty will be counterproductive.

### **Increasing the supply of jobs**

The need to give more attention to the supply of jobs is highlighted by several experts (see Section 3.2) and leads them to make recommendations for increasing the availability of jobs. For instance:

- In Cyprus, emphasis should be placed on preserving employers' incentives to create jobs, in addition to improving the skills of the inactive so as to address the alarming contraction of labour demand during the economic crisis;
- In Denmark, the challenge in the future is to secure further coordination between supply side policies and demand side policies in order to make sure they complement each other so maximum effects of the various policies can be gained;
- Estonia should streamline practices of involving social partners, especially in labour market initiatives;
- Finland should use tax rebates to encourage employment of those with social exclusion problems;
- Latvia needs to develop positive support instruments that can help promote the integration of groups at risk of social exclusion into the labour market without stigmatisation; these instruments include the social economy, tax reduction for those entrepreneurs who employ social exclusion risk groups, etc.;
- Malta should provide the private sector with resources to enable it to actively promote family-work balance facilities.

### **Social economy**

In Section 3.2.4, there are some good examples of initiatives to support the social economy and sheltered employment which several experts see as an area to prioritise for the future as way of helping those far from the labour market. For instance:

- Belgium should increase support for social economy as a gateway to social inclusion and integration;



- In Finland, micro loans should be expanded to support the setting up of social enterprises;
- Greece should design a new activation programme, which will combine social assistance benefits (especially disability benefits) and work payment for those to be employed in social enterprise type of organisations;
- Slovakia should give more support to social economy programmes to take into account long-term inclusion in labour market or civic society participation.

### 6.2.3 Access to quality services

Section 3.3 documents that in only a small number of Member States have steps been taken since 2008 that have strengthened services overall which are essential to supporting active social and economic inclusion policies, including social assistance services, employment and training services, housing support and social housing, childcare, long-term care services and health services. In many cases, particularly as the result of austerity programmes and increased demand, experts see the situation as having deteriorated both in terms of availability and access (Section 3.3.1) and quality (3.3.2). Thus, the most common recommendations made by the experts relate to raising the quality and accessibility of services and better targeting of the most vulnerable groups. Many experts, depending on the particular situation in their country, also single out particular services for improvement.

#### **Raise quality and accessibility of services**

Several experts recommend ways to improve the quality and accessibility of services. For instance:

- In Estonia, there is a need to support improvements in local government efficiency to ensure more uniform regional availability and quality of the services provided by them and to raise efficiency of case management principles by increasing case management (not service based) approach and finding more flexible solutions;
- Greece should restructure and improve social services provision in terms of coordination, coverage/ accessibility and, in particular, quality;
- Ireland should make access to quality services a goal in its own right but also as part of an infrastructure for employment and welfare development;
- Italy should define basic levels of quality in social services to ensure civil and social rights throughout the national territory;
- The Netherlands could improve the quality of services by a stronger emphasis on, and investment in, professionalising social services and instruments that have proved to be effective;
- Romania should improve access to quality social services by ensuring that services are accessible, i.e. both available and affordable. Also, it should ensure all public services in the area of education, health, social security and social housing play a preventative

and socially cohesive role and facilitate the integration of people into society and on the labour market; in this context, support for people facing personal challenges (e.g. unemployment, indebtedness, alcohol or drug addiction) will also be needed.

Some experts emphasise the importance of funding and the need to restore cuts to ensure accessibility and quality of services. For instance:

- Ireland should put in place a stronger review process of the impact of the cut-backs and reforms on access to services;
- Italy needs to refinance public funds aimed at improving “health, education and social services, including housing, public transport, vocational training, employment, childcare and elderly care, where local and regional authorities play a key role”, as stated in the 2009 European Parliament Resolution;
- The United Kingdom should reconsider the current public services cuts and trend to localisation.

### **Target most vulnerable groups**

A number of experts prioritise the need for services to better target particular vulnerable groups. For instance:

- In the Czech Republic, suitable conditions should be created for taking actions towards the inclusion of children from excluded Roma localities back into mainstream society, both in preschool facilities and in primary and secondary schools;
- Spain should take measures that ease at-risk groups’ access to health, housing and education in coordination with personal social services, above all the immigrant population that suffers unemployment levels nearly twice the national average;
- Latvia should ensure access to various significant social services for those further away from the labour market (motivation, social rehabilitation programmes, etc.) and develop social and economic integration policy measures targeting those who cannot work;
- Lithuania needs to develop care, educational and psychological services for children of emigrants as well as of returnees;
- In Slovakia, there is a need to increase substantially support for the programme of teacher assistants aiming at helping children from disadvantaged socio-economic background.

### **Improve specific services**

Several experts prioritise improvements to specific services. For instance: the Cypriot, Polish and Slovenian experts focus on long-term care; the Estonian and Maltese experts highlight training services; the Austrian, Cypriot, Czech and Slovak experts focus on child care services; the Belgian, Czech, Hungarian and Luxembourgish experts make recommendations



in relation to housing; the Cypriot expert emphasises access to health; and the Portuguese and Hungarian experts highlight the need to improve the availability and affordability of public transport.

## Other

There are a number of other interesting recommendations made by experts in the area of services. For instance, the Cypriot experts emphasise the need for active inclusion measures to take into account “the shifting profile of poverty and social exclusion in the country”, in particular the increase in youth and long-term unemployment. The Finnish expert highlights the potential of public procurement, cooperatives and other forms of consortia of micro companies to both support access to services and entrepreneurship. The Hungarian expert stresses the need to eliminate local discretionary elements in social provisions as she thinks they give rise to discrimination and make recipients completely defenceless.

## 6.3 Priority actions at EU level

In the earlier sections of this report, we have documented quite clearly that the implementation of the European Commission’s active inclusion Recommendation has been quite limited and has not been a high priority in many Member States. In the light of this assessment, many experts consider that there is a need to bring new leadership, direction and support and a much more proactive approach at EU level if this is to change. They thus recommend a wide range of actions that they think could usefully be taken at EU level to reinforce the implementation of the Active Inclusion Recommendation by Member States. Three areas recur particularly frequently: the need for more effective and visible assessment of implementation, the need for more analysis and research, and the importance of enhancing the use of EU Structural Funds in support of active inclusion measures.

85

### 6.3.1 More rigorous assessment and reporting of implementation

Many experts consider that there needs to be a much more dynamic and interactive process whereby the implementation of the Active Inclusion Recommendation by Member States is regularly monitored and reported on. This needs to be part of an overall implementation plan for the Recommendation. For instance, the Belgian experts stress a need to “develop a detailed multi-annual work programme or roadmap for ensuring and monitoring the better implementation of the Active Inclusion Recommendation”. The following are some of the experts’ specific recommendations for enhanced monitoring and reporting:

- improve the monitoring of quality, develop further and implement strategic documents related to the active inclusion strategy; (CZ)
- following on from a clearer definition, introduce evaluation of the active inclusion strategy as a whole and not only of some given aspects as is currently the case; (FR)
- encourage the European Commission to take the appropriate steps to ensure that there is a clear engagement of the Member States to implement on the ground the necessary measures that would facilitate the implementation of the EU Recommendation on active inclusion. In this context, “there is an urgent need to disentangle active inclusion



policy measures from the austerity measures' restrictions, given that the latter undermine seriously the efforts in this policy area"; (EL)

- ask Member States to submit a report describing the organisational cooperation/links between institutions/actors playing a part in various segments of active inclusion. This may help to encourage more integrated approaches and may also enhance the participation of relevant stakeholders; (HU)
- "the EU needs to call Ireland to account in regard to the degree to which it has implemented the Recommendation. In addition, Ireland should be asked to streamline the many different strategies and plans which it now has and the administrative arrangements"; (IE)
- monitor the impact of the implementation of active inclusion principles (all three strands) in the National Reform Programmes, in the National Social reports and in the Country Specific Recommendations in order to strengthen the integrated active inclusion approach; (LV)
- ensure that the need to develop/improve balanced active inclusion strategies is reflected in the Country Specific Recommendations of the European semester; (LU)
- "it would be helpful to the comparative monitoring of the UK's active inclusion strategy if there were more synergy between its efforts and those of other Member States via the Europe 2020 indicators". (UK)

Interestingly, several experts suggest that in order to achieve better monitoring and reporting (and also implementation) it will be necessary to establish clearer definitions and greater understanding of what active inclusion and its various elements really mean. For instance, the Austrian expert suggests the need to "define the terms 'adequate income support', 'inclusive labour markets' and 'quality services' more thoroughly so they have a concrete meaning". The French expert recommends that "as inclusion covers a very wide diversity of measures ranging from adult education, fiscal measures and organisation of services to children's holidays it would be useful to define the concept and its content more precisely and to look more closely at the groups of people who may be most concerned by this policy. It would be helpful to define the scope of this policy and its extension as it can range from more than 20% of the population to just the long-term unemployed."

### 6.3.2 More analysis and research

Some experts call for greater research and analysis at EU level to underpin the development and implementation of active inclusion policies and this reflects the gaps in this regard identified in Section 5. In particular, the French expert proposes that "an academic research programme should be undertaken as part of an EU research and development programme to better understand the nature of this policy and whether it is a positive strategy that will lead to in-depth reorganisation of social welfare policies or whether it is rather the introduction into the European political agenda of a move away from increasing personal responsibility to a policy which stigmatises the application for assistance and even people themselves". More specifically, he recommends, among other things, taking "a more detailed look at the exclusion mechanisms implemented, both in the functioning of



the labour market and from the point of view of social welfare policies. In the first case, a better understanding is required of the determining factors for the segmentation of the labour market and in the second, the position of the dividing line between insurance and assistance must be defined.” The Estonian expert suggests that “to ensure the possibility of longer active working life it is necessary to study in a coordinated way related ageing problems such as health preservation, lifelong learning arrangements, the design of work places, the organisation of working time and arrangements for reducing workloads.” The Maltese expert argues for the introduction of more schemes for transfer of technologies for research personnel to be available to governments in different Member States to develop indicators and research strategies appropriate for their needs and provide ad hoc funds for inter-university collaboration on action-research on social inclusion issues.

### 6.3.3 Enhanced use of EU Structural Funds

Section 4 highlights that EU Structural Funds have played a critical role in the development of active inclusion measures in many countries. However, it also points out that they tend to have been used more to support the inclusive labour market strand than to support the development and implementation of an integrated comprehensive active inclusion strategy. This analysis leads several experts to focus on the potential for using EU Structural Funds more effectively to underpin the implementation of active inclusion strategies. For instance, the Czech expert suggests that “the use of EU funds should be more consistently tied to active inclusion measures and the allocation from the structural funds should be altered in favour of active inclusion”. The Greek experts suggest that “EU Structural Funds should allow some space for flexibility as far as their eligibility criteria are concerned, so as to financially support integrated approaches, entailing a combination of measures in the three strands of active inclusion. This needs to be applied both to programmes under the current National Strategic Reference Frameworks and to those to be planned for the next programming period 2014-2020.” The Polish expert suggests that “some redesign of the rules of ESF might be considered. First, there are participants’ suggestions that spending within the Human Capital Operational Programme should go beyond strict development of human capital (trainings, education, etc.) and should also cover selected capital expenditures (e.g. on equipment). (...) Second, there is a need to ensure that long-term results of the projects supported by ESF are made more visible.” The French expert recommends using Structural Funds “to support training programmes to help people acquire professional qualifications in order to gain access to the labour market”.

### 6.3.4 Enhanced exchange and learning and awareness raising

There are some suggestions that enhanced support for exchange of learning could help to improve the implementation of the Active Inclusion Recommendation. For instance, the Finnish expert suggests the development of “a more systematic assessment of benchmarking cases and peer reviews in all three strands” and proposes the introduction of “mentoring and exchanges between organisations in different policy sectors as a means of improving horizontal dialogue, exchange of best practice and understanding”. The Luxembourg expert considers that “the identification of good active inclusion strategies and practices should be used for mutual learning among countries”. The Bulgarian experts propose that “the European Commission can try to make documents like the Recommendation more popular in Member States by involving local agents and stakeholders in their discussion (e.g. academia, NGOs and media). To obtain a real meaning and life they have to be removed from

the bureaucratic package and placed in the context of the authentic local policy debate.” The many positive examples highlighted in this report (particularly in Sections 2 and 3) provide a useful starting point for enhancing the exchange of learning and good practice.

### 6.3.5 Ensure “bail out” packages take Active Inclusion Recommendation into account

The earlier sections of this report document the lack of strong active inclusion approach in most of the countries where bail out packages are in place or are being introduced. Thus, it is suggested that an active inclusion approach should be built into bail out packages. For instance, the Portuguese experts suggests ensuring that “the monitoring of the compliance to the commitments in a Memorandum of Agreement includes, from the beginning, indicators regarding the achievement of the objectives included in the Active Inclusion Recommendation”.

### 6.3.6 Link active inclusion to Europe 2020 and the development of Social Europe

Given the low priority being given to implementing the active inclusion recommendation, which is documented in the earlier sections of the report, one way suggested of raising the importance of the active inclusion process is to link it more clearly with the Europe 2020 Strategy. For instance, the Italian expert suggests “harmonising the 2008 European Commission Recommendation on active inclusion with the principles stated by the 2009 European Parliament Resolution and integrating the revised principles in the European Commission Annual Growth Surveys. The implementation of these principles by Member States should be included in the National Reform Programmes and taken into account in the EU Council Specific Recommendations to each Member State.” Likewise, the Romanian expert proposes the establishment of “a common itinerary at European and national level for the implementation of active inclusion policy objectives towards achieving the Europe 2020 targets while making clear connection between the related policy objectives in the economic and social spheres aiming for economic growth and reducing poverty / social exclusion”. She also underlines the importance of considering the risks posed by fiscal consolidation / austerity measures with respect to the enactment of human rights.” More broadly, the Spanish expert proposes that “given that fiscal consolidation policies are weakening anti-poverty and pro-inclusion policies in countries with greater economic and financial difficulties (mainly Southern and Eastern Europe EU countries), there is a need to strengthen Social Europe so as to avoid negative repercussions for social cohesion. Thus, make new institutional commitments to promote inclusion and social cohesion that will rebalance the scales in favour of social policies rather than the almost overwhelming dominance of spending cuts and austerity policies.”

### 6.3.7 Other

Two other interesting ideas put forward by experts are: introducing a minimum income or social protection floor by setting uniform rules for minimum income guarantees across the EU (LT); not calculating investment in pre-school education and other essential investments in social inclusion of the most disadvantaged as part of the deficit (but only as part of the national debt) (SK).



---

## 7. Summary tables

Network experts were asked, on the basis of their overall personal analysis, to fill in tables summarising their key findings on the implementation of the Active Inclusion Recommendation in their Member State. Their findings are summarised in Tables 7.1 and 7.2 below. To understand the rationale behind any particular ranking, readers are invited to look at the individual country report prepared by the expert.



**Table 7.1: Individual experts' assessments of the extent to which an integrated comprehensive active inclusion strategy has been developed in their Member State (for those who can/ cannot work)**

	Comprehensive policy design			Integrated implementation			Vertical policy coordination			Active participation of relevant actors		
	Yes	Some-what	No	Yes	Some-what	No	Yes	Some-what	No	Yes	Some-what	No
<b>For those who can work</b>	DK, FI, FR, MT, NL, PL, SE	AT, BE, BG, CY, CZ, DE, ES, HU, IE, LU, PT, RO, SI, SK, UK	EE, EL, IT, LT, LV	BE, DK, FR, MT, SI, SE	AT, BG, CY, CZ, DE, FI, HU, IE, LU, NL, PT, RO, UK	EE, EL, ES, IT, LV, LT, PL, SK	BE, DK, FI, LU, NL	AT, BG, ES, CY, CZ, DE, IE, IT, LV, MT, PL, RO, SI, SK, SE, UK	EE, EL, FR, HU, LT, PT	BE, BG, DK, ES, FI, LU, NL, SI, SE	AT, CY, CZ, DE, FR, IT, LV, MT, PL, PT, RO, SK, UK	EE, EL, HU, IE, LT
<b>For those who cannot work</b>	DK, NL, SI	AT, BG, CY, CZ, ES, FI, FR, HU, LU, MT, PT, RO, SK, UK	BE, DE, EE, EL, IE, IT, LT, LV, PL, SE	LU, MT, SI	AT, BE, CY, CZ, DK, FI, FR, HU, IT, NL, PT, RO, UK	BG, DE, EE, EL, ES, IE, LV, LT, PL, SK, SE	LU, MT, SI	AT, CY, CZ, ES, IT, LV, MT, RO, SE, SI, SK, UK	BG, DE, EE, EL, FR, HU, IE, LT, PL, PT	BE, CY, DK, FI, NL, SI	AT, BG, CZ, ES, FR, IT, LU, LV, MT, PL, PT, RO, SE, SK, UK	DE, EE, EL, HU, IE, LT
<b>Section of report in which more detail can be found</b>	2.1			2.2			2.3			2.4		

**Table 7.2: Individual experts' assessments of the extent to which active inclusion policies/measures have been strengthened, have stayed much the same or have been weakened since 2008 in their Member State (for each of the three strands)**

	Adequate income support			Inclusive labour markets			Access to quality services (*)		
	Strengthened	The same	Weakened	Strengthened	The same	Weakened	Strengthened	The same	Weakened
<b>For those who can work</b>	AT, CY, DK, FI, FR, LU, SI	BG, DE, EE, ES, IT, MT, NL, PL	BE, CZ, EL, HU, IE, LT, LV, PT, RO, SE, SK, UK	AT, DE, DK, EE, EL, ES, FI, HU, IE, MT, NL, SI	BE, CY, IT, LT, LU, RO, SE	BG, CZ, FR, LU, PL, PT, SK, UK	AT, BE, DE, EE, LU, MT	BG, CY, DK, ES, FI, FR, HU, LT, NL, PL, SE, SI	CZ, EL, IE, IT, LV, PT, RO, SK, UK
<b>For those who cannot work</b>	AT, DK, FI, FR, LU, SI	BE, CY, DE, EE, EL, MT, NL, SK	BG, CZ, ES, HU, IE, IT, LT, LV, PL, PT, RO, SE, UK	CY, DK, EE, ES, FI, MT, NL	AT, BE, FR, DE, EL, HU, IE, LT, LU, PL, RO, SE, SI, SK	BG, CZ, IT, LV, PT, UK	BE, EE, LU, MT	AT, BG, CY, DE, DK, ES, FI, FR, HU, LT, NL, PL, SE, SI	CZ, EL, IE, IT, LV, PT, RO, SK, UK
<b>Section of report in which more detail can be found</b>	3.1			3.2			3.3		



European Commission

**Assessment of the implementation of the European Commission Recommendation on active inclusion: A study of national policies**

Luxembourg: Publications Office of the European Union  
2013 — 92 pp. — 17.6×25 cm

ISBN 978-92-79-28796-1

ISSN 1977-9232

doi: 10.2767/18362

This publication is available in electronic format in English, French and German.

### **HOW TO OBTAIN EU PUBLICATIONS**

**Free publications:**

- via EU Bookshop (<http://bookshop.europa.eu>);
- at the European Union's representations or delegations. You can obtain their contact details on the Internet (<http://ec.europa.eu>) or by sending a fax to +352 2929-42758.

**Priced publications:**

- via EU Bookshop (<http://bookshop.europa.eu>).

**Priced subscriptions (e.g. annual series of the Official Journal of the European Union and reports of cases before the Court of Justice of the European Union):**

- via one of the sales agents of the Publications Office of the European Union ([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

## Assessment of the implementation of the European Commission Recommendation on active inclusion: A study of national policies

In October 2008, the European Commission adopted a **Recommendation on the active inclusion of people** most excluded from the labour market, promoting a comprehensive strategy based on the integration of three key and equally important social policy pillars: adequate income support, inclusive labour markets, and access to quality services. This approach to active inclusion was subsequently endorsed by the EU Council of Ministers (December 2008) and the European Parliament (May 2009).

Members of the European Network of Independent Experts on Social Inclusion were asked to prepare country reports on the implementation of this Recommendation in their Member State. Finalised in the summer of 2012, their reports were in particular intended to contribute to the Commission's assessment of the Recommendation's implementation. (This assessment has now been published by the Commission as part of its "Social Investment Package" issued on 20 February 2013.)

This Synthesis Report has been produced by the Network Core Team (NCT) on the basis of the experts' reports covering the 27 EU Member States. The report begins by summarising the main findings of the experts' country analyses and then, drawing on these assessments and the NCT's overall assessment, it puts forward concrete suggestions to improve the so far very limited implementation of the Recommendation. The main part of the report starts with an analysis of the extent to which Member States have developed integrated comprehensive active inclusion strategies. Then, it assesses how effective Member States have been in developing measures under each of the three strands. Next, it looks at the resourcing of active inclusion measures by Member States and by EU Structural Funds and examines the arrangements in place to monitor their implementation. Finally, it synthesises the experts' suggestions made to strengthen the implementation of the Recommendation at national and EU levels.



ISBN 978-92-79-28796-1



9 789279 287961