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FINAL REPORT
FROM THE COMMISSION TO THE COUNCIL
ON THE FIRST PROGRAMME OF PILOT SCHEMES AND STUDIES
TO COMBAT POVERTY

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F O R E W O R D

The first reference to action to combat poverty in the Community can be traced back to the Council resolution of 21 January 1974 approving a social action programme for the 1974-1976 period.

Amongst the series of priority measures retained by the Council on that occasion can be found the implementation of specific measures to combat poverty by drawing up pilot schemes in co-operation with the Member States. The implementation of these measures was the subject of two Council decisions specific to the programme to combat poverty : those of 22 July 1975 and 12 December 1977.

The second decision contained the provision that following the completion of the programme the Commission would submit a report to the Council giving an assessment of the results obtained from the different measures : the action-research projects and studies and the reports prepared by independent experts on the policies implemented in the Member States to combat poverty.

To this end the Commission called upon the services of a group of experts highly qualified in this multi-disciplinary field which embraces numerous policies and in particular those of health, incomes, housing, education and social security. Professor ABEL-SMITH played a leading role in this work.

For the drafting of the report the group of experts had at its disposal - and made use of - the massive volume of information that is to be found in the final reports emanating from the action-research projects and studies and from the national reports.

Convinced that what was required was not simply an individual assessment of each project or study but rather an analysis in the context of an overall view - a conviction shared by the Commission - the experts expanded their comments and conclusions to include each individual Member States and then the Community as a whole. This choice is reflected in the structure of the report.

Three chapters (II, III and IV) are devoted to an examination of the results of the three different types of activity undertaken during the programme.

Chapter V - which merits particular attention on the part of the reader - highlights the multi-dimensional nature of the causes of poverty, the different population groups most at risk and in a precarious situation as well as those areas where action needs to be taken. Proposals are made suggesting guidelines for getting to the root of the problem and for measures to combat poverty.

The experience of the first programme to combat poverty has demonstrated that despite the modesty of the resources, both in terms of the funds and staff allocated to it, effective measures can be taken and that a great deal remains to be done.

The worsening economic situation has moreover, exacerbated the poverty and isolation of certain groups in the population.

Further action at Community level to promote measures against poverty is clearly necessary.

At the Community level this report will stimulate and serve to fuel the debate on the whole subject of combating poverty.

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CHAPTER I

EUROPE AGAINST POVERTY

Introduction

Poverty has many dimensions. It includes low quality, or overcrowded housing, inadequate education and training, low health status and many other features which can isolate or separate people from the main activities of Society. Nor is there a consensus on which aspects should be included. It is however agreed that low relative income is central to the concept of poverty. Moreover it is the aspect which can most readily be measured. Around the mid nineteen-seventies there were at least 30 million people in poverty in the countries which now comprise the Community (excluding Greece). These were persons living on less than half the average income of their Member State (see Chapter IV). It is an underestimate for the position to-day. This is partly because many poor people get excluded from most of the surveys or official statistics upon which estimates are based and partly because the deterioration in the economic situation over recent years must have increased the number of poor.

Poverty still persists on this scale despite rapid economic growth over the past thirty years. Real economic growth per head has multiplied by three and growth has been greatest in countries whose living standards were lowest thirty years ago. In addition, normal weekly working hours have been reduced from 48 to 40 or less and the annual holidays of the typical worker have been increased from 2 weeks to 4 weeks or more.

Poverty persists on this scale although a much higher proportion of national resources has been devoted to social protection. Thirty

years ago spending on these services varied between about 8% to 15% of gross national product. By 1980 the corresponding proportions were nearly 20 % and more than 30 %. The purposes of these services were to help maintain living standards in old age and in the adversities of life, to provide insurance against health care costs, and to contribute to the costs of parenthood. Furthermore, spending on education has grown from less than 4% to between 5% and 7% of the gross national product of Member States, and a whole series of programmes has been developed to improve housing and subsidise housing costs.

Complete information about every aspect of poverty is not available for each country on a comparable basis but it can be said that at least 5 million households in 1978 had to rely on social assistance to maintain themselves for all or part of the year (some 9-10 million individuals all told). In two countries for which information is available, an estimated 1 1/2 million households would have been eligible for social assistance but did not apply. In some other countries certain categories of families without sufficient income for minimum needs are not even entitled to social assistance.

According to the latest available figures (1970), 3 % of households were without piped water and 1 household out of 6 had no flush toilet within the dwellings. About 2 million households shared their homes with another household. At least 1 to 1 1/2 million persons were homeless or lived in temporary and insecure accommodation - hostels, hutments, shanty towns, temporary constructions or special accommodation with no security of tenure.

Over 95 % of the population of the Community are now covered by health insurance or government-provided health services, and the standard of health care has risen over the past 30 years in all the

Member States. In spite of this, unskilled manual workers and other low-income groups suffer higher rates of illness, accidents and disability than more advantaged groups. In two countries where information is available, the perinatal and infant death rate for children of unskilled manual workers is twice that of children of the professional and managerial class. These excess death rates continue throughout childhood and into adult life. One report from a national expert notes a seven year difference (at 35 years) in the life expectancy of a professional and of an unskilled manual worker and states that the situation of the most disadvantaged groups is worsening in both relative and absolute terms.

In spite of the expansion of educational services and vocational training, between 1/8 and 1/3 of young people in different Member States leave school with few or no qualifications or vocational training. Although equality of opportunity in education has been promoted everywhere, the children of professional and managerial workers in the different countries have between 1.8 times and 13 times the chance of going on to higher education than manual workers' children. Adult illiteracy and, among foreign workers, inability to speak and write in national languages is to be found in most countries. The full extent of the problem is not known but estimates in four countries produce a total figure of more than four million illiterates.

The experience of the past 30 years demonstrates conclusively that economic growth does not, in itself, eliminate poverty and that the expanded social services have not had a major redistributive effect towards the poorest. Relative living standards and life chances, whether in health or education, do not appear to have narrowed. Indeed the reduced rate of economic growth since 1974 has added to the traditional poor a growing group of new poor deprived of the opportunity to participate in work. The burden of the economic crisis has fallen disproportionately on the young, the unskilled, immigrants

and those with mental or physical disabilities and handicaps. There is no legal right to a minimum income throughout the Community and social assistance services do not always reach those for whom they were intended. Often the poor do not apply because they are poor. The gaps in the "Welfare State" are large and cavernous.

Social disadvantages tend to be cumulative. The poorest tend to have the worst health and the worst housing. If employed, they tend to have the worst working conditions and to work irregularly. And one disadvantage contributes to another. Poverty is a cause of ill-health and ill-health a cause of poverty. The child from a poor home tends to do less well at school. And when the under-educated and under-skilled youngster succeeds in getting work, it tends to be low paid and without opportunities of advancement.

Many of the poorest live isolated lives ; they are excluded by their lack of resources from activities enjoyed by the majority. Their isolation, separation and lack of organisation puts them in a weak position to assert their right to a fair share of society's resources. Inequality persists because those at the bottom lack the power to pose a visible threat to society's main institutions.

Concern about poverty has grown at the national level as the facts have been exposed and early complacency shattered by empirical investigation. This process of the rediscovery of poverty started in some Member States in the mid-sixties and in others not until the nineteen-seventies. Increasingly it has become recognised that more than good legislative intentions are needed for essential services to reach all the poor and to be used to full advantage. An impressive number of official committees, studies and commissions in Member States have identified problems which were previously assumed to have been solved. But increasing public concern has not led to concerted action. On the

contrary, faced with the colder economic climate, the trend has been to curtail social programmes rather than either expand them or reorient them to give more effective help to the disadvantaged.

Growing concern has been reinforced by higher levels of inflation and particularly oil prices, which have created greater poverty where pay levels and social benefits are not frequently and adequately adjusted to protect the living standards of the poor. It has been further intensified by the re-emergence of high levels of unemployment, underemployment and unstable employment and, in some Member States, large numbers working for very low pay. Expectations of security have consequently been undermined. No longer can people be sure of work and the continuation of their accustomed living standards.

The response of Member States to unemployment has included a variety of new and special schemes with such aims as to increase vocational training, retraining, work experience and the mobility of labour, to encourage early retirement and to create new and socially useful jobs. In these developments the Community has co-operated with Member States through the Social Fund, the European Coal and Steel Community loans (Art. 54 and 56), European Agricultural Guidance and Guarantee Fund (EAGGF) grants, Regional Fund grants, loans from the European Investment Bank, New Community Instruments (NCI) and special aid to Italy and Ireland from the European Monetary System. It is now recognised that the unemployment which currently afflicts the Community is not of the short cyclical kind which can be expected to be corrected by actions taken within the Community or to melt away automatically with an upturn in the world economy. It is estimated by the European Trade Union Institute that the rate of growth needed to eliminate unemployment by 1985 would have to be over 7% a year - greater than Europe has ever experienced. Nearly 11 million

new jobs need to be created in the Community to reduce the level of unemployment to 2 % by 1985. In several Member States unemployment benefit is generally sufficient to prevent those fully covered from falling into poverty in terms of income when they lose their jobs for a short period, though this is far from being true of every Member State. But the long-term unemployed are not adequately covered and many new entrants to the labour market do not get jobs at all. The denial of entry to or rejection from the world of work is in itself a form of social exclusion from society and can have damaging cumulative effects in the long term. And in most Member States there is a minority not covered by social protection services.

The European Poverty Programme

In October 1972, at the Summit Conference in Paris, the Heads of State or of Government of the Member States of the European Community affirmed that economic expansion should not be an end in itself, but a means towards the improvement in the quality of life. On 21 January 1974, the Council of Ministers resolved to establish the Social Action Programme within which the poverty programme was launched.

This last programme was not given the stability of a 5 year budget agreed in advance but consisted of two separate phases. The original intention was to implement, in co-operation with the Member States, specific measures to combat poverty by drawing up pilot schemes. After consultation with a range of government and independent experts, the Commission prepared a plan which specified the objectives of the programme, laid down the criteria for the selection of schemes and indicated the types of financial aid to be granted by the Commu-

nity. After discussion by the European Parliament and the Economic and Social Committee, the proposals made by the Commission were approved by the Council in its Decision of 22 July 1975. The programme was allocated a budget of 2.5 million Units of Account for 1975 and 2.875 million for 1976. Projects were selected by each Member State and in November 1975, the Commission approved the projects which were to be financed, half by the Community and half by the Member States. In addition, the Commission proposed two cross-national studies agreed by the Member States concerned and wholly financed by the Community. The cross-national studies were initially funded for one year only and final reports on both were submitted to the Commission.

Following a debate in the European Parliament where the programme was given wide support, on 13 December 1977 the Council of Ministers agreed to a second phase of the programme covering a further 3 years. The budget was increased to allow 6 new projects and studies to be started and for a second phase for each of the two earlier studies. The sums allocated were 3.5 million European Units of Account for 1977, 5 million for 1978 and 5.75 million for 1979. The sum of 0.7 million European Units of Account unspent from the earlier allocation was authorised by the Council of Ministers on 22 December 1980 to cover the period December 1980 - November 1981, while the future of the programme is being considered on the basis of this report. In total the Programme cost around 20 million Units of Account.

An Advisory Group was established at Community level consisting of one government expert from each Member State, seven independent experts and one representative from each side of industry. The Group first met in March 1976 and has continued to meet on average every two months. During 1977 each of the projects was visited and reported upon by at least one member of the Advisory Group.

Contact between the projects has been encouraged by annual meetings. A preparatory seminar was held in Brussels from 28-30 June 1976 and a full residential seminar in Chantilly from 18-22 September 1977, at the invitation of the French Government. In 1978, a series of three two-day meetings were held for different groups of leaders in Brussels. At these latter informal meetings, the project leaders were able to discuss and compare their experiences, progress and difficulties. Other meetings were held on a national basis in Germany, France and the United Kingdom while the Irish projects were co-ordinated by a national team. Out of a meeting of project workers in London in 1979 was created an association to promote the fight against poverty in Europe - the European Social and Community Action Programme (ESCAP). In December 1978, a research unit (ESPOIR Ltd.) in the United Kingdom was engaged by the Commission to make an evaluation of the whole programme of Pilot Schemes and Studies. The ESPOIR report was presented to the Commission in November 1980.

In 1979 a national report on poverty in each Member State was commissioned from independent experts from each country and these were completed in 1980. From 22-24 April 1980, a 3-day seminar was held in Brussels which brought together those working on the national reports, project leaders and the Advisory Group.

The Definition of Poverty

The Council Decision of 22 July 1975 set out the following definitions :

"Persons beset by poverty : individuals or families whose resources
"are so small as to exclude them from the minimum acceptable way
"of life of the Member State in which they live.

"Resources : goods, cash income, plus services from public and
"private sources".

Thus poverty was clearly expressed in relative terms within each Member State. The absolute level treated as poverty varies between such countries as Germany, Denmark or the Netherlands on the one hand and Ireland or Italy on the other. The definition is in terms of real income - in cash and kind which, as mentioned earlier, is central to the concept of poverty. It is not possible to derive a specific poverty line from this definition. Moreover there are many other dimensions which cannot be so readily measured on a standardised basis from existing statistics. Even the statistics from Member States on income poverty are unable to give a complete picture of the situation. For example, it is not always possible to show how far people fell below a particular poverty line or how long people had been in poverty. The limitations of national statistics are discussed in Chapter IV. Because of these problems, the precise definitions of poverty used in the various studies and reports vary considerably and reflect to some extent the political views held in different Member States and the approaches adopted by the researchers. It is, however, important to note that under this definition those classified as poor include not just those who have been poor for a substantial period of time but those who were poor for a short period. People move into poverty and people move out. The definition was laid down before the economic crisis had reached its current depth and before it was known that it would persist for so many years. It is arguable that these circumstances make a different definition more appropriate. At the very least the poverty programme has extended the discussion of the concept of poverty on a European basis and hopefully this will lead to a broader consensus in the future.

Sources

This report is based upon three different sources :

- a) The reports of the Pilot Projects } Including the report
- b) The Research Studies) by ESPOIR Ltd.
- c) The National Reports by experts from each country.

These are briefly described below and greater detail is given in the three following chapters. The massive documentation which forms the basis of this Report is listed as an Annex.

a) The Pilot Projects

The following criteria were laid down by the Council Decision of 22 July 1975 for the selection of the projects. They were :

- test and develop new methods of helping persons beset by or threatened with poverty in the Community;
- be planned and carried out as far as possible with the participation of those concerned, and
- be of interest to the Community as a whole in that they deal with problems common to more than one Member States.

The following projects were selected in accordance with these criteria and their locations were widely distributed throughout the Member States :

- the Marotles in Brussels (Belgium)
- ATD in Breda (the Netherlands)
- Kofoeds Skole in Copenhagen (Denmark)
- COPEs in Paris; ATD in Rheims, Noisy-le-Grand, Toulon and Herblay; PACT in Guémené-sur-Scorff, Orange and Roubaix; Habitat et Vie Sociale in Strasbourg, Woippy and Le Havre (France)
- ISS in Duisburg-Essen; ISG in Cologne; the University of Tübingen for the project in Stuttgart; the University of Erlangen-Nürnberg for the project in Amberg (Germany)(1)
- the Irish National Programme which consisted of 24 projects
- the Commune of Padua and the Centre for Social Medicine in Giugliano (Italy)
- CAB'x in Wolverhampton; Family Day Care Centre in London and Liverpool; Area Resource Centres in Govan, South Wales and London; SCDP in Edinburgh; CFS in Craigmillar and the Belfast Welfare Rights project in Northern Ireland (United Kingdom).

(1) Throughout this text the Federal Republic of Germany is referred to as Germany.

Most of the projects were sited in large conurbations and a small number in predominantly rural areas. Some were linked to existing social services provided by public authorities, others were run by independent voluntary agencies. The staff involved in a project varied from a few paid workers to hundreds. The scale of particular projects inevitably influenced the extent to which it was practicable for the results to be available in the form of hard quantifiable data or more impressionistic reports of activities and their apparent results.

They were originally classified under three fairly elastic headings :

- (i) those aimed at helping the whole of the population in a defined geographical area through community action ;
- (ii) those aimed at improving the way in which existing systems of social services are operated ;
- (iii) those aimed at helping special categories which are particularly poor or at risk of poverty.

However this classification was by no means rigid as several projects contained more than one feature or changed focus as problems became more clearly identified.

b) The Research Studies

All of the studies were cross-national except for the study of Voluntary Organisations and all of them were wholly financed by the Community. They were all designed "to contribute to the understanding of the nature, the causes, the extent and the dynamics of poverty in the Community" (Council Decision of 22 July 1975). Seven studies or groups of studies were undertaken :

(i) A Pilot Study of Poverty and Social Policy in Germany, France and the United Kingdom

The purpose was to assess, in two different areas (one urban and one predominantly rural) the strengths and weaknesses of the different social policies and institutional arrangements for combating poverty. The emphasis was on low income and bad housing.

(ii) A Study of Poverty and Social Policy in relation to unemployment in Germany, France and the United Kingdom

This second study grew out of the first. Three towns were selected, one in each Member State, by the criteria that they were not dominated by any one single industry and that unemployment had only become a serious problem during recent years. The aim was to assess the effectiveness of social security and other policies to help the unemployed.

(iii) A Study of the Perception of Poverty in all Member States

The main objectives **were to assess the extent to which people were** aware of the existence of poverty as they perceived it, to ascertain how far they considered their own income as able to provide a satisfactory level of subsistence, how they rated their own level of living compared to that of others and their degree of satisfaction or dissatisfaction with various aspects of life.

(iv) A Study of subjective poverty in Eight Member States

The main purpose was to attempt to establish a "subjective" poverty line for the Member States using the opinions of a random sample of the population in order to compare it with the "objective" poverty lines established by experts.

(v) A Study of Persistent Poverty covering seven regions in Belgium, Germany, France, Luxembourg and the Netherlands

The aim was to identify the extent to which particular families may persist in poverty both within and over generations.

(vi) Studies of Gypsies and other Nomads in Belgium, Germany, France and the Netherlands

The aim was to study Gypsies' living conditions and their way of life, the perceptions and stereotypes which non-gypsies hold of gypsies and the problems experienced by nomads as a result of official policy interventions.

vii) Studies of Voluntary Organisations

The aim was to assess the work of these organisations in Northern Ireland and later their significance in each Member State in the struggle to reduce or relieve poverty.

c) The National Reports on Poverty

The brief given to the national experts was to examine the nature, cause and extent of poverty and to assess policies to combat poverty. Special attention was to be given to questions of income employment, housing, health and education, and discretion was allowed to include other matters which the national teams identified as of particular importance to the country concerned. Under these terms of reference, the National Reports discuss the extent of

poverty in each country from the standpoint of income. They examine the distribution of poverty between social groups and between geographical areas of the country. They discuss the impact on poverty of policies on taxation, wages, employment and unemployment, social security, health, housing and education. Some of the reports give particular attention to issues of rural poverty and regional disadvantage. All of the reports draw attention to the multi-dimensional nature of poverty and the way in which disadvantage is piled upon disadvantage in certain regions, in particular urban and rural areas, and among various social groups.

Each report includes a short section on the role of voluntary agencies in combating poverty and assisting underprivileged groups. Finally each national expert makes a series of recommendations covering his own country. These recommendations are summarised in Annexe 2.

The National Reports, then, comprise a mine of valuable information, brought together in a manageable form which :

- "contribute to the understanding of the nature, the causes, the extent and the dynamics of poverty in the Community" following the decision of the Council,
- enable the pilot projects and the research studies to be seen in their wider national context,
- provide a base-line for any further studies,
- describe the background of poverty in each Member State to make it possible to develop a coherent strategy and new initiatives for the fight against poverty,
- contribute to the concertation of these strategies on the level of the Community,
- indicate the gaps in statistics and in research.

In Chapter II the pilot projects are described, their objectives identified, the forms of help they gave are specified and their contribution to knowledge about poverty is summarised. In addition, their innovatory and participatory aspects as well as their contribution to the European dimension of the programme are evaluated.

In Chapter III the reports on the research studies are summarised. Their objectives and methods are described and attention is drawn to their relevance for policy.

Chapter IV starts with an attempt to estimate the extent of income poverty in each Member State on a comparable basis. Information is presented showing what can be learnt from the reports of the national experts on the characteristics of the poor and on the incidence of poverty in different social groups. The findings of the reports on different dimensions of poverty and anti-poverty policy are then summarised.

Chapter V starts by summarising the information from these three sources and lists the key recommendations of the independent experts for possible action at the national level set out in greater detail in Annex II. The Commission then explains why further action is needed at the Community level, discusses the lessons to be learnt from the experience of the first programme and, on the basis of this, suggests guidelines for further action at the level of the Community.

CHAPTER II

THE PILOT PROJECTS

Main Characteristics of the projects

The pilot projects were undertaken between 1976 and 1980. The particular projects were proposed by Member States. They were only a small part of the total activity of voluntary organisations and public authorities in the Community in the battle against poverty. Nor were they necessarily the most innovative projects in Member States. Moreover many of them represented a development of activities which had been going on for a long time. Thus this chapter is far from giving a comprehensive account of action to combat poverty in the Community during these five years. It simply describes those activities which were selected for partial funding by the Community.

The total population directly affected by the projects is not easily quantifiable. Several projects kept records of the personal help they were able to give. Some 73 000 persons are mentioned in this context, as having been helped directly and personally.

Some projects however (among them the Italian projects in Padua and Giugliano) were set up to become fully operational and to continue in-being after the termination of the European Programme. Some 315 000 persons will be helped in the long-term by the activities of these projects.

For several projects, the total population concerned could not be quantified as the project activities were designed not to reach particular individuals but to initiate economic and social development in whole regions through assistance to community groups. In this context the Area Resource Centres and the Social and Community Development Programme in Edinburgh are particularly noteworthy.

Similarly, because the Irish national programme potentially reaches the total population of the country and especially its poorest members, it is not possible to give a precise figure for the number of persons who have been specifically affected.

The ways in which the projects were organised varied considerably. Five main types of organisation may be distinguished and, occasionally, more than one may be found in a single project.

One group of projects was administered by public agencies, either at national level (Irish projects) or regional or city level (Commune of Padua, COPES, SCDP). A second group was run by voluntary organisations (Kofeods Skole, CAB'x, Family Day Care Centres). In a third and more unusual arrangement, projects were organised by a university research institute (in Amberg, in Cologne). A fourth group created their own organisations (the Marolles, CFS in Craigmillar, Giugliano). Finally, some projects - in Stuttgart and Belfast for example - combined the organisational resources of a university research institute with those of the relevant social agencies.

The size, area, methods employed and target population varied considerably from project to project.

Certain projects consisted of several relatively different elements (e.g. Marolles) while several projects were sometimes included in one single contract (Family Day Care Centres).

Some projects concerned small populations (e.g. Kofeods Skole, Family Day Care Centres), some very scattered ones (Ireland, Commune of Padua, CAB'x, Area Resource Centres); some projects involved the participation of large numbers of team workers (Commune of Padua, the Marolles, Ireland, Giugliano, CFS in Craigmillar) or just them (Kofeods Skole, Amberg, ATD-France, Family Day Care Centres, Area Resource Centres, SCDP).

Some projects have a distinctly urban nature whilst others were rural or involved both urban and rural areas (Ireland, Area Resource Centres, CAB'x - Wolverhampton, SCDP - Edinburgh).

Certain projects have concerned themselves with certain social groups, for example the poorest of the poor (Family Day Care Centres, Kofoeds Skole, Stuttgart, Duisburg, ATD-France, ATD-Breda), others with particular services (COPEs, PACT, Habitat et Vie Sociale, Commune of Padua, Giugliano, Belfast) or with geographically defined areas (Marolles, Amberg, Ireland, Wolverhampton, ARC, SCDP, Craigmillar). More detailed analysis shows particular target groups within these areas, although the whole population was involved.

The underlying Strategies

Four alternative strategies can be found in varying degrees in different projects - social planning, community development, community action and assistance to specific groups and in specific fields.

1. Social Planning

This consists in applying traditional planning techniques to the problem of poverty. An objective is defined in precise terms and methods of attaining it are selected. The effectiveness of the action depends upon the relationship between the objective and the chosen methods. Such a strategy can be found in numerous projects. For example, in Padua the objective was to produce at city level a decentralised and coordinated system of health and social services which was open to all the population without discrimination, which was reachable by the poor and incorporated a strong emphasis on prevention. In Stuttgart, the objective was to change the role and function of institutions

in charge of vagrants and the homeless, creating at city level a whole range of social services allying preventive activities with new forms of community as well as institutional care. As a final example, in Belfast the objective of the Areas of Special Need project was to set down a number of integrated social indicators in the approach areas of the city so as to produce a large-scale map which could be used administratively to define and implement specific ideas.

2. Community Development

The aim is to promote economic and social progress at the level of a whole community with the active participation of the residents using or creating a variety of local initiatives. All the projects included this strategy in varying degrees. Particular examples are the Area Resource Centres and the CFS in Craigmillar. While the second project helps the population of a specific borough to rise out of its deprived situation by mutual help and economic cooperation, the first particularly emphasized the coordination of existing initiatives for the economic development of the whole region.

3. Community Action

This differs from community development in so far as the development of the community is to be achieved by assisting the rights of the poor as against those sections of the population who are better off. Not only does the group have to organise itself in order to progress, but it also has to make itself heard by the rest of the community even if this involves conflict. Development is considered as a right that has long been denied and which should be recognised. The six projects and sub-projects undertaken by the ATD movement illustrate this strategy. Other illustrations, amongst others, would be the Marolles and Craigmillar.

Extreme forms of poverty were combated by emphasising the extreme situation of the poorest, their exclusion from the rest of society and their claims on the rest of society.

4. Aid to Specific Groups

This corresponds most to "traditional" action although its content has here been extended by the use of new methods. In this sense the PACT and the Habitat et Vie Sociale projects can be mentioned, which have concentrated on the housing sector, as well as the project in Copenhagen, which focussed on the problems of the vagrants.

While this classification may help to clarify some of the more important methods used by the projects, it is important to note that :

- a) Fairly precise objectives and methods defined at the start of a project may undergo modifications over time.
- b) Where the core of the project refers to the originality of certain methods actions may be taken which cannot always be easily classified. Thus the distinction between community development and community action is not always clear in practice.
- c) The use of such categories fails to accentuate the common features of the large majority of the action projects, which tried to reverse the usual mechanisms for helping the poor. Whereas traditional social work involves taking those persons who need it into its protection (be it in the fields of physical or mental health, education, delinquency or old age) with the care involving the loss of responsibility for the families or poor groups of these people, practically every project undertook activities which involved diametrically opposed methods. These activities enabled families and individuals to regain a sense of "expertise" over their own situation (by regaining this responsibility). Also, nearly every project tried to reach the structures of the administrative services responsible for the target populations.

The first aim was to remove this concept of "taking someone into care" and secondly to ensure that services would be more effective and systematic in their provision of measures to combat poverty.

The projects' activities and the specific help provided

Three types of activity can be distinguished which were common to the great majority of the projects:

- those which seek to give the target population the knowledge, skills or opportunities to improve their situation;
- those which seek to increase the capacity of poor populations to relate to the rest of society, mainly by building up a sense of mutual help and solidarity;
- those which seek to improve the character, coordination or systems of delivery of social services serving the target populations.

1. Improving knowledge, skills and opportunities

The first steps in this direction included efforts to raise levels of education and vocational training, to improve the general state of health or the type of habitat. This involved a major expansion in the information provided as a pre-condition for effective action. A large number of the projects helped to make the poor more likely to increase their income.

A number of adults and young people acquired a vocational training either directly from the projects themselves or as a result of their intervention. The Marolles project, the Area Resource Centres, the CFS in Craigmillar, the PACT project, the ATD project in Rheims and the Irish national programme all helped in this respect.

All the projects providing special care and services for children mentioned a stabilisation of those children who had disturbed personalities. A better start in the educational system was provided through extensive pre-school or day care activities. Several projects noted improvements in school attendance and in the level of attainment. Other projects succeeded in working with the teachers to secure improved care of deprived children. The projects which should be mentioned here include: the Family Day Care Centres, the COPES-project, the ATD-projects in Toulon, Herblay and Noisy-le-Grand and the Duisburg and Marolles projects.

In the case of housing and environment, most of the projects worked in collaboration with the relevant local agencies. Several projects initiated the building of new accommodation, while others undertook a major programme of improvement of habitat and the environment. Several other projects succeeded in having normal dwellings placed at the disposal of families or individuals in bad housing. In addition to the projects of PACT and Habitat et Vie Sociale, the projects in Copenhagen, Stuttgart, Duisburg, the Marolles, Craigmillar and the SCDP should be mentioned here.

Several projects mention an improvement in the health of their target population as a result of their activities. In addition to an intense effort in the provision of information and counselling, several projects managed to secure that direct medical care was brought to the poor from outside (a weekly visit of a doctor, for example). Several of them centered their whole activities on the organisation of new, integrated social and medical services, providing the populations with preventive and medical care, on a decentralised and thus readily accessible basis. Although many projects could be mentioned, three stand out in this respect - the Padua project, the project in Giugliano and the COPES project.

Almost all projects have tried to secure an income for or to raise the income of their target populations. A valuable feature of the Programme is that the action-projects themselves created new employment. Between 300 and 400 persons found jobs. Besides this direct help, the projects also succeeded in giving their target population the material or psychological capacity to take a job. This was the case with several of the Family Day Care Centres which looked after young children while their parents were at work. The great majority of the projects provided counselling and information about welfare legislation. This resulted in greatly improved take-up of cash and services, raising in this way the financial resources of the poor. A few of the projects even organised a tribunal representation service overcoming in this way the fear and lack of specialised knowledge which characterised the target populations.

Almost all the projects would need to be mentioned in this respect. Particularly important however were the projects in Cologne, Belfast and the CAB's in Wolverhampton.

The objective of the Cologne project was to help the poor by improving their knowledge of the different rights to which they were entitled. This was not the only activity undertaken by this action project which concerned itself with two districts (Zollstock and Chorweiler) with a total population of approximately 38 000 persons. But for each group of the population (the aged, single mothers or persons in receipt of social assistance) the different actions undertaken all led to improvements in access to rights. The Belfast project started as a study but developed into an action project in 1977-78. The aims were to draw attention to the non take-up of rights in four districts of Belfast, to improve information on these rights, to help people obtain them and to make recommendations to the Government on how to improve the situation. But the project which went furthest in this particular field was that undertaken by the National Association of Citizens Advice Bureaux (NACAB) in the Wolverhampton area. The project recruited and trained a network of unpaid voluntary workers based on the local Citizens Advice Bureaux, to represent people at supplementary benefit and social insurance tribunals.

2. Developing mutual help and solidarity

All the projects tried to alleviate the psychological consequences of deprivation. All of them mention positive results from their activities on the self-esteem and self-confidence of their target populations. They noted that those they were helping became more capable of positive social interaction which resulted in closer group relationships, and in a willingness to undertake common endeavours as, for example, the development of their own region or district.

The ATD projects had as a main objective for their activities the creation of cohesive and united groups. The aim of the ATD-movements is to give "the poorest of the poor" the opportunity to identify themselves as the "Fourth World", allowing them in this way to regain the social and economic rights they have been denied.

Three other projects deserve mention here as good examples of the strategies employed, although their activities extended beyond this single objective - the Marolles, the CFS in Craigmillar and several of the Family Day Care Centres. Amongst other objectives, the Marolles project aimed to mobilise the population to combat its unfavourable situation by acting together and expressing its needs and wishes in order to achieve its own particular lifestyle. A development association was formed to create jobs and an information group, a group concerned with the preservation of the area, a belgo-hispanic mutual aid group, and an arab-islamic information and reception centre, were created. The objective of the Craigmillar project (run by the Craigmillar Festival Society in Edinburgh) was to bring into focus the needs and aspirations of all the different groups of people who go to make up the population of the Craigmillar area. The impact of the Festival on the local population produced a new network of relations and activities not directly related to the Festival which helped both to express and develop the life of the community. The pilot project has, amongst other things, resulted in a better understanding of the growth and importance of such social networks in relatively poor communities.

and of the need to ensure that they are not thoughtlessly destroyed by well-meaning outside influences.

Several of the Family Day Care Centres have built small groups out of the most deprived populations, giving them not only very practical opportunities of improving their material life, but making them a unit of mutual support and help.

3. Improving the character, coordination and systems of delivery of social services

The majority of the projects improved the relationship between their target populations and those administering the social services. On the one hand, they helped their populations to lose their fears of formal agencies (through better information and/or through the creation of a supporting group). On the other hand they drew the attention of agencies to some of the special problems resulting from an impersonal bureaucratic approach to social problems. This led to specific proposals for change both in the legislation and in the working of the agencies. Several projects involved a complete re-structuring of the social services. Of particular importance in this respect were the projects in Stuttgart, Padua, the COPES-project and to some extent the Cologne project.

A dialogue between the target populations and the social services was established in different forms and depth by the different projects. Those in Duisburg and in Amberg, for example, have formalized this contact through the establishment of a standing committee which gives to the population or its representatives the opportunity of being consulted on matters relevant to them.

Most of the projects however simply established active, constructive and personal contacts between the population and the agencies. The ATD and the Craigmillar projects in particular mention such contacts.

It is mainly projects which were based upon the established social services that had the opportunity to create a real change in the structure and the functioning of services (Stuttgart, Ireland, Commune of Padua).

However, the project in Duisburg-Essen, which aimed at helping the institutionalised homeless in those two towns, had several effects on the policy measures taken to help the target population. Apart from some practical improvements in the environment and in the legal status of those using the shelters, its members participated in the drafting of future policy guidelines which should lead to the disappearance of such shelters.

The objective of the SCDP, organised by the City of Edinburgh itself, was to help deprived areas on the outskirts of the City. The aim was to create community workshops bringing together existing local groups and creating others in order to act as an organised "partner" to the administration, to express the needs and desires of the population. The final aim was to establish a development plan for the target regions which would incorporate the creation of integrated services inside the administration itself.

Based on the principles of democratic systems, several other projects wanted to turn their target population into an interest group which would act as spokesman in all matters concerning their deprived situation. They provided such groups with opportunities to articulate their views, for example in their own local newspapers. This kind of activity created a constructive dialogue out of which further improvements could develop. Almost all the projects emphasized the importance of this recognition of the expertise of those directly concerned.

However exceptional and important the results of the action projects are, it does not follow that such projects would be able to cope on their own with the existence of poverty. The programme has shown the importance

of coordinated legislative measures directed towards particularly deprived regions, districts or groups of the population. The role of such projects is to ensure that measures are taken with the poor instead of for or on behalf of them. In this way their efficiency and effectiveness would increase not only in the short term but in the long term as well, as may be seen for example, in the Marolles project where important legislative measures were coordinated in the renovation and adaptation of social housing and in the Giugliano project where the central aim was health promotion.

What the Action-Projects have contributed to research?

While all the projects contained an element of research, some, for example Kofeeds Skole, Duisburg, Cologne, Stuttgart and Amberg, had a more clearly defined theoretical basis than others.

The projects which were not so formally committed to research nevertheless collected valuable information about their local situation as a prelude to or in the process of implementing their various strategies. One project (Belfast) was based on research on Areas of Special Need carried out in the same area earlier in the Programme.

In any evaluation of the projects, the small size of most of them should be borne in mind as well as the rather special character of the populations served.

The research findings cover four areas :

1. The characteristics of the poor

The action-projects show that extreme poverty continues to exist. Indeed some of the projects, such as those of ATD and the Stuttgart and Kofeeds Skole ones, were organised for the "poorest of the poor".

The initial objectives of the majority of the projects were not specifically linked to the phenomenon of extreme poverty, although the Irish national programme does highlight levels of intense deprivation in certain rural areas.

A second finding, even more general than the first, concerns the existence of new forms of poverty: low pay, unemployment and precarious forms of employment are driving into poverty workers who were once far above the poverty line. The projects found this process at work in each national environment.

A third finding concerns poverty found amongst immigrants. While for the most part immigrants are working, some of them are subject to material poverty caused by low pay and low qualified jobs, greatly amplified by their cultural isolation. This phenomenon is accentuated by the fact that the children of these workers are also subject to poverty.

A fourth finding is that certain groups of the population are more often poor than others, for example one-parent families or migrant workers, unqualified workers or the aged. They are poor, moreover, as members of particularly vulnerable groups for whom insufficient social provision exists or who are subject to particularly insecure conditions of life, rather than because of personal defects.

A fifth finding is that in opposition to a very common belief most deprived parents are well able to raise their children especially if they are freed of the perpetual fear, anxiety and worry about the future that characterises their economic and social position.

A sixth important finding is that deprivation can only be overcome if its psychological consequences are alleviated at the same time as other elements. However all the projects stressed the low pace at which psychological changes can be expected to occur.

A seventh finding indicates that outside measures should be avoided which do not take into account the existing social and cultural life-style of the target population.

2. The circumstances that cause poverty

The majority of the projects analyse the poverty of their target population historically in the context of socio-economic processes. Some of them root it very specifically in the urbanisation process which displaces and disorganises whole groups of the population by damaging social networks. Others assert the existence of a Fourth World, an "underclass", whose history and culture can be followed over the centuries and which has always occupied the bottom layers of society. The projects emphasised the "relative" nature of poverty in the sense that the cultural dimension of poverty is amplified by the opposition of lifestyles. Thus a policy to combat poverty must not only direct itself at the poor. It must be aimed at the whole of a given geographical area within which it is possible not only to provide for the material situation of the poor, but also to handle the psychological, cultural and social relationships between poor and non-poor. While it may be possible to correct certain effects of poverty, it will probably not be possible to prevent their existence unless this is taken into account.

The projects showed the importance of employment in the poverty problem. Unemployment (especially long-term unemployment) may be and often is the cause of poverty, just as the provision of a stable job is often the way

out of poverty. The projects underline the strategic importance of stability in employment as a factor in the struggle against poverty. It follows that the effectiveness of other current measures taken to combat poverty may be reduced or even cancelled out, if they are not taken in the context of a much wider employment policy. Unfortunately, as some projects showed, it is extremely difficult to give effect to this conclusion in all cases, especially where the persons concerned have suffered a long history of exclusion and require specific forms of employment adapted to their specific situation.

The projects drew attention not just to the importance of education, vocational training, health and housing conditions in the genesis of poverty, but also to the importance of finding non-discriminatory solutions. With regard to housing, all the relevant projects demonstrated that this would mean reintegration into normal housing, abolishing specialist institutions for poor people which are by nature alienating and create stigmatisation. With regard to education and vocational training, special measures were advocated for poor children, including the children of immigrant workers. These children, who can be important in the reproduction of poverty, must be helped to counterbalance their unfavourable environment by giving them a good start in an educational system which at present is not adapted to their situation.

3. Anti-poverty policies and their implementation

Traditional anti-poverty policies are made up of heterogeneous and inadequately coordinated measures which, however positive the effects they might have on their own, do not address the problems of "poverty" as such, but fragment it into its different components. A majority of the projects favour the elaboration of "development plans" for whole regions, cities or groups of population, where all problems should be considered together in the search for comprehensive solutions.

The agencies in charge of the implementation of those policies reflect their nature. They are themselves divided and their internal structures often make it difficult for isolated individuals to understand their functioning. Several projects have tried to coordinate the different services, bringing them closer to the population which they are meant to serve. These efforts of decentralisation and unification have succeeded in raising the take-up of the services, thus making existing legal provisions more effective.

A great majority of the projects mention the fact that the existing welfare schemes do not succeed in preventing or relieving the poverty of their target populations. They find two main reasons for this - on the one hand a lack of knowledge of the population about entitlements and on the other a resistance to a process which creates stigma and allocates blame. As a consequence, such projects have undertaken a major campaign of information directed partly at the population, to make individuals aware of their entitlements and to give them practical support in claiming them, and partly at the agencies drawing their attention to the problems which emerge from an impersonal bureaucratic and occasionally prejudiced approach to social problems. Much poverty could be alleviated or prevented if all the existing legal provisions were correctly and sufficiently applied.

4. Social Workers and voluntary organisations

Social workers in the projects have sought to break down barriers of communication by providing the poor with guides through the labyrinth of regulations and with the knowledge to enable them to meet the conditions required for certain kinds of assistance. It was found easier to do this when the social workers live alongside the poor than when they remain alongside the administration of the relevant services.

Both within and outside the pilot projects, voluntary organisations have played an important part in this innovative approach, no doubt as a result of the fact that they generally enjoy a greater flexibility than public agencies.

Evaluation by the criteria laid down by the Council

The three criteria are considered in turn - innovation, participation and the European dimension.

Innovation

The main innovation of the Programme as a whole has been to make use of a "double strategy" in the fight against poverty. The first is to give the poor greater expertise in handling their own situation in order to make them independent of public assistance. The second is to change the relationship between services and "clients". This has often meant a change in the way in which services were provided.

The innovatory character of the action projects can be demonstrated by contrasting them with older methods of combating poverty, both in the public and private sectors. Actions tend to be taken by a whole range of specialist agencies each of which is concerned with a particular symptom of poverty for which there is a "solution" falling within its competence - emergency or "temporary" housing for the homeless, free health care for the sick, meals or food for the hungry or those with no income, etc. However desirable such measures may be in themselves, they can lead to a number of undesirable effects:

1. Where poverty is treated as a problem of individuals or of particular families, the help given may accentuate dependence on the administration.
2. Where the poor are provided with special services, this can lead to stigma.

3. The content and form of help may serve primarily to improve the immediate situation rather than to prevent it recurring.
4. The agencies are not equipped to deal with some of the underlying mechanisms which set poverty in train or the psychological ones which serve to reinforce it. By focussing specifically on the poor as individuals, consideration is not given to a community made up of people with different living standards. This can have the effect of accentuating the isolation of the poor.
5. To avoid fraud, abuse and disincentives to work, each agency sets up systems to control and check on rights. The complex policies which result reinforce the gap between the poor and the agency. At worst it can prevent a considerable number of the poor from benefitting from their rights.
6. Social work services may try to build a bridge between agencies and individuals or even search out those whose needs are not being met. This reinforces the extreme relationship of dependency by introducing a guardian or protector.

It is therefore in the context of these six points that it is possible to focus upon the four principal innovative features of the action-projects.

First, the action projects operated from the standpoint that poverty is multidimensional. They aimed to secure two results:

- a) to alleviate the phenomena of dependence and individual stigmatisation;
- b) to open doors to the possibilities of mutual help, facilitating the development of the Community as a whole.

Not all the projects used an integrated approach. Some were, however, formulated on this basis. For example, both the objective and the result of the Giugliano project in Italy was to assist the whole population

of a borough to emerge from their marginal role in society by stimulating group feeling and mutual help. This project put a strong emphasis on developing the skills of the poor to rescue them from dependence on social work help.

Also relevant in this context is the Irish national programme. Recognizing the structural character of poverty, the Irish government encouraged initiatives to combat the economic under-development of whole regions and the special characteristics of poverty in urban areas with declining industries. Poverty was not regarded as the lot of a small minority in the population but as a common problem that should be tackled as such.

Secondly, the action projects tried to prevent future poverty at the same time as they relieved its current effects. The methods they used to combat poverty were also methods which would help to prevent poverty from becoming persistent. This stands out in the case of projects organised to help with specific problems such as housing and health.

The Padua project in Italy and the COPES project in France concentrated on the health of their populations, putting a strong emphasis on prevention; the PACT and Habitat et Vie Sociale in France as well as the Duisburg project in Germany concentrated the main part of their activities, if not all of them, on the housing situation and the living conditions of their target populations.

To try to prevent future poverty by setting up small-scale projects is in itself a major innovation. It consisted partly in the acquisition of skills in the educational and vocational fields, but also in the provision of information to give the target populations opportunities for using the already existing legal provisions. While some of the projects provided further pre-school education and vocational training, many of them have preferred to give their target populations the opportunity to use existing agencies providing these services. This is the case with several of the Family Day Care Centres where the pooling of child minding was intended to allow parents to take a job or a vocational training course.

Many projects aimed to raise the incomes of the poor. The major innovations in this context have been the creation of job opportunities by the projects themselves and the strong emphasis given to welfare rights counselling.

Thirdly, the action projects tried to increase the effectiveness of legal provisions in favour of the poor. The main innovation was the comprehensive approach used in several projects.

The COPES project in France unified, at the level of a district in Paris, five services belonging to different administrations, all concerned with the protection and the health of children. This unification produced a comprehensive and dedicated programme of help for the children of this very poor and deprived district. The Padua project had a similar aim, coordinating at a decentralised district level all the social and health services of the City of Padua.

Some projects made specific and constructive proposals to change the operation of legal provisions or the organisation of services. These proposals, resulted from intensive research and represent further possibilities of innovation in the battle against poverty. All four German projects put a strong emphasis on such research, so that the final reports on their activities represent an important instrument for policy-makers.

Fourth, the action projects experimented with forms of social work. They brought social workers and the poor closer together, decentralising levels of intervention and ensuring that social work would serve to animate and help the poor in their activities rather than restrict them in a formal network of administrative constraints. This kind of innovation has been particularly effective in those projects which were based upon or sponsored by national agencies responsible for social services. The Padua

project in Italy, the Irish national programme, the SCDP project in Edinburgh and the project in Stuttgart should be mentioned in this context.

Thus, it is evident that innovation formed an integral part of the action projects. Indeed the very fact that certain projects were carried out was in itself an innovation. For example, the Irish national programme to combat poverty was for that country a major innovation, given the absence of any coordinated action before the Programme.

Clearly, innovation in this area is not a monopoly of the pilot projects. Various public agencies and voluntary organisations have tried during the past decade to devise new forms of fighting poverty. However, the pilot projects did have the advantage of being deliberately experimental and this, of itself, produced an attitude of flexibility which made innovation more likely.

Participation

The objective of participation, common to all the projects, was meant to be a way of ensuring that the changes introduced during the period of the Programme continued after it. It took different forms and varied in intensity depending on the particular projects, for a number of reasons:

1. The participation of the poor by the end of the projects was greatest in those which had been working in a particular area for a long time. The Marolles and Craigmillar projects were particularly significant in this respect. It is because work on mobilising the poor and fostering participation had been going on for more than ten years that these two action projects achieved such positive results. Action over a long period is needed to change social behaviour.

2. For many of the projects launched exclusively for the Programme, participation at first consisted of no more than consultation and information. Both are, however, indispensable preliminaries to real participation. Launching a project which aims at the development of a whole district or even of a whole region, without providing the population with **sufficient** information would have led to an artificial and probably limited development.

3. Projects which have had both as means and as goals the participation of their target populations have achieved it quicker than those projects which regarded participation as a better means of reaching a more general goal. Three projects should be mentioned for attaining a particularly high level of participation - Cologne, Giugliano and CFS in Craigmillar.

4. In those projects, which brought the services of experts to their target population, participation consisted of an increase in "consumption" of those services. Projects like PACT, Habitat et Vie Sociale, CAB'x or Commune of Padua should be mentioned here.

Projects with a very small target population have found it easier to attain complete participation than others. This is one of the many achievements of the seven Family Day Care centres, for example.

When members of the team lived alongside the target population this led to a more intense participation. This was true of the Kofoeds Skole project, of all the ATD projects and of several of the projects in the Irish National Programme.

5. Those working with the poorest of the poor reported that participation could only be achieved slowly with these groups of populations. Only those ATD projects that have been active for over 10 years claim a steady continuation of participation. The projects in Stuttgart and in Copenhagen, in spite of very intense periods, mentioned considerable fluctuation in the degree of participation due to the long period of exclusion and isolation of their target groups.

Thus, if the objective of participation has not always been entirely met, it was also been the most difficult to achieve. It implies a radical change in methods to combat poverty and often requires more time than the lifespan of some of the projects.

The European Dimension

This criterion can be understood in two ways, each linked with the other:

1. It could mean that the project would not have been implemented without the active participation of the Community or that membership contributed very positively to the nature or the scope of the activities undertaken.
2. It could mean that the means used and the likely results were transferable to other local situations and were even capable of being replicated in any of the countries of the Community.

The first part of the criterion can only be applied to projects which started their activities with the launching of the Programme. There are about a dozen which have used the financial offer of the Community to originate new kinds of activities, either using an already existing organisational structure or creating a new one for the Programme. This does not mean that those projects would never have been implemented without the Programme. However, it certainly means that they would have had to wait several years before finding a supporting structure and finance. The Community project in Copenhagen is certainly the best example. The organisation Koføeds Skole, main sponsor of the project in Denmark, had been active in the field of social work for vagrants. It would however, not have been able to launch on its own the innovative European project. It has not even had the financial resources to pay its share for this project which caused its premature end.

As the projects were asked to innovate both in the field of their activities and in the methods that they used, their being part of the Programme has had a positive effect on the nature and the scope of their activities. They have "taken the risk" of innovating.

Several projects mention the fact that sponsorship by the Community has helped them gain consideration from local agencies. It has also freed them from requirements to comply with several formal administrative rules.

In the last few months of the Programme, the benefits from participation in the European Programme have been particularly great for certain projects. In the early months of 1980, the Marolles project opened a medical centre organised on the model used in Giugliano. A very intensive exchange of experiences and perspectives has taken place between the teams of these two projects. They and several other projects have even formalised their cooperation by creating ESCAP (European Social and Community Action Programme). This federation has been very active in promoting the European dimension of the fight against poverty, and will continue its activities after the end of the Programme itself. Another example is ATD Fourth World which organises cooperation between their national projects.

Several projects mention the fact that it is only in the last months of their activities that they have been really able to exchange experiences and knowledge with the rest of the projects, especially at the international level. Such an exchange requires a stabilisation of activities, which certain projects had not achieved before the end of 1979. This points again to the necessity of a long perspective in the fight against poverty.

As concerns the second part of the criterion, transferability has been facilitated by the good documentation and "Europeanisation" of poverty problems, and of the existing instruments to fight against it. The characteristics of the poor populations have great similarity in all Member States; similar also are the kind of measures which are aimed in helping the weakest in society as well as the inadequate coordination of these measures. The Padua project explicitly states that it has been implementing new methods of providing health and social services which had been under discussion in all Member States. The COPES project stresses its similarity to the Padua project.

Similar activities are to be found in a number of different projects. Important examples are welfare rights counselling, the improvement of housing and environment, the major emphasis given to the work with children, the attempts to alleviate isolation and to promote self-respect and self-confidence.

While some projects which were started have had to close because of the lack of further finance and have thus raised expectations which could not be met, the majority of projects are continuing their work, under new financial sponsorship.

This progressive Europeanisation of the pilot projects underlines the similarity of the social problems in the Member States of the European Community. The pilot projects as they developed have been an expression of European solidarity and illustrate the fact that the EEC is developing into a social as well as an economic union. Looked at from this point of view, the projects offer one route for advancing European policy.

In conclusion, two points need to be stressed:

1. although the pilot projects have not all created wholly new forms of activity, they have incorporated new ways of fighting poverty. In this sense they have been innovative.
2. when Community funds ceased to pay for half the cost, some projects have continued to be funded from national sources while others have had to close down because they were unable to find new sources of finance.

CHAPTER III

THE RESEARCH STUDIES

The research studies "to improve understanding of the nature, causes, scope and mechanisms of poverty" used a variety of different approaches. Nearly all of them were cross-national and reports on each are available. Not only is much of the basic data of sufficient interest to warrant further 'secondary' analysis, but some of the studies raise important questions which require more intensive study in further research.

This chapter does not aim to present a **scientific assessment** of the methods used in the studies. Some of the controversial issues which are inevitably raised in research of **this** kind are discussed in the ESPOIR Report.

All that is attempted here is a brief description of their objectives, methods and principal findings and their relevance for policy.

Three of the studies mainly collected objective data, though account was taken of subjective elements. Two dealt mainly with subjective feelings and beliefs. A further series of studies examine poverty in the nomadic population and the attitudes of the rest of the society towards nomads. The seventh study is of voluntary organisations.

1. Poverty and Social Policies

This was one of the two studies commissioned in the first phase of the programme. The aim was to test methods of research (cross-national sample surveys conducted by interview) collecting comparable data on poverty and the impact of social policies. It was hoped that research of this kind could make a contribution to the reduction of poverty.

Thus, the initial focus of the research was on methodological problems of the following kind : -

- a) Selection of areas for cross-national comparison.
- b) Sampling procedures which could provide an adequate representation of categories of persons likely to be poor, particularly over-sampling in a way which made it possible to return to the original population distribution.
- c) Definitions of poverty, in terms both of income and of other forms of deprivation (poor housing, overcrowding, housing amenities, physical or mental disabilities, leisure activities and social isolation).
- d) Wording and construction of questionnaires for use in different languages and cultures.

Method

The pilot study was conducted in 1976 in France, Germany and the United Kingdom. Areas were selected for possible use in later surveys. The intention was to interview 500 households in each country - 400 in urban settings and 100 in rural settings. The urban areas were part of an inner city ring and were expected to include "a relatively large proportion of poor households". It was intended to over-sample sub-areas likely to contain more such families. This was done in Waltham Forest (U.K.) by using indices known to be correlated with income poverty and in Kalk (Germany) by using a composite index of the proportions of pensioners, manual workers, houses lacking amenities and children in special schools. No over-sampling was attempted in Montreuil (an inner suburb of Paris). There was no over-sampling of the rural areas. Over-sampling was satisfactory in Kalk.

The data was collected by interview using a common questionnaire. Data collection was the responsibility of CREDOC (France), INFAS (Germany)

and the Institute of Community Studies (UK). The study defined income poverty for use in national samples as follows : -

An income unit is judged to be 'in income poverty' if its income per adult equivalent, net of direct tax, social insurance contributions and housing costs, is less than two-thirds (or alternatively one half) of the median income per adult equivalent in the total national sample.

But for use on the data collected in the study an alternative definition was adopted : -

An income unit is judged to be 'in income poverty' if its income per adult equivalent, net of direct taxes, social insurance contributions and housing costs, is within the poorest 20 per cent (or, alternatively, the poorest 10 per cent) of all incomes per adult equivalent in the pilot national sample.

The study covered aspects of poverty other than income but these were not integrated into a more comprehensive definition. Within the bottom 20 per cent of households from the local samples in each country the study compared the proportions of : -

- i) families with dependant children
- ii) unemployed
- iii) sick and disabled persons
- iv) the aged
- v) persons in poor housing
- vi) persons in social isolation.

Finally the study analysed the impact of social policies on the above groups.

Results

The report on the study stresses that the results are based on small samples in particular areas and thus the conclusions must be regarded as tentative until confirmed from larger studies representative

of the whole population. It is, however, pointed out that not only government policies influence the well-being of the poor. There are important economic factors such as growth or decline, investment and productivity and levels of unemployment. There are also traditions, values, culture and patterns of consumption.

The study comes to three general conclusions

- "a. There is more income poverty, relative to average living standards, in France than in Germany or the United Kingdom.
- b. There are more poor families of all types in France and Germany than in the United Kingdom.
- c. Among the poorest fifth, poverty is more evenly shared between broad categories of family in France than in the United Kingdom."

The further findings based on the poorest 20 per cent of the samples can be classified according to population categories and manifestations of poverty.

(i) Families with dependant Children

In France, family allowances and other family support seem more effective than in the United Kingdom or Germany in compensating for the financial disadvantages incurred in having children. For example, only in France are families with one or two children no more likely to be impoverished than single people or married couples without children. Single-parent families are more often in poverty than two-parent families in the United Kingdom and Germany and possibly to a lesser extent, in France. Larger families (those with three or more children) are in poverty more often than smaller families in all three countries; thus in this respect - the distribution of poverty between families of different sizes - French policies appear no more effective than those of the United Kingdom or Germany.

(ii) Work

Employment opportunities for mothers with young children may be as important as social policies in combating family poverty. But the full development of such opportunities

must depend on supporting services, such as adequate day care, which may in total be as costly as paying direct financial benefits. The unemployed are particularly disadvantaged; larger proportions are in poverty in all countries. But the French schemes for unemployment benefit may be more effective than those in Germany and the United Kingdom.

(iii) The Sick and Disabled

Heads of families who are sick or disabled seem more effectively helped under French schemes; eligibility is easier for some and the arrangements for the long-term sick are relatively generous. The largely free National Health Service in the United Kingdom, including free family planning services, is more effective in helping poor people than are health services in Germany and France. Disabled poor people, in all three countries, may receive less help in kind than do disabled non-poor. In all countries disabled and other disadvantaged people do not receive help to which they would be entitled. Methods of communicating information about services, and 'delivering' them, need to be improved.

(iv) The Aged

Retired couples are helped more effectively by pension schemes in Germany than in France or the United Kingdom. Single old people receive more effective financial support in France and Germany than in the United Kingdom. Elderly people in general (couples and single people) are more equally treated in the United Kingdom and are therefore less likely to be very poor than are the worst-off among the elderly poor in Germany and France.

(v) Housing and Consumer Durables

Housing policies are more effective in helping the poor in the United Kingdom than in Germany or France, though in all three countries substantial progress has been made towards reducing some of the grosser inequalities in housing conditions. Immigrants in the United Kingdom are not markedly worse-housed than native-born residents; this is mainly because of the roles of public housing. Immigrants in France (and perhaps in Germany) are however more over-crowded and deprived of amenities than are native-born families. Most of the poor are not markedly deprived of the basic consumer durables. Hire purchase has been important in all countries, but poor families in France seem relatively well-endowed

because of the long-standing contribution of family allowances to family budgets in that country.

(vi) Social Isolation

Because of French travel concessions and other help with holidays, the poor in France are less often deprived of holidays than are their counterparts in the United Kingdom and Germany. In all countries, there may well be a useful role for new forms of social centre, which could help to reduce social isolation.

The authors stress that the study cannot explain what influence is exerted on social policies by organisational and administrative structures, which obviously differ from one country to another. What are the advantages and disadvantages of a nationally-administered social insurance scheme as against a variety of semi-public bodies? Or of social housing, as in France and Germany, compared with housing directly provided by municipal authorities, as in the United Kingdom? These are obviously crucial questions, deserving further investigation.

Policy Relevance

The study breaks new ground by attempting to apply a complex questionnaire to collect precise facts on a comparable basis in different countries. It identifies and attempts to resolve the fundamental methodological problems of over sampling which is essential if detailed studies of the poor are to be undertaken in a cost-effective manner.

In spite of the limitations of the "preliminary findings" pointed out by the authors the study is clearly relevant to policy-making.

2. Unemployment and Anti-Poverty Policies

This later pilot study undertaken in 1979 concentrated on unemployment, aimed to compare policies in this field in France, Germany and the United Kingdom, using localised social surveys to assess their effectiveness. The emphasis was on communities only recently encountering heavy unemployment rather than on communities where unemployment had been relatively high for a long period, for example because of declining older industries. Thus the focus was on 'new poverty' rather than 'old poverty'.

The main thrust of the research was on 'income poverty' and on the effectiveness of social security policies in preventing it. But it also covered the effectiveness of placement policies and retraining but not regional development or job creation policies. As in the earlier study, other dimensions of poverty were included such as poor housing, ill health, disability, lack of leisure activities and social isolation.

Method

The areas chosen for the survey were Rheims (France), Saarbrücken (Germany) and Bristol (UK). They were selected on the basis of common features. All these towns had experienced considerable prosperity between the wars and after 1945 with new housing and new industry developing around the old established urban area. All had only recently experienced a higher level of unemployment. All were regional centres of sufficient size for sub-areas to be studied with relatively large concentrations of semi-skilled and unskilled workers among whom unemployment was likely to be particularly high. A further factor in choosing sub-areas was any information available on local levels of unemployment. In the authors' view, the sub-areas would have been even more useful if account had also been taken of age structure, as the sub-areas contained a high proportion of elderly in Bristol and Saarbrücken but not in Rheims.

Interviews were successfully carried out with 60 per cent of the households in Bristol and Rheims and 45 per cent in Saarbrücken. Data was added from households interviewed in the pilot surveys carried out a few months earlier to give the following number of households in the combined samples : Bristol 2819, Rheims 2984 and Saarbrücken 3544.

The study was not only based on interviews with heads of households using standard questionnaires. There were also interviews with officials of the relevant services and a supplementary questionnaire for persons (including heads of households) identified as being unemployed.

Poverty was measured in terms of income. For this study this was current, regular monthly income of the whole household after deduction of tax and social security contributions. The equivalence scales used were 1.0 for head of household, 0.8 for other adults over 16, and 0.5 for each child aged 11 to 16 and 0.33 for each child aged 10 or less. This made it possible to calculate "household income per person unit".

The poverty line was calculated from the data in the survey for households where the head was under retirement age and had a full-time job (30 hours or more per week). Two levels of poverty were used :

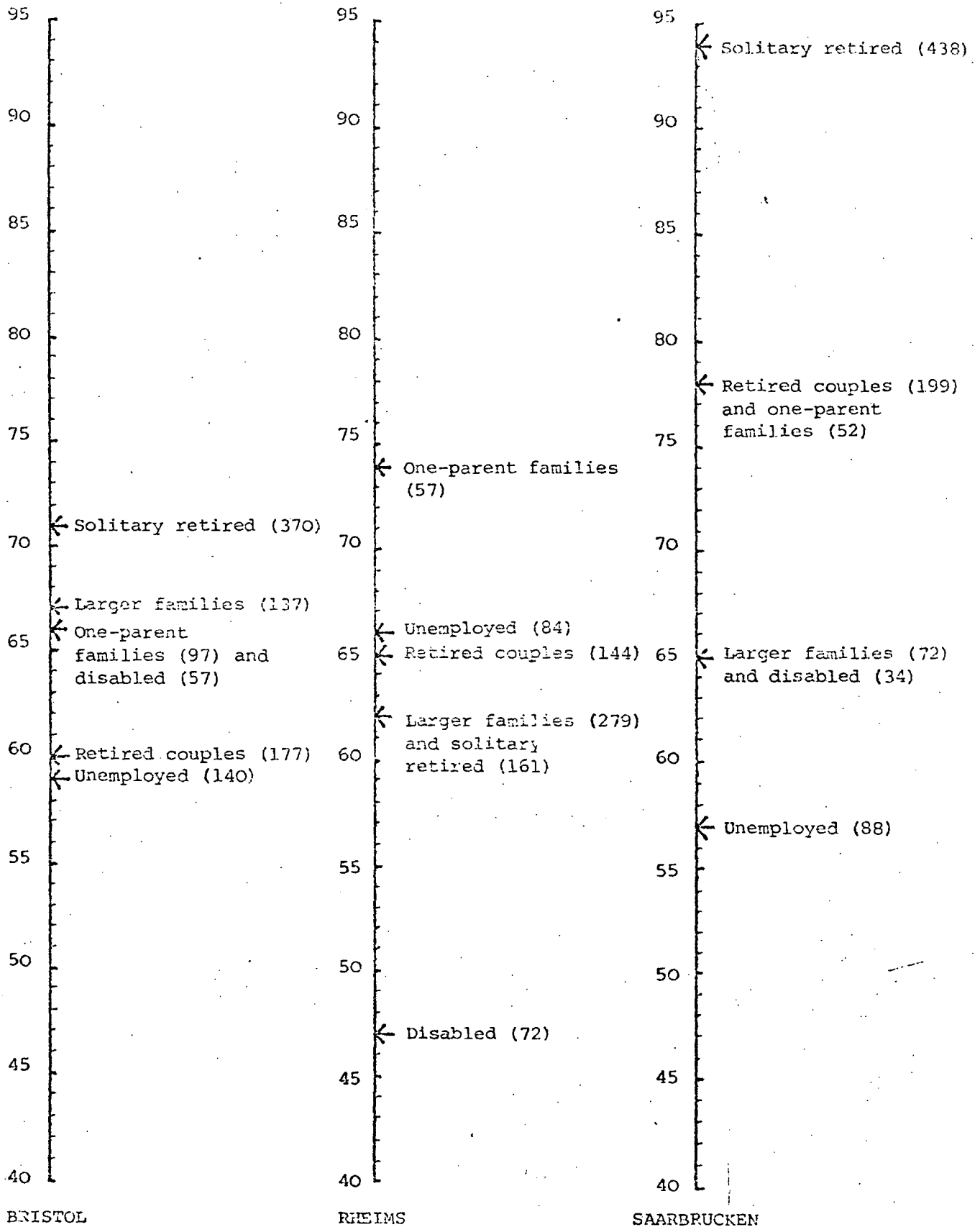
- (i) Poor - monthly income per person is 60 per cent or less of an income typical of a household with the head in full-time work and below retirement age.
- (ii) Very poor - as above with 40 per cent instead of 60 per cent.

Results

The survey showed the median income level of the following categories as compared with the income of a typical household with the head in work and under retirement age (See Figure I)

- (i) One person retired
- (ii) Retired couple - neither in work
- (iii) Unemployed head of household
- (iv) Disabled head of household
- (v) One-parent families
- (vi) Larger families - 3 or more children aged 15 and under.

Figure I : Median incomes of groups of households at risk of poverty, on a scale where the standard = 100.



Numbers in brackets show the number of households in each group.

The study comes to six 'speculative' conclusions for the local areas : -

1. Combating severe poverty. There is less extreme poverty in Britain than in France or Germany; this partly reflects the British national scheme for income maintenance (national insurance and social assistance) as against the more diversified structures in France and Germany.
2. Combating poverty among the retired. The German pension scheme - earnings-related and 'dynamised' - is remarkably successful in preventing poverty among most retired people. The pension schemes of France and, even more, Britain are much less successful.
3. Failure with the unemployed. Income maintenance systems in all three countries are not adequate to protect unemployed people and their families against poverty.
4. Large families in poverty. Similarly, in no country are policies effective in ensuring that families with three or more children are kept out of poverty, even when the head is in work.
5. Training, early retirement and unemployment. It seems possible that the German approach (including education and training for the young, early retirement and generous pensions) reduces the number of unemployed, makes retirement financially acceptable for most people and, if the education and training are appropriate, should help create a labour force more suited to a changing technology.
6. Means-tested benefits. At the time of the study, all three countries used means-tested benefits in attempting to help the unemployed, but otherwise such benefits are used by different countries for quite different purposes and help different kinds of people.

Policy relevance

The study is valuable in comparing the relative financial position of persons in different vulnerable categories in the selected areas of the three countries. It also suggests reasons why the different social security policies led to these results. Methodologically it shows how local samples can be used to produce comparable results on a cross-national basis. The policy relevance of the conclusions are self-evident.

3. The Perception of Poverty in Europe

The main questions examined were :

- To what extent are people aware of the existence of poverty in their town, part of town or village ?
- What do they consider to be the causes of poverty ?
- Are there different types of attitude to poverty and the poor ?
- How do these attitudes relate to the wider value systems of the persons concerned and to their own socio-economic position in society ?

Method

Representative samples of the total population of each Member State outside institutions were selected using random sampling for some countries and quota sampling for others. The authors acknowledge that the very poor and destitute were almost certainly excluded from their samples. About 8,600 persons were interviewed, using a structured questionnaire, as part of the European Barometer survey. The questions covered the following key areas :-

a) Adequacy of household income

- whether household income is "sufficient to live satisfactorily"
(or more or less than sufficient)

- what income is "absolutely necessary" for the household
- how household income fell on a seven point rich to poor scale.

b) Satisfaction

- in general "with the life you lead"
- as above, compared with the past
- whether, as a whole, society is fair or unfair to you.

c) Perception of poverty

- whether there were people whose general standard of living was "very bad compared with that of other people - people really in poverty" in your town, part of town or village
- the most important causes of poverty and reasons for poverty using prompt cards.

Data on levels of income and other characteristics of the sample were obtained from questions used for the Euro-Barometer Surveys.

Results

a) Adequacy of household income

Over a quarter of the sample (28 per cent) had an income below what was considered by the respondent to be "absolutely necessary" - varying from under 20 per cent in Denmark, Germany and the Netherlands to 40 per cent or over in Italy and Ireland.

Over half the sample said they had to restrict themselves in what they bought because they did not have a sufficient income to afford everything they would like. Eleven per cent said they had to cut down on food (21 per cent U.K., 18 per cent Ireland and 13 per cent Italy).

Eight per cent considered themselves to be poor, or near poor on the seven point scale - the two countries with above average figures were Italy 11 per cent, U.K. 9 per cent.

b) Satisfaction

Nearly a quarter (24 per cent) of respondents were dissatisfied in general "with the life you lead". Most dissatisfied were the Italians (44 per cent) and the French (25 per cent).

Satisfaction was greatest with relations with other people, the place respondents lived in and health. There was less satisfaction with work, transport, free time and standard of living. Differences between countries were also greater for these economic and social matters. The greatest dissatisfaction was with "the type of society" and "the functioning of democracy". Also in these areas the differences between countries were greater. The Italians were markedly the least satisfied in these two respects.

Out of the respondents, there were 18 per cent who said that society as a whole was being unfair to them - 26 per cent in France and 23 per cent in Italy.

c) Perception of poverty

There were 35 per cent of the sample who thought there were no people "really in poverty" in their town, part of town or village, and 18 per cent who said they did not know. The authors conclude that poverty is "invisible, unknown or more or less denied by more than half the population".

Over four-fifths of the whole sample were prepared to select one of the four reasons for poverty from the prompt card - including many who said there were no poor in their community. The reasons selected were : -

- because they have been unlucky	16 %
- because of laziness and lack of willpower	25 %
- because there is much injustice in our society	26 %
- it is an inevitable part of modern progress	14 %

The authors then classified their findings into seven types of attitude to poverty - cynicism, egoism, passiveness, good intentions, pessimism, optimism and 'militancy for justice'. The latter group is put

at 10 per cent. The authors conclude that "it is their willingness to participate which can provide support for an anti-poverty campaign".

They also note that "In the Community as a whole, level of education and income also introduce noticeable differences in the answers. The better educated, the better off and the leaders (of opinion) most often blame social injustice and the poorer income groups, the less well educated and the non-leaders tend to suggest that the victims themselves are to blame". This suggests that an anti-poverty campaign will not lack support among the more articulate members of society.

In further analysis, the authors concentrate on two basic points - whether people perceive poverty and whether they blame society or the poor - and classify by nationality, sex, age, locality, level of education, occupation of head of household, income, religion, political preference, satisfaction with life and value system. As to whether people are aware of poverty, the best predictor is nationality and the next best is locality (town or country). All the other variables are of negligible influence. Awareness of poverty is highest in Italy (68 per cent) and Luxembourg (53 per cent), and lowest in the Netherlands (22 per cent) and Denmark (16 per cent). On whether people blame society or the poor, nationality is again the best predictor. "Society was blamed a great deal in Italy and France, and the individual got most of the blame in the U.K."

Policy relevance

The study has undoubtedly produced new knowledge by providing a first set of comparable data for the nine Member States. The authors saw their study as clearing the psychological ground for a public

opinion campaign about the anti-poverty programme. But it also raises interesting sociological and historical questions and identifies important geographical differences. As the study has revealed such marked variations on the basis of nationality, it is possible that individual psychological traits do not play the predominant role, but wider social and cultural characteristics.

The study has clear policy relevance. Perhaps the most interesting findings are that :

- 1) About half the population of the Community is not aware of poverty in their village, part of town or town.
- 2) The poor are more often blamed for their poverty by people nearest to their own conditions.

The authors suggest the need for a campaign of public education while at the same time fighting the objective and structural causes both of poverty and of the attitudes and perceptions of the near poor.

4. A study of Subjective Poverty in Eight Member States

Studies of poverty generally start by drawing an income line below which people are said to be poor. This line is either drawn as the basis of some definition of minimum needs ('absolute poverty') or as some proportion of average living standards ('relative poverty'). In either case these 'objective' poverty lines established by experts are inevitably influenced by the culture they live in and, in this sense, are 'subjective'. The author of this study attempts to establish poverty lines by using the subjective opinions of random respondents rather than those of experts.

On this basis the author uses survey techniques:-

- to define poverty lines for families of different composition,
- to calculate the number of poor on this basis,
- to assess the extent of poverty - how poor?
- to identify the social characteristics associated with poverty,
- to analyse the impact of social assistance or social security on poverty,
- to compare the extent of income inequality in the different Member States.

Method

The survey undertaken in 1979 covered all Member States, except Luxembourg. Random sampling was used in some countries and quota sampling in others. Oral interviews were used in Ireland and Italy, and postal questionnaires in the other six countries. The initial sample of about 24,000 was reduced to 15,000 after discarding partial and/or doubtful replies. The author points out that three groups were almost certainly excluded - the illiterate, those without fixed address and foreigners who do not speak national languages. Objective data was collected on the size and composition of family income, employment, education and

family size. Subjective data was collected on how the respondents viewed their own situation compared with that of their fellow citizens. The concept of income was net of tax and included social benefits. It covered "the income of the main wage-earner and partner, including all family and holiday allowances, as well as other income plus the contributions of children and other members of the household (for board and lodging)".

Respondents were asked to define three low income levels:-

a) The Minimum Income

This was established by the question: "What do you consider as the absolute minimum income for a household such as yours - an income below which you won't be able to make ends meet?"

b) The Poverty-level Income

This was established by the question: "What would your net household income have to become before you would consider yourself to be really poor?"

c) The "Without Difficulty" Income Level

This was established by the question: "How much money would you need under your conditions for your household to live without problems?"

In addition they were asked to define other levels of living by the question: "Under my condition, I would call a net income of....."
(i) very bad, (ii) bad, (iii) insufficient, (iv) sufficient, (v) good, (vi) very good. This further information was collected to make it easier to make international comparisons of subjective statements and define politically determined poverty lines. Thus, the meaning of the phrases "make ends meet", "without difficulty", and "very poor" could be checked against levels of living varying from "very bad" to "very good".

The study examines possible socio-economic determinants of poverty lines - urbanisation, regionalisation, age of main wage-earner, number of earners and non-workers.

Results

- (a) The evaluation of a specific material situation of a family varies widely over Europe. A level of material well-being, evaluated as good in country A will be termed insufficient in country B.
- (b) As a consequence it is found that in one country poverty is associated with a much lower income than in another country.
- (c) The previous observations make it unrealistic to define a European poverty line by a fixed amount of purchasing power.
- (d) Whatever variety of measures is used, there appears to be considerable poverty in Europe, but the proportion of poor varies widely between Member States. On the basis of how many people feel poor, there is much more poverty in France than in Germany. The difference is not only due to objective differences in purchasing power, but to the standards of living considered "normal" in both countries as well. It appears that a higher relative level of income is needed to give minimum satisfaction in France than in Germany.
- (e) The extent of inequality in net family income also varied widely between Member States. Inequality was greatest in France and least in the Netherlands.
- (f) There seems to be a connection between subjective poverty and income inequality. This relationship should be investigated in future research.

- (g) The sensitivity of the subjective poverty ratio with respect to changes in the level of social benefits varies considerably over countries.
- (h) Subjective poverty is unevenly distributed. In most countries it is concentrated in the big cities, except in Ireland where it is mainly found in the country-side. In each country there are some specific regions which have high poverty ratios.
- (i) In some countries subjective poverty is concentrated in specific age brackets, either the very young or the aged or both. A considerable part of poverty and income inequality seems to be linked with age.
- (j) In most countries people without a paid job have subjective poverty ratios that are much higher than those of the working population. Within the working population the classes of farmers and self-employed are in most countries poverty-prone.
- (k) There is a strong relationship between low education and subjective poverty. A notable point is that in most countries intermediate but non-professional education seems to be non-rewarding.
- (l) Another determinant of subjective poverty is the number of income earners. A family with two income earners is much less frequently found to be in poverty than a family depending on one breadwinner only.

Policy Relevance

The study has produced information for eight Member States, which is both new and designed to be comparable. The analysis could be taken further than has been possible in the time available. It could cover the 'objective' data - size and composition of the household, employment, education and family size. It could also cover the 'subjective' data of how respondents saw their situation in relation

to that of their fellow citizens. A multi-variate analysis would seem valuable, whether or not the basic premise is accepted that "those who feel poor are poor".

It is obviously relevant for policy to know the extent and characteristics of those who feel poor. While, as the author points out, 'objective measures of poverty are questionable as they suffer from the pressures of experts, politicians, groups and cultural determinants', it does not follow ~~that~~ 'subjective' assessments are necessarily free from these distortions: They are also influenced by social and cultural pressures and conditions. Moreover, if one accepts that individuals' feelings are the most reliable guide, one has to be ready to accept that those higher up the income scale 'need' more income to provide a level of welfare 'equal' to that of those on lower incomes. It is questionable whether policy should be designed to equalise feelings of welfare rather than to secure more equal income.

The data produced by the study are, however, of interest whether or not the basic premise is accepted and the policy consequences which flow from it. It helps to explain why policies designed on what seem to be publicly defensible definitions of equity do not necessarily provide the extent of satisfaction which policy-makers may have expected.

5. Persistent Poverty

To what extent does poverty continue in the same groups or families - particularly over generations? If it does, how far is it due to failings of the families concerned or the failings of society? These questions are not only important but highly controversial.

Many of those who work in areas or conditions where persistent poverty and extreme poverty are linked, and people experience severe deprivation and exclusion over **a lifetime and even over generations,**

conclude that the poorest of the poor, whom they are trying to help, are never met by the larger society. They are at risk of being neither seen nor heard, or if seen and heard of getting soon lost and forgotten again - even in poverty studies and anti-poverty programmes. These workers are very aware of the existence of persistent poverty from their daily work. There are others who accept the popular belief that families stay poor over generations because of their patterns of behaviour, including the inadequate socialisation of their children. Therefore poverty is the fault of the poor. This interpretation of why poverty persists could be used to divert public attention from combating the social and economic evils of society which are held to be the fundamental underlying reasons for the persistence of poverty.

These extreme viewpoints polarise and politicise the issue. One group argues that persistence is so self-evident as to require no proof. The other argues that research into the persistence of poverty is a dangerous diversion from the main task of fighting the wider ills of society.

A distinction needs to be made between the persistence of poverty and persistence in poverty. Persistence of poverty may be found in particular social groups (such as ethnic minorities) or geographical areas without the same persons being involved over time or over generations. Persistence in poverty refers to the same persons or families staying in poverty. The persistence of poverty is clearly due to structural features of society. Persistence in poverty may be seen as due to the 'faults' of those groups or families. But even these 'faults' could be due to the continuing constraints of environmental and structural factors. How far does long term poverty damage people?

The purpose of this study was to find out if there is transmission of poverty over generations, to attempt to trace it within the total population, calculate its importance and, if possible, explore the process of transmission with the aim of finding ways to limit its operation.

Method

The methodological requirements were to find those at risk not only of poverty but of persistent poverty in the general population. This required an operational definition of poverty, a sufficiently large and complete sample of those at risk obtained by some means of over-sampling and a means of identifying different types of persistence in and out of poverty.

The study was undertaken in Luxembourg and areas of Belgium, France, Germany and the Netherlands conveniently near to Luxembourg. In view of the risk of leaving out the poorest, the study started from every family or household with a child born in 1970 within the study areas. The study sample was selected in two stages. From the complete list of 27441 families a random sample was drawn of 1400 families/households who were given a first interview to test which characteristics were closely related to poverty. These characteristics were then used on the original population list to draw a second sample in a way which oversampled families at risk. The final size of the total sample was 2190 families with a number of households at risk corresponding to an ordinary sample of 4900. The data for the study were collected by two interviews using questionnaires - one more intensive than the other.

The definition of relative poverty was developed in two stages. At the first stage, 86 variables were used. At the second stage 32 were selected from them, on the basis of probabilities to constitute an objective poverty scale. They included financial resources and the receipt of social transfers, housing, household equipment and possessions, work children, family and social relations, health and cultural activities. Basic information was collected on the present situation of the family and hard data concerning the past situation (when the parents were themselves children). It was possible to link the latter to the actual situation of the family on the deprivation scale. Thus four groups could be identified - the non-poor estimated to stay non-poor, the non-poor estimated to be poor ("upward mobiles"), the poor estimated to be non-poor ("down-ward mobiles") and the poor estimated to be poor ("the persistent poor").

In relation to all four groups it is possible to analyse the relevance of nationality and language, family composition, income and resources, consumption, social participation, health, parent-child relationships and work (Concerning methods as well as results, one has of course to consider that within the time limits assigned, the study had no possibility for giving the cross-sectional approach the necessary historical complement).

Results

a) Methodology

The study has developed a strategy for oversampling which could be used in further studies.

It has also developed an objective poverty scale applicable to the different regions which could be used for wider transnational comparisons.

b) Persistence in poverty compared with mobility out of or into poverty

According to the study's definition of persistence, the population of families with a child born in 1970 shows the following composition :

- persistent non-poor : 79.6%
- upward mobile : 5.5%
- downward mobile : 10.6%
- persistent poor : 4.5%

The persistent poor have limited schooling and no qualifications. They hold the hardest jobs, requiring the least qualifications, and work in declining sectors of the economy. These are characteristics related to structural factors and, in the region under study, they are mainly held by immigrants, particularly by those from outside the European Community.

Families who move from poor to non-poor have the closest involvement with work. In this respect they are followed closely by the persistent poor. Families which fall from non-poor to poor are much less involved in the process of production.

Those who are upward mobile have higher qualifications. They work, on average, in hard and dangerous conditions, requiring both physical stamina and manual dexterity. They are mostly of foreign nationality, but the head of the household is normally born in a country of the European Community. Thus the crucial difference in the background of those who stay in poverty compared to those who rise out of it are non-EEC origin and lack of education and qualification.

OBJECTIVE POVERTY SCALE (MULTIDEPRIVATION)

PERSISTENCE	ANCHORAGE	MARITAL STATUS OF HEAD OF HOUSEHOLD	FAMILY COMPOSITION	SOCIO-PROFESSIONAL STATUS	PARTICIPATION IN PRODUCTION PROCESS
persistent poor (227)					
downward mobile (356)					
	immigrants in country of residence and having nationality other than EC (337)		household : one or two adults 6 children and more (185)	labourer-not classified (65) miners (141)	pensioned for invalidity (94) without a job and without unemployment benefit (102) unemployed (91) long term interruption of work for sickness(50)
	immigrants in country of residence and having nationality EC (352)	single parent family : separation (54)	household : more than 2 adults, 3 children and more (208)	workers : building(204) workers:glass,paper(32)	retired (36) short interruption of work for sickness (31)
upward mobile (148)	having nationality of country of residence but born elsewhere (105)	single parent family: widowhood (105) divorce (121)	household : one or 2 adults 4 to 5 children (431)	workers : conducting engine (243) workers:metallurgy(88) services (193) workers:metal-manufacturing(35)	
	born in country of residence but having another nationality (31)	couple unmarried (65)	household : one or 2 adults 3 children (415)	workers : agriculture (76) workers: wood, chemistry, food (72)	
	having nationality of country of residence and being born there (1365)		household : more than 2 adults 1 child or 2 (101) household : 1 or 2 adults, one child or 2 (850)	fitter, welder (233)	holding a job presently (1749)
persistent non-poor (1459)				commerce : employee, shopkeepers (133) supervisors (89)	
				administrative staff (206)	
				liberal professions(210) director, executive(42)	

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EVOLUTION OF INCOME	TYPES OF INCOME IN HOUSEHOLD	CONCERN ABOUT FUTURE	EDUCATION AND PROFESSIONAL QUALIFICATION	High score : <u>poor</u>
strong diminution of household income over the last 2 years (155)	social aid (93)	anxious about future : concerning work, standard of living, health (95)	no schooling	
moderate diminution of household income over the last 2 years (102)	pension, invalidity(151)	anxious about future : concerning work, standard of living(486)		
	allowance for housing(211)		special education, primary education incomplete (642)	
	allowance for unemployment (202), for illness, for accident at work (127)	anxious about future : concerning work only (516)	primary education complete (441)	
no change in income over the last 2 years (1094)	maintenance allowance, allimony (143)		vocational training, professional qualification(315)	
moderate increase of income over the last 2 years (204)	pension : widowhood (132)	not anxious about future (1093)	technical education and secondary education : lower cycle (242)	
	pension : old age (78)		technical education and secondary education : upper cycle (119)	
	income from immovable property (150)		higher education, university (81)	
	income from movable property (78)			Low score : <u>non - poor</u>

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Both groups tend to lack a social network. But this lack is more marked for the persistent poor.

The downward mobile (those who move from non-poor to poor) tend to be less involved in production and to be indigenous or of mixed origin, have poor health and make frequent use of specialised services. For this last reason they tend to be the more visible poor.

The study deliberately included immigrants, wherever they were present in the region. The evaluation of their present situation as well as of their past is done according to the criteria relating to the country they have come to and not according to the country they came from.

- The immigrants of the first generation as a whole are clearly **under represented** in the group of the persistent non-poor, but particularly those from outside the European Community.
- The first generation immigrants from inside the Community comprise a large proportion of persistent poor, but on the other hand an even larger proportion of upward mobile families.
- The first generation immigrants from outside the Community comprise a large proportion of upward mobile people, but a considerably larger proportion of persistent poor.
- For immigrants the proportion of downward mobile families is about the same as for **indigenous families**.
- Immigrants of the second generation spread normally over the **four** groups, but in fact there are very few in the population of parents having a child born in 1970.

c) The Characteristics of the Poor

According to the standards of the poverty scale used, 84.9% of the population under study appeared as non poor, 10.6% as poor and 4.5% as very poor. Among those families with a child born in 1970 those most likely to be poor were one-parent families and large families. In terms of income the downward mobile and persistent poor are at about the same level, but the former more often have

income from social transfers. Variations of monthly income is a problem both for the persistent poor and the upward mobile.

The poor have limited **schooling** and move into work early. The jobs they get are manual where there is no training other than on the job and no responsibility for the organisation of the work. The poor are dissatisfied with their working conditions and with the job content. They are worried about job security, health risks and future income. They tend to have worse health than the non-poor.

Among those in severest poverty were a high proportion of people out of work either due to disability or unemployment. One tenth of the most deprived in the sample did not receive unemployment benefit when they lost their job because they had no rights under social security. Long-term unemployment often followed a work career of intermittent employment.

Policy Relevance

The study showed that poverty is the result of multiple causes and consists of multiple forms of deprivation. It appears to be closely linked with social stratification and this in turn has a marked influence on the persistence of poverty. A considerable amount of severe poverty results from failures of the labour market. A fundamental attack on poverty would require changes in the system of stratification and a multi-dimensional attack on deprivation. From the point of view of the prevention of poverty, of critical importance are social security policies, education and job training policies and immigration policies. These are the lessons for the policy-maker.

6. Studies of Gypsies and other Nomads in Belgium, Germany, France and the Netherlands

The nomadic population and the population of nomadic origin (Gypsies, travellers, tinkers and others) are a heterogeneous minority. There are different ethnic groups. Their life-styles differ considerably in the extent and duration of travelling and in their degree of integration with the local population during periods of stay. They engage in a variety of occupations complementary or supplementary to the activities of the dominant society. Their housing arrangements differ considerably.

This series of multi-disciplinary studies focussed on the following questions:

1. What is the meaning and character of poverty and what are its causes in these diverse groups who nevertheless have basic cultural features in common?
2. What are the attitudes of non-gypsies towards gypsies and of gypsies towards non-gypsies?
3. What is the response of the larger society and what effect do different types of social intervention have on the nomad population in modifying their aspirations, behaviour and economic situation?

Method

A variety of different types of data were used:

1. A study of the literature about gypsies.
2. A study of the laws, regulations and policies of Member States and their impact on nomads.

3. Diversified and extended interviews with nomadic people and those who are mainly settled.
4. A written questionnaire given to a random sample of 2000 heads of households throughout France.
5. A questionnaire given to 22,000 school children.
6. In depth interviews with 80 persons in official positions (elected councillors, administrators, social workers and others).
7. Participant observation of the nomadic way of life.
8. Medical, demographic and anthropological data.

Results

1. Poverty among these groups is multi-dimensional and many of them experienced it in their own terms. The extent of illiteracy is large. Few gypsy children (nomadic or sedentary) at Toulouse had learnt to read or write despite four to five years of schooling. To a considerable extent it arises from separation from the dominant society which limits the ability of these minorities to improve their situation and from restrictions on their economic opportunities. They suffer less from lack of work than from restrictions in carrying out that work. These arise from the increasing administrative and legal constraints on their movements, activities and access to camping land, wherever they need to work or wish to live.
2. The survey of French public opinion showed considerable mistrust of gypsies. Their cultural uniqueness was resented and there was a tendency to regard gypsies as dishonest and delinquent. The school children avoided close relationships with gypsies. The dominant society appears to want gypsies to integrate with the rest of society and conform to the majority way of life.

3. Pressures to make them settle have made their position worse. Those who continue to be mobile are the least impoverished. Those who travel regularly and over the widest range tend to be the wealthiest. While many of the gypsies' 'traditional' occupations have declined, it should not be assumed, without sufficient evidence that there are no longer economic opportunities for the self-employed, multi-occupational and geographically mobile family units within an advanced economy. Recommendations founded on the supposed inadaptability of the gypsies' economy could be detrimental to the gypsies.
4. When a policy of absorption was attempted in the Netherlands with the ostensible aim of dominating poverty, travellers did not seize the opportunity to take up regular jobs. They continued to try to earn their living in traditional and new ways, exploiting old skills and remaining self-employed.
5. Restrictions are imposed on nomads by legislation, inter-cultural conflict and social exclusion. Social assistance systems impose conditions which restrict and weaken their own resources. For example, assistance may only be paid to those with a fixed address. Greater restrictions on their mobility and geographical location encourage them to take up welfare payments either as a supplement or, in some cases, as a substitute for independent employment.
6. Regulations appropriate for house dwellers with a fixed abode and conventional employment are drafted in universalistic terms. Even when these regulations are not specifically designed to control travellers, the overall effect is to exclude them from society. Moreover it is suspected that these regulations are applied more discriminately against travellers.
7. The studies indicate the growing feelings of oppression among gypsies because their cultural identity is being denied and treated as deviant.

Policy Relevance

The researchers argue that the gypsies' need for mobility, varied access to land for camping and flexibility to work, education and welfare should be recognised. Their specific cultures should be respected. If these needs are not recognised the process of cultural, political and economic impoverishment will accentuate. They propose:

1. that the laws and regulations of Member States should be adapted to provide for the special requirements of the nomad's way of life,
2. that social assistance systems as applied to poor nomads should be replaced, wherever possible, by a system of subsidies or grants, to promote the economic activities of these families,
3. that legislation within the Community should be harmonised in order to resolve conflicts of policy where these groups cross frontiers.

7. The Role of the Voluntary Organisations in the Struggle against Poverty

This series of studies started with a report on the role and function of Voluntary Organisations in Northern Ireland. In view of the wealth of information obtained, it was decided to commission a report on the role of Voluntary Organisations in the struggle against poverty for each Member State. The analysis and conclusions of these reports are summarised below.

Voluntary organisations have a long history in the struggle against poverty: in many ways their activity precedes that of Governments. Their role was of fundamental importance in the

nineteenth century. In a period when growing urbanisation and industrialisation both produced new forms of poverty and weakened traditional systems of support, voluntary organisations were in the forefront of the battle against poverty when virtually the only statutory provision made, and not in all Member States, was a harsh and residuary Poor Law. But in this period important differences appeared between Member States. In some countries, the voluntary organisations remained structured on the main religious organisations (for example, Germany, Netherlands, Belgium). In others, the growing religious organisations came into increasing conflict with the State which wanted poverty to be **combated** by lay organisations (outside Church control): thus public assistance was separated from private charity (France, Italy).

The steady growth of public social services caused a gradual redeployment of voluntary effort. **Some organisations** entered into partnership with Government and provided certain social services with the support of grants from public funds (Denmark, Germany, Netherlands, Belgium). This led to the professionalisation of voluntary effort in these organisations and the beginnings of bureaucratisation **which** altered the role of the volunteers.

Other organisations were less willing to be directly associated with the public sector. Moreover, new small organisations were formed many of which engaged in more radical action. Some adopted a new approach. They aimed to prevent situations of poverty arising rather than simply to help the poor. Moreover they widened the context: they fought not only poverty but those forces which drove people to the margins of society. The volunteers in these organisations adopted a more militant stance.

Thus the voluntary organisations currently engaged in the battle against poverty vary widely from the large organisations which operate throughout Europe (Caritas, the Salvation Army) to small

informal groups. There are organisations which engage in general action against poverty and organisations which are much more specialised including older organisations providing for the aged and disabled or newer organisations providing for one-parent families, drug addicts, the young unemployed, etc.

There are many different ways of classifying these organisations. There are the organisations of volunteers as against non-profit making organisations which form close associations with the public services and employ salaried professionals who have tended to take the place of volunteers. There are organisations which provide for the poor and organisations which represent the poor, though both roles may be combined. There are organisations for the poor and organisations of the poor. The latter seek to organise the poor on the basis of self-help and promote community action.

Their legal status also varies. In some cases the legal status is non-existent: the organisations are simply 'associations'. Others may have the legal status of 'charities' which provides them with legal protection and many fiscal advantages. But in practice the legal form is less important than whether they are in a position to receive grants from public funds - often in the form of an agreement between the organisation and Government. In this respect, there are few fundamental differences - only differences in the forms of control which accompany public funding (the participation of observers in the management committee; controls either before or after payment of funds; the obligation of keeping records of those helped, etc.).

Voluntary organisations generally have four possible sources of financing: charitable funds (which may or may not originate from religious or parochial organisations), grants from public funds,

grants from social security funds, and the money they raise, including in some cases fees charged for providing certain services. Even if the trend is towards an increase in the role played by public funds (and social security in some countries) there are still many different combinations of sources of funds.

But the most important differences are probably found in the roles of voluntary workers. The traditional image of a volunteer as "a person who, because he is fairly well off, can in addition to the responsibilities of his job and family give up his free time to provide unpaid services for people with whom he feels morally committed as they believe in a common cause" tend to be less common than in the past. Volunteers are being recruited from a wider range of social classes and the bulk of them continue to help the poor in a variety of ways which change according to needs. But some volunteers are becoming increasingly militant. A question which has come into prominence is whether a person who works with the poor on a salary substantially below market rates should be considered a volunteer (ATD).

All this helps to explain the vitality of the voluntary movement, and also the great difficulty of quantifying its contribution, whether it is in terms of the number of organisations, the number of people participating in their work, the number of activities provided or the number of people helped. There are few statistics except in the case of major local and central groups (National Council of Social Services in the United Kingdom) or where there are large structured organisations (Germany, Netherlands, etc.). A cautious estimate would suggest that there are hundreds of thousands of organisations in the Community and at least 15 million people who do voluntary work (defined as a person who gives at least the equivalent of two evenings a week to such work). Their activities benefit some tens of millions of people.

While the role of voluntary organisations in the battle against poverty is small compared with the vast public social services, it is nevertheless important because of their innovatory functions, which can be a feature of old organisations as well as new, large as well as small. Innovation can be in terms of the principles employed, the "beneficiary" groups, the services provided and their pressure group activities.

1. Innovatory Principles

Many voluntary organisations have tried to break down the institutional divisions which have been imposed on public services - divisions which create administrative complications and contribute to the non-take-up of certain welfare rights. Secondly, many have tried to introduce a preventive element into the combat against poverty by trying to abolish some of the objective and subjective mechanisms which engender poverty. When examining situations which accentuate dependency they have tried to stimulate the poor to undertake self-help activities, strengthen their sense of cultural identity and assert their rights to benefit. This principle has been applied all the more rapidly where voluntary workers live alongside the poor on a daily basis.

2. Target Populations

Voluntary organisations can play a strategic role by drawing attention to the plight of the disadvantaged either because their problems are not fully appreciated or because neither public opinion nor governments are prepared to make an adequate response. Thus initiatives have multiplied which are concerned with one-parent families (**Gingerbread**), the young unemployed (the National Youth Welfare Work Federation **in** the Netherlands), persons suffering from cancer (Attiva come Padra), the mentally ill (the "Mad Movement" in Denmark), ex-prisoners (PACE) and vagrants (Emmaus), etc.

3. Innovatory Services

Voluntary organisations have set up information services, advocacy services and welfare rights agencies. In addition to performing the traditional services of the past (home visiting, shelter and reception, feeding and clothing, education and health). In this way they have enabled certain rights which previously only existed in theory to be used in practice.

4. Pressure Group Activities

Many voluntary organisations have acted as pressure groups on governments to make greater responses to traditional or new forms of poverty (e.g. fuel poverty). They collect facts, sponsor research and feed the media with information about the problems faced by particular groups of poor persons. Moreover, they make formal representations to government calling for specific policy changes and circulate their recommendations to members of the legislature.

Partly because so many voluntary organisations are innovatory and partly because governments, seeking to cut costs, tend to use voluntary organisations instead of creating new permanent social institutions, these organisations may play a larger role in the future. In some countries it is even argued that they should take over major functions from the 'Welfare State'. But the current scale of activity of voluntary organisations should not be exaggerated. Moreover, the work of many large organisations, but by no means all, is not particularly innovative and is ameliorative rather than preventive. And while there are many admirers of the role played by voluntary organisations, there are also many who criticise them. Some larger organisations are accused

of being excessively bureaucratic, safe and conservative, while some of the smaller organisations are criticised for woolly idealism, group narcissism or extreme radicalism.

Moreover, there are many barriers in the way of the expansion of these organisations - a decline in the number of volunteers working in them and the precariousness of their relationship with government. Volunteers are less attracted to the larger traditional organisations and more inclined to work for smaller organisations with diverse and specialised objectives, some of which adopt a radical approach. There are a number of possible solutions. For example, young people might do their national or military service in organisations combating poverty. Alternatively people prepared to work for less than market rates of pay could replace the older type of volunteer. But there is a risk of conflict with paid workers who may see such volunteers as dangerous and unqualified competitors.

In the case of the relationship between governments and voluntary organisations, governments may at any time use the threat of withdrawal of grant to try and stop types of activity which they regard as undesirable or politically embarrassing.

Voluntary organisations do not have a monopoly of innovation. Many important new developments have come from within public services. But voluntary organisations have greater flexibility if they choose to use it. And like the trees of the forest, while there are on the one hand some large ones which show clear signs of ageing and other large ones still in the prime of life, there are always vigorous new shoots pointing in different directions. Some of the latter may get nowhere because they are pointing the wrong way. But others are helping to create the Society of tomorrow.

CHAPTER IV

THE REPORTS ON POVERTY IN EACH MEMBER STATE

In each Member State (Greece excepted), a group of independent experts was charged by the Commission with the task of preparing a report on the nature, causes and extent of poverty and to assess policies to combat poverty. These reports were prepared independently of the relevant national governments and do not necessarily represent the views of that government or of the Commission.

Only a limited amount of original research was undertaken and only in certain countries. Instead, the reports drew extensively on official statistical material, the reports of government agencies and of official inquiries, supplemented by relevant research and policy studies which had already been undertaken in the country concerned. In the process they highlighted serious gaps in available knowledge about poverty in each country and especially gaps in official statistics. These gaps not only created difficulties in preparing the National Reports but were a serious handicap in the process of producing comparable European information.

1. Multi-Dimensional Poverty

Lack of sufficient income is central to any discussion about poverty and the reports devoted considerable attention to this aspect. However, they took the view that lack of income is only part of the problem. It is necessary also to examine the many factors which may lead to income poverty and which, together with lack of adequate income, form a network of disadvantages, each one reinforcing the other.

Poverty in this view is not only multi-dimensional, it is also cumulative. Disadvantage is piled upon disadvantage. Each separately creates certain problems for the individual or family concerned. In combination, the effect may be serious and growing deprivation. Moreover, poor people, struggling to extricate themselves from the weight of these accumulated disadvantages, are least likely to be able to participate effectively in those organisations with the power and influence to improve social conditions or change the distribution of society's goods and services. Their interests are often the least regarded when they conflict with other more powerful groups. Even when organisations are established to assist them, poor people may find that the nature and complexity of the rules effectively prevent them from obtaining the benefits which could help them.

The National Reports, in examining poverty and policies to combat poverty, had of necessity to examine each type of disadvantage and related policy separately. However, this did not mean that they regarded a compartmentalised approach to dealing with poverty as wholly satisfactory. They stressed the importance of conceiving anti-poverty policy in global terms, that is, the necessity to develop means of social intervention which not only dealt with each separate social disadvantage but which could operate on a multi-dimensional basis. Even more important, they emphasised the need to develop preventive policies aimed both to eliminate the individual and social conditions which create poverty and to intervene at an early stage in the process which, if unchecked, turns disadvantage into poverty and poverty into extreme poverty.

This chapter provides a short summary of the principal findings of the National Reports. It begins with income poverty, considering first the scope of the problem and the difficulties presented by the inadequacies of current statistics and means of measuring poverty and, second, the policy issues related to income poverty. It goes on to examine some other dimensions of poverty, in particular policies directed to deprivation in the fields of housing, health and education and, finally, makes brief comments on the role of the social services as discussed in the reports.

2. How Many Poor ?

The data given in the National Reports prepared by independent experts on the number of poor are not strictly comparable. The authors had to use such information as was available. Thus the data quoted apply to different years, are based on different definitions and sources (some of them incomplete), and use different scales for relating households of varying size. A rough estimate can nevertheless be made of the dimension of the problem by making a number of important simplifying assumptions which have to be borne in mind when interpreting the results.

The estimates of the size of the poor population which follow are based on one dimension of poverty only - income. At present, this is the only way in which statistical comparisons can be made. Moreover, the definition which is proposed here is only an operational definition made for the purposes of this part of the report. Discussion of poverty in some other parts of this chapter makes use of nationally based criteria and these in turn differed from the definitions adopted by the various research studies. Moreover, because the National Reports not only made use of national criteria but also used different

equivalence scales for household calculations, the income poverty figures which result from the definition adopted here will differ from those which appear in the individual National Reports. The 50 % definition here bears a relationship to the definition set down in the Council discussion of 22 July 1975 (shown on Page 8) in that both are conceived in relative terms, but it must not be assumed that the relative income poverty line which has been selected corresponds in any precise way to the Council definition.

The main assumptions on which the estimates are based are as follows :

a) Poverty is here defined as less than half average net income per person (adjusted as under c below). The choice of a 50 % line is relatively arbitrary, but it was the level agreed by the majority of the national independent*experts. The arbitrary nature of this choice should be kept in mind in interpreting the material which follows, as well as the fact that this is a relative definition of poverty.

b) Poverty should be calculated in relation to average net income per person.

c) On average, additional household members require an extra 70 per cent of the net income of the head of the household.

d) Adding together national data for different years from 1973 to 1979 does not lead to over-estimating; on the contrary, the National Reports suggest that in general the position has been getting worse because of growing unemployment.

On this basis, it is estimated that roughly 10 million or 11.4 per cent of all households in the Community are poor. These households contain roughly 30 million persons. Except in Denmark this estimate excludes institutions which housed nearly 5 million persons, of whom some were also poor.

The poverty line set at 50 per cent of average net income could be slightly above or slightly below the level of social assistance payments in particular countries. Thus a small change in the percentage of average net income used for the poverty level could lead to a major change in the number of persons estimated to be poor and such a large change in the proportion of poor in particular Member States that the rank order of countries by proportion of poor could be changed.

The estimates for each Member State are presented in Table I. Because of the many assumptions underlying the calculations, the figures for each State should be interpreted as broad orders of magnitude. The picture can only be given

* A relative definition of poverty with respect to the weighted average disposable income is not generally accepted by the governments of the Member States. The German government in particular has pointed out that it defines the scale for social assistance as a socio-cultural minimum that is calculated with regard to minimum consumption standards and adjusted from time to time. Average income is not considered in this process. (see Annex III).

precision by improved statistical data which are both complete and comparable in every respect.

In interpreting Table I, it is important to bear in mind that the relative poverty line used for the calculation means that its level varies according to the average living standard of each Member State. A rough indication of the comparative position of different Member States in 1978 is given in Table II. It shows that the total estimate for the Community adds together households whose situation is not directly comparable except in their position relative to the mean of income in their respective states. The data given does not therefore reflect absolute levels of income but the dispersion and distribution of incomes in each state.

The highest incidence of poverty is to be found in Ireland and Italy, which have the lowest living standards among Member States. The incidence is around half that of the average for the Community as a whole in Belgium, Germany, and in the Netherlands, which have above-average living standards, and also in the United Kingdom, which has a low average living standard. The incidence of poverty is above the average for the Community in Denmark, France and Luxembourg - all States with above-average living standards. The relationship between living standards and the incidence of poverty is shown in Figure 2.

Table I : A comparison of the incidence of relative income poverty of private households outside institutions in the member countries of the EC (except Greece)

Country	Year of reference	Percentage of households below poverty line set at 50% level	Number of households below poverty line set at 50% level	Poverty line for a single person = 50% of net income per adult equivalent unit per year in year of reference
			in Thousands	in national currency units
EC (except Greece)	1973-1979	11.4%	10 185	
Belgium	1976	6.6%	209	BFR 77 970
Denmark	1977	13.0%	334	DKR 18 876
France	1975	14.8%	2 630	FF 8 768
Germany	1973	6.6%	1 527	DM 5 485
Ireland	1973	23.1%	172	IRL 339
Italy	1978	21.8%	3 823	LIT 1 640 000
Luxembourg	1978	14.6%	16	LFR 138 362
Netherlands	1979	4.8%	233	HFL 6 419
United Kingdom	1975	6.3%	1 241	UKL 612

Source : Coordinated estimate of the national experts using the following assumptions :

- weighted average net income per adult equivalent unit is calculated from the available samples, using a weight of 1.0 for the head of household and 0.7 for additional members
- the poverty line for a single living adult is set at 50% of net income per adult equivalent unit
- the poverty line for households consisting of more than one person is found by adding 70% of the poverty line income of the head of household for each additional member

Notes :

- 1) The percentage of poor households is calculated by relating the total number of poor households outside of institutions to the total number of households outside institutions. For this calculation each single living person is considered to be a household.
- 2) The total number of poor households is calculated by adding to the number of poor households as estimated from the available samples the number of poor households among the population not covered by the samples as estimated from other sources. If there was no way of estimating the poor among the excluded groups they were neglected. The resulting estimate is therefore generally a rather cautious one.

Table II : Net national income (including indirect taxes and subsidies) per capita of the member countries of the EC (except Greece), expressed in units of purchasing power

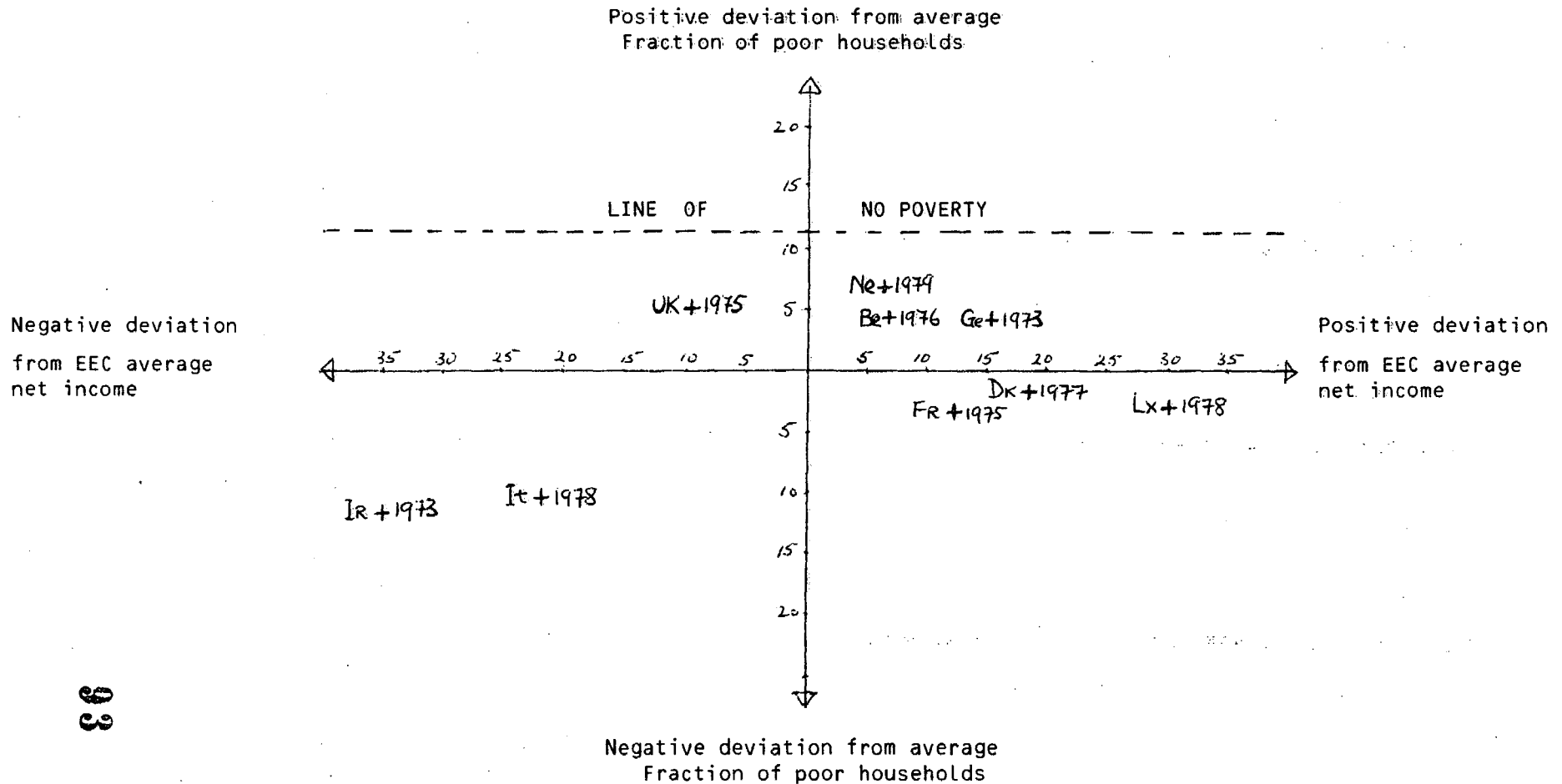
1978		
Country	Net national income in units of purchasing power	Percentage of EC average
EC (except Greece)	5 303	100%
Belgium	5 670	106.9%
Denmark	6 289	118.6%
France	5 970	112.6%
Germany	6 120	115.4%
Ireland	3 470	65.4%
Italy	4 141	78.1%
Luxembourg	6 906	130.2%
Netherlands	5 645	106.5%
United Kingdom	4 798	90.5%

Source : Calculated from data of the Statistical Office of the EC as shown in :
 Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen
 Entwicklung, Jahresgutachten 1980/1981, Bundestagsdrucksache 9/17, vom
 25.11.1980, Anhang : Tab. 1⁺, 2⁺, 6⁺

Figure 2

The position of EEC Member States in comparison to the EEC averages of poverty incidence and net national income per capita in purchasing power units as of 1978

165B



185

88

Source : Tables 1 and 2

Note : Be = Belgium ; DK = Denmark ; Fr = France ; Ge = Germany ; Ir = Ireland ; It = Italy ;
Lx = Luxembourg ; Ne = Netherlands ; UK = United Kingdom

Figures besides the abbreviated names of the countries refer to the year of reference for which estimates of poverty incidence are available

3. The Composition of the poor and the incidence of poverty among selected groups of the population in the Member States

There is a great variety of views in the national reports on what constitutes poverty and where the thresholds lie that separate the poor from the non-poor. Even the notion of a clear cut threshold (poverty line) is challenged. Because of this variety of views which are deeply rooted in the cultural, social and political traditions of the Member States the reports are in many respects based on the views held in each country. Therefore, despite their common use of thresholds of 40 % and 60 % of average net income to locate income poverty, the results are not easily comparable.

The main problems of comparability are :

- differences in the definition of net income on the aggregate and individual or household level
- differences in the equivalence scales used for comparing households of different size or persons of different age.

These conceptual problems are aggravated by shortcomings in the available data referring to different years, mostly covering only part of the population and containing statistical errors of various kinds. Some of these problems could be removed for the coordinated estimate of the overall percentage of poor households in the Member State that are reported in Table I. But for more detailed comparisons the estimates contained in the National Reports have to be used.

This could lead to serious misunderstandings if the figures are taken at their "face value" without noting the many qualifications mentioned in the National Reports. Therefore certain precautions have to be taken and only a general overview can be presented. This overview is intended to give some quantitative background to the comparative analysis of the poverty problem in the next sections as far as is possible from the available material.

The overview concentrates on two questions :

- Which are the main groups among the poor population with too little income in each Member State ?
- Which population groups have an above average risk of being in income poverty ?

The first question can be answered by looking at the composition of the poor population when it is classified according to alternative criteria. Unfortunately not all the National Reports show the composition of the poor according to the same criteria, so that many information gaps remain.

A first step to get some insight in the composition of the poor is to ask whether poor households are headed mainly by men or by women. As can be seen from Tables III and IV households with male heads form the greater part of the poor in each country for which information is available on the 40 % and the 60 % level (from 1/2 to 3/4) (except Netherlands). The discrepancy is generally more marked on the higher income level.

A second characteristic is the age of the head of household. The data shows that the aged households are the most important groups in most countries at the 60 % level. At the 40 % level there are remarkable differences between countries, on the one hand countries like France and the UK with a low proportion of aged poor and on the other hand countries like Germany, Belgium and Ireland with a rather high proportion. A notable exception is Denmark where the majority of poor households is headed by a person under the age of 35 years (presumably to a large extent students).

The group with a non-active head broadly overlaps with the group with a head of 65 and over but also includes other categories (unemployed, handicapped, unable to work etc.). If the poor population is divided according to the participation of the head of household in gainful activity it can be seen that - with the exception of France and Netherlands - on both income levels the non-active groups form a considerably higher proportion of the poor population. This difference is generally smaller at the 60 % level.

Another interesting distinction is by the marital status of the head of household (single, married, divorced, widowed). Here the results are rather similar. A majority of the poor households has a married head. Again, a notable exception is Denmark.

Finally size and composition of the household are important characteristics to describe the poor population in more detail. Roughly speaking one half of the poor households are small households, consisting of only one or two persons. The exception is Italy, where their proportion is only about one third. Large households with five or more persons make up about one fifth of all poor households (except Netherlands) but evidently the proportion of the poor persons living in those households is much higher; most of them obviously are children.

Table III The Composition of the Poor (40 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)

Dimension	Belgium ¹ (1976)	Denmark ² (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Sex of head of household: male	78.1		77.9	67.6	66			41.5	50.1
female	21.9		22.1	32.4	34			58.5	49.9
Age of head of household: up to 25	2.9	} 58.8	5.4	2.3	) 9			8.2	11.2
25 - 35	5.7		10.1	6.4			20.7	24.3	
35 - 45	13.6	15.9	17.2	17.5	14			15.2	29.0
45 - 55	10.0	} 25.3	29.4	15.0	18			15.5	6.7
55 - 65	22.1		27.8	14.4	22			19.9	15.0
65 and more	45.7		10.4	44.4	38			20.5	13.8
Participation of head of household in gainful activity:									
economically active	25.7	34.6	63.9	34.2	34			54.8	47.8
non-active	74.3	65.4	39.1	65.8	65			45.1	52.3
Marital status of head of household:									
married	70.3	} 21.6	62.6	62.2	) 52			37.4	45.6
divorced	1.5		4.4	10.2			19.9	28.5	
widowed	18.1	} 78.4	15.7	16.3	25			22.3	11.5
single	10.1		17.3	11.3	23			20.3	14.5

Note: (1) Figures for Belgium refer only to Flanders

(2) Figures for Denmark refer to 50 %-line; age categories are 35-50 and 50 and more

Source : Calculations based on the National Reports and additional information supplied by national experts

Table IV The Composition of the Poor (60 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)

Dimension	Belgium ¹ (1976)	Denmark ² (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Sex of head of household: male	86.2		70.9	73.7	70			82.8	58.2
female	13.8		29.1	26.3	30			17.2	41.8
Age of head of household: up to 25	1.2	} 58.8	4.6	2.3	) 10			2.9	4.2
25 - 35	10.3		10.9	11.2			24.1	14.2	
35 - 45	19.4	15.9	15.4	22.3	15			16.9	13.9
45 - 55	18.2	} 25.3	18.3	14.9	18			13.9	6.7
55 - 65	15.1		15.9	13.7	20			12.9	11.8
65 and more	40.1		34.9	35.6	37			29.3	49.6
Participation of head of household in gainful activity:									
economically active	40.2	34.6	51.8	47.7	42			54.0	35.0
non-active	59.8	65.4	48.2	52.3	57			46.0	65.0
Marital status of head of household:									
married	79.6	} 21.6	60.5	69.3	) 59			82.9	57.0
divorced	3.2		3.9	6.6			3.6	5.0	
widowed	12.4	} 78.4	24.4	15.6	22			10.3	28.4
single	4.8		11.3	8.5	19			3.3	9.6

Note: (1) Figures for Belgium refer only to Flanders

(2) Figures for Denmark refer to 50 % -line; age categories are 35-50 and 50 and more

Source : Calculations based on the National Reports and additional information supplied by national experts

Table V : The Composition of the Poor (40 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)

Dimension	Belgium ¹ (1976)	Denmark ² (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Number of persons in household: 1	(17)	62.0	20.9	30.4	33	15.8		47.0	13.7
2	(39)	14.5	23.8	27.1	22-25	17.1		18.1	30.1
3	(15)	8.2	16.1	5.8	)	12.3		14.8	17.2
4	(10)	7.6	14.7	7.7	)	)		10.9	13.8
5	(6)		10.1		) 42-45	) 54.9		5.5	7.1
6 and more	(13)	} 7.7	14.4	} 29.0	)	)		3.7	18.1
Composition of household:									
single man	} 14.4	29.7	} 20.9	5.6	} 33	} 16-27		7.6	8.0
single woman		48.7		24.8			39.4	7.3	
couples without children	28.8	6.9	15.0	23.6	22	20-23		11.2	12.2
couples with children- 1 child	5.8	2.3	5.6	2.9	)	)		9.2	4.4
2 children	7.9	4.8	6.0	6.1	)	)		8.5	3.0
3 children	2.9	} 7.2	4.8	7.9	) 17	)		5.1	0.4
4 children	5.8		2.6	6.5	)	)		2.0	6.3
5 and more	5.0			7.5	12	)	)	1.4	4.9
long adults with children- 1 child	1.4	7.6	)	1.7	)	)		7.0	10.8
2 children	0.7	5.9	)	1.5	) 3	)		5.6	14.3
3 and more	2.2	2.8	) 45.2	2.1	)	)		2.4	12.0
others	25.2		)	9.8	12	7-14			16.5

Note: (1) Figures for Belgium refer only to Flanders. Figures for "number of persons in household" on a slightly different basis.
 (2) Figures for Denmark refer to 50 % -line.

Source : Calculations based on the National Reports and additional information supplied by national experts

Table VI: The Composition of the Poor (60 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)

Dimension	Belgium ¹ (1976)	Denmark ² (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Number of persons in household: 1	(13)	62.0	28.7	25.3	27	15.0		13.2	31.6
2	(38)	14.5	24.4	23.5	22-26	19.9		34.7	30.6
3	(9)	8.2	12.6	8.6	)	14.6		13.2	8.9
4	(16)	7.6	12.4	15.9	)	)		25.9	10.0
5	(10)		9.2		47-51	50.5		8.6	8.1
6 and more	(14)	7.7	12.7	26.7	)	)		4.5	10.8
Composition of household:									
single man	)	29.7	)	3.7	)	)		2.0	5.0
single woman	)	48.7	)	21.5	)	19-20		11.2	27.6
couples without children	32.1	6.9	18.9	20.6	22	18-23		33.1	22.7
couples with children- 1 child	3.9	2.3	5.2	6.8	)	)		11.7	3.4
2 children	12.5	4.8	6.8	14.7	)	)		25.2	7.8
3 children	8.6		5.4	11.6	)	19		8.4	6.0
4 children	6.9	7.2	)	5.9	)	)		2.6	3.7
5 and more	6.3	)	4.3	4.1	12	44-63		1.9	2.3
lone adults with children- 1 child	0.8	7.6	)	1.7	)	)		1.6	2.2
2 children	0.7	5.9	)	0.9	)	4		1.5	4.4
3 and more	1.8	2.8	)	1.1	)	)		0.7	2.5
others	14.2		30.8	7.3	17	7-13			12.4

Note: (1) Figures for Belgium refer only to Flanders. Figures for "number of persons in household" on a slightly different basis.
 (2) Figures for Denmark refer to 50 % - line.

Source : Calculations based on the National Reports and additional information supplied by national experts

Not only is the size of the poor households important but also their composition. The results as far as they could be fitted to the same scheme are rather diverse. Referring only to the 60 % line it can be stated that the largest groups are couples with and without children. Notable are the percentages of lone adults with children.

Unfortunately Tables III to VI show many cells for which information is lacking. This does not necessarily mean that the National Reports do not contain any information on this particular question but that it may have been presented in a manner that does not fit into the applied scheme. Additionally it must be stressed again that the results about the quantitative composition of the poor in each country depend significantly on the particular poverty line chosen, nevertheless it is supposed that the broad picture would not vary much with slight changes of the poverty line.

Knowledge of the composition of the poor population is a first step towards a better understanding of the causes of poverty and for designing policy measures but it is not sufficient. We must also know which groups are over represented among the poor or - to say it differently - which groups bear a higher poverty risk than the average. Therefore the households were classified according to the same criteria as above and the percentages of those in poverty were calculated. A comparison of the proportion of the poor of a particular group with the respective national average percentage of poor households shows which groups have an above average poverty risk, that means an above average poverty incidence.

To avoid misunderstandings the available information is presented in symbolic form in Tables VII - X. A plus sign (+) means that a particular group has a poverty risk somewhat above the national average. The more plus signs, the further the group is above the national average, as it is defined in the National Reports. It must be stressed, however, that these national averages are different from the ones in Table I, which are based on a different set of assumptions.

Summarizing the overall picture that emerges from Tables VII - X it can be stated, that poverty incidence is in most countries above or far above average :

- for households with a female head
- for households with an aged head
- for households consisting of a single person and households of five or more persons
- for households with more than three children

- for households with a divorced and sometimes also with a widowed head
- for one parent families with more than one child
- for households with an inactive head be it young or aged.

Although there are large gaps in the Tables for reasons mentioned above and although some countries differ from the main group in some respect it seems admissible to generalize these broad traits to the whole Community. But quite obviously more data have to be collected and common definitions and standards have to be agreed upon before this picture can be given more precision and comparability. Additionally, groups which usually escape statistical investigation (i.e. homeless, vagrants, foreigners, persons living in institutions) should also be considered.

Who are the poor ? What are their characteristics ? These questions were answered in two ways : By giving the composition of the poor population and by indicating which population groups are over represented in the poor population. Both approaches are important, because they reveal apparently contradictory but in fact complementary aspects of poverty. On the one hand we get information about the main groups of the poor. On the other hand we see that poverty is a living condition to which certain population groups are exposed more than others. These groups are not always the same. For instance :

- While the large majority of poor households is headed by men, households with a female head have a higher poverty risk.
- While a large majority of poor households has a married head, households with a married head are under represented in the poor population.
- While a large part of the heads of poor households is economically active, those households have a low poverty risk.
- While many population groups only constitute a small part of the poor, they rank very high as concerns poverty risk (i.e. lone parents with children, large families).

4. Statistical gaps to be filled in

The National Reports each drew attention to deficiencies in the available national data and the resultant inability to chart various aspects of poverty over time. This lack of data applies not only to the question of income poverty but also to inter-related disadvantages in housing, health and education. Some of these deficiencies are serious, others more marginal, but no country is yet fully equipped with information which would enable it to assess the effect of current social policies on poverty. The national experts considered it important that early steps should be taken to develop improved national statistical systems.

Table VII: Comparison of the Incidence of Poverty (40 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)²

Dimension	Belgium ¹ (1976)	Denmark ¹ (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Sex of head of household: male	-		∅	-	-			-	-
female	++		∅	+	++			++++	++
Age of head of household: up to 25	-	} +	-	∅	-			+++	+++
25 - 35	-		-	-	-			-	+
35 - 45	-	-	-	-	-			-	++
45 - 55	-		+	-	-			-	-
55 - 65	+	} -	++	-	∅			+	-
65 and more	+++		-	++	++			-	-
Participation of head of household in gainful activity:									
economically active	-		-	-	-			-	-
non-active	+++		+	++	++			+	++
Marital status of head of household:									
married	-	} -	-	-) -			-	-
divorced	-		-	+++				++++	++++
widowed	+		-	+	++			++	-
single	+++	} +	++	+	++			++	++

Note: (1) Symbols for Belgium refer only to Flanders; symbols for Denmark refer to 50 % -line; age categories are 35-50 and 50 and more

(2) a) A '-' has been used when the poverty ratio of a social or demographic group was lower than the average poverty ratio at the respective poverty line as defined by the National Team.

b) A '+' has been used when the poverty ratio of a social or demographic group was higher than the average poverty ratio at the respective poverty line. Additionally it was indicated how far the average poverty ratio has been exceeded by a special poverty ratio: '+' poverty ratio of this group is up to 50 % higher than the average poverty ratio, '++' poverty ratio 50 % to 100 % higher, '+++' poverty ratio 100 % to 150 % higher, '++++' poverty ratio 150 % to 200 % higher, '+++++' poverty ratio 200 % and more higher.

c) A '∅' has been used when the poverty ratio of a social or demographic group was equal to the average poverty ratio at the respective poverty line.

d) The investigations of the National Teams refer to various years (1973-1979). Comparison between countries have to be carried out very cautiously because changes since 1973 might have influenced the poverty ratios of certain groups.

e) The table contains information about households according to the characteristics of the head of household. It can be derived from the tables that, for example, females as head of household have higher poverty ratios. That does not mean, of course, that females generally have higher poverty ratios.

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Table VIII: Comparison of the Incidence of Poverty (60 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)²

Dimension	Belgium ¹ (1976)	Denmark ¹ (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Sex of head of household: male	∅		-	-	-			-	-
female	+		+	+	+			+	++
Age of head of household: up to 25	++++	} +	-	+	-			+	-
25 - 35	-		-	-	-			-	-
35 - 45	-		-	-	+	-			+
45 - 55	-	} -	-	-	-			-	-
55 - 65	∅		+	-	-			-	-
65 and more	++		+	+	+	++			+
Participation of head of household in gainful activity:									
economically active	-	-	-	-	-			-	-
non-active	++	++	++	+	++			++	+++
Marital status of head of household:									
married	∅	} -	-	-)			+	-
divorced	+		-	-	+)			++
widowed	-	} +	++	+	+			-	++
single	-		+	+	∅	+			-

Note: (1) Symbols for Belgium refer only to Flanders; symbols for Denmark refer to 50 %- line; age categories are 35-50 and 50 and more.
 (2) see Table VII

Table IX: Comparison of the Incidence of Poverty (40 % - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)²

Dimension	Belgium ¹ (1976)	Denmark ¹ (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy ³ (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Number of persons in household: 1		+	-	+	+++	+		++	-
2		-	-	-	+	+		-	-
3		-	-	-)	-		+	∅
4		-	-	-)	-		-	-
5		}+	+)	+	-		-	∅
6 and more		}+	++)	+	+		++	++++
Composition of household:									
single man)	+	-)	+)	+/++		-	+
single woman)		+)	+)	+++		+++	-
couples without children	+	-	-	-	+	+		-	-
couples with children- 1 child	-	-	-	-))		-	-
2 children	-	-	-	-))		-	-
3 children	-	-	-	+)	-		-	-
4 children	++	}+)	++++))		+	++++
5 and more	++	}+)	++++	++)		++	++++
lone adults with children- 1 child	++	+		-)			++++	++++
2 children	+	++		+++)	++		++++	++++
3 and more	++++	+++		++++)			++++	++++

Note: (1) Symbols for Belgium refer only to Flanders; symbols for Denmark refer to 50 % -line.

(2) see Table VII

(3) Left hand symbol refers to center and northern region; right hand symbol refers to Mezzogiorno

Table X: Comparison of the Incidence of Poverty (60% - line) for Selected Social and Demographic Characteristics in the Member Countries of the EC (except Greece)²

Dimension	Belgium ¹ (1976)	Denmark ¹ (1977)	France (1975)	Germany (1973)	Ireland (1973)	Italy ³ (1978)	Luxembourg (1978)	Netherlands (1977)	United Kingdom (1975)
Number of persons in household:									
1		+	+	+	++	-		-	+
2		-	-	-	+	+		-	-
3		-	-	-)	-		-	-
4		-	-	∅)	∅		+	-
5			+))	-		++	+
6 and more		}+	++)++++)++	+		++++	++++
Composition of household:									
single man	-	-)	-))		-	-
" " woman		+)	+))		-	++
couples without children	+	-	-	-	+	+		-	-
couples with children-									
1 child	-	-	-	-))		-	-
2 children	-	-	-	∅))		+	-
3 children	+		+	++))		++	+
4 children	++	}+)	++++))		++++	++++
5 and more	+++)	+++++))		+++++	+++++
lone adults with children-									
1 child	∅	+	-	-))		++++	++++
2 children	+	++	+	+))		++++	++++
3 and more	++++	+++	+	+++++))		++++	++++

Note: (1) Symbols for Belgium refer only to Flanders; symbols for Denmark refer to 50% -line.

(2) see Table VII

(3) Left hand symbol refers to center and northern region; right hand symbol refers to Mezzogiorno

Section 2 of this chapter has highlighted the problem of producing acceptable comparable income statistics on the European dimension. The problems are in part political, that is, the difficulty of defining and agreeing a poverty line for comparative purposes. However, even if such an agreement was reached, the data do not exist which would enable it to be operationalised.

Summarising the main problems with income data that were mentioned in one or other of the National Reports and that were found in the process of trying to produce comparative tables, a strategy for improving the statistical information at the European level can be sketched out:

- more and better data on net income of the low income groups, including the composition of net income according to sources (including types of public and private transfer payments) are needed, preferably collected by official institutions
- the data should refer to the same year, should be collected at regular intervals and should become available in a short time span
- data should contain the main characteristics of households so that breakdowns to identify groups with high poverty risk can be made
- data should be roughly consistent with the aggregate income figures of the national accounts
- data should be based on the same definitions of net income, the same year and the same definition of a household (income unit)
- data should also contain some information on assets, consumer durables and debts of households.

The available data usually only refer to the main groups of the population, while very little is known about immigrants, the homeless, vagrants and other marginal groups and about persons living in all kinds of institutions. To monitor income poverty among the whole population, statistical information has to be extended to those groups in all the Member States. Additionally, it would be desirable to have statistical information about the net income of households for a longer time span than only one year.

A second complex of information badly needed for a comparison are details about the number and characteristics of the recipients of social assistance and similar minimum provisions of the social security system, together with information about the level of these provisions in relation to national average income and its changes over time.

5. Work and Poverty

Work is at the centre of any discussion of poverty. The most constant influence on living standards and on participation in society is the present and the past relationship with the world of work. Those in full-time work and especially those households with more than one work income are markedly less at risk of poverty than those not in work, whether due to illness, unemployment, disability or old age. Stable and well-paid employment in the primary labour market enables the acquisition of maximum rights to social insurance and occupational (employer-provided) benefits which are the key to a reasonable standard of living when income from work is not available.

Taking a broader canvas, a town with ample and stable work opportunities for both men and women, satisfactory rates of pay, good chances of promotion and good working conditions, not only offers a reasonable standard of life for individual employees but has favourable conditions for self-employment, small business activities and for the growth of vigorous community life. Prosperous agricultural areas offer similar opportunities for their communities.

However, the world of work may also create poverty. Some wages from full-time work are so low that they are inadequate to maintain the household. Work in the secondary labour market may be carried out in conditions dangerous to health, or it may be unstable, involving frequent periods of unemployment. This combination of low wages, bad conditions and insecurity has implications for health and for the availability and adequacy of social security benefits in sickness, unemployment, disability and old age so that poverty conditions experienced while working lead to a risk of poverty when outside the labour force temporarily or permanently.

Women are disadvantaged in all parts of the labour market. They are frequently relegated to jobs below their capacity and education, often in poor working conditions. Not only are they under-paid but in many industries and services, they are used as a pool of labour to be taken on and laid off as business fluctuates.

Increasing numbers of people are being denied the opportunity to work. Even when unemployment was low, certain groups were being progressively excluded from employment by the increased pace of work and growing organisational rigidities. Now unemployment is high and long-term unemployment is prevalent, and the position of individuals with any kind of labour market disadvantage has worsened. Moreover, new forms of precarious employment are being added such as short-time working,

temporary jobs or short-term contracts and there is a new class of young people who pass straight from education to unemployment.

These economic and labour market trends, as well as changes in the organisation of agriculture, have added to the existing problems of deprived towns and regions and have created new areas of deprivation where economic decline and social stagnation go hand-in-hand, each reinforcing the other.

Income poverty and its relationship with the world of work is the central subject of the next three sections, which consider low earners, the unemployed and the social security population.

Low Earners

1. The Low Earning Sector

The low earnings sector in each country is not identical, but while details vary from country to country, the following broad description can be drawn from the National Reports. First are low-paying jobs in industries and services within the primary labour market in which the level of unionisation is high. These may be jobs occupied by young workers at an early stage in their career (e.g. apprentices in skilled work or junior non-manual workers) from which they may expect to be promoted in due time. They may be unskilled manual jobs of a fairly stable kind, but with limited opportunities for progression, or they may be jobs usually filled by females and paid at a low rate accordingly.

Second are jobs in the "official" secondary labour market, characterised by low skills, poor promotion opportunities, fluctuating or seasonal demand, low levels of unionisation and instability of both jobs and employing companies. Closely related to this group are similar jobs in the "black economy". While for some workers the black economy offers the chance of a higher income than could be earned in the official labour force, for others it offers all the disadvantages found in the secondary labour market, even more precarious work and it may carry the additional disadvantage of cutting off the worker from the protection of labour laws. Work done in the black economy creates no eligibility for social insurance cover.

Third is certain forms of self-employment, in particular small-scale farming and small family businesses. Here the problem lies less in the nature of the work than in the size of the operation and its profit potential and viability in relation to the number of people dependent upon it. Social insurance cover for these workers is frequently inadequate.

Low-paid employment (as opposed to self-employment) is commonly analysed in terms of the kinds of people who fill these jobs; the young, workers over 50 years, the unskilled, women, persons with health problems and so on. This is quite valid but even when the economy is prosperous and the local labour market offers better opportunities to these categories of workers, low-paid jobs do not necessarily disappear, or command a higher wage. They may instead be filled with imported labour - rural workers moving into town, immigrants or guest workers. The poverty problem which these jobs represent is then transferred from one group of workers to another.

2. Is low pay an important poverty issue ?

Each of the National Reports records the existence of poverty directly related to low earnings. The problem is significant in size in Italy and Ireland, but affects only a small (and in some cases a very small) proportion of workers in other countries. Should it then be regarded as an important poverty issue in countries other than Italy and Ireland ?

First, however large or small the problem it cannot be regarded as satisfactory that rates of pay should be set so low that a capable adult breadwinner, working full-time (and often overtime) cannot achieve an income above the poverty line for a household of moderate size; moreover, low rates of pay for part-time work reduce the significant contribution which can be made by a part-time working wife to the reduction of family poverty. Eight of the National Reports (Denmark excepted) point to the existence of poverty in sole-worker households where the breadwinner works full-time and some also draw attention to the multiple-worker households which nevertheless have an income below the poverty line (Italy, United Kingdom, Netherlands).

Second, seven of the reports (the exceptions are Luxembourg and Germany) point to the fact that low-paid employment and/or work undertaken by unskilled manual workers (the two groups overlap but are not wholly synonymous) is highly likely to be undertaken in unsatisfactory working conditions. The problems listed include work conditions liable to lead to ill health through exposure to the elements and bad atmospheric conditions, a greater risk of occupational accidents and illness, and heavy, dirty and noisy work. The low skilled and the low paid have fewer chances to control their work environment than other workers because of their generally lower level of unionisation.

Third, eight of the reports (Germany excepted) record the close correlation between low-paid employment, on the one hand, and intermittent and long-term unemployment on the other. The low-paid worker in the secondary labour market (both official and black) is particularly exposed to economic insecurity.

Fourth, low earnings influence the level of income of those who are temporarily or permanently outside the labour market and the combined effect of low earnings and unstable employment has a seriously adverse effect. Where the social insurance system pays wage-related benefits, then the lower the wage while in employment, the lower the income when out of employment. Wage-related retirement pensions in particular mean that those who were poorest during working life will also be poorest in old age. The low-paid sector can also have a more general effect on the income of those not in employment. Because many governments consider it necessary to maintain a gap between wages and income in unemployment, in order to avoid disincentive to work, the general level of pay in the low-paid sector can have a strong influence on the level of social security income made available to the unemployed. The UK report discusses the serious problem this situation creates for the unemployed, especially those on social assistance. The question of the gap between wages and unemployment income is also being debated in Ireland, the Netherlands and Denmark.

Fifth, the combination of low earnings and large families has been a well identified poverty problem for nearly a century. The term "large families" typically referred to families with four or more dependant children. The National Reports show that poverty for families with only one low earner can begin from the birth of the first child, is quite common where there are two children, and is very prevalent where there are three or more. Six of the nine reports refer directly to this and the remainder indirectly in discussing the inadequacy of family allowance arrangements for larger families. The low pay question is thus also an issue of child poverty.

3. Policies to combat poverty due to low earnings

The National Reports identified four types of policies which they considered to be important in combating poverty due to low earnings.

a) Policies for the setting of wage rates for low-paid workers

A national minimum wage has been established in France, Netherlands, Luxembourg and existed for a period in Denmark. The UK has arrangements to set minimum pay rates for certain low-paying industries and otherwise relies on collective bargaining. Germany depends on a well-established wage tariff agreement system of collective

bargaining and strong unions. The unions also play an important role in Belgium and Italy. The importance of equal pay legislation was noted in the Danish, Irish and UK reports. Other national interventions in wage setting which were discussed included the Danish solidarity pay policy and the UK incomes policies which had made special provision for the low paid. UK efforts to deal with job segregation, an important factor in low pay for women workers, were also noted. Of these policies, the national reports considered that the most effective in reducing poverty due to low pay have been the introduction of a national minimum wage, equal pay legislation and systems such as the German wage tariff agreement arrangements.

b) Policies directed at improving conditions of work and reducing unstable and precarious work

On the positive side, the reports examined new or improved legislation for health and safety at work as well as labour laws and union activity which had increased annual leave, controlled working hours, regulated dismissals and outlawed various forms of discrimination. On the negative side, far less action had been taken to deal with problems such as noise, dirt, cold or lack of shelter for outdoor workers. A number of the reports noted that both labour laws and union activity were far more effective in the primary than in the secondary labour market. The French report commented on the growth in recent years of new forms of precarious work such as temporary work and short-term contracts, which offered little or no chance of promotion and in fact placed the workers in a marginal position in the employing company.

c) Policies directed at certain forms of low-earning self-employed

Few policies to assist the self-employed were identified except in the agricultural sector. While agricultural reconstruction had proceeded relatively smoothly in a number of countries, these policies were marked out for criticism in the Irish and Italian reports because insufficient attention had been given to their adverse effects on poor, low-acreage farmers and deprived rural communities.

d) Policies directed to the supplementation of family income

Systems of family allowances exist in all nine countries. In addition there are a range of means-tested programmes such as the supplementation of the income of low-wage earners, housing allowances, educational allowances and special health insurance arrangements. All the reports regarded family allowances as a valuable

policy tool for assisting low-earning families with children, though most were not satisfied that it was being used to the best effect. The means-tested programmes judged individually all had value, but taken together were noted as having adverse side-effects because of the loss of disposable income following quite a modest rise in earnings. As noted earlier some reports were critical of low direct tax thresholds and arrangements for social security contributions which further reduced the already low take-home pay of low-paid workers.

The national experts consider it essential that governments develop clear and well thought out policies to combat poverty due to low earnings. They consider that the four types of policies identified above constitute an appropriate policy package but that a number of improvements are required. Several of the reports express doubts about relying on collective bargaining alone, where union activity is heavily concentrated in the primary labourmarket and/or neglects the interests of women, minority workers and others with labour market disadvantages. Although the success of the German system of wage tariff agreements suggests that there are alternatives to direct government intervention (at least in conditions of full employment) where effective alternatives do not exist or cannot be developed, the most promising policies are considered to be the introduction of a national minimum wage, and the implementation of equal pay legislation to improve the position of women workers.

The difficulties of introducing a minimum wage (and of enhancing the value of existing minimum wages) in times of acute economic difficulties, high unemployment and labour surplus are recognised. So are some of the adverse social effects which appear to be arising from the current wage-setting policies. Studies are proposed to ascertain in what way and over what period a minimum wage could be introduced so as to minimise adverse economic effects. If (as seems probable) its introduction in Italy and Ireland would have to be postponed for some years for economic reasons, interim policies should be proposed. There is speculation in some of the National Reports that the existence of a minimum wage and/or the increased levels of wages for formerly low-paid jobs is having the effect of squeezing marginal workers out of the labour market. More information is needed about this.

The progressive elimination of working conditions adverse to health is identified as another important policy goal with particular attention being paid to means of upgrading conditions of work and reducing job insecurity in the secondary labour market.

In the agricultural sector of self-employment modernisation programmes have shown good results for part of the farming community but small, poor, low-acreage farmers have not been able economically to take advantage of new technology or raise funds for investment, and in consequence their position has been markedly worsened. These policies require urgent re-examination (see also the next section on this subject).

Since wages and earnings from self-employment cannot be expected to take account of the size of the household dependent upon them, family allowance programmes remain of key importance and should be strengthened in a number of ways. Proposals include indexation to the cost of living where this is not already undertaken, the use of differential allowances by age or by size of family (rather than a flat rate for each child) and a re-examination of the pros and cons of a family allowance related to income rather than allowances made on a universal basis, and a review of the way total "investment" in family allowances is allocated to ensure that the outlay is weighted in favour of the poorest families.

Finally, the National teams urge action (where required) to raise tax thresholds to avoid direct taxation of low earnings, to review the impact of social security contributions on low earners, and to avoid policies which produce a proliferation of means-tested benefits. The full recommendations of the National Reports are listed in Annex II.

The Unemployed

1. Unemployed - The Issues

The growth of unemployment and in particular the increase in intermittent and long-term unemployment was emphasised in the National Reports as a major evil, an evil for the individuals and families affected and an evil for the country as a whole.

In the past, unemployment and long-term unemployment principally affected workers with labour market problems related to their age, health, work history and attitudes, while able-bodied young and prime age⁺ workers of all skill levels could usually expect to find and keep employment without serious difficulty. Today, the National Reports record serious problems of unemployment among healthy young people and prime age workers and greatly intensified problems for persons

⁺ Usually defined as aged 25-49 years.

with any kind of labour market disadvantage - lack of skills, health problems, physical or mental handicap, age over 50 years, poor command of the local language, or foreign or minority status. These disadvantaged individuals can also expect to be the last to be re-employed when economic recovery occurs and in many cases may never work again.

Intermittent unemployment has become more widespread in times of high general unemployment and indeed is being institutionalised by the more regular use by employers of temporary and short-term engagements. A broken working career, combined with loss of promotion opportunities and very frequently with low pay, is a well charted road to poverty.

Perhaps the most serious cause for concern is the growth of long-term unemployment, a problem which offers a serious challenge to the utility of social insurance and manpower programmes developed on the assumption that unemployment would be moderate in size and short-term in duration. In France, the UK and Ireland, one-quarter to one-third of all registered unemployed have been out of work for more than 12 months. Some other countries are moving in the same direction. For many families, some of whom have never experienced unemployment before, long-term unemployment may prove to be the beginning of long-term poverty.

At the national level, the sheer size of the problem involves a substantial allocation of national resources to support the unemployed, together with a loss to the country of tax and social security contributions which would otherwise have been paid. There are also social costs, in the first instance for the individual in stress and social isolation and ultimately for society in higher demands on health and social services and increased problems of social order. Moreover, resources of money and manpower which might have been devoted to assisting other poor and disadvantaged people are no longer available for this purpose.

In addition, high concentrations of unemployment in certain regions, rural areas or urban districts may often be combined with and reinforce problems of under-employment, low earnings and social stagnation. Where such problems did not exist before, major industry closures create serious economic and social problems for the towns and regions which had been heavily dependent upon them.

Although it was not the task of the National Reports to analyse the macro-economic policies of government they nevertheless, stressed the importance of

giving a high priority to the reduction of unemployment, which is extending and deepening poverty.

2. Policies on Unemployment

The National Reports examined three kinds of policies which are important for unemployment as an issue of poverty.

a) Regional/Rural Development Policies

Persistently high rates of unemployment in certain regions (worsened by recent trends) together with a higher incidence of low earnings and poor employment opportunities were identified in several countries. In addition, the French, Italian and Irish reports discuss the problem of rural poverty, drawing a stark picture of unemployment, under-employment, low earnings by self-employed and employees, depopulation leading to demographic imbalance, loss of social services, and social and economic stagnation. In Italy, both regional and rural poverty can be found in their most acute forms in the Mezzogiorno.

Seven of the National Reports make reference to regional/rural policies of government which have attempted with varying success to create jobs and to assist with agricultural reconstruction. As noted earlier, some of these policies have brought prosperity to some individuals and greater poverty to others. Coherent policies directed to the socio-economic development of regions and rural areas have been lacking in many countries and the National Reports of Ireland, Italy and France draw particular attention to the patchwork of un-related and un-coordinated programmes which are failing to meet the needs of poor rural areas suffering depopulation and decline and to the structural poverty of underdeveloped regions such as the Mezzogiorno.

b) Selective Intervention in the Labour Market

The National Reports describe a wide variety of programmes under this head, operating under different national and local conditions. One group of programmes has been aimed at improving the functioning of the labour market and smoothing out potential crises. This group includes employment placement, mobility schemes, redeployment after closures, temporary and short-time subsidies, early retirement and general training arrangements. These do not create additional jobs to replace jobs that are lost. They smooth the path for unemployed or potentially unemployed workers and in the case of training may in effect redistribute unemployment between the newly skilled and the unskilled. They are often effective programmes when unemployment is not at too high a level. Though they continue to perform a useful function when unemployment becomes large-scale and widespread, their impact is diminished.

The same can be said of a second group of common programmes - short-term job creation. When those engaged in these programmes have at the end a good prospect of long-term employment because of the value gained from the training or the work experience received, then the short-term programmes are serving a productive purpose. Where the prospect is a return to unemployment, perhaps followed by another short-term programme, the value of this type of scheme becomes more questionable. As the level of unemployment has increased, many countries are seeing a parallel increase in the proportion of participants in short-term schemes who return to unemployment when they end.

The most desirable programmes are those which create long-term jobs. The Irish Industrial Development programme therefore, is of considerable interest. However, the Irish report is critical of this programme as it functions at present, in part because it encourages capital-intensive industry (either new or reconstructed) rather than the labour-intensive industry of which there is such an urgent need in Ireland, and in part because of the failure of government to use its own resources to promote stable employment in such sectors as the construction industry.

Thus, while most governments have responded to increased unemployment with innovative programmes, in most cases these are not adequate to deal with large-scale and long-term unemployment. Moreover, while attention is quite properly focussed on the high level of youth unemployment, other groups, such as prime

age workers with families, are being relatively neglected and there appears to be a passive acceptance that the prospects of certain groups of the unemployed, in particular older workers and physically and mentally handicapped people are almost hopeless. In addition, there is evidence that the benefits of programmes of training and job creation are more likely to go to the unemployed who already have some marketable skills than to those who need assistance most. Policies to assist the long-term unemployed are not well developed in most countries. Many of the reports note that the newly unemployed are the most likely to secure available jobs, while the pressure of large-scale unemployment on the various employment services has in some countries prevented the deployment of additional manpower and other resources needed to tackle the problem presented by long-term unemployment.

c) Social Security Arrangements for the Unemployed

The term "social security" covers general social insurance arrangements (or their equivalent), special schemes (for example, redundancy payments) and social assistance.

All nine countries have schemes of social insurance (or the equivalent) to cover persons normally in employment, against periods of unemployment. These schemes function well, provided two criteria are fulfilled: first that the worker is normally in regular employment and has been a member of the relevant social insurance scheme and second that unemployment will be fairly short-term. Most unemployed persons who meet these criteria can expect a reasonable level of income during the first six months of unemployment and may in some countries receive additional payments where the loss of the job was due to redundancy (Luxembourg, Ireland, France, UK). If they secure new employment during this period, they will not usually have experienced poverty though they may well have suffered a number of social difficulties. In most countries, there is a further period of social insurance benefit for those unemployed who are eligible. Moreover, some countries have either relaxed the eligibility requirements or extended the period for which social insurance benefits (or the equivalent) are payable in order to adapt to the growth of longer-term unemployment (France, Denmark, Luxembourg).

Even for the short-term unemployed, the system is not perfect. The disadvantaged categories vary from country to country, but include low-paid workers where unemployment benefit is wage-related, adults who have never qualified

for social insurance, young people seeking their first job and self-employed persons. However, the most serious issues relate to the position of the long-term unemployed.

In eight of the nine countries (excluding Denmark), the income of the insured unemployed progressively declines as unemployment becomes more prolonged and may not have been adequate in the first place. Large numbers of the unemployed - both insured and uninsured - are forced to apply for social assistance, either to supplement inadequate social insurance benefits or as the sole means of support. In France after three to five years, depending on age (and with some exceptions), they have no entitlement to income support once any social insurance rights have expired. The same situation occurs in Italy after six months, except for those workers who benefit from the National Fund for the Integration of Wages. Of the seven countries giving social assistance to the unemployed, four reports describe it as inadequate (UK, Ireland, Luxembourg and Belgium) and the remaining three (Denmark, Netherlands and Germany) as barely adequate as long-term income support.

In addition, consideration must be given to the problem of take-up. Many of those who have always supported their own families without outside aid regard application for social assistance as humiliating. It may be provided only on terms which are felt to be unacceptable or which, in the case of guest workers, call into question their right to remain in the country.

While a number of steps have been taken to ease problems in the social security system for the unemployed, including the use of early retirement schemes, the "stretching" of schemes intended for other purposes and the growing use of disability pensions for unemployed persons in poor health who would normally be regarded as fit enough for employment, many of the basic problems of the system have not been tackled. Indeed, the expedients just listed serve mainly to highlight the weakness of the social security arrangements for the long-term unemployed and, together with the material presented earlier, emphasise the serious need to implement new policies for this group.

The National Reports made fairly wide-ranging recommendations on the issue of unemployment and these will be listed in full in Annex II. Here comment will be made on proposals related to persistent and long-term unemployment.

Regional and rural development policies are seen as requiring early attention, in the first instance to review urgently those policies already

in place for rural areas which are seriously disadvantaging poor, low-acreage farmers and deprived rural areas. Second, regional programmes are needed which are more strongly focussed on the needs of poor people, encompassing coherent socio-economic planning for development which attacks the structural poverty of the worst affected regions with special emphasis on the Mezzogiorno.

The National Reports view with concern the tendency to give a low priority in manpower programmes to the long-term unemployed and in particular to those handicapped by labour market disadvantages. Consideration needs to be given to early retirement schemes for those nearing retirement age in countries where this is not already available. For other long-term unemployed, expanded training arrangements are required, including not only conventional skill training but literacy and numeracy tuition, language teaching, and vocational rehabilitation programmes to restore lost work abilities and to combat the apathy which tends to develop during prolonged unemployment. Intensive employment placement services should also be made available to the long-term unemployed. In the next section reference will be made to the unease expressed in the National Reports about labour market trends which are tending to exclude marginal workers from employment and leading to unnecessary growth in the social security population. This problem will be intensified if the issue of long-term unemployment is not tackled.

On social security, there are two key proposals in most of the National Reports. First to establish a "vital social minimum" income for unemployed persons with or without rights to social insurance. Second to take steps to reduce the numbers of the unemployed who must become dependent upon social assistance because social insurance payments are inadequate or have expired, or because no social insurance cover is available for them.

Social Security

1. The Population on Social Security

In all nine countries, the absolute numbers and the proportion of the population wholly or partly dependent upon social security for daily living requirements has grown very markedly. So has the absolute amount of resources (in real terms) and the proportion of GNP consumed by social security.

This growth can be accounted for in a number of ways :

- Demographic factors have produced an overall increase in population, together with a large increase in the numbers of aged persons and in Ireland an increase in the size of the child population.
- Social change has led to an increase in the number of one-parent families (due to divorce, separation or unmarried parents keeping their children). A general change in the position of women and their increased participation in the labour force has led to a growth in their use of social insurance.
- Economic change has produced a substantial increase in unemployment and long-term unemployment.
- The scope of social insurance and social assistance has been widened.
- There has been a shift from the old public assistance arrangements carrying severe stigma and substantial interference in and control over the lives of individuals and families, to a much greater use of social insurance and a more liberal administration of social assistance. This has increased the willingness of the population in need to apply for social security benefits. The younger generation in particular avail themselves more readily of their social "rights".

All of these could be regarded as either positively desirable trends or as inevitable changes which must be accepted and dealt with. However, as indicated earlier, there is a further development which the National Reports regard as very worrying. Changes in the labour market, including an increased pace of work, a demand for higher educational qualifications (whether needed for the job or not), the decline of small family companies who were prepared to carry some marginal workers, the loss of flexibility in the organisation of work in large and highly unionised companies and a reduction in self-employment are all tending to force out of the labour market persons regarded as "marginal". Fewer persons can continue working after normal retirement age and there is a growth in the numbers of the early retired. Physically and mentally disabled people find it increasingly difficult to enter the labour market, to maintain employment and to return to employment once unemployed. Workers over 50 years, those with poor health and unskilled workers are particularly affected by long-term unemployment. Thus the social security population is being swelled by people who in the past would have been in employment all or part of the time and who in most cases would prefer to support themselves and their families

from earnings rather than rely upon social security.

The huge and continuing rise in the cost of social security not only creates difficulties for national financing but has implications for the present and future well-being of social security recipients. Not only is there a reluctance to increase social security expenditure still further by improving the standard of living of dependent persons but there is pressure in several countries to reduce expenditure on current recipients.

2. The Operation of the Social Security System

Social insurance provision (or its equivalent) has progressively been expanded in the last 30 years to cover loss of income due to retirement from work, widowhood, invalidity, occupational accidents and illness, maternity, sickness and unemployment. Some of the remaining gaps and special problems will be referred to later in this section, but broadly speaking it can be stated that the eventualities just listed are now covered by social insurance in all nine countries. However, this is not to say that in every country the receipt of social insurance benefits alone automatically means that the individuals and families concerned will not experience poverty.

Several countries (France, Denmark, Belgium, Luxembourg, Netherlands) have established a minimum level of adequacy below which certain social insurance payments may not fall - a level which should preclude the necessity for supplementation by social assistance. Italy has a social insurance minimum, but not one which is set at an adequate level. In other countries, the rules of the social insurance system may result in low levels of benefit in various circumstances. Numbers of social insurance beneficiaries therefore must either live on an income below the social assistance line, or apply for social assistance supplementation. The groups most likely to experience difficulties are low-paid workers where social insurance is wage-related, persons who have been in the social insurance scheme for an insufficient length of time or who have experienced frequent unemployment or sickness, and the self-employed.

In spite of the great progress made in the last 30 years in the development of social insurance, the need for the social assistance "safety net" has not diminished. On the contrary, it has grown, in part because help has been extended to cover people and situations not previously eligible,

in part because originally minor groups like one-parent families have increased in size and in part because its role of supplementing or substituting for social insurance has in a number of countries assumed quite large proportions.

Governments have attempted in recent years to reduce the numbers on social assistance, for example, through improved social insurance benefits, the introduction of minimum social insurance levels, or the establishment of alternative agencies to assist certain long-term recipients. Efforts have been made to reduce the complexity of the schemes and to increase the information available about them. For those who still need social assistance the National Reports record many continuing problems :

- The investigation of financial resources, not only entails a loss of personal privacy, but it may also involve approaches to "liable relatives".
- Social assistance rules may still lead to interference in the daily lives of recipients. Cohabitation rules (under which a woman suspected of living with a man as his "wife" may be suspended from benefit) can be a source of conflict, and residence rules may create severe problems. Rules that income earned even from small odd jobs will be deducted from social assistance allowances, particularly in the case of the unemployed, operate in most countries.
- The exercise of discretion on whether or not an allowance should be granted and if so at what level or in granting additional benefits (grants for clothing, heating, special diets, etc.) has been a problem at some time in all nine countries and is still described as a serious issue in several countries.
- In eight countries (Denmark excepted), there is still a certain stigma attached to the receipt of social assistance, and this may exist in spite of efforts by the authorities to remove it. This is a particularly powerful deterrent to application by the elderly with memories of the old public assistance days, but it applies to many younger people who may prefer not to apply for supplementation of social insurance for this reason.
- Ignorance of or confusion about the complex rules of social assistance is noted as another reason why eligible persons do not receive the social assistance to which they would be entitled.

These are matters of importance to those dependent on social assistance but there are even more fundamental issues. The severe restrictions on eligibility for social assistance in Italy deprive many in need of even basic subsistence, including the long-term unemployed and the chronically sick who do not qualify for invalidity benefit. The former group also receive no social assistance in France. Moreover, as indicated earlier, the level of social assistance is described as inadequate in the Belgian, Irish, Luxembourg and Italian reports. In the UK report the short-term rate (which applies to all recipients except the aged for the first 12 months and to the unemployed indefinitely) is considered inadequate and the long-term rate barely adequate. The description "barely adequate" summarises the comments in the reports on the level of social assistance in Denmark, Germany, the Netherlands and France. Given the size of the social assistance population, this is clearly of serious concern.

Certain groups stand out as being particularly badly served by the social security system. These groups vary from country to country, as does the intensity of the problems they experience. They include the older elderly and elderly women in general; certain categories of disabled people, for example those who have never been able to enter the labour force and thus acquire social insurance rights, those who have been in the labour force but became too disabled to work at an early age and partially disabled people; the self-employed, one-parent families, foreigners and single homeless people (vagrants/down-and-outs). While some countries provide well for some of these groups, none of the Community countries makes fully adequate provision for them all.

The National Reports include numerous recommendations on improvements needed in the social security arrangements and on the need to fill gaps in the present system and these will be found in Annex II. Many of these refer to strictly national problems. However there are some central concerns which are common to most and sometimes all reports.

First is the vital need to reduce the size of the social security population by stemming the process of exclusion of marginal workers from the labour force and by programmes to assist recipients to return to work, full-time or part-time wherever possible. This will involve much more flexibility on the part of employer, unions and of the social security system itself.

Second, within the social security system, the emphasis should be on reducing the numbers who must depend on social assistance which is still the least desirable form of social security. This will involve providing social insurance cover (or its equivalent) wherever this is feasible, setting adequate minimum levels of social insurance to obviate the need for social assistance supplementation and extending the duration of social insurance benefits. Where social insurance arrangements are not possible for those who will otherwise be long-term recipients of social assistance, their special benefits should be established.

Third, and perhaps most important is that the earliest possible steps be taken to establish an adequate minimum level of assistance for all in need, to be based on systematic studies of the needs and cost of living of poor households and maintained in value in relation to prices and to the general standard of living of the country concerned. In total the National teams are urging policies which result in fewer people needing to be dependant upon social security but which offer to those who must depend upon it, help in an acceptable form and at a level which does not entail a life in poverty or a constant struggle to make ends meet.

6. Other Dimensions of Poverty

At the beginning of this chapter, attention was drawn to the multi-dimensional and cumulative nature of poverty. The pattern of cause and effect is extremely difficult to disentangle, though examples can be given. Frequent sickness or disability can lead to income poverty but, equally, poor people who occupy unfit housing or do low-paid work in conditions dangerous to health and safety suffer a higher risk of ill health and disability. Children who grow up in overcrowded housing, or miss school because of illness, or leave school early because their parents are poor, may enter the labour force inadequately educated and occupy poorly paid, insecure jobs undertaken in poor conditions.

The National Reports were unable to consider every possible aspect of multi-faceted poverty but they did give attention to three major policy areas, housing, health and education, and to the role of social services and voluntary agencies in relation to poverty. In many reports, this discussion was seriously inhibited by the lack of relevant data. Not only does this present problems for the identification and quantification of various dimensions of poverty,

but it creates difficulties in assessing the effectiveness of the policies adopted by governments.

Housing and Poverty

After the Second World War, all nine countries found themselves with a huge housing deficit, a housing stock which included a considerable proportion of very old, unfit and below-standard houses and with large urban slum areas. All nine countries launched programmes of housing reconstruction in the late 1940s and early 1950s with the object of increasing the housing stock, reducing the number of unfit houses (mainly by demolition), upgrading the amenities of older housing (piped water, indoor lavatory, bathroom, lighting, heating) and clearing slum areas. These programmes continued (with periodic fluctuations) in the '60s and '70s, though the emphasis everywhere moved from demolition and clearance to the rehabilitation of housing and of urban areas.

Substantial progress towards achieving the objectives of this reconstruction programme has been made but a considerable legacy of unfit housing, overcrowding, substandard amenities and homelessness remains, often exacerbated by the inflow of immigrants and foreign workers and by the shift of rural populations into the city. Particularly acute housing problems are still being experienced in Italy (especially in the Mezzogiorno and in the major cities), France, Ireland and the Northern Ireland region of the United Kingdom.

In all nine countries the poor population suffers housing disadvantage to a greater or lesser degree, and many can be found occupying the poorest standard housing in the least desirable areas. Where overcrowding occurs, it is in most countries more likely to affect low income than higher income households. The poor pay a larger proportion of their income in housing costs than those with higher incomes but are more likely to live in houses that lack basic comforts. Groups that stand out among those experiencing housing disadvantage are large households, one person households, one-parent families and immigrants.

Government housing policies are only partly directed at the needs of poor people. Indeed, the Italian report suggests that, for much of the period since 1950, the Italian government lacked a housing policy specifically for poor people. The Danish report says that the least well-off group of the Danish population has been a target group for housing policy only to a limited

extent. In the other seven countries, policies directed at poor people are quite prominent, but governments have pursued other housing policies which offered little benefit to those on low income or which actively disadvantaged them. The National Reports examined government policies in relation to the three major housing sectors: the costs of rental housing, homelessness, and the habitat of the poor.

1. Policies on housing tenure :

All the National Reports indicate that a major objective of government policy has been the encouragement of owner-occupation through such instruments as favourable loan arrangements for house construction and concessions to home buyers such as tax relief on mortgage interest, relief from certain other taxes and grants to first-time buyers. The amounts paid or foregone by governments (in tax) have been very large and in all countries the main benefits of this policy have accrued to those of average income and above, and generally speaking the higher the income, the higher has been the benefit.

Some poor people are home owners, particularly elderly people and other households which began home purchase before they became poor. Some limited policies have been adopted to assist or to maintain the process of home purchase by low income people, but in general the poor have only restricted access to this form of housing tenure although it is regarded as particularly desirable by government and by the public at large.

Because of its relative flexibility, the private rental sector has always been of importance to the poor, to those entering the housing market for the first time and to those moving from rural to city areas or newly arriving in the country. However, a combination of policies in 8 countries has tended either to reduce the size of this sector or to undermine its value to poor people or both (the Netherlands situation is somewhat different).

Policies to encourage owner-occupation have reduced the incentive to build new private rented housing for households of average income and above and have made it profitable to convert rented property to home ownership, while slum clearance has often involved demolition of large areas of private property. Rent control (in 7 countries) imposed to prevent escalation of rents at times of acute housing shortage has reduced profitability for private landlords and their willingness to repair and upgrade their property. Few subsidies (except rent allowances) have been directed to the private sector

although ready support has been available for the other two sectors.

These policies have protected low income people from being exploited through high rents in time of housing shortage and assisted them to meet their housing costs. The price for this has been the shrinkage of the private rental sector (so that housing shortage in this sector is a more or less permanent problem) and the deterioration or further deterioration of the property. The poor who do live in this sector often experience particularly bad housing conditions. In some circumstances they may still find themselves paying high rents for very low standard property because this is all that is available to them.

The main instruments of government intervention in the housing market on behalf of low-income people in all countries have been public housing authorities and non-profit social housing organisations, with the dominant role being taken by public housing in Ireland and the UK, and by government subsidised non-profit organisations in the other seven countries.

The UK report considers that the large-scale public house-building programme which has operated for over 30 years has been largely successful in breaking the link between housing and poverty for the majority of poor people, though its weaker operation in Northern Ireland has left more serious problems there. Substantial expenditure cuts in recent years are now threatening to undermine the programme. In Ireland also the public housing programme has made an important contribution to the reduction of housing poverty, and so has the social housing programme in the Netherlands and Germany. In the other five countries, the National Reports suggest that the role of social housing has been valuable but more modest and indeed in Italy has been rather weak.

The public/social sector is not, however, without its problem. In particular three National Reports (Belgium, Germany, Denmark) say that the benefits of social housing are now accruing mainly to those of average income and above. This is especially the case where new property is concerned which normally commands a higher rent under prevailing regulations, while poor tenants tend to be allocated older and cheaper properties.

2. Costs of rented housing

Housing allowances are provided in 8 countries (Belgium excepted) to assist public tenants with the cost of rental housing and in 5 countries this extends to the private sector also (Allowances to low income home buyers on a similar basis to housing allowances for tenants are available in Germany and France). These arrangements make an important contribution to the ability of the poor to afford decent housing and would be of even greater value if certain deficiencies could be overcome.

As noted in three countries no allowances are available for poor tenants in the private sector. In France and Denmark, the housing for which an allowance is to be made must meet minimum standards of size and habitability to qualify. Poor tenants in bad or overcrowded accommodation are not eligible. Insufficient take-up of housing allowances is reported in Germany and the UK. The proportion of the rent to be met by the tenant may be too high for the poorest and failure to adjust the qualifying levels of rent or income in accordance with wage, price and rent increases can create severe problems for poor tenants.

3. Homelessness

Homelessness, defined as total lack of accommodation or the occupancy of accommodation that is excessively insecure or unfit for habitation, occurs to a greater or lesser degree in all nine countries. It may be considered in two categories.

First, homelessness among single people (usually men) who have no fixed abode and must depend for shelter on overnight accommodation in public or charitable institutions, or on hostels and boarding houses - or must sleep wherever they can. This problem is discussed in seven of the nine Reports. They are the poorest of the poor, have the least satisfactory living conditions but are rarely if ever, seen by housing authorities as a housing problem.

The second group are homeless families usually those who once had a home (or shared a home with others) and lost it. In Denmark and the Netherlands, this problem is not believed to be a large one. Larger populations of homeless families exist in some other countries and various provisions have been

adopted to deal with the problem, though few if any, fully satisfactory policies have emerged which prevent homelessness or re-establish families in stable accommodation without undue and damaging delays.

4. The Habitat of the poor

Four kinds of problems are discussed in the National Reports.

First, the continued existence of poor urban areas combining poor housing, a poor environment and disadvantaged residents.

Second are the transit areas of France which provide temporary accommodation for those being re-housed from slums and for immigrants. These were meant to be short-life buildings but it is suggested that four-fifths of them require demolition or renovation.

Third are the large and often impersonal public housing estates, often at the fringe of cities offering good housing but a mediocre environment.

Fourth, the Italian report discusses a pattern of change which flows from a clearance of poor people from the centre of the city without proper arrangements for re-housing. They settle in shanty towns at the edge of the city where they are joined by rural migrants to the city who can find no other accommodation. In time the area is cleared and new housing built in which the poor receive a share (though often of the least desirable housing) but in the process lose for a second time the natural community support systems which had developed.

Action on these problems in the shape of urban renewal, social action projects and community development initiatives are beginning to develop, but the underlying policies also need a thorough re-examination.

The central feature of the policy proposals in the National Reports is the necessity to orient housing policies more systematically to the needs of poor people. This would involve : - Existing housing expenditure being re-allocated to strengthen the public/social sector where this is weak and shifting tenure subsidies from higher income owner-occupiers to low income households in the private and the public/social rental sector.

Allocation policies in public/social housing which always give priority to those on low income and rules for housing allowances which ensure the poorest gain the maximum advantage.

More effective housing policies to assist the single homeless, to prevent homelessness among families and avoid prolonged homelessness.

Urban development programmes which take full account of the needs of the poor and aim to preserve and strengthen existing communities wherever possible.

Health and Poverty

1. Issues of Health and Poverty

Information in the National reports on this policy area is somewhat uneven. This seems to reflect two problems. First, the available national data is normally collected for purposes other than showing the relationship between health and poverty and cannot readily be adapted for this purpose. Second, the nature of the relationship itself has not been clearly identified.

There is no doubt that such a relationship does exist. Ill health and disability can lead to poverty, because of inability to work or to maintain regular work and because of the inadequacy of many of the social security arrangements for sickness and disability. Poor people from birth suffer higher illness, accident and death rates than persons from higher income groups. In some instances the problem can be clearly pinpointed and preventive measures introduced. More often the persistent problem of the disparities in health between the poor and other income groups appears to be related to the whole network of poverty and disadvantage in which the poor are enmeshed.

A discussion about health and health policy naturally tends to focus around the functioning of the health services. Obviously, once poor people become ill, their access to good health care is a major issue. However, if the concern is to identify the causes of ill health among poor people and to develop measures to prevent this, attention has to be directed not only to preventive medicine, but to questions such as poor housing, inadequate nutrition or warmth, homelessness, pollution, bad working conditions and economic insecurity.

Substantial progress has been made in all nine countries in the field of health. In focussing on the many remaining problems the National Reports considered whether the poor are prevented by their low income from obtaining

health care; whether health services are distributed in an equitable manner across the country and especially between prosperous and poor areas; whether the poor are able to make adequate use of the health services in relation to their health needs; and whether sufficient steps are being taken to prevent ill health among poor people.

2. Policies on Health and Poverty

a) Paying for Health Care

All nine countries have in the past 30 years established arrangements to try to ensure that there is no income barrier between poor people and the health services. Italy was the last of the nine to achieve this goal under the National Health Act of 1978. The figures of those covered by health insurance (in countries where this is the method adopted) suggest that there may be residual problems for a very small minority, but if so these have not been elaborated in the reports. Some problems exist in Ireland in connection with inconsistent decision-making on the allocation of poor families between the free and part-free categories of health insurance.

These difficulties apart, it appears from the National Reports that the right of the poor to receive basic health care has been established in all nine countries, though the existence of additional charges for some services (notably dental care) does present a deterrent to use by the poor. It should also be noted that some systems are based on arrangements for reimbursement of health expenses rather than free health care at the initial stage. Where this exists, it may also prove to be a deterrent to the use of services by the poor.

b) Distribution of Health Resources

Only four of the reports discuss the distribution of health resources across the country and two of these (Netherlands and Denmark) find the distribution satisfactory. In the UK, a problem of regional disparities in the distribution of resources has been identified. A programme of re-allocation of resources between regions was initiated in the UK in 1975 and special attention was given to inner city health needs from the late 1960s onwards. However, the process of change has been complicated by restrictive public expenditure policies and the difficulties entailed in changing long entrenched patterns of service and many problems remain, especially for poor populations in inner city areas.

Italy has a much more severe problem of resource distribution with serious territorial imbalances in the distribution of doctors and the availability of services, often related to the relative affluence of the area. Following the establishment of a National Health Service in 1978, a National Health Plan (together with Regional Health Plans) is being developed and local health units set up across the country. The Italian report notes slow progress in completing the planning process and in getting local health units on the ground, and considers it will be some time before adequate services provided on an equitable basis will be available, unless active steps are taken to speed up the process at all levels.

c) Utilisation of Health Services by Poor People

The consumption of health services by the poor in Italy was clearly seriously affected by the unsatisfactory health insurance arrangements operating prior to 1978 and continues to be affected by the mal-distribution of resources.

Six of the National Reports (France, Germany, Ireland, Italy, Belgium and the UK) point to a certain amount of evidence that the poor make less use of certain health services (mainly specialist and preventive care) in proportion to their higher health needs than do higher income and socio-economic classes. This problem has been overcome in the Netherlands and Denmark (and is not discussed in the Luxembourg report). The evidence available on this question elsewhere is not well developed and initiatives to overcome it have been mainly directed to pre-natal care and maternity and child health services, with the object of improving utilisation and reducing health disparities at the early stages of life.

d) Preventive Services

Five of the reports (Italy, Denmark, Netherlands, France, UK) draw attention to the relative neglect of preventive services for both physical and mental health, both within the health services and in other fields which impinge upon health and poverty. Moves are being made in all countries (perhaps in part motivated by the escalating cost of health services) to increase the attention to preventive activity. Again the maternity and child health services have been a focus of attention, and action to reduce

smoking has also been common. Steps have been taken to improve working conditions, especially in relation to industrial accidents and occupational illness. Fewer steps are recorded to reduce the growing incidence of psychiatric illness, which falls more heavily on the poor, and critical comment is also made in a number of reports on poorly developed curative and after-care services for psychiatric illness.

Proposals for future policies on the issue of health and poverty are much handicapped in most countries by the absence of relevant health data and the need to clarify the relationship between health and poverty. A substantial research and data collection programme is therefore required. However sufficient information is already available for the National Reports to stress the importance of giving a high priority to preventive programmes directed to both physical and mental health, to health care programmes for mothers and children, to rehabilitation and to psychiatric care. In Italy an additional priority is the implementation of the new National Health Service proposals. The reports emphasise that much of the action needed is in relation to the whole network of poverty and disadvantage in the community which is discussed throughout the reports.

Education and Poverty

1. Education and Poverty - The Issues

During the last 30 years there has been what several National Reports have described as an explosion of education in the nine countries. There has been a growth in pre-school education, the period of compulsory schooling has been extended, more children have been receiving secondary education (in some countries all children) and universities and other institutes of higher education have been expanded. Children from poor families have shared many of the benefits of this educational growth but in the last decade or so it has come to be recognised that many problems remain.

The National Reports point to the fact that children from poor and disadvantaged groups and areas still gain least from the education systems in all nine countries. They are the least likely to proceed to secondary schooling at the senior level and to higher education and the most likely to leave before the end of compulsory schooling and to emerge from school with few or no qualifications. High ability working class children have often

done less well than lower ability middle class children. The financial investment, organisation and content of education has been more oriented to the needs of the minority of children likely to proceed to higher education than to the majority of children whose education will be completed during the years of compulsory schooling. Moreover, the legacy of the past - the large proportion of adults who have received only limited education - has not been adequately tackled.

These areas of concern are all relevant to the discussion of poverty. Education is an important influence on work status, pay, working conditions and even the ability to obtain work. For the individual it is a means for social mobility and it enables a better degree of social participation and control over matters which determine the quality of living. Young people and adults ill equipped educationally for the labour market are the most likely to occupy low paid unstable jobs, with poor working conditions, or no jobs at all. They often belong to the most powerless groups in society. The present generation of poor children and children from disadvantaged areas is still being deprived of adequate educational opportunity.

2. Policies on Education and Poverty

The National Reports consider policies on these questions in two ways, first issues related to particular population groups and second organisational and resource allocation questions.

a) Disadvantaged population groups :

The continued existence of illiteracy among all age groups can be regarded as the most outstanding failure of an education system. Five of the National Reports (Italy, Netherlands, France, Ireland and the UK) report the existence of illiteracy (as nationally defined) in their countries and the German report implies that the problem must exist at least among foreign children. Only Netherlands, Ireland and the UK report action to combat this problem and only in the UK has there been any large-scale action to overcome it.

Although the available figures are only estimates and different criteria are used from country to country, it can be said that the problem is not a minor one. In the UK, the illiterate adult population is estimated at 2 million. The French report makes a very tentative estimate of 1 million

and the Netherlands report suggests a figure between 100,000 and 400,000 excluding the foreign population. In a society which is organised on the assumption that every adult can read and write, illiteracy is a serious handicap.

Mentally and physically handicapped children have suffered considerable disadvantages in many European education systems. Given the problems they will have to face in later life because of their disabilities, this must rate as an important poverty issue. In particular, unqualified physically disabled children meet serious difficulties in a labour market which has only manual work to offer persons with a low level of education.

Five of the reports (Denmark, France, Ireland, Luxembourg and the UK) discuss special education arrangements. In Denmark, France and Luxembourg there has been a large increase in resources allocated to special education. However, the reports consider that much remains to be done. In the UK a commission of inquiry reported on the provision for children with special educational needs in 1978, but its recommendations will be implemented only in a limited way because of public expenditure restrictions. In Ireland, the National Report questions the adequacy of the special education provision but it records no major government initiatives to improve it.

The third minority group which is disadvantaged in many education systems are the children of immigrants and of foreigners or guest workers. Six of the reports (Belgium, Luxembourg, Netherlands, Germany, France, UK) refer to the problems experienced by one or both of these groups in the education system on the one hand, and to the over representation of the adults among unskilled manual workers and/or the unemployed on the other. Difficulties include language and cultural problems, failure to attend school or to complete compulsory education and over representation of these children in special schools. While there are programmes directed to overcoming these problems, insufficient action has as yet been taken in most European countries affected, to combat a potentially severe poverty problem.

The fourth group are unqualified school leavers. All nine reports express concern about the proportion of children leaving the school system with no qualifications (or with only minimal qualifications) so that they enter the labour market at a disadvantage, destined for the most part to undertake unskilled manual labour or to join the unemployed.

Policies adopted to overcome these problems are reported in the Italian, Irish, Luxembourg, Danish, German and UK reports. Some are aimed at combating the problem prior to school leaving and others at the immediate post-school period. With the possible exception of Germany (which does not report on its programme in any detail) many of these programmes appear to have been developed in an ad hoc way and to be limited in their extent. However, after a period of experimentation, more coherent planning is beginning to develop though there still is no room for complacency.

b) Organisational and resource allocation issues :

Six of the reports (Netherlands, Luxembourg, Italy, France, Ireland and the UK) discuss the proposition that the way in which secondary school education has been organised and in particular the practice of selecting children at a relatively early age for a specific form of secondary education has been detrimental to the interests of poor children. In the schools which provide only a general education (i.e. neither academic nor vocational) the children of unskilled manual workers tend to dominate. Education standards are often much lower than in other forms of secondary school, the educational purpose is not always clear and the typical result is that the children complete schooling early (sometimes before compulsory school leaving age), leave with low level or no qualifications and in turn join the unskilled labour force.

The UK and Denmark have moved to comprehensive (all ability) secondary education in order to do away with the social divisiveness of the former system and to introduce greater flexibility into the children's educational choices. The Netherlands and Ireland are developing comprehensive sectors in their secondary education system. Luxembourg and Ireland are attempting, through curriculum change, to reduce the differences between various types of school. It is not yet known how effective these changes have been.

There has been a very large growth in public investment in education in the past 30 years and in particular major resources have been put into the expansion of secondary and higher education. While many poor children gained benefits from this, the main advantages went to middle class children who were the predominant social group in both secondary and higher education, and indeed still are.

In the late 60s and the 70s there has been an effort to re-allocate resources in favour of less advantaged groups in a number of countries. France and Denmark shifted resources into special education. Italy set out to strengthen the compulsory level of education and to allocate higher funds to backward areas, particularly the south which until then had suffered from a low level of education investment. Ireland ploughed funds into the primary school system and rural schools, and the UK shifted some resources to especially disadvantaged areas.

In a number of countries there are programmes which endeavour to remove any financial barriers between poor children and education, including free school transport, free books, school meals and maintenance grants for secondary and higher education. Other programmes are based on the theory that the low attainment of poor children results not from the functioning of the education system but from their disadvantaged home background, and they aim to offer compensatory programmes to make up for these deficits. While the special allocation of resources to poor children is regarded as desirable, the functioning of the present programmes is the subject of much critical comment in the National Reports. Moreover, such programmes do not and could not make up for the imbalance of educational investment which still exists, nor for the fact that the structure of education does not always accord with the culture of poorer people.

This resource allocation problem extends into adult and recurrent education. The problem of the large unqualified or under-qualified adult population, as well as adults with education outdated by technological change, has come to the fore in all countries in recent years. While extensive facilities for adult and second chance education have developed, these tend to be most useful to and most used by adults who already have some basic educational qualifications. Programmes for the wholly unqualified are much less well-developed, and this area of education does not receive an adequate priority when resources are being allocated.

Overall, it appears that insufficient attention has been given to the effects of present decisions about resource allocations on the opportunities of children and adults from poor groups, and it is considered that a more thorough examination of this question is an early priority.

As in some other policy areas, the National Reports focus attention on the need to direct resource allocation much more systematically to the needs of the poor children. Educational programmes geared to technological and higher learning needs are important for the future, and high ability poor children ought to have the opportunity to participate in these. Much more attention has to be given to those children who will enter the labour force straight from compulsory education to ensure that they are adequately equipped to compete in what will be an increasingly difficult labour market.

In addition, more specific action is proposed to combat adult illiteracy to meet the education needs of immigrant and foreign children, to improve special education, to develop programmes for unqualified school leavers (pre- and post-school leaving) and to invest in adult and recurrent education with special attention to the needs of the most disadvantaged.

The Social Services

The approach of the National Reports to the discussion of the public social services varies considerably. Three reports (Denmark, France, Luxembourg) contain quite extensive material discussing a range of services. The others restrict themselves to reporting on services for certain groups such as the aged or disabled people or to general comments on particular issues.

There are also differences in the views taken on the role of the social services in general and social workers in particular. Some see these as important services in their own right but marginal to the main thrust of anti-poverty policies. Some consider that a too close alliance between social workers and social security services reinforces the view that poverty can be combated on an individual basis and enhances the process of marginalising and isolating the poor. On the other hand, some (notably Denmark and France) regard the closer integration of social security and social services as having the potential for raising poor people out of poverty and preventing others from becoming poor. These countries have developed a number of programmes to this end in the last decade or so.

In so far as there is common ground, it may be found in discussion of four types of social service programme which :

- may prevent poverty by appropriate intervention at an early stage in the development of a potential poverty problem;
- may aid individuals and families to move out of poverty by restoring their capacity to function economically and socially in an independent way;
- may assist individuals and families to attain their full social rights from the major social programmes and thus upgrade their standard of living above the poverty level;
- may provide services in kind which enable the maintenance of an independent life at a reasonable level and which the poor would be unable to afford if they had to purchase them in the "market place".

Programmes in the last three categories are to be found in most if not all nine countries. Few of the reports, however, claim that a high priority is given by the social services to preventive action. The main exception is the French report, which describes prevention as an important part of state-provided services.

In all countries, the state-provided services work alongside or in close co-operation with voluntary services. These were also discussed in the National Reports and have already been dealt with earlier in this report.

Anti-Poverty Policy in Europe

The last 30 years have been a period of growing affluence for the countries of the EEC, though this prosperity reached Ireland later than the rest and no country has been without some periods of economic difficulty. It has also been a period during which governments increasingly adopted interventionist policies on major social questions which affected a broad band of the country's population and in which large-scale public resources have been deployed on important social programmes. In the immediate post-war period and again during the last 10-15 years, EEC governments have made serious attempts to come to grips with the problem of poverty. Several of the National Reports note that, where once it was regarded as rooted in the failure of the individual or the family, it has increasingly been identified as the outcome of the economic, social and power structure of the country. Governments have taken steps to try to ensure that wealth, status and power

are more fairly distributed, through the use of the tax and social security systems, through wages policies, through interventions in the labour and housing markets and through greater participation of the people in the decisions which affect their lives.

A review of the outcome of these social and economic programmes offers grounds for both congratulation and criticism. Much has been achieved but much remains to be done. The major social programmes have protected many from severe poverty and serious deprivation and there can be no doubt that without them, poverty in Europe would be a much more serious problem even than it is at present. Increased geographical and social mobility has offered better opportunities to many. Even among the poor there is less desperate hardship than could be found in the earlier years of the century. Nevertheless, there is no room for complacency.

There remains in every country groups of people, sometimes small, sometimes large, who are poor for much of their lives. Characteristically, they live in the worst housing in the least desirable areas, suffer the most ill health and disability, are the least well educated, work in the most unsatisfactory jobs in the poorest working conditions, endure chronic economic and personal insecurity and can offer the least hope for a better future for their children. This group of long-term poor is joined, temporarily or for long periods, by others who have enjoyed better times but who now are old, disabled, in chronically poor health, have lost the family breadwinner, belong to agricultural and industrial sectors in decline or have suffered a severe economic, health or housing crisis. Moreover, in time of economic difficulty poverty is once more increasing, reaching into sections of society not before affected, but striking in particular those whose security was always most precarious.

The National Reports were written independently of one another and drew on separate national information and experience. Many of their findings are applicable only to the country about which the report was written, but the extent of common ground between them is impressive. Poverty in Europe shows itself in many different forms, but there are also many basically similar problems stemming from like economic, demographic and social trends, from the same kinds of national social programmes and from decisions of the European Community.

The precise details and timing of the changes which need to be made are bound to vary from country to country but certain shared objectives have been identified. Although the fulfilment of some of these objectives does involve additional expenditure, the National Reports did not take the simplistic view that all that was needed was more money for current programmes. Rather they have emphasised the need to review the relevance of some of the older social programmes to conditions in the 1980s; the need to shift resources within these programmes so that they are much more strongly focussed on the needs of poor people; the need to ensure that the structures within which these programmes operate do not create barriers between the poor and the programmes intended to help them; and the need to avoid actions which push the poor to the margins of society. Some of these objectives could be better achieved by common European action, while others can be more appropriately pursued at the national level. These will be outlined later in this report. What the National Reports show is that substantial progress can be made towards overcoming the festering problem of poverty in Europe, given the will to do so.

THE NEXT PHASE IN THE BATTLE AGAINST POVERTY

A. Some Key Issues

Poverty still exists and is even increasing in all Member States. It affects some people for parts of their lives and some others for most of their lives. It takes varying forms in different States but no State can yet claim to have eliminated it. The Poverty Programme has produced a wealth of evidence about poverty in Europe, through the Pilot Projects, the research studies and the reports of the national independent experts. Although these activities have involved many different techniques and the reports present a wide variety of viewpoints, there is nevertheless a solid core of agreement on certain major and often interrelated problems which need to be confronted.

1. Extreme Poverty

Although it is generally true that the poor do not suffer the depths of poverty common in pre-war years, severe deprivation still exists in Europe.

a. In underdeveloped regions and regions in decline

The National Reports found the most severe poverty in the deprived regions of Europe and in rural areas. Poverty is rooted in the economic and social structures of areas such as the Mezzogiorno, rural Ireland, the Northern Ireland region of the United Kingdom, and parts of rural France. Unemployment, underemployment, low earnings, high dependence on social security and other government aid, demographic imbalance and economic and social stagnation typify many of these areas. Among the Pilot Projects, the Irish National Programme in particular showed evidence of levels of intense deprivation in rural areas.

b. In certain urban areas

Concentrations of severe poverty and multiple disadvantage can still be found in certain urban areas. This was highlighted by many of the Pilot Projects but was also a feature of a number of the National Reports.

c. Dispersed throughout the community

Severe deprivation is to be found not only in areas where there are concentrations of poverty and disadvantage but scattered throughout otherwise fairly prosperous communities. It results from the whole pattern of social and economic stratification which characterises European society and from the inadequate development of many anti-poverty policies. The National Reports highlight in particular the low level of living of many of the poor in Ireland and Italy. The Pilot Projects and some of the research studies offer concrete examples of this continuing problem in other EEC countries.

2. Seriously Disadvantaged Groups

Certain population groups stand out in all the reports as particularly vulnerable to poverty and disadvantage.

a. Immigrants

A common theme throughout the Poverty Programme has been the identification of the disadvantaged position of immigrants and the developing problems of the children of immigrants. These problems were featured in many of the National Reports, in the research study on Persistent Poverty and in several of the projects. The poorest and least well-educated immigrants (particularly those from non-EEC countries) fill many of the most undesirable jobs in the labour market. While for many, life in the European Community has been preferable to remaining in their country of origin, by European standards they have experienced considerable deprivation, low levels of pay, poor working conditions, unsatisfactory housing and cultural isolation. In a period of high unemployment, these workers are particularly hard hit, and are the least well equipped to compete on a difficult labour market because of their low qualifications and poor command of the local language. Moreover, the social security system does not always serve them well.

The children of immigrants, brought up in a deprived background, are seen as a potentially severe poverty problem for the future.

b. Other population groups

Certain groups recur in reports from the Poverty Programme as being at particularly high risk of poverty. They are one-parent families, large families, the very aged, disabled and handicapped people. Poverty is also more likely to occur among the bottom socio-economic strata, especially among unqualified and unskilled workers and among those at the margins of society such as the homeless, drifters, alcoholics and drug addicts. The extent of poverty among these groups varies considerably from State to State. Some Member States have introduced effective policies for many of these groups, while in others adequate programmes have been slow to develop.

3. Work, Unemployment and Poverty

All parts of the Poverty Programme have emphasized the strategic role which employment can play in resolving the problem of poverty. Equally all three draw attention to labour force issues which are creating or influencing poverty.

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

— The growth of precarious forms of employment in recent years in all parts of the labour market is another common theme. The extended use of short-term contracts, temporary work, short-time work, and the growth of intermittent unemployment, added to the normal instability of employment in the low-paying sector, is extending the incidence of poverty. The Pilot Projects report that low pay and precarious forms of employment are driving into poverty workers who were once far above the poverty line. All three sources stress the vital importance of stability of employment if poverty is to be reduced.

— Unemployment has now risen to damagingly high levels, affecting workers of all ages but in most countries falling especially heavily on young people and on those with any kind of labour market disadvantage. The Pilot Projects refer to the 'weight of unemployment' which was a dominant characteristic in all the project areas. The Research Reports on Unemployment and on Persistent Poverty and all of the national experts point to the growth of unemployment as a serious poverty issue.

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

— Unemployment may be said to have been "exported" into other parts of the social security system. The progressive exclusion from the labour market of many who formerly would have been in employment but who now are supported by early retirement schemes, disability pensions and other social security programmes has contributed to the substantial growth in the numbers supported by social security. While the individuals concerned may receive adequate benefits and not suffer income poverty, the excessive growth in the size and cost of the social security system places serious restraints on its ability to upgrade the position of those whose benefits are inadequate and to extend its scope to others in need. The Poverty Programme has identified many such groups for whom greater help is needed.

4. The exclusion of the poorest

The Pilot Projects stress the isolation of the poorest people in society, especially the long-term poor, from the rest of the population. The experts' reports confirm this finding. There is a gulf between the poorest and the non-poor, between the poorest and the services established to help them and between the poorest and many of the normal mechanisms of society.

Low levels of education and training, illiteracy, and for immigrants poor command of the local language, together with the need to devote their energies to the sheer battle for survival both prevent the poor from participating in society and put them in a weak position to seek to change the conditions in which they live. The marginality and isolation of certain groups has often been re-inforced by policies which segregate them in separate and frequently unsatisfactory programmes.

This exclusion and isolation is re-enforced by public ignorance of poverty. The Research Report on the Perception of Poverty adds evidence to the findings of the Projects and the experts' reports on this question.

— About half of the population believes that poverty does not exist in their community (town, part of town or village).

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

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

B - Lessons from the first five years of the Poverty Programme

The programme included a whole range of diverse projects proposed by Member States according to their concerns and priorities. The advantage of this approach was that a wide variety of approaches was included and became known to other voluntary and public agencies throughout the Community. There were, however, disadvantages. First, a project chosen as innovative in one Member State may not be particularly so in another. Indeed another State may have long experience of projects of a similar kind. Second, the programme lacked cohesiveness. As a result, the knowledge gained for the Community as a whole was of less value than if the programme had been built around common themes. On the other hand, it would have been extremely difficult to have made a wise choice of themes right at the start of the programme. The experience of the first five years and the knowledge gained from the studies and the national reports have produced a stock of information from which choices of relevant themes can now be made for the further development of the programme.

What has emerged clearly from the experience of the last five years is how little those working to help the poor knew about the experiences of those engaged in similar activities in other Member States. It is true that the transfer of experience is imperfect at the national level, but national frontiers and problems of language create much larger barriers

of communication. The same is, on the whole, true of research. What the programme has begun to achieve in its first five years is the development of a European Community of project workers and research workers who are aware of each other's work. The various conferences and seminars associated with the Poverty Programme have been useful in establishing contacts and sharing information. Even more useful have been the visits which took place of project workers to similar projects in other countries. These visits were financed from a variety of sources of funds. Such visits need to be promoted more systematically in the future to promote a better exchange of operating methods and experience. It was a serious disadvantage that the Programme consisted of two distinct phases so that no project could expect funding for a period as long as five years. What it is possible to set out to do in two years is very different from what it is possible to do in five years. What is it possible to set out to do in two years? First, projects were forced to take quick decisions. There was not sufficient time to make a full appraisal of a situation before deciding precisely how to approach it. Moreover, considerable time is needed to identify particular types of geographically scattered families which a programme is devised to help, such as the poorest of the poor. Second, the time constraint was a liability for the recruitment of staff as only short-term contracts could be offered. Third, it was more difficult to ensure that a new project was genuinely participatory. It takes time to build participatory structures and for "felt needs" to be identified. Indeed there are dangers of raising expectations which a project has no time to meet. Where this occurs, a project can do more harm than good by creating an even greater sense of neglect. For all these reasons any new programme of projects needs an expectation of funding, subject to performance on agreed lines, for a full five year period.

Similar considerations apply to research studies. It was indeed remarkable that empirical research studies could be designed, the data collected and the results written up on a cross-national basis in the two phases of such short duration. The research workers would, however, be the first to point out that their studies would have been better and their results more useful if they had been given more time. The time constraint influenced what type of research could be done. It gave an advantage to existing research teams and agencies.

The programme made a distinction between cross-national research studies which were wholly financed by the Community and action projects which were half financed by the Community and half financed by Member States. While this was an appropriate division of costs, it had the effect of creating a somewhat unrealistic and, in some cases, undesirable distinction between research and action. Several of the action projects included in practice a considerable amount of research. It was laid down that all action projects had to provide for "regular reporting, analysis and evaluation". While regular reports and analysis are an essential discipline, in a quantitative sense, the term "evaluation" proved to be an overambitious requirement for certain types of action project.

It is suggested that a further criterion should be introduced for the selection of action projects. Special attention should be paid to innovative ways of helping the poor, which have the potential of being more cost-effective than existing methods.

The National Reports would have been more useful if it had been possible to collect new data on a comparable basis or at least re-assemble existing data on as comparable a basis as possible. Instead, the report of each national expert assembled such data as was available using the concepts and definitions which had been evolved for official statistics and for public and private enquiries conducted in each Member State. As a result, it is not possible to make definitive statements on the degree of success of each Member State in overcoming poverty by the same criteria, such as measures of health status, housing defects, lack of amenities and overcrowding, extent of illiteracy or lack of educational qualifications. Even the statistics indicating the extent of low income cover different time periods in different years and are based on incomplete samples from diverse sources (surveys or tax returns). It has, however, been valuable to identify the extent to which different concepts and definitions are used in Member States.

Thus the experience gained over the past five years leads to six conclusions:

First, a further programme of projects and studies needs to be built around common themes to be of maximum value.

Second, systematic arrangements are needed to secure the interchange of knowledge and to transfer innovative approaches between Member States.

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

Fourth, a further programme needs to introduce a specific category of project combining research and action with a clear requirement for quantitative evaluation.

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

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

The case for a further programme is strong. It is almost certain that the extent of poverty has been increasing while the first programme has been implemented. It has been clearly shown that there are approaches which have been developed in one Member State which can be applied in others and that problems have been identified in one State which have

been insufficiently recognised in others although they exist to a similar extent. Moreover solutions to problems have been found in some States which could be applied elsewhere. And in the case of those questions which are not fully understood, such as the relation between health and poverty, there are obvious advantages in acquiring knowledge which can be of value in the development of new policies throughout the Community. By the pooling of knowledge and skills the most cost effective policies can be evaluated. This is of particular importance at a time when resources cannot be found for expensive new initiatives which do not maximise this impact on the poor.

C - Action at the National level

The principal findings of the national independent experts on poverty in each of the Member States (except Greece) and some of the proposals made by them for action to meet certain problems were set down in Chapter IV. The full recommendations of the experts are to be found in Annex II. Member States may wish to examine not only the independent report related to their own country but the reports on poverty and anti-poverty policy elsewhere in the Community. A vigorous debate - for or against the findings of the National Reports - will be a valuable aid to the development of future poverty programmes.

While the main responsibility for policy to combat poverty lies at the national level, some of them need to be co-ordinated at the level of the Community. These will be discussed in section D of this chapter. In this section are set down some of the key recommendations made by the national experts. The reports and their recommendations deserve much discussion at the national level though some of their recommendations may be regarded as contentious. Not all the recommendations were made for all Member States in which the policy was not applied. Nor are they all applicable to every country because the policy is applied already or because an alternative means has been found for resolving the problem. These recommendations could be considered for adoption by any Member State where applicable.

1. The Reduction of Unemployment

This should be the first priority for the battle against poverty not only because it would lift many poor people out of poverty and reintegrate them with society but because it would strengthen the contribution records of many who may later need to claim social security. If for wider economic reasons this cannot be achieved in the shorter run, the existing jobs should be more fairly shared by such measures as shorter working hours, less overtime and more flexible retirement policies. However, in taking such action, the position of the low-paid worker needs careful consideration.

2. Regional Policies

Strengthened policies are needed to ensure that economic developments are not concentrated in the more prosperous regions of Member States. At the same time, social provision for disadvantaged areas (health services, education, housing, etc.) must be upgraded so that a young and vigorous

population can be retained. For both economic and social reasons, a concerted effort is needed to promote the development of regions which have never been fully developed or whose traditional industries are declining.

3. An Effective Minimum Income

Two parallel sets of recommendations were made:

a) The establishment of the right to a minimum income sufficient to maintain the household above the poverty level. Important steps towards this goal would be :

- Minimum wage legislation or other action which secures for those in fulltime work (with equivalent remuneration in proportion for part-time work) a wage sufficient for the basic needs of a household of moderate size.
- A legal right to social assistance maintained at a level to prevent poverty for all those without sufficient other income.
- Family allowances or child benefits which assist all families with the cost of rearing children but which are especially geared to assist the larger low-income family. The real value of these should be maintained.
- Housing allowances which are indexed and take account of income and families' responsibilities as well as the cost of housing.

b) The development of social insurance or the equivalent to reduce the scope of social assistance by securing:

- Coverage of the self-employed, school-leavers and women entering or re-entering the work force after child-rearing.
- Minimum levels of benefit at or above the minimum social assistance levels indexed at least in line with changes in prices.
- The unlimited duration of adequate support during unemployment.
- Rights to sickness benefit for those incapable of work but not entitled to disability benefits.
- Disability benefits for partial incapacity.
- Special benefits for one-parent families and those congenitally disabled or handicapped early in life.

4. Other Recommendations

- a) A re-examination of methods of financing social security so that social insurance contributions do not create poverty or, in the case of employers, contributions do not act as a disincentive to the maintenance of present jobs or the creation of new jobs; the raising of tax thresholds so that people are not taxed into poverty or into deeper poverty.
- b) A strengthening of programmes designed to combat work-related poverty by the establishment and enforcement of minimum working conditions; by giving a high priority to the return to the labour force of the long-term unemployed; and by increased programmes for the rehabilitation and training of handicapped people and others with labour market disadvantages.
- c) The reorientation of educational priorities to ensure that no young person leaves school without qualification and/or vocational training, and to make better provision for children with physical handicaps and learning disabilities. Much higher priority for education and training for adults with redundant skills or no skills, for adult literacy campaigns and the establishment or improvement of programmes to increase local language competence for immigrants.
- d) The reorientation of housing policies to eliminate unfit housing and secure that housing of at least a minimum standard for each family in an acceptable environment is available for all - including the single homeless - at a price which can be afforded.
- e) The systematic elimination from major social programmes (social security, housing, health, education) of methods of organisation and rules which have the effect of reducing the potential benefits of the programme for the poor. The re-allocation of resources within those programmes (where necessary) to strengthen their attack on poverty. The reorientation of health services to promote prevention, improve provision for poor children, the elderly, the psychiatrically ill and mentally retarded and to correct geographical imbalances of provision. Of critical importance is a readily accessible system of primary health care. The provision of subsidised day nursery or day care facilities or the re-imburement of child-minding expenses to meet the needs of low-income one-parent families.

f) Special measures to help gypsies and travellers to retain their cultural identity and their nomadic way of life where they wish to do so. (This recommendation comes from the studies of gypsies and other nomads).

D. Action at the Community level

1. Reasons for Further Community Action

As mentioned earlier, some of the policies for combating poverty require co-ordination at the level of the Community for the following reasons:

a) While the Common Market, with free movement of goods, persons and capital, has brought undoubted economic benefits. These benefits have been purchased at a price.

(i) Enterprises with greater advantages in their field of activity (whether from location, scale, labour cost or efficiency) have expanded at the expense of those enterprises which have less advantages. Some unemployment in the Community is partly or wholly due to the existence of the fundamental policies underlying the Treaty of Rome. The Community has, therefore, a responsibility for alleviating the damage done. The efforts made so far are insufficient. Greater efforts are needed to create alternative employment, to retain personnel and, when necessary, promote the movement of persons.

(ii) Community agricultural policies have strengthened the general position of farmers at the cost of increased prices to consumers, however, it seems that, in general, small farmers have been less able to benefit. Indeed in certain respects their relative position has been made worse as a result of stronger competition from large farmers. As in the case of industry, the Community has a responsibility to give further help to those farmers disadvantaged by Community policies.

b) The experience of operating the Community over the years has shown that social and economic policy are interdependent. This has become clear as the Community has come face to face with issue after issue - whether it is

for example, the restructuring of industries in crisis such as steel, textiles or shipping or the problems of agriculture, wine or fishing rights. These problems cannot be satisfactorily resolved if social policy is subordinated to economic policy. Appropriate initiatives in social policy can make a critical contribution to the solution of economic problems and make economic change acceptable. To promote economic progress at the cost of social progress is like pushing a horse to the post and neglecting the jockey who has fallen off.

c) The principle of free movement of persons is of particular importance at a time when levels of unemployment vary between Member States and within Member States. Any worker who loses a job in one part of the Community has the right to seek it in another. But the full exercise of this right depends upon the social protection available to a worker who crosses a national frontier in search of work. What happens to a worker if he exhausts his right to social insurance benefits? In some countries a worker has a legal right to social assistance and in others he has not. This is an impediment to the exercise of free movement of workers. Some workers who do not qualify for unemployment benefits in another country, have to go back to their country of origin because of differences in social protection.

d) A further group who are treated inconsistently by Member States are gypsies. In some countries the policies place obstacles in the path of gypsies who try to continue their accustomed way of life while in others special facilities are provided for them. Pressure is sometimes exerted on them to settle and adopt the way of life of the majority. In this field there is an obvious need for a consistent policy for the Community as a whole, in case Member States are tempted to try and shuffle unwelcome responsibilities on their neighbours.

e) Article 118 of the Treaty enjoins the Commission to promote close co-operation between Member States in the social field - particularly in matters relating to employment, labour law and working conditions, basic and advanced vocational training, social security, prevention of occupational accidents and diseases, occupational hygiene and the right of association, and collective bargaining between employers and workers.

The present high level of unemployment is an important cause of poverty in all Member States - even in those where the general level of financial provision for the unemployment benefit is relatively generous.

Moreover, while a large Community acts as a buffer, the interdependence of the Community is such that an increase in unemployment in one Member State inevitably generates further unemployment in other Member States. The case for the Community concerning itself with poverty is now stronger than in 1974 because of the higher level of unemployment. Among the aims of social security are the prevention of poverty and a fairer distribution of income. Hence the need for greater co-operation within the Community in matters of social security. And it would be absurd for the Community to concern itself only with benefits and the contributions and taxes raised to finance them. By the pursuit of effective employment, education and health policies it should be possible to reduce the payment of enormous sums for social security by reducing the needs these benefits are intended to meet. In this respect the national reports, studies and projects all show the extent to which Member States can learn from other's experience.

f) There is a limit to the extent to which a Member State can make social progress if it acts alone. Any action which is likely to raise costs of production can place that Member State at a competitive disadvantage. Thus, while an individual Member State may have hesitated to move towards equal pay for men and women and remove impediments to the entry of women to exclusively male occupations, because of the effect on costs of production, such effects are greatly reduced when the Community acts together. Similarly, Member States are hesitant to impose further taxes or social security contributions to pay for wider social programmes if their producers are likely to be put in a less favourable competitive position. The same issue can arise with minimum wage legislation, restrictions on night work, safety at work, rights to compensation on dismissal, and working conditions in general. It is of particular importance in the case of policies for work-sharing, whether it is by reducing working hours, extending the length of holidays or cutting overtime. Policies of this

kind can more effectively be introduced on a Community-wide basis. In so far as they involve higher costs of production, this will apply to all Member States alike and thus will not damage trade within the Community. There is, however, a risk of loss of exports for the Community as a whole because of higher prices. But much depends on the period of time over which measures of work-sharing are phased in and on the extent to which they are accompanied by cost - sharing, such policies could help to prevent further inflation and avoid the damaging effects of counter - inflationary policies, particularly unemployment.

If every Member State moves together in the battle against poverty, progress will be much less hampered by fears about competition. Those States with the least resources can be helped onwards by transfers of resources within the Community. The aim is, of course, not uniform social policies but to make progress on convergent rather than divergent lines.

g) The strength of the Community depends upon the health and cohesion of its Member States. The alienation caused by poverty and particularly political instability which may result in any region which has fallen markedly behind the level of economic and social development of the bulk of the Community is the concern of the Community as a whole. Just as each Member State needs to concentrate its efforts on its underdeveloped regions, so does the Community. Regional disparities will grow wider as the Community enters its second phase of enlargement. The existence of the Community creates a wider reference group by which the residents in the poorer parts of the Community judge their living standards. The principle of "social solidarity" must be extended from the national level.

h) Finally is the question of the "image" of the Community. Political support for the Community is unlikely to be strong if the Community is seen as exclusively concerned with matters of production and trade with special emphasis on coal, steel, agriculture and fishing rights. These are the activities which are almost exclusively reported in the media. In national terms, the Community can easily be portrayed as an agency

which destroys jobs and removes traditional occupations rather than as a real Community which is concerned about the welfare of individual citizens and takes active steps to promote it. The Community needs to be seen to have an active social policy. Part of this social policy should consist of measures aimed at combating poverty.

2. Community Action

It is clear from this report that the Poverty Programme has succeeded in its central purpose of contributing to "the understanding of the nature, causes, the extent and dynamics of poverty in the Community". In the light of this evidence, it is necessary to consider how this deeper understanding can be applied in further action. The programme was conceived before the current economic crisis had grown to its current scale and shown itself to be of long duration. The projects, the research studies and the reports from experts on the situation in each Member State have all shown the many ways in which the economic crisis has exacerbated the problem of poverty in the Community. Moreover, it has been shown that just as poverty springs from a wide range of causes, so measures to combat poverty must reach into a wide range of social and economic policies.

a) Guidelines for wider Community action

1) All Community policies need to take specific account of their effects on poverty. The financial instruments, particularly the Regional Fund but also the Social Fund, EAGCF and the Investment Bank need to be given greater financial strength with the explicit aim of combating poverty: -

- i) By promoting the formation of comprehensive social and economic development plans for the under-developed and the declining regions of the Community where poverty is found in its most acute form (such as in Ireland and Italy) and investing regional funds in the implementation of suitable programmes.
- ii) By assisting small firms and co-operatives starting up in the under-developed regions of the Community and in regions where the traditional industries are in secular decline.
- iii) By extending the forms of compensation available for workers losing jobs in the coal and steel industries to other declining industries to make modernisation and restructuring acceptable in social terms.
- iv) By making funds available for the development and implementation of comprehensive programmes to meet the problem presented by long-term unemployment, including such elements as education and training, rehabilitation, counselling, aids to worker mobility, intensive job placement services and where appropriate early retirement.
- v) By extending provisions to help disabled workers, immigrants without appropriate job skills, and women completing child-rearing to enter or re-enter the labour force.
- vi) By contributing to the financing of national campaigns to combat adult illiteracy, to teach local language skills to adult immigrants and to provide for the additional educational needs of the children of immigrants.

2. The critical direct and indirect links between unemployment and poverty highlighted in this report, strengthen the case for renewed efforts to generate a much higher and more stable level of employment throughout the Community. Initiatives to achieve this should be designed to have maximum impact on the poor. As it will not be possible to return to the levels of unemployment of the early nineteen sixties for many years by the creation of new jobs, the poverty dimension makes it essential for agreement to be reached on a defined package of job-sharing measures. Such a package might include a reduction in working hours, longer holidays, more flexible retirement ages and a reduction of overtime. Such measures should be accompanied by cost-sharing, providing this does not damage the position of low-paid workers. Guidelines for such actions and suggested procedures for follow-up have already been set out in the Council Resolution of 18 December 1979. (*)

3. There needs to be introduced at an early date a minimum income for each Member State. Such a minimum would: -

- i) take account of the resources of the individual or family,
- ii) be available not only for those unable to work because of unemployment, sickness, disability, old age and responsibilities for the care of children, but to those with low earnings and intermittent earnings,
- iii) be provided promptly as a legal right rather than subject to discretion,
- iv) preserve the dignity of the individual.

The Commission is already examining how such a minimum might be established. The precise requirements would need to be worked out in conjunction with Member States, though the level would vary between them. Community funds might be used in some form to promote its establishment. Parallel to a minimum income, minimum standards for housing, working conditions, education and health care are needed to recognise the multi-dimensional character of poverty.

(*) OJ C 2 , 4.1.1980.

4. A phased programme is also needed to fill the present gaps in social security systems. Such an objective was part of the original Social Action Programme. The ultimate aim should be to secure that all are covered by social insurance (or other comparable provisions) against the main risks - at least up to a minimum of protection. In particular, such protection is needed for all the self-employed, for school leavers, the congenitally disabled, and women entering or re-entering the labour force after child-rearing.

5. As the reports of the national experts have highlighted the inadequacies of existing statistics the Commission needs to initiate action to collect comparable data on the poverty situation in Member States on a regular basis. The aim must be to produce a regular series of national reports on poverty; the next series should be completed by the end of 1986 with the aim of monitoring progress at five-year intervals.

6. An Anti-Poverty Clearing House needs to be established for the Community to promote and disseminate experience on efforts to combat poverty. The main functions of such a Clearing House would include the following:

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

7. Social provisions for Gypsies and Travellers reflect conflicting policies within and between Member States. National legislations and regulations as they apply to these minority groups need to be harmonised throughout the Community with the aim of enabling these groups to retain their culture and continue their nomadic way of life.

While the reorientation of wider policies both at the national level and at the Community level is the key to winning the battle against poverty, there are nevertheless areas where it would be valuable for the Community to take an ongoing and specific interest. Whilst it is difficult, at present, to produce an exhaustive list of such areas those listed below are good examples of areas where experiences can usefully be exchanged in view of the extent of common problems identified in this report.

i) Extreme Poverty

More activity is needed to promote comprehensive social and economic development in areas where there is extreme poverty both in declining rural areas and in city centres devastated by industrial change. The experience of earlier projects has shown that much can be done by mobilising communities to help themselves and develop both services and economic activities on a co-operative basis. The emphasis placed on participation in the first programme should be continued. Of special importance is work among immigrants to prevent the second generation being as disadvantaged as their parents. Further cross-national research on transmission of poverty between generations and how this cycle can be broken is of high priority. Of no less importance is research on the relation between health and poverty. What new ways of providing services built upon community participation can be developed to improve the health of the lowest socio-economic groups in Member States?

ii) Seriously disadvantaged groups

The special problems of immigrants has been included above, as some (but by no means all) immigrants face extreme poverty. Among the other seriously disadvantaged categories are one-parent families, the elderly both those living at home and those in institutions, and homeless families and individuals. Further measures are needed to combat the isolation of these groups and develop new types of services. The experience gained from the first programme must be applied elsewhere and good practice adapted to other local situations.

iii) Employment

The groups who are particularly hard hit by the economic crisis are the borderline disabled, the handicapped, the long-term unemployed and those with limited literacy or knowledge of the local language. New experimental projects are needed to help these groups to re-enter the employment market.

iv) Orienting social programmes towards the poor

First, studies are needed of the allocation of public expenditure and the extent to which the poor and particularly the poorest derive benefit from social programmes. More work is needed on the problems of take-up of income tested programmes and measures to improve it and on the use made by the poor of health and social services. More experiments are needed in co-ordinated social action to make services more accessible and reduce bureaucratic obstacles to use and strengthen the skills of the poor in using what is provided.

v) Exclusion

The attitudes of the non-poor and ignorance about poverty have been identified as major underlying obstacles to progress in the battle against poverty. Further research is needed to probe public attitudes at greater depth and action to improve public knowledge and mobilise wider support.

The experience of the first programme against poverty has demonstrated that effective action is possible, but that much more needs to be done. The worsening economic situation has, moreover, exacerbated the poverty and isolation of certain groups in the population. Further action at Community level to promote measures against poverty is clearly necessary. The Commission will pay great attention to the reactions which it hopes this report will stimulate within Member States, and will take them into account when preparing future proposals in this area.

E. CONCLUSION

Member States undoubtedly have major responsibilities to help the poor of the Third World who face starvation and degradation on a scale now unknown in Europe. But this provides no justification for neglecting the relatively poor at home. Nor does the argument that provision for the poor is substantially better, in a whole variety of ways than twenty, let alone forty, years ago. Nor is it morally acceptable to wait for an upturn in the World Economy at some distant and unpredictable date before giving a new impetus to the struggle against poverty. To postpone action is to risk damage to the social fabric which could last a generation. The social consequences of the current economic crisis have already fallen disproportionately on the poor. The Community must create the preconditions for the economic adjustments needed to escape from the crisis. Economic change must secure basic social consent.

What is needed is to demonstrate the political will and mobilise public support for the battle against poverty. At the level of the Community, anti-poverty action needs to be given high priority in the discussions about the restructuring of the Community's budget and finances. At national level, the cost of new initiatives need not be high. First, ways could be found of concentrating further help on those in greatest need. Second, a considerable part of the necessary resources could be found by reorientating existing programmes. Third, a major part of the strategy consists in the generation of new jobs and the sharing of existing jobs. Thus the net cost is far below the gross benefit to those currently in poverty, because of savings in social security funds and the extra yield of both taxation and social security contributions.

But the case for resolute action does not rest on any crude calculation of costs and benefits, whether gross or net, whether short term or long term, whether tangible or intangible. It rests on equity, compassion and solidarity and the evident need to give new hope to the 30 million people in the Community who are currently denied social justice.

A N N E X E S

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ANNEX 1

NOTE TO THE READER

In order to enable those readers who are interested to examine the documentation upon which this report is based a limited amount of documentation is available from the Commission and complete sets of national reports and final reports from the projects and studies have been lodged with the Commission's information offices throughout the Community as well as with a selection of university and other libraries. Further details may be obtained from the

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ANNEX II - RECOMMENDATIONS IN THE REPORTS

OF THE INDEPENDENT EXPERTS

The following is a summary of the main recommendations in the National Reports. It should be noted that the findings upon which there are based are not always covered in chapter IV of this report, or may be discussed there in insufficient detail. It will therefore be necessary to read the relevant section of the original National Report to understand the reasons for some of the recommendations made.

1. The German Report

The study has revealed gaps in the system of social security and shortcomings with regard to the handling of specific regulations, both contributing factors to the problem of poverty that still exists today. One approach to combating poverty more effectively is a systematic and coordinated effort to fill these gaps. The following points are intended only as a sketch of such changes to the system of social security. The aim assumed here is to avoid concealed poverty and the need to apply for social assistance. It was not the purpose of the report to analyse such proposals in detail. The following points should therefore be regarded as contributions to the general discussion.

Social assistance in the form of current maintenance assistance would become superfluous and concealed poverty would disappear if certain minimum standards at or slightly above the social assistance level were incorporated into individual social benefits. This could be achieved by :

- introducing a minimum standard for unemployment relief to be granted only to persons in need, so that additional social assistance would not be necessary; this would be financed by Federal funds as in the past;
- using unemployment relief as a need-related supplementary allowance when unemployment pay is below the above-mentioned minimum standard unemployment relief;

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- introducing a need-related supplementary allowance to old-age pensions that fall below the social assistance level. Here a non-recurring means test is to be carried out where the pensioner's income situation will in all probability remain unchanged for the rest of his/her life; the Federal budget would have to pay for this;
- applying a similar regulation to the disability pensions for incapacitated persons; the need related supplementary allowances could be limited to a certain period of time unless the need is proved again. This should also apply to persons who because of early disablement/incapacitation have no claim to disability pensions under statutory pension insurance.

Beyond these minimum standards, the following corrections would eliminate the need for social assistance in many households :

- an improvement to the housing allowance system by means of a further reduction in the rent-burden-ratios for persons in the lowest income categories and for families of more than four persons and a raising of rent ceilings; housing allowances should be calculated on the basis of earnings prior to receipt of social assistance (NA) to ensure the complete subordination of social assistance;
- allocation of more state-assisted dwellings to social assistance recipients;
- an extension of the compulsory benefits paid by maintenance loan funds up to the child's 18th birthday;
- an adjustment of children's allowances, especially for households in relative poverty with three or more children, in line with the standard rates of social assistance as well as a general index-linking of children's allowances;
- special parental benefits in the first three years for single parents with children, followed by special payments to help cover child care expenses.

For persons nonetheless dependent on social assistance, the following changes would improve the situation :

- a marked raising of the standard rates, thus restoring the relationship to other types of income at the level following the reform of the basket of goods (1972); regular adjustment on an annual basis in line with pension increases;
- discontinuation of the cost refund claim against the children of social assistance recipients; the parents should also be released from this obligation inasmuch as the person receiving social assistance is over 27 or if he is of full age and special circumstances apply in his case;
- replacement of the frequently granted "non-recurring benefits" by an overall 10% supplement to the standard rate; in this way, non-recurring benefits would be limited to extraordinary circumstances;
- raising the private means limits to an amount corresponding to one year's standard rates and linking them to increases in standard rates;
- improved help in retaining dwellings in order to avoid homelessness;
- very limited use of the grounds to exclude persons from receiving social assistance and a broader integration of vagrant persons in the system of benefits;
- broader application of social assistance also for foreigners
- improved information policy, also with regard to other welfare institutions.

The cost burden connected with the increased activities would be made lighter for district and local authorities by the reduction in expenses for

Note : An official statement by the Bundesministerium für Familie, Jugend und Gesundheit referring to the report of the independent experts has been sent to the Commission in February 1981. It expresses the diverging views of the Ministry about certain questions, especially with respect to the concept of poverty and the methods of comparison. Additionally, it is pointed out that some of the results depend on data that are rather old.

current maintenance assistance stemming from the above-mentioned minimum standards, which would be paid by the Federal budget.

A determined poverty policy, progressing in the direction outlined above in the course of a longer-term development process, could gradually eliminate the problem of material poverty. It could also make it easier to overcome other aspects of the poverty problem.

II. The Netherlands Report

The proposals are deliberately tentative in nature. They are not intended to indicate concrete measures, they only try to point out the importance of certain points. Poverty is defined here as an inadequate income. Thus combating poverty in its most direct form consists of raising the incomes of the poor. For the self-employed amongst the working population this means a number of measures in the field of business economics and for the wage earners amongst the working population an increase in the lowest wages. In this connection mention is most often made of raising the statutory minimum wage and general classification of jobs. As far as those in receipt of benefits are concerned the first move is to raise benefits.

In all these cases it is necessary to take into consideration general economic-financial constraints. These constraints would appear, for instance, to exclude the raising of benefits to any extent - at least in the short and medium term.

For this reason it would seem sensible to focus attention on two other fields, in which poverty could be combated with some effect.

- It has already been shown that the poor benefit comparatively little from a number of amenities. This concerns, for example, a number of comprehensive and expensive facilities in the field of housing and education.

It is strongly recommended to keep in mind that, with the aid of this greatly expanded system of services provided by the state, a substantial redistribution of income can be realised. The judgement of all these measures partly on their redistribution effect, making adjustments where necessary, can lead to a de facto correction of the lower disposable incomes. A correction which is not in terms of available money but in the form of specific services.

- further it has been found that a considerable income gap has come into being between the active and the non-active. The struggle against poverty would therefore be served by a decrease in the volume of the non-active population. This amounts to the creation of extra jobs or a redistribution of existing jobs.

It must immediately be added that this solution offers no scope for large categories of the non-active, such as the elderly and the severely disabled. Specific measures would be needed here in addition.

Orientation on this solution offers a number of advantages. There is an attempt being made in the Netherlands to drastically increase the number of jobs, on grounds which are connected with the shrinking number of people bearing the burden of the non-contributory benefits schemes and the view that unemployment - apart from its material consequences - must be considered unacceptable for humanitarian reasons. Linking up with this endeavour by adding the struggle against poverty as an objective seems an opportune idea.

As possible measures directed towards reducing the volume of the non-active there are the following suggestions :

- (1) Better attunement of supply and demand on the labour market
 - a. Improvement of placement of labour
 - b. Material and immaterial improvement of the quality of work
 - c. Improvement of the structure of remuneration for unpleasant work

(2) Redistribution of available jobs

The idea behind this is that the quantitative shortage of work as an important cause of inadequate opportunity for certain categories can only be fundamentally combated by means of a drastic redistribution of labour.

- a. Paid educational leave
- b. Recurrent education
- c. Shorter working hours (on condition that remuneration is suitably adjusted)
- d. 5-shift work
- e. Restriction on overtime

III. The Irish Report1. Low Pay

There is a significant problem of poverty among the low-paid with families. A minimum wage is not recommended, because of its probable adverse economic effects, but it is suggested that the tax and transfer system should be restructured to increase the disposable income of low-wage earners.

Proposals on family support payments are included in the social security recommendations.

2. Unemployment

Unemployment continues to be a severe problem and a labour surplus is likely to persist because of Ireland's high level of population growth and certain structural features of the labour market. However, there are steps that can be taken to ameliorate the situation. These include :

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- a) A more selective use of government expenditure, a more critical view of the composition of government spending as it affects employment, and a counter-cyclical use of public sector capital expenditure;
- b) A review of the whole industrial development strategy is required. In addition, research should be concluded on the distributional effects of the subsidies and grants used for job creation;
- c) Employers' social security contributions are a tax on employment, and their elimination should be actively considered as a preamble to the extension of any subsidy schemes.

3. Social Security

A number of problems have been identified both within the social security system and in its relationship with low earnings and with the tax system. In the long term a move to an integrated tax and transfer system is considered desirable. In the short term attention needs to be given to the following :

- a) An increase in the level of welfare payments is required. In addition, some attempt should be made to systematically measure the costs of living for poor households and families and to establish some explicit relationship between living costs, a definition of a minimum income and the amount of social security payments;
- b) Children's allowances and tax allowances for dependent children should be integrated into one child benefit cash payment at a higher level than the current children's allowances payments;
- c) The possibility of a national income-related pension scheme should be further explored;

- d) Ireland has a high level of self-employment. Means should be sought to bring the self-employed into the social insurance system.

4. Housing

- a) Continued efforts are needed to deal with problems of unfit and sub-standard housing and the problems of homelessness.
- b) Changes are needed in the present system of setting public sector rents for old and new property, which at present leads to a number of inequities. The report draws attention to three possible courses of action.
- c) The housing subsidy system requires review in order to produce a more discriminating policy for the subsidisation of owner-occupation and to introduce subsidies for the private rental sector.

5. Health

- a) Positive measures to improve the health of the poor would have to include improvements in housing conditions and in the general living and working environment of persons of low income and would not be confined solely to the health services per se. An increased emphasis on preventive health care and on health education could contribute substantially to overall health and wellbeing and in so doing would also reduce the risks of ill health for the poor.
- b) There is a need for empirical study estimating the health care needs of the poor, the nature of the hazards peculiar to poverty which they face; whether some of the hazards might be mitigated; whether the health

services respond to the health needs of the poor; and whether there are any at present unknown barriers to their appropriate utilisation of health care services. In addition, there is need for an examination of the adequacy of the income maintenance provisions for the sick, particularly for the long-term sick and disabled, for many of whom poverty and ill health go hand in hand.

- c) Attention needs to be given to the control and containment of health care costs.
- d) In the health scheme, entitlement to Category I eligibility should be automatic, according to means rather than discretionary. The eligibility guidelines for farmers should be reviewed. Family status should be taken into account in assessing Category II eligibility. Empirical study of the incentive effects of the cut-off points for eligibility is needed.

6. Education

- a) Emphasis should continue to be placed on improving the quality of educational provision at primary level and ensuring in particular that educational standards are maintained in deprived areas.
- b) The "free" secondary education scheme should be examined with a view to replacing it by a selective maintenance grants system to overcome the financial barriers to continuing education experienced by lower income students.
- c) The primary and secondary school curricula should be critically examined in the light of the needs of working class employment, developments in technology and the predicted high levels of unemployment.
- d) The present system of financing students through third level education should be replaced by more progressive schemes such as a graduate tax, or an educational loans scheme, which take account of the subsequent economic benefits enjoyed by those who go through the system.

7. General

- a) Given the considerable constraints on the resources likely to be available for public expenditure on social services in Ireland for a number of years, it will prove extremely difficult for Irish governments to make unilateral progress towards the harmonisation of working conditions and the standards of living of Irish workers with those of other Member States, envisaged in Article 117 of the Treaty of Rome. This makes it all the more important that the best possible use be made of existing resources and that the provision of services and benefits be targeted on those in greatest need.
- b) The report also identifies problems of both rural and urban poverty. The observed pattern of multiple deprivation indicates the need for coordinated policy interventions. The development of policy against poverty in Ireland is hampered by the scarcity of statistical data and research. Without some of the most basic information, the lack of which has been highlighted throughout the Irish report, it is not possible for a comprehensive anti-poverty policy to be developed, nor is it possible to learn about the impact of policy interventions nor pinpoint the areas of greatest social need.

IV. The United Kingdom Report

1. Low Pay

- a) Concentrated union attention on the needs of the lowest paid, combining the following elements :
- the extension of unionisation among the "hard to organise"
 - the development of means to up-grade the pay of the lowest earners without triggering off a readjustment process across the whole pay structure
 - union assistance to improve company and worker efficiency

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- b) Active pursuit of anti-discrimination legislation, particularly (but not only) to implement fully the Equal Pay Act and to tackle questions of job segregation.
- c) Either a serious attempt to make the Wages Council system workable and adequate, including the setting of low pay targets, or a full re-examination of the potential of a national minimum wage and how it could be phased in to ensure the least possible adverse economic effects.
- d) Improved and indexed Child Benefits.
- e) The raising of the tax threshold to exclude the low-paid from tax liability.

2. Unemployment

- a) Expansion of the Youth Opportunities Programme to make some impact on the severe problem of youth unemployment. *
- b) Expansion of the Special Temporary Employment Programme from a current ceiling of 14,000 places in a limited geographic area to a substantially larger number of places available in any part of the country where there is a concentration of the unemployed.
- c) More detailed attention by the Manpower Services Commission to the needs of the long-term unemployed, particularly, but not only, the prime age unemployed. Programmes suggested include more extensive training provisions as well as more intensive employment placement services.
- d) A review of the special problem presented by the long-term older unemployed, who have poor prospects of returning to work, even if unemployment begins to fall.

* Since this report was completed, expansion of YOP and some moves in relation to STEP have been initiated by government.

- e) An extension to the long-term unemployed of the right enjoyed by other Supplementary Benefit recipients to move from the short-term to the higher long-term rate of benefit after 12 months.
- f) A longer term review of the social security system as it relates to the unemployed.

3. Social Security

The social security system has become complex and unwieldy and requires considerable revision. When this takes place, some of the more obvious priorities for action are as follows :

- a) Improve pensions for those too old to benefit (or to benefit significantly) from the 1975 Social Security Pensions Act.
- b) Improve occupational pensions for manual workers as well as arrangements for the preservation of pension rights of employers who leave before pension age.
- c) In the longer term, introduce a long-term unemployment insurance benefit. In the short term, extend the long-term rate of Supplementary Benefit to the unemployed. In both cases, combine this action with an increase in Child Benefit to offset possible work disincentives.
- d) Restore the recent cuts in value of basic unemployment and sickness and invalidity benefits.
- e) Increase the Child Benefit Premium and extend the earnings disregards for one-parent families.
- f) Introduce a long-term Supplementary Benefit rate for children whose parents qualify for the long-term adult rate.

- g) If employers are to be made responsible for the first eight weeks of sickness as the government proposes, then substantial improvements will be needed in employers' sick pay schemes and an adequate minimum level of allowance set.
- h) Raise the Non-Contributory Invalidity Benefit to the full contributory rate.
- i) Resume the study of the possibility of a general disablement allowance and consider the introduction of a benefit for partial incapacity.
- j) Reduce the gap between the short and long-term rates of Supplementary Benefit by upgrading the former.
- k) Monitor the effects of the recent reform of Supplementary Benefit, especially on lump sum payments.

4. Housing

- a) Reverse the decision to single out public housing to bear a disproportionate burden of the general expenditure cuts.
- b) Reallocate resources across the three housing sectors, giving priority to public housing and re-examining the exclusion of the private sector from subsidy arrangements.
- c) Introduce a comprehensive housing benefit.

5. Health

- a) Clarify the relationship between health and poverty through improved data collection and further research.

- b) Redirect the resources of the National Health Service towards prevention and towards services to low-income people, mothers and children.
- c) Recognise that the origin of many health problems lies in the whole network of poverty and disadvantage and take action accordingly

6. Education

- a) Give serious attention to questions of resource allocation between and within local authorities and between educational sectors with the object of ensuring that high priority is given to the needs of poor children and disadvantaged adults.
- b) Develop or improve programmes which could improve the quality of education and enhance the opportunities of disadvantaged children and adults, including :
 - reshaping the educational arrangements for the handicapped;
 - extended nursery provisions for socially deprived and handicapped children;
 - improved programmes for ethnic minority children;
 - expansion of further and adult education with emphasis on the needs of the unqualified;
 - maintain adult literacy programmes;
 - give attention to the life-long learning needs of the population in a time of technological change.

V. The Luxembourg Report

The National Report did not contain any recommendations in the first instance. However, the Study Group on the Problem of Poverty on reviewing two other studies related to poverty in Luxembourg*, put forward the following propositions :

- a) The households having two or more children face a serious deterioration of living standards in comparison to households without children or with only one child.
- b) Of the households of retired people, 20 % are in a situation of poverty or at risk.
- c) A comparatively large proportion of immigrants are in poverty or at risk -- in spite of the fact that they are strongly involved in the production process.
- d) The absence or low level of schooling and of vocational training are very closely related to poverty situations and to poverty risk.

In consequence, the team has recommended to concentrate in policy elaboration on

- families with two or more children
- immigrant worker households
- people in retirement
- schooling and training for the young.

* The EEC Anti-poverty Programme research study on Persistent Poverty and a study undertaken by the Economic and Social Council related to Minimum Income.

VI. The Danish Report

The leader of the Danish team did not present explicit recommendations because policies for low incomes are at present under consideration in a government commission on low incomes of which he is a member.

The majority of the members of the commission are representatives of employers associations, trade unions and government departments. The commission centres on the economically active low-income earners. It will present proposals for policies that would encourage a more even distribution of primary incomes such as education and employment policies and proposals for policies that affect redistribution of incomes such as transfer payments and housing policies, etc. The report of the commission is expected at the beginning of 1982.

The leader of the Danish team wants to emphasise that policies which have alleviated the intensive manifestation of poverty in Denmark have been mainly of a universal nature and have been aimed at the poor only to a limited extent. This is true of social security schemes, employment policies, education, the health services and part of the social services. Services have been available to all who have needed them. This is not merely a formality; the services have in fact been widely used by all social groups, though education and housing policies have given advantages to the middle and upper income groups rather than the lower.

There has over the last decades been a growing problem in Denmark of rejection of the handicapped and other weaker groups by the labour market. This would have led to extensive poverty had not society provided quite a high degree of compensation by way of social security

payments to everyone without gainful employment. The leader of the Danish team finds that for humanitarian as well as economic reasons policies and programmes should be established for the employment of those groups which are excluded from gainful employment.

VII. The French Report

Until recently, French anti-poverty policy was primarily intended to benefit aged persons, whose income has been increased in real terms, and to improve the position of families. For the latter also, attempts were made, though with much less success, to raise their level of living notably by introducing arrangements to supplement the means of families in the poorest conditions. The recent evaluation by the national experts of these policies brings out clearly the general characteristics of an anti-poverty policy based on measures for certain sections of the population but which had never established a more general strategy inspired by the principle of a guaranteed minimum of resources for all persons. This 'sectional' aspect also created difficulties of access to assistance.

It happened that in February 1981 a specific report, asked for by the French Government, gives the main directions of what should be the fight against poverty and precarity for the future. First, it underlines that the problem of employment is at the heart of the action in this direction, the other social measures would lose their efficiency. Second, it considers that a policy of assistance is not a relevant answer to the problem of poverty but that we have to direct ourselves towards the route of a more preventive action. Therefore, four main directions are underlined :

- guarantee the resources of the poor people, either by ameliorating the system of financial assistance, or by extending its field of application, or even by creating new kinds of help for situations which are not covered by the present system of social protection.
- create better conditions for a correct social integration by taking new measures in the fields of employment, housing, health, consumption, relations with justice.
- develop a better knowledge of poverty.
- create some national or international structures to promote these reforms, mainly a social fund to relieve poverty and a local development programme to help local agencies to eradicate poverty.

Among the principal change envisaged are the following :

- a general simplification of the process of access, based on the principle that rights are guaranteed at the first application and that verification will only be undertaken at the second stage. The intention is to substitute checks (control) after the event for checks made in advance.
- a general upgrading of benefits for old age, family, and disability, which will be progressively brought into line with the level of the minimum wage.

- the introduction of a special temporary allowance for all who have no other source of income.
- an improvement in the local (social service) teams and the affirmation of the right to benefit from their services.
- a more active programme to combat unemployment combined with substantial programmes for the training of young people.
- a better co-ordination between measures taken by the central authorities and those taken by local government in order to increase the efficiency of the total system.

At the time when we terminate this report, a new government is now in charge of the affairs of France. The presence in this government of a "Minister of State, minister of National Solidarity" may indicate that Social Policy is becoming an urgent priority and that most of the measures that we have quoted above will be applied at an early stage.

VIII. The Belgian Report

The Belgian report was prepared by three teams. The following is a composite of their recommendations.

1. All three teams emphasise the importance of basing anti-poverty policy not on an analysis of poverty which attributes the causes to individual characteristics, but on one which stresses the multi-dimensional and cumulative nature of poverty and which seeks its causes in the economic, social and organisational structure of society. It is also important to recognise that participation in the process of production is at the core of the poverty problem.
2. In the development of anti-poverty policy the following principles should be adopted : -
 - the principal effort ought to be concentrated on the principle and methods of operation of the policies of intervention, rather than on an increase in subsidies.
 - policies should shift their emphasis from the identification of the 'problems' of individuals to a recognition of the importance of the social milieu and of social relationships ; from the identification of a series of 'lacks' for which 'compensations' are given to policies which aim at the transformation of the factors producing poverty and at the management of resources allocation.
 - there should be a move away from organisational arrangements which produce fragmented policies of intervention to the development of integrated programmes, and from an over-emphasis on means to an emphasis on results.

- policies which destroy and then replace existing communities and the means by which such communities function should give way to policies which support the auto-solutions already practised by poor and marginal populations.
 - the programmes which are developed should aim to stigmatise and marginalise the poor as little as possible, and to stimulate the participation of the poor.
 - emphasis should be placed on policies of development and reconstruction, both global and territorial.
 - in developing research to aid improved anti-poverty policy, the same general principles should be applied.
3. Certain specific policy recommendations are also made :
- a. In view of the programme of participation in work as a means of overcoming poverty and of the growing number of poor who have neither work nor unemployment benefit, energetic policies ought to be adopted to overcome the problem of unemployment and to extend remunerated activities. Such action might include :
 - a redistribution of work opportunities through work-sharing.
 - short term measures such as the reduction of working hours.
 - measures to shift public and private investment into 'industries of the future'.
 - the recognition as socially valuable and therefore subject to financial remuneration of a series of activities that are less productive from the economic point of view but that are essential to the existence of a human form of society. This means more than the remuneration of home duties.

- b. There should be explicit recognition of the right of every individual to a minimum social income which enables him/her to live a life near to the general standard of living in his/her society. This guaranteed income should be available as a right, without the imposition of restrictive conditions and without the intention of influencing the behaviour of the recipient.

Access to Minimex should be maximised and this benefit should also be updated.

- c. The introduction of a guaranteed minimum income ought to be undertaken in the context of a redistribution policy which includes the establishment of a socially desirable maximum income. High incomes determine the production and allocation of goods and services in society, a factor which can mean that the needs of lower income groups are insufficiently met even when a fairly high minimum income is guaranteed.
- d. Supporting policies should be directed to enabling the poor to act independently (especially independently of social workers). This not only means eliminating deprivation in for example health and housing, but also ensuring that the poor have sufficient knowledge of and control over their social environment. For example the best schools should be built in poorer neighbourhoods and efforts should be concentrated on adult and recurrent education for the most deprived groups in society.
- e. Certain policies are assisting part of the population but excluding others who may have the greatest need. It is proposed that an official authority be created charged with reviewing legislation to establish how far it extends or reduces social inequality.

- f. The report also recommends a number of additional research projects which ought to be undertaken.

IX. The Italian Report

General

1. Since poverty is a multi-dimensional and global phenomenon, an intervention which seeks to combat this problem in an adequate way must have these same characteristics.
2. A major effort ought to be directed towards prevention, since new situations of poverty are always developing.
3. Poverty is a specific problem which calls for a specific policy to resolve it. It cannot be combated effectively by relying solely on the total effects of general social policies.
4. If the difficulties being experienced at present with the system of the welfare state (and its generalised benefits) result in a general reduction of these benefits, the first to suffer will be the poorest families ; it is necessary therefore to deal with the present financial crisis by substituting for the principle of universality (which benefits the middle classes) that of selection in favour of the most disadvantaged. If a new problem of 'stigmatisation' is likely to emerge from this orientation, then methods to overcome this should be examined.
5. The poor do not have - by definition - any established social influence or power. Therefore it is necessary to create a kind of 'guarantor of the rights of the poor' who has the power to co-ordinate specific anti-poverty policies and to supervise the application and control the effects of other policies involving the poor.

6. Because little importance has been given to the problem of poverty, knowledge in this domain is insufficient and fragmentary : it is necessary then to mobilise resources to build up greater knowledge and to ensure the availability of essential data (including improved collection of statistics).

Specific Actions

1. Work

a) A general policy to promote employment opportunities is a priority objective. In addition to current activities, steps should be taken to create new jobs in the public sector which represent a different kind of productivity : the defence of the environment, the protection of cultural and artistic heritage, the development of social services, etc.

b) Support ought to be given to labour-intensive industries, by means of a reduction in labour costs (for example, exemption from social security contributions). These measures would be particularly useful for enterprises which have a poor productive capacity and in which wages are low.

c) The system of unemployment benefits ought to be revised to make it more just. At present, the Wages Integration Bank is a very effective system to protect certain workers but it does not cover all in need of assistance. The system ought to be rationalised with a view to ensuring a certain period (one year ?) in which all unemployed persons are guaranteed 80 % of former wages, the introduction of a system of registration for all those seeking employment (together with a reform of the Employment Service) and finally the establishment of a minimum family income (to be discussed later) for those who cannot find new work.

d) A revision of the norms on work carried out at home with the aim of reducing the size of the 'black economy' ; in particular, employers could be exempted from payment of social security contributions in order to eliminate one of the reasons for 'hiding' this form of work.

e) The support of agricultural employment, by selecting areas where the productivity of the soil is by nature low, but where the abandonment of agriculture would produce major disadvantage.

f) Support for young people seeking their first jobs, by exempting new engagements from social security contributions for three years.

2. Education

a) Exercise more effective control over families to ensure that children complete compulsory education.

b) Strengthen educational support staff in districts where the poorest families live.

c) Develop full-time schools in the same districts.

d) Organise regular activities for school children during the very long summer vacation (beginning in the poorest districts).

e) Be more selective (in relation to family income) in allocating subsidies for students at university and develop programmes to benefit students at upper secondary schools.

3. Health

a) Monitor the implementation of the objective set down in the new National Health System to achieve a better territorial distribution of services.

b) Develop health education at school and in the workplace.

c) Promote a campaign against infant mortality.

d) Develop preventive health measures, control harmful work conditions and improve safety at work.

4. Housing

a) A rapid expansion of direct intervention through the public sector in favour of the poorest families and subsidies for private enterprises who build housing for rent.

b) Revise the rents of public housing where they are occupied by families who are not poor ; make housing allowances available to poor families.

c) Finance improvements in housing owned by poor families (particularly in the major cities and in the rural areas).

5. Social Security

a) Achieve at all costs and as quickly as possible a complete register of those with pension entitlements, an essential first step towards the reform of the whole system.

b) Introduce into the social security system a minimum guaranteed family income (together with the elimination of the 'social pension' and revision of invalidity pensions where these have been granted inappropriately).

c) Family allowances granted in inverse proportion to family income and only to families whose income falls below a defined level.

d) Special allocation to families with low incomes who are caring at home for dependant aged persons.

e) Elimination of the present variable minimum pension levels and the creation of a minimum family pension.

6. Taxation

a) Raise the tax threshold to the level of the minimum income guarantee.

b) Exempt from all tax donations to public and private social aid agencies (following the example set at the time of the 1980 earthquake).

7. Studies and research

a) Include among the important subjects of national interest the question of poverty and the mechanisms which create it, and develop also the production of official statistics necessary to the study of poverty.

b) Create a specific centre to maintain a continuous review of the problem of poverty and its new manifestations (for example : a new poor population is beginning to develop among recent foreign immigrants who have entered the country more or less clandestinely).

PETERSEN : THE STANDARD RATES UNDER THE BSHG
(BUNDESSOZIALHILFEGESETZ -
FEDERAL SOCIAL ASSISTANCE LAW)
- THE WAY THEY ARE CALCULATED AND
FIXED AND THEIR SIGNIFICANCE

Source : Kleinere Schriften des Deutschen
Vereins für Öffentliche und
private Fürsorge (Papers published
by the German Association for
Public and Private Welfare)

Frankfurt 1972 (abridged)

Structure of the current shopping basket which forms the basis for the standard rates of social assistance (regular assistance to maintain subsistence level) for adults or single heads of household in the Federal Republic of Germany. Similar shopping baskets are calculated for children of different ages. In addition to the standard rates, rent and heating costs and "non-recurrent expenditure" are borne by social assistance. The last time the shopping basket was put together was 1970. This was done by the German Association for Public and Private Welfare, which has also published details of the goods and services contained in the shopping basket.

1. FOODSTUFFS

GOOD	QUANTITY IN GRAMS PER MONTH
Black bread (rye bread)	2385
Wheat and rye bread	2385
White bread	1135
Pastries made with yeast dough (croissants,buns)	1000
Rusks	--
Cakes (plain cake)	720
Wheat flour (type 405)	640
Semolina (not for infants)	40
Noodles, egg products	85
Macaroni	85
Long grain rice	150
Rolled oats	55
Starch flour (infants)	100
Blancmange powder	55
Lentils (pulses)	100
Garden peas (pulses)	55
Potatoes	6100
White cabbage	200
Savoy cabbage	220
Cauliflower	230
Red cabbage	200
Kohlrabi	--
Carrots	250
Spinach	100
Lettuce	360
Leeks	650
Onions	410
Green beans	160
Green peas	20
Tomatoes	350
Salad cucumbers	280
Preserved vegetables, young peas	285
Preserved vegetables, green beans	285
Preserved vegetables, fresh vegetables	250
Preserved vegetables, asparagus segments	250

GOOD	QUANTITY IN GRAMS PER MONTH
Deep frozen vegetables (spinach)	70
Dessert apples, Category II	1160
Sweet cherries	220
Plums	220
Strawberries (not hothouse)	180
Grapes (grown outdoors)	280
Lemons	160
Seedless oranges	690
Ripe branded bananas	690
Dried fruit (plums and apples)	--
Apple puree, top grade	150
Peaches (tinned)	75
Pineapple segments (tinned)	75
Shelled peanuts	40
Sugar	1170
Jam (single fruit)	130
Imported honey	90
Chocolate, standard quality	155
Boiled sweets	110
Cocoa	--
Beef for boiling	200
Beef for braising	200
Roast pork	225
Pork chop	225
Veal	70
Minced meat	175
Boiling fowl (deep frozen)	545
Offal (heart/lungs)	180
Streaky bacon smoked	135
Cooked ham (hind-quarters)	70
Corned beef	130

GOOD	QUANTITY IN GRAMS PER MONTH
Veal liver sausage	225
Lightly smoked sausage	225
Sausage spread	360
Salami	90
Cod	330
Herrings in tomato sauce	205
Bloaters	60
German eggs, Category A	15
Weight category 3	
Fresh whole milk in bottles	6130
Condensed and evaporated milk	1235
Yoghurt	140
Cream	120
Curd cheese	545
Harz cheese	325
Edam or Gouda cheese	150
(40 to 45% fat)	
Tilsit cheese (45% fat)	150
German butter	570
Margarine ... (illegible)	600
Vegetable fat (coconut based)	90
Lard	100
Cooking oil (vegetable oil in tins)	175

2. COOKING AND LIGHTING

GOOD SERVICE	UNIT OF QUANTITY	SINGLE HEAD OF HOUSEHOLD	
		MALE	FEMALE
		QUANTITY	QUANTITY
GAS reduced rate for monthly consumption up to 25 m ³			
Basic or offsetting charge	monthly	1	1
Cubic meter	1 m ³	18	18
ELECTRICITY reduced rate for monthly consumption up to 48 kWh			
Basic charge	monthly	1	1
Operating rate	1 kWh	16	16
100 Watt bulb	1 pc	0.083	0.083

3. CARE OF SHOES, CLOTHING AND UNDERWEAR

GOOD SERVICE	UNIT OF QUANTITY	SINGLE HEAD OF HOUSEHOLD	
		MALE	FEMALE
		QUANTITY	QUANTITY
Care of shoes	once	0.083	0.083
Resoling of shoes			
Care of clothing and underwear			
Sheets, towels	1 pc	0.030	0.030
Haberdashery		0.3	0.3
Purchase of low cost underwear			
Man's shirt	1 pc	0.080	-
House smock	1 pc	-	0.083
Girl's dress	1 pc	-	-
Men's synthetic socks	1 pair	0.25	-
Women's synthetic tights/ stockings	1 pair	-	0.05
Children's synthetic socks	1 pair	-	-
Underwear (Men's a)	1 of each	0.167	-
(Women's b)	1 set	-	0.167
(Boys c)	1 set	-	-
(Girls d)	1 set	-	-
Purchase of household goods			
China cup and saucer	1 pc	1.0	1.0

4. PERSONAL HYGIENE AND CLEANING

GOOD SERVICE	UNIT OF QUANTITY	SINGLE HEAD OF HOUSEHOLD	
		MALE	FEMALE
		QUANTITY	QUANTITY
Toilet soap	100 g	0.6	0.6
Shaving soap	50 g	0.5	-
Razor blades	10 pc	0.25	-
Toothpaste	100 g	0.5	0.5
Toothbrush	1 pc	-	-
Baby oil	140 cc	-	-
Powder compact	75 g	-	-
Powder refill	125 g	-	-
Skin cream	60 cc	0.25	0.25
Cotton wool	250 g	-	-
Face cloth	1 pc	-	-
Hairbrush	1 pc	-	-
Hair cut (men)	once	1	-
Shampoo and set (women)	once	-	1
Other personal hygiene requisites			
Washing powder, coarse	1 kg	0.5	0.5
Washing powder, fine	1 kg	0.065	0.065
Washing-up liquid	1 kg	0.4	0.4
Horse hair broom	1 pc	0.2	0.2
Shoe polish (tins)	50 g	0.5	0.5
Dry cleaning	once	0.230	0.230

PERSONAL DAY TO DAY REQUIREMENTS

GOOD SERVICE	UNIT OF QUANTITY	SINGLE HEAD OF HOUSEHOLD	
		MALE	
		QUANTITY	
Writing pad 50 sheets	1 pc	0.1	
Postage stamp, long distance	once	4	
Child's football	1 pc	-	
School expenses	once	-	
Daily newspaper	monthly order	1	
Tram or bus	one journey	6	
Paper-back book	1 pc	1	
Cinema, theatre ticket	once	0.5	
Return ticket (30 km)	1 ticket	1	
Club contribution	monthly amount	0.5	
Presents	1 pc	1.25	
Social and cultural activities - together			
Coffee, roasted	500 g	0.6	
Tobacco (pouch)	50 g	1	
Beer (bottles)	12	3	
Other personal requirements - together			