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REPORT ON SOCIAL INCLUSION 2004

**An analysis of the National Action Plans on Social Inclusion
(2004-2006) submitted by the 10 new Member States**

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EXECUTIVE SUMMARY

NATIONAL ACTION PLANS REPRESENT AN IMPORTANT POLICY EFFORT IN ALL 10 NEW MEMBER STATES

The first NAPs/inclusion submitted by the 10 new Member States confirm the strong political commitment already evidenced by the new Member States in their Joint Inclusion Memoranda (JIM) to tackle poverty and social exclusion. They underline the relevance of the EU social inclusion process and, more generally, of the open method of coordination in the field of social protection and social inclusion. They are based on a frank acknowledgement of the extent and complex nature of poverty and exclusion and the threat that they can pose to social cohesion, social stability and human rights.

All 10 Member States clearly build on the JIM. However, the transition from the JIM Memoranda to the NAPs/inclusion has proved difficult for most of the 10 Member States. For several, the current exercise was the first attempt at drawing a comprehensive strategy aimed at fighting poverty and social exclusion. While this has been a substantial task in itself, effective implementation of policies and reforms represents an even more difficult challenge. Thus it is not surprising that many of the plans need to be strengthened in this regard. More specific and ambitious priorities, backed up by better targets, need to be set. The links with broader national economic and budgetary policies need to be strengthened. The great importance attributed in the NAPs/Incl to increasing access to employment needs to be supported by more concrete measures. Also, much more attention needs to be given to the modernisation of social protection systems, the inclusion of the Roma and ethnic minorities and the gender dimension.

POVERTY AND SOCIAL EXCLUSION ARE A PROBLEM IN ALL NEW MEMBER STATES BUT WITH DIFFERENT DEGREES OF URGENCY AND SEVERITY

It is clear from the NAPs/inclusion that poverty and social exclusion are major problems to be addressed by the EU10, though the urgency and severity of the challenge varies significantly. Overall the risk of poverty rate for the EU10 (15%) is very similar to that for the Union as a whole (15%) while showing a wide variation, from 8% in Czech Republic to 21% in the Slovak Republic. In the absence of all social transfers, the average poverty risk for EU-10 Member States would be considerably higher than it is in reality, by the order of 29 percentage points. The pattern of poverty is broadly similar in the new Member States as compared to the Union as a whole. Unemployment leads to a very high risk of poverty (38%), especially in Malta, Estonia, Slovak Republic, Latvia, Lithuania and Slovenia. The poverty risk faced by children (20%) and young people (17%) is higher whereas older people have a relatively low poverty risk (8%) except in Cyprus, Malta, Slovenia and Estonia. Households with three and more children (28%) and single parent households (26%) are at particularly high risk.

However, the indicators based on the concept of risk of poverty tell only part of the story:

- Material deprivation and a subsistence lifestyle are common.
- Long-term unemployment is a major problem, in particular in Poland, the Slovak Republic and the Baltic States.

- Negative natural population growth is a major problem and infant mortality rates, while dropping, remain high in many countries with the exception of Cyprus, the Czech Republic and Slovenia.
- Bad housing and health care conditions are common and often lead to lower life expectancy.

The NAPs also demonstrate a capacity deficit in most countries in terms of key social services, in particular at community level, thus exacerbating the impact of poverty and social exclusion. This is reflected in the fact that levels of expenditure on social protection as a proportion of GDP are significantly below the EU average with the exception of Slovenia. It is, however, also clear that resources spent on social protection do contribute significantly to the reduction of the risk of poverty. This underlines the important role that social protection systems must play in any strategy to tackle and prevent poverty and social exclusion. On-going or planned reforms of the social protection systems will require close monitoring, both as concerns their social impact and their financial sustainability.

The existence of pockets of persistent and deep-seated poverty is recognized in several NAPs/inclusion. In this regard groups such as the Roma, people with disabilities, the homeless, victims of trafficking, people in or leaving care institutions and subsistence farmers feature often. Also important is the imbalance in the geographical distribution of poverty, especially along the rural-urban divide. Lithuania and Poland are the countries where this problem is more pressing.

SIX KEY CHALLENGES

2004-2006 NAPs/inclusion show that the 6 priority challenges which emerged from the JIM as common to most new Member States remain pertinent. However, more emphasis is given in the NAPs/inclusion to the issues of poor housing and homelessness and child poverty than before and the six challenges have been amended to reflect this. Addressing these key challenges will be of particular importance over the next two years if real progress is to be made towards the eradication of poverty and social exclusion. These are:

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| <ol style="list-style-type: none"> 1. Expand active labour market policies and develop coherent and comprehensive lifelong learning strategies in order to increase labour market integration, especially of the long-term unemployed and groups at high risk of poverty and social exclusion, and ensure more effective and efficient spending in this area so as to improve the quality of provision. 2. Ensure that social protection systems have sufficient coverage and levels of payment to guarantee an adequate minimum income for all to live with dignity, while at the same time removing disincentives to take up employment. 3. Strengthen policies to tackle child and family poverty and to protect the rights of children. 4. Improve access to decent housing and tackle homelessness. 5. Invest more, and more efficiently, in order to improve the quality of and access to key public services, particularly health and social services, education and training and transport. |
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| 6. Intensify efforts to overcome the particularly high levels of exclusion and discrimination experienced by some ethnic groups, especially the Roma, and other groups at high risk such as people in or leaving institutions or people with a disability. |
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In pursuing these challenges it will be vital to achieve a balance between prevention and alleviation of poverty. Thus it will be important to increase the adequacy, accessibility and affordability of key services for all while also taking urgent action to help those facing particular difficulties and barriers to social inclusion.

THREE CROSS-CUTTING ISSUES

If the Member States are to be successful in achieving these policy priorities it is clear, on the basis of the analysis of the situation and the NAPs themselves, and without prejudice to other thematic concerns, that there are three cross-cutting issues, which need to be taken into account: equal opportunities (including anti-discrimination and gender equality); governance; and evaluation and monitoring.

Equal opportunities

It is crucial to mainstream the inclusion of minority groups identified in the NAPs/incl across the different policy areas and to monitor carefully the extent to which commitments addressing such groups are being achieved. Furthermore, it will be essential in pursuing the six key challenges identified above that the gender dimension is fully taken into account.

Governance

Devising and implementing an open and efficient system of governance in the field of social policy is a major challenge that will require sustained effort on the part of Member States that will require an important investment in capacity building. Most Member States will have to make more serious attempts to involve and build the capacities of the non-governmental stakeholders in the delivery of social inclusion measures.

Evaluation, monitoring and implementation

An essential aspect of a strategic approach is to regularly evaluate and monitor the implementation of the plan. It will thus be vital that all Member States put in place arrangements for the effective evaluation of the implementation of their NAPs/inclusion, including the use of Structural Funds.

IMPLICATIONS FOR THE FUTURE

The analysis of these NAPs highlights several issues for future policy development at EU level:

Mainstreaming

It will be important to strengthen the mainstreaming of social inclusion objectives across all EU policies to ensure that they are supportive of national efforts to promote social inclusion. This will be assisted by the forthcoming streamlining of policy coordination in the areas of social inclusion, pensions and healthcare.

Mobilisation and exchange of learning

The important role being played by the Community Action Programme against social exclusion in supporting the mobilisation of all stakeholders, promoting public awareness and supporting the identification and exchange of good practice needs to be enhanced.

Structural Funds

The potential of the Structural Funds and the ESF to address poverty and social exclusion that is highlighted in the NAPs/inclusion needs to be fully exploited. This key role will need to be fully taken into account in the debate on the future financial perspectives for the 2007-2013 period.

Indicators and data

It will be vital to further develop common indicators and enhance data sources so as to allow for comparative analysis and identification of good practice across the Union. In particular it will be important to continue work on developing indicators which capture the multi-dimensional nature of social inclusion and deprivation

These lessons plus those directly relevant to Member States' policies will serve as an important input into the upcoming Joint Social Protection/Inclusion Report and the future streamlined policy coordination in this area.

INTRODUCTION

Purpose and Structure

This report on social inclusion in the ten new Member States (EU10) is based on an assessment of their first National Action Plans (NAPs/inclusion) covering the period 2004-2006. These plans were prepared in the context of the EU's social inclusion process, based on the open method of coordination, and represent a key element in the implementation of the Lisbon agenda..

The report has four objectives: first, to outline the nature and extent of poverty and social exclusion in the EU10 and the key challenges that they create; secondly, to assess the 10 NAPs/inclusion and, in so doing, encourage Member States to develop more ambitious policies and programmes to prevent and tackle poverty and social exclusion; thirdly, to encourage mutual learning between all Member States, by identifying examples of good practice and innovative action; and, finally , to contribute to creating greater political and public awareness of poverty and social exclusion and the measures necessary to tackle them.

The report is in two parts. Part I gives a horizontal overview of the situation across the EU10 and the main policy approaches that are being implemented. It begins with an analysis of the nature and extent of poverty and social exclusion across the EU10 and identifies the key trends and main challenges facing the Member States. The analysis is carried out on the basis of commonly agreed indicators agreed by Member States at the Laeken European Council in 2001 and complemented by other national sources of data included in the NAPs/inclusion. Following this the strategic approaches adopted by Member States in developing their NAPs/inclusion are examined. Next a series of chapters scrutinize policies and programmes being developed to promote social inclusion across all the main policy domains – employment, social protection, housing, health care, education and training, culture, sport and leisure, transport and legal services. Attention is then turned to policies aimed at preventing the risks of exclusion and policies to help the most vulnerable. After this approaches to mobilising all relevant bodies and to mainstreaming a concern with social inclusion at all levels of policy making in Member States are examined. There are specific sections on gender mainstreaming in the plans and on how the EU Structural Funds are being used to support social inclusion goals. Examples of good practice are identified where possible, drawing on information and assessment provided in the NAPs/inclusion

Part II contains 10 chapters on the NAPs/inclusion of each Member State. Each chapter reviews and assesses the situation and key trends, the strategic approach and the key policy measures adopted for each Member State and identifies the key challenges ahead. The report ends with a detailed statistical annex giving the main data on poverty and social exclusion across the EU10, on the basis of the commonly agreed indicators.

Definitions

Throughout this report the terms “poverty”, “social exclusion” and “social inclusion” are used frequently. The definitions used in this report are the same as those used in the 2004 Joint Report on Social Inclusion and these are reiterated below. These definitions are intended to complement and reinforce the understanding of poverty and social exclusion which is reflected in the common objectives and commonly agreed indicators which underpin the open method of co-ordination.

Poverty: People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.

Social exclusion: Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education and training opportunities as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feel powerless and unable to take control over the decisions that affect their day to day lives.

Social inclusion: Social inclusion is a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have a greater participation in decision making which affects their lives and access to their fundamental rights.

Context

The 2004-2006 NAPs/inclusion build on the work begun in 2002 when the then accession countries and the Commission started preparing Joint Memoranda on Social Inclusion (JIM). The JIM outlined the situation and the key policy challenges in relation to poverty and social exclusion in each country and described the main policies and institutions in place. All the 10 JIM were signed in December 2003 and were subsequently summarised in a Commission staff working document ¹.

Following accession each new Member State then began work on preparing their first two year NAPs/inclusion which they all submitted by the end of July 2004. They did so on the basis of a set of Common Objectives first agreed by Member States at the Nice European Council in December 2000 and then reviewed by the Council in December 2002 (see Annex 1). The NAPs/inclusion are the means by which Member States translate these shared objectives into national policies. They aim to enhance the coherence and effectiveness of their policies and measures to prevent and eradicate poverty and social exclusion. Progress towards this goal is measured on the basis of a set of commonly agreed social indicators, which was first endorsed by the European Council of Laeken in December 2001, and has since then been redefined and expanded under the auspices of the Social Protection Committee and the Indicators Group.

The open method of coordination in the field of social inclusion is supported by a Community action programme². This programme aims at promoting policy analysis and the collection of statistics, the exchange of good practice and the networking across Europe of NGOs and regional and local authorities active in the fight against poverty and exclusion.

¹ "Social inclusion in the new Member States. A synthesis of the Joint Memoranda on Social Inclusion", SEC (2004) 848 of 22 June.

² Further information can be found on the Commission's web site (see above)

Further use of this report

The main findings of this report are intended to serve as an input to the upcoming Joint Report on Social Protection and Social Inclusion that is due to be adopted by the Commission and Member States early in 2005. This Joint Report will be a key element in ensuring the transition to a streamlined policy coordination in the social area.

The EU's social inclusion process was the first to be launched in the wake of the strategic agenda set out in Lisbon. Similar coordination processes have since then been agreed to develop and promote policy exchanges in the areas of pensions (2002) and healthcare (2004). It is intended that, following an evaluation of the social inclusion and pensions processes, the three strands will be brought together in one streamlined process, whilst keeping their separate identities, so as to better identify synergies across them and ensure improved consistency with the Broad Economic Policy Guidelines and the European Employment Strategy.

The Joint Report on social protection and social inclusion of 2005 will constitute the first step towards a streamlined process. The Commission also intends to publish in 2005 the results of the evaluation of the open method of coordination in the areas of social inclusion and pensions and, in this light, to set out new objectives and ways of working. However, it is expected that there will continue to be a distinctive strand on social inclusion and the preparation by all 25 Member States of three year NAPs/inclusion. Thus it is expected that the 2004-2006 NAPs/inclusion discussed in this report will be followed by new plans in 2006 covering the period 2006-2009.

PART I

1. SOCIAL INCLUSION-THE SITUATION IN THE NEW MEMBER STATES

This chapter opens with a description of the demographic and economic context in which the EU-10 have presented their NAPs. It provides a synthetic comparative analysis of the situation and, as far as possible, trends over recent years relevant to social inclusion in these Member States. It does so on the basis of a selection of the EU commonly agreed indicators of poverty and social exclusion, some of the tertiary indicators that have been used in the NAPs and, finally, some information on material deprivation as collected by Eurostat. A description of the common indicators, together with background information on their adoption process, the methodology and statistical sources used for their construction, is included in the Statistical Annex of the present Report. The latter also contains tables showing the results of the indicators on the basis of common EU sources.

The demographic context³

On 1st January 2003, the estimated population of the EU-10 was 74.2 million people, representing around 16% of the total population in the European Union.

Overall population growth in the new Member States stagnated in the early 1990s and became negative in recent years, driven by negative natural growth. Cyprus and Malta, with both high positive natural growth and net migration, are an exception to this pattern. Negative natural growth – i.e. more deaths than births, as a result of a radical drop in fertility and a sudden rise in mortality – was recorded in all the remaining new Member States, and was the main component of population decrease in the three Baltic States and Hungary.

Fertility rates in all the new Member States, including Cyprus and Malta, are below the average for the EU, and recorded a radical drop over the last 15 years. At present, the population of the new Member States is somewhat younger than the average for the EU, but due to the low fertility levels, population ageing will become a dominant challenge also for these countries.

If mortality and longevity trends are considered, Cyprus and Malta are in a favourable position compared to many other EU Member States. By contrast, life expectancy at birth in the new Member States of Central and Eastern Europe fell in the early transition period and despite some improvements it remains markedly below the EU average – around 2002/2003, ranging from 65.3 (EE) and 65.5 (LV) years to 75.9 (MT) and 76.1 (CY) years for men and from 76.7 (HU) and 76.8 (LV) years to 81 (CY, MT) years for women, against an average for EU countries of 74.8 years for men and 81.1 for women. This reflects higher mortality at all ages in these countries, especially for men. Some of the new Member States from central

³ The analysis in this section is supported by data in Table 2a and Table 7a of the Statistical Annex, as well as by Table 1 in the text. Other supporting evidence has been drawn from *Social Situation in the European Union 2004*, European Commission, DG Employment and Social Affairs.

and eastern Europe also display the highest infant mortality rates in the Union, with a maximum of 9.4 deaths of infants under one per 1000 live births in Latvia.

Table 1. Mortality and life expectancy

Country/Region	Crude death rate			Infant mortality rate			Life expectancy at birth			
	(per 1000 population)			(per 1000 live births)			males		females	
	1980	2002	2003	1980	2002	2003	1980	2003	1980	2003
EU25	10.6	9.8 ^e	9.9 ^e	14.6	4.8	4.6 ^e	69.8	74.8 ^{1e}	76.8	81.1 ^{1e}
Czech Republic	13.1	10.6	10.9	16.9	4.1	3.9	66.8	72.0	73.9	78.5
Estonia	12.3	13.5	13.5 ^p	17.1	5.7	6.8 ^p	64.1	65.3 ¹	74.1	77.1 ¹
Cyprus	9.3	7.3	7.6 ^p	12.0	4.7	4.5 ^e	72.3	76.1 ^{2*}	77.0	81.0 ^{2*}
Latvia	12.8	13.9	13.9	15.3	9.8	9.4	63.6	65.5 ^p	74.2	76.8 ^p
Lithuania	10.5	11.8	11.9 ^p	14.5	7.9	6.7	65.5	66.3 ^p	75.4	77.7 ^p
Hungary	13.6	13.1	13.4 ^p	23.2	7.2	7.3	65.5	68.4 ¹	72.7	76.7 ¹
Malta	9.9	7.8	7.9	15.2	5.9	5.9	68.5	75.9 ¹	72.7	81.0 ¹
Poland	9.9	9.4	9.6	25.4	7.5	7.0	66.9	70.5	75.4	78.9
Slovenia	9.9	9.4	9.7 ^p	15.3	3.8	4.0 ^p	67.4	72.7 ¹	75.2	80.5 ¹
Slovakia	10.1	9.6	9.7	20.9	7.6	7.9	66.8	69.9 ¹	74.3	77.8 ¹

p: provisional data; * national estimate (including in small instances projections); e: Eurostat estimate
¹: 2002; ²: 2001

Source: Eurostat, Demographic statistics

As is the case for EU-15 Member States, most countries report in their NAPs a trend towards the fragmentation of families, a weakening of family ties, fewer marriages and higher divorce rates. However, the starting situation and scale of the phenomenon differ substantially across countries. In Cyprus, Malta and Poland, in 2003, the crude marriage rate was well above the average for the enlarged EU and the crude divorce rate among the lowest. According to 2002 LFS data, the average number of persons per household in these countries, as well as in Slovakia, was the highest across EU Member States, at around 3. On the other hand, the Baltic countries and some of the other Central and Eastern countries continue to record high crude divorce rates.

Within the EU-10 countries there are many different ethnic and linguistic minorities but one group stands out in cross-national profiles of ethnic minorities - the Roma in the new Member States of Central and Eastern Europe. Although the reliability of national estimates of the size of the Roma population is hard to ascertain, it looks like they represent a sizeable share of the total population in Hungary (5-6%) and the Slovak Republic (around 7%). The Roma are frequently identified in the NAPs as a particularly vulnerable group in terms of poverty and social exclusion. Russian-speaking people represent an important linguistic minority in the Baltic States, especially in Estonia and Latvia.

The economic context⁴

For EU-10 countries, accession followed several years of economic stabilisation and structural transformation, which have brought large benefits to all of them, even though large differences remain. During the pre-accession period, GDP per capita among the EU-10 caught up with the Union. However, it still lags considerably behind, as per capita GDP in PPS in 2003 in relation to the EU average ranges from just under 41% in Latvia to 81% in Cyprus. Stimulated by the recovery in the EU and the benefits of enlargement, average growth in the new Member States is expected to accelerate to 4.4% in 2004 and 4.5% in 2005. Latvia and Lithuania are expected to remain the fastest-growing economies in the EU, with growth rates above 6% (although growth has been even faster in 2003). Growth is also expected to pick up in Estonia, Cyprus, Poland and Slovenia. Yet, given the low starting levels, catching-up to EU income levels will require sustained growth rates over a long period of time.

Despite the good performance in terms of GDP growth in recent years, which shows the resilience of EU-10 Member States in the face of the lacklustre international environment, most countries record large fiscal and current account deficits and, in some cases (CY, HU, SI and SK), continued or rising high inflation. Fiscal slippage has been considerable in the Czech Republic, which recorded a deficit of 12.6% of GDP in 2003. Three other countries have deficits in excess of 6% of GDP: Cyprus, Hungary and Malta. In Poland and Slovakia, the deficit is just above 3%.

An important restructuring process has taken place in new Member States to support productivity gains and improve competitiveness. As a result employment has declined, sometimes sharply, in most new Member States over the past fifteen years. In fact, increasing labour productivity rather than employment creation has been the major source of growth in EU-10 countries. As a consequence, labour productivity per person employed is slowly catching up with the EU average (but in Cyprus and Malta they are already almost on a par with that average). On average for the EU-10, over the period 1995 to 2003, productivity per person employed has moved from 48% of the EU average to almost 58%.

Also the employment structure has been influenced, with marked declines in employment in agriculture and traditional manufacturing industries and gains in the services sector. However, in 2003, the new Member States as a whole still have a substantial proportion of employment in agriculture and industry (12% and 31% respectively) compared to the EU average (at 5% and 26% respectively), whereas the share of employment in services remains substantially lower (56% as against 69% for EU). Over the recent period 1998-2003, the share of employment in services has increased in all EU-10 countries and, with the exception of Poland, the absolute number of people employed in services has also increased. Still, the pace of growth was well below the EU average in all countries except Latvia and Hungary. The restructuring process is therefore expected to continue.

Labour market situation

⁴ The analysis in these sections is supported by data in Tables 1a, 3a and 5a of the Statistical Annex. Other supporting evidence has been drawn from *Employment in Europe 2004*, European Commission, DG Employment and Social Affairs.

Whereas employment has tended to rise in the second half of the 1990s in the EU-15 countries, in the EU-10 progress has been mixed but overall less favourable. Between 1998 and 2003, employment rates declined in five of the new Member States, as a result of both slight declines in activity rates and quite substantial rises in unemployment. The decline in the employment rate has been substantial in Poland (almost 8 percentage points). On the other hand, Cyprus, Hungary and Latvia saw rises in employment rates. Despite the strong recent overall economic growth reported in the previous section, total employment in the EU-10 remained more or less static, on average, between 2002 and 2003. The relative stability in employment is nevertheless an improvement compared to the situation in the preceding years and could mark an end to a long period of labour market deterioration.

As a result, and while the situation in the labour market varies considerably from country to country, overall employment rates tend to be lower in the EU-10 than in the EU. By 2003, only Cyprus and the Czech Republic had employment rates above the EU average of 63%. Estonia, Latvia, Lithuania and Slovenia recorded employment rates in line with or just below this average, whereas the four remaining countries were far below, most notably Poland, with an employment rate 12 percentage points below the EU average.

Gender gaps in employment rates are smaller in the EU-10 (11.4 percentage points) as compared with the EU average (almost 16 points). For most Central and Eastern European countries this situation is to a great extent the outcome of a more egalitarian heritage. In all EU-10 countries except Slovenia, recent developments in employment rates have been more favourable for women than for men, although they have been declining in many. Overall, the employment rate for women declined by 2.7 percentage points between 1998 and 2003, compared to a 5.7 decline for men. In 2003, the female employment rate met the Lisbon target of 60% in Cyprus and was close to it in Estonia (59%); it was above the EU average (55%) in the Czech Republic, Latvia, Lithuania and Slovenia; by contrast, female employment rates are very low in Malta (34%) and Poland (46%). As in the EU-15, the gender pay gap is important in all EU-10 Member States⁵ and women have a limited access to managerial positions in companies and to high-skilled jobs. Women also tend to work part-time more often than men, although, in general, non-standard types of jobs such as part-time, fixed-term, temporary, etc. are less widespread in the new Member States than in the EU-15.

Unemployment rates in 2003 were particularly high (over 10%) in the Baltic States and exceptionally high in Poland and the Slovak Republic at 19.2% and 17.5% respectively. The trend in unemployment has been mixed in the EU-10. The majority of countries have experienced unemployment increases over the last five years, with the largest rise occurring in Poland. In contrast, rates have fallen quite significantly in Hungary and Latvia and more moderately in Cyprus and Slovenia.

Young people have been hardest hit by the deterioration of the labour market in the new Member States. From 1998 to 2003, the youth employment rate has fallen by 8 percentage points to just over 24%, mainly driven by decreases in employment of young men. At the

5 European Commission: "Gender pay gaps in European labour markets – Measurement, analysis and policy implications", SEC(2003)937 of 4th September 2003.

same time, the unemployment rate jumped by over 12 percentage points. As a result, employment rates in 2003 were well below the EU average (by 13 percentage points).

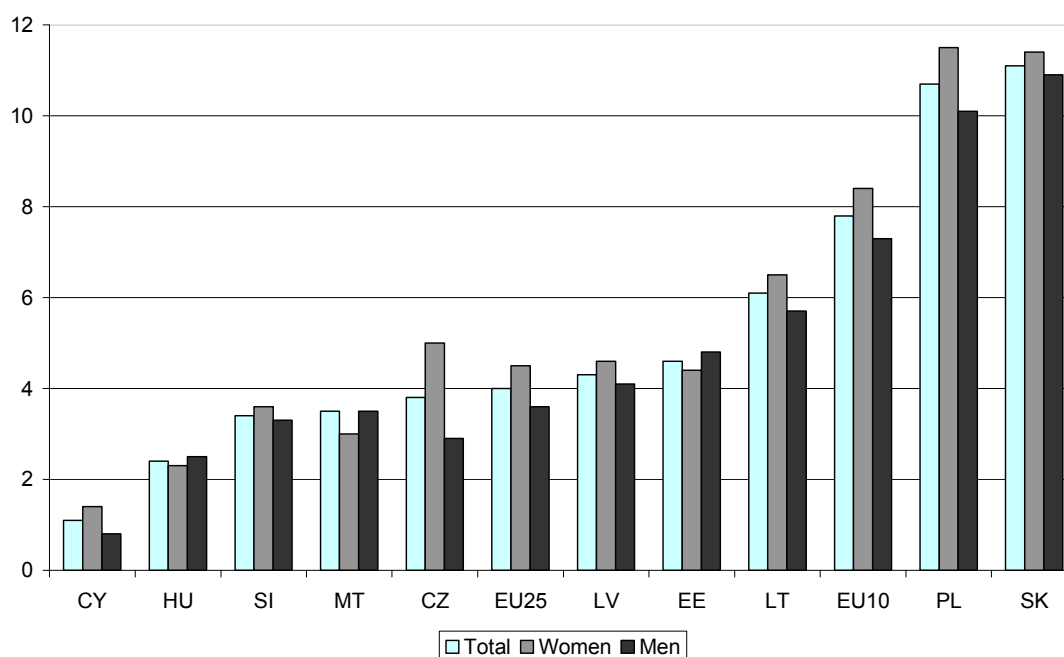
In contrast to the generally declining employment rates for other groups, rates for older people (aged 55-64) have, overall, improved between 1998 and 2003 in most Member States. However, rates remain quite low (below 30%) in Hungary, Poland, the Slovak Republic (with an extremely low rate – 11% - for older women) and Slovenia.

In the light of the generally negative developments in the labour market, it is not surprising that the NAPs/inclusion give a prominent focus to the role of employment as a key factor for social inclusion.

Long-term unemployment is very closely associated with social distress, as people who have been jobless for a long time tend to lose the skills and the self-esteem necessary to regain a foothold in the labour market, unless appropriate and timely support is provided. Also according to the analysis in the NAPs, long-term unemployment constitutes one of the major driving forces of poverty and social exclusion in Poland and Slovak Republic, with rates of around 11% in 2003 and on a rising trend since 1998, as well as, to a lesser extent, in the Baltic States, with rates well above 4% (Figures 1 and 2). In the remaining countries, long-term unemployment is lower than or in line with the EU average. In particular, in Cyprus, long-term unemployment is among the lowest in the EU. As in the rest of the Union, long-term unemployment tends to be more prevalent among women than men, except in Estonia, Hungary and Malta.

The living standards of the unemployed, the inactive and the low paid depends on the sum of resources contributed by all members of their households. As such, the extent to which working-age household members are active in the labour market is a major determinant of the exposure to poverty risk of individuals. The potentially negative impact of living in a jobless household goes beyond the lack of work income, as it extends to the lack of contact with the world of work altogether. In most of the new Member States, in 2003, the proportion of individuals aged 18 to 59 years who were living in jobless households was below the average for the EU-15. The exceptions were Estonia, Hungary, Poland and Slovakia (Figure 3). Invariably, women are more likely to live in a jobless household than men.

Figure 1: Long-term unemployment rate by gender, 2003

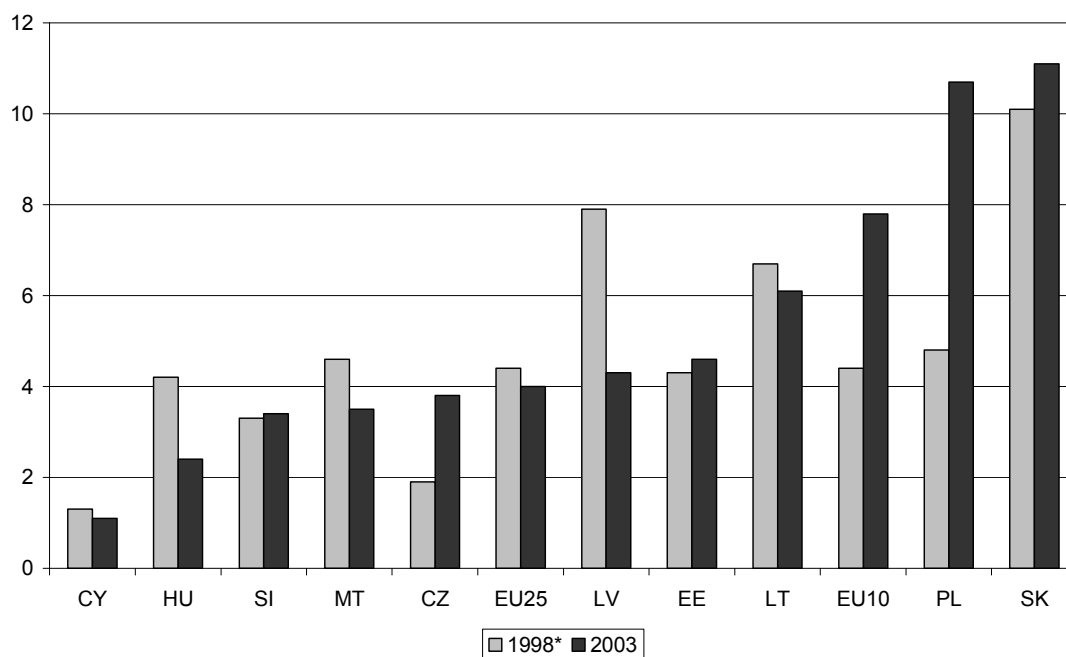


Countries are ranked by the long-term unemployment rate of the total population.
Source: Eurostat, annual average estimates based on the EU-LFS.

Particular concerns are raised when children are growing up in a jobless household, as the absence of a working adult as a role model could be a factor affecting educational and future labour market achievements of children. In the spring of 2004, the share of children living in jobless households was higher than for the EU average only in Hungary and Slovakia (data for Poland are not available). Variations across countries are quite marked, with less than 3% of children living in jobless households in Cyprus and over 13% in Hungary.

The evolution of the indicator of people living in jobless households reflects two underlying patterns: individual non-employment rates for the population in the respective age group; and the distribution of jobs across households. There is some evidence of progress in Latvia, Lithuania and Hungary, mainly as a result of increasing employment rates in these countries.

Figure 2: Long-term unemployment rate, 1998* and 2003

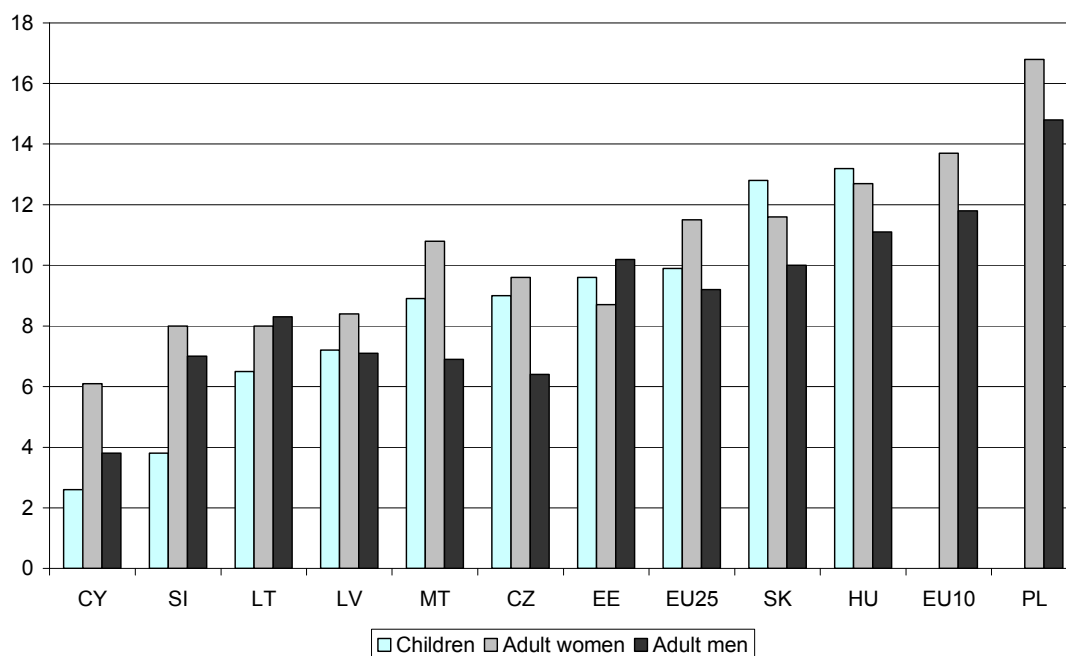


* except Cyprus, Malta and Slovakia: 2000

Countries are ranked by the long-term unemployment rate in 2003.

Source: Eurostat, annual average estimates based on the EU-LFS.

Figure 3: Children and working-age adults living in jobless households, 2004



Countries are ranked by the share of children living in jobless households.

Source: Eurostat, EU-LFS, Spring data.

*Education and training*⁶

In general, as compared to the EU, the situation of the new Member States in terms of education and training is somewhat mixed. While participation levels in formal education tend to be quite high, particularly among the younger generations, often outperforming those of most EU-15 countries, literacy levels are comparatively poor as well as the standards achieved in terms of lifelong learning. It is therefore necessary to make further efforts in order to address identified weaknesses in education and training in order to tackle the challenge of poverty and social exclusion, by facilitating integration into employment and developing basic skills for participation in society.

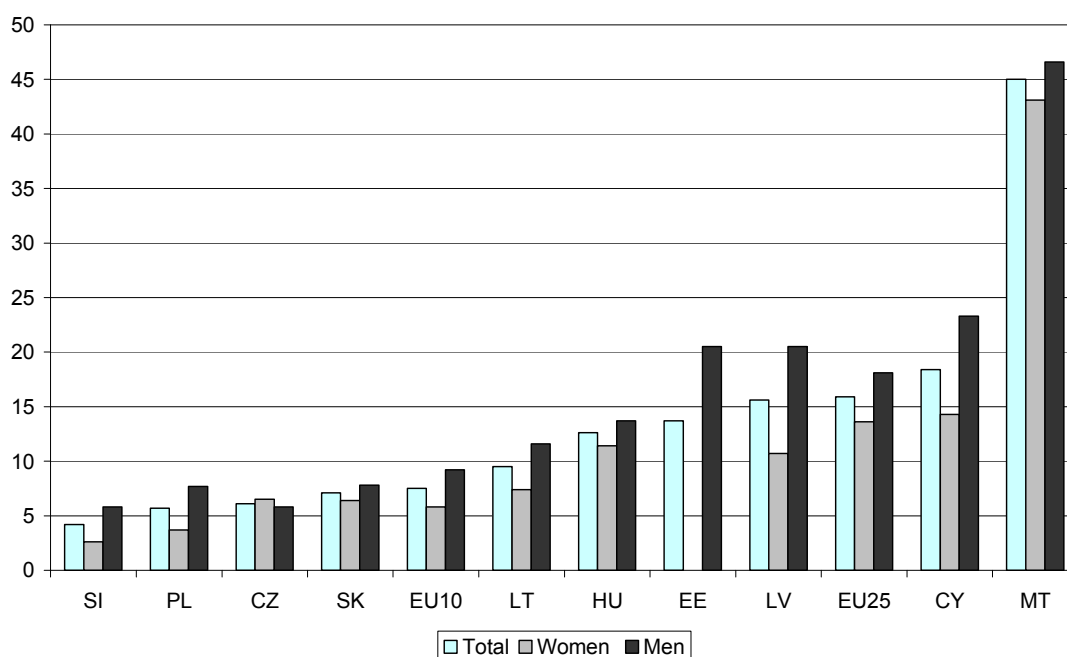
The latest available data indicate that the EU10 do, to some extent, deliver the "increased investment in human resources" called for in Lisbon but the level of spending in education and training has only just reached the level of the old Member States (5.1% of GDP). Public investment varies among the new Member States from 6.8% in Cyprus to 4.4% in the Czech Republic.

In terms of formal educational attainment, the EU10 tend to perform better than the EU average: 81.8% of the 22 year olds have completed upper secondary level education as against 76.4% in the Union as a whole. However, the 85% target set for the EU for 2010 still represents a challenge for the EU-10, and especially for Malta, where the percentage of the population with less than upper secondary education is remarkably high. The gains in terms of educational levels have benefited especially the younger generations and the women. The difference between the share of young people (aged 18 to 24 years) with low educational attainment and of the elderly (aged 65 years or more) is striking: on average for the EU-10, almost 60% in the latter group have only attained less than upper secondary education, as opposed to less than 8% of all 18-24 years old. It is therefore not surprising that most EU-10 countries record lower shares of early school leavers – i.e., persons aged 18 to 24 who have only lower secondary education and have not received education or training in the four weeks preceding the survey - than the EU average (16%)⁷. The exceptions are Cyprus, at 18% and especially Malta, with almost one in two young persons having only lower secondary education. Indeed, one target in the Maltese NAP is to reduce the share of early school leavers by 24%, aiming to achieve a rate of 25% of the age group by 2006. By contrast, in Slovenia, the share of early school leavers is very low, at less than 5%. In all EU-10 countries except the Czech Republic, young women are more likely to have attained at least upper secondary education than men.

⁶ The analysis in this section is supported by data in Table 6a of the Statistical Annex. Other supporting evidence has been drawn from *Employment in Europe 2004*, European Commission, DG Employment and Social Affairs.

⁷ According to LFS 2004 data.

Figure 4: Early school leavers not in education or training, by gender, 2004



Countries are ranked by the share of early school leavers in the total population.

Source: Eurostat, EU-LFS, Spring data.

The picture of education and training is less favourable if we look at the level of higher education and training. Participation rates need to be improved at this level; furthermore, most NAPs/inclusion recognise the need to improve the quality of education and training in order to provide the skills and qualifications required by the labour market. According to PISA 2003 results, the five EU-10 countries for which data are available (HU, CZ, LV, PL, SK) show results below average in terms of reading literacy performance of 15-year-old pupils with the notable exception of the Slovak Republic. A positive development can also be detected in the Czech Republic. In the Czech Republic and Hungary, below-average performance is combined with above-average inequality of performance between different socio-economic groups. This suggests that these countries could lift their average performance significantly if they were to mitigate the impact of socio-economic background on student performance.⁸

Despite recent progress, most of the EU10 tend to perform at a lower level than the EU15 in the area of lifelong learning. Although Slovenia is doing remarkably well (17.9%), participation generally remains very low in the other countries and varies widely by age and attainment level. Therefore, the 2010 objective of achieving a 12.5% rate of adult participation in lifelong learning remains difficult to achieve in the EU-10. There is thus a pressing need for coherent and comprehensive national lifelong learning strategies.

⁸ OECD (2001), *Knowledge and Skills for Life – First Results from PISA 2000*, Paris.

*Relative income poverty risk*⁹

The list of common indicators agreed by the Laeken European Council in December 2001 and later refined by the Social Protection Committee has a primary focus on indicators of relative income poverty. These are defined in relation to the shape of the income distribution in a given country and point in time. The rapid economic growth and major restructuring in the EU-10 calls for special attention to be paid to the evolution of income distribution and, in particular, to the situation of those at the bottom of the scale who may be less able to profit from an overall rapid increase in living standards. It should also be born in mind that median equivalised household income in the richest EU-15 countries, such as Denmark and Germany (not to mention Luxembourg), is almost four times greater than in the Baltic States. There is a clear need to continue work on developing indicators which capture the multi-dimensional nature of social exclusion and, in particular, aspects related to material deprivation.

As measured by the ratio of total income received by the top 20% of the income spectrum compared to the bottom 20% (S80/S20), income inequality around 2002 for the EU-10 countries was 4.4, in line with the EU as a whole. Values ranged from 3.0 in Hungary to 6.1 in Estonia. The mean Gini coefficient, measuring income inequality across the entire population, was 29%, again in line with the EU average. Determining long-term trends in income inequalities is problematic due to the absence of reliable statistics, but some evidence from the NAPs and other national sources suggest that inequalities have indeed widened in EU-10 countries during transition.

Box 1. The use of indicators in the NAPs/incl

Indicators are an essential tool in the Open Method of Co-ordination as they help monitor progress towards the common objectives and measure the challenges ahead. The new Member States of the EU were to make use for the first time of the commonly agreed indicators in their NAPs; they were also invited to use third-level indicators defined at the national level to highlight specificities in particular areas not adequately covered by the common indicators (particularly housing), and to help interpret them.

All the NAPs draw quite accurate and lucid analysis of the situation of poverty and social exclusion on the basis of both the common indicators and national indicators. In particular, the *common indicators* are used in order to identify the most vulnerable groups and the extent to which they are vulnerable to poverty and social exclusion. Furthermore, much attention has been devoted to the examination of indicators of exclusion from the labour market. Some countries (Estonia, Hungary, Lithuania, Poland and Slovenia) even set overall quantified targets based on some of the common indicators (relative poverty risk/income distribution; long-term unemployment; life expectancy).

In general, countries have gone beyond the examination of the common indicators by using *tertiary indicators* and *quantitative context information* that provide a more complete, sometimes more accurate, picture of poverty and social exclusion. A wealth of quantitative information on the economic, demographic and labour market situation allows understanding the particular context of poverty and social exclusion in the

⁹ The analysis in this section is supported by data in Table 8a of the Statistical Annex.

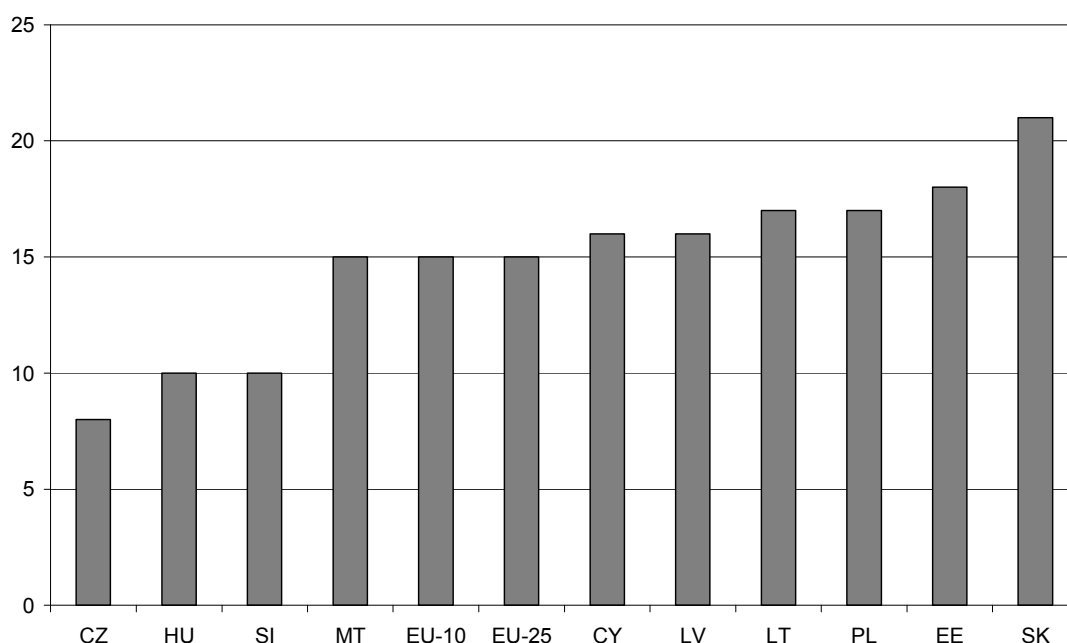
new Member States. Indicators of *material deprivation, absolute poverty or living conditions*, in particular highlighting housing problems, are prominent in some of the NAPs. Also, additional breakdowns of the common indicators of poverty and social exclusion are used, notably by ethnic/linguistic group or immigration status (for example, Roma are singled out in the Hungarian NAP). The *sub-national* distribution of poverty and social exclusion is in some instances described through the territorial breakdown of various indicators, both common and tertiary ones. Finally, most Member States used *policy-related indicators*, which can be more easily integrated within the development of a policy strategy. Examples of these indicators are the number of unemployed or long-term unemployed persons who are assisted by labour market policy measures, the number of available social housing units and the amount of minimum income benefits.

Looking at the current list of common indicators as a whole, the dimensions of social exclusion and poverty that emerge as more clearly depicted are insufficient income, lack of employment and inadequate skills. It is unquestionable that these are key dimensions, but other important areas – such as health, living conditions and housing - are not yet adequately covered and further efforts need to be devoted to exploring them.

Another major concrete challenge for the development of indicators is that of statistical capacity. At both the Community and national levels, it is clear that there are big gaps in data availability, especially with respect to the groups of the population who are most exposed to extreme poverty, like the homeless, immigrants, ethnic minorities, etc. At the European level, the priority lies in improving the current European databases. In particular, it is of crucial importance that the new EU-SILC delivers timely and reliable statistics and that it is actively implemented by all national statistical services with the support of policy departments.

In view of the similar degree of overall income inequality, it is not surprising to find that, on average, EU-10 and EU-15 Member States show a very similar performance in terms of exposure to relative poverty risk. In both, the share of the population who were classified as at risk of poverty was around 15%.. Apart from the extreme positions occupied by the Czech Republic (8%) and Slovakia (21%), values range from 10% in Hungary and Slovenia to 18% in Estonia (Figure 5).

Figure 5. At-risk-of poverty rate – 2002*



* CY: 1997; MT: 2000. Data for Slovakia are provisional.

Countries are ranked by at-risk-of poverty rate.

Source: Eurostat. See Box 2 and Statistical Annex for more detail.

Nor does the relative median poverty gap – the percentage difference between the 60% threshold and the median equivalised income of the poor – signal a particular problem in the EU-10. In 2002, the median gap was 22% (same value as for the EU-15). This means that half of those at-risk-of-poverty had an equivalised income below 78% of the at-risk-of-poverty threshold, or 47% of the median equivalised income. The gap was highest in Slovakia and, to a lesser extent, in Estonia and Cyprus.

Just as in EU-15 countries, the risk of poverty is very high for the unemployed (38%). This is especially so in Estonia, Latvia, Malta and Slovakia. On the other hand, work is not a guaranteed route out of poverty for many and, as in the EU-15, 7% of wage and salary employees and 9% of all workers, are at risk of poverty. On average, the risk of poverty for the retired, at around 9%, is substantially lower than for the population as a whole. This is in contrast with the situation of most EU-15 countries, where the average poverty risk rate for this category of the population (17%) was slightly higher than for the population as a whole. Cyprus, however, stands out for recording an exceptionally high incidence of poverty risk for the retired population (62%), a phenomenon that is attributed in the NAP to the fact that the pension system is not yet sufficiently mature. It must also be kept in mind that, as data for Cyprus refer to 1997 they may not fully reflect the impact of the introduction of the social pension. Low poverty risk rates for the retired population in the remaining Member States can probably be explained by relatively generous pension systems. In the light of major reforms of the pension system recently undertaken in many of the new member States, the adequacy of pension systems in terms of ensuring that older people are not placed at risk of poverty and can share in the economic well-being of their country needs to be closely monitored.

Box 2. Comparability of the income-related figures between EU-10 and EU-15 countries

The income-related figures for EU-10 countries that are presented in this report come from national surveys¹⁰ The EU-15 mean is computed using data from the European Community Household Panel (ECHP) users' database, version of December 2003 (wave 8 conducted in 2001, income reference year 2000) except for Denmark and Sweden (DK: Law Model database, SE: HEK survey). The Statistical Annex contains details on the national sources used in the different Member States

The methodology used to calculate the indicators for new Member States is, as far as possible, the same as the one used for EU-15 Member States. In particular, every effort has been made to ensure that income definitions are as comparable as possible with those in the EU-SILC regulation¹¹, which replaces the pioneering European Community Household Panel survey (ECHP) as the common source at EU level of comparative data on income and living conditions. At the time of drafting this report, data from EU-SILC are not yet available.

In consequence, and due to the absence of a common data source for these countries, indicators for EU-10 countries cannot be considered to be fully comparable amongst themselves nor with EU-15 figures.¹²

Another factor that can affect the comparability of the results is the fact that, although 2002 is the income reference year for most of the countries, there are two exceptions: Cyprus (1997) and Malta (2000). For EU-15, the results refer to the income reference year 2000; averages for EU-10 and EU, therefore, refer to a mix of reference periods.

Due to the missing longitudinal dimension in the underlying data sources, persistent risk-of-poverty rates could not be calculated for any new Member State and Candidate Country.

Even though these various methodological issues need to be kept in mind, the indicators presented in this paper provide valuable comparative information on poverty and social exclusion for new Member States. They are the results of a close cooperation between new Member States' national statistical institutes and Eurostat.

Looking at the risk of poverty by age, the figures show that the rate is especially high, at 20% on average, for children (aged 0-15 years). This is particularly the case in Poland, Malta and Slovakia. Young people aged 16-24 also record a high risk (17%), especially in Estonia, Poland and Slovakia. On the other hand, and consistently with the findings above concerning the low poverty risk for the retired population, older people (aged 65 years and more) tend to have a relatively low poverty risk, at 8%. This pattern is consistent across all EU-10 countries, except Cyprus and to a lesser extent Malta and Slovenia where the age

¹⁰ Third round of data collection, coordinated by Eurostat during 2004.

¹¹ Commission Regulation no. 1980/2003 implementing Regulation no. 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards definitions and updated definitions. (OJ L165, 3.7.2003).

¹² Discussions are ongoing with the Slovak Institute of Statistics concerning the quality of the data used. Indicators for Slovakia have therefore to be considered as provisional.

curve has an opposite shape: younger people are in a better position than the total population and the elderly face higher poverty risks.¹³

By household type, high levels of poverty are found in households with three and more children (28%) and in single parent households (26%).

In general the risk is much the same for women as for men, but the risk is higher for women (aged 16 years and over) in the Czech Republic, Estonia, Cyprus and Slovenia; the opposite is true for Poland. Older women are always more exposed to poverty risk than men. Several countries report a trend towards increased vulnerability to poverty and social exclusion among women.¹⁴

The measure of poverty risk, however, only shows part of the picture. Although the risk of poverty rate in the EU-10 is in line with that for European Union as a whole, the generally much lower level of the national poverty thresholds witnesses the poorer living conditions which prevail in these countries. For all EU-10 countries except Slovenia, Cyprus and Malta, the gap between their national thresholds and the average for the EU-15 Member States is quite large. In Estonia, Latvia and Lithuania, the national at-risk-of-poverty threshold for a single person is only slightly above 2,000 PPS units, representing less than one third the EU average threshold.

This emphasises the need to go beyond the examination of measures of relative poverty risk in order to draw a more complete picture of poverty and social exclusion in a given country.

Social protection spending and its impact on the relative poverty risk

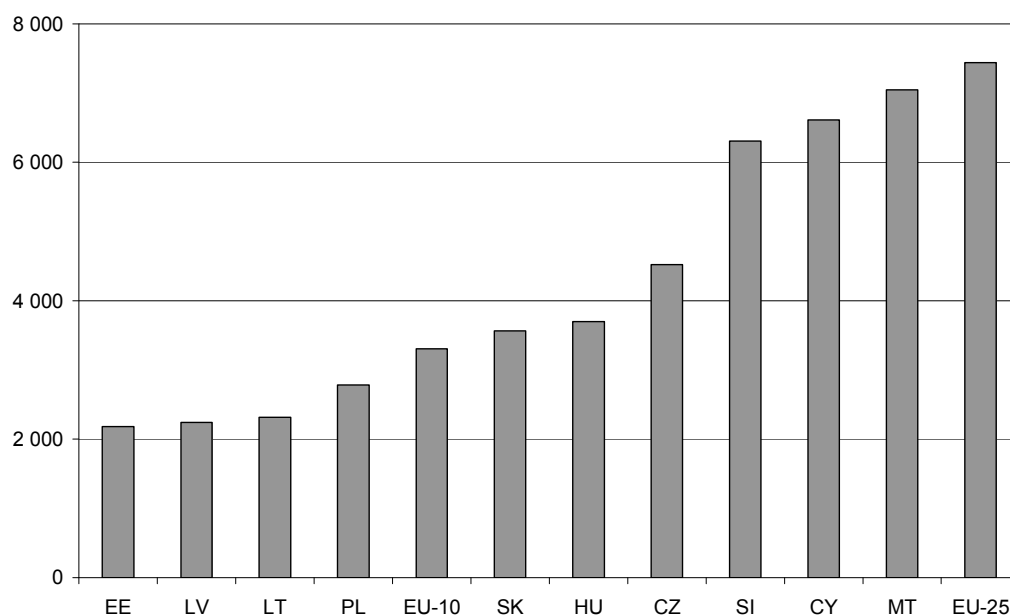
One important methodological principle for the selection of the commonly agreed indicators is that they must measure social outcomes rather than the means by which they are achieved. This is in line with the very nature of the open method of co-ordination, whereby Member States agree on objectives but are left free to choose the policies by which these objectives are to be met. Furthermore, an indicator that measures policy effort is of little help if there is no way of knowing whether the effort is achieving its goal. The indicator of *at-risk of poverty rate before social cash transfers* does not strictly follow this rule given that, when compared to the poverty risk rate after social transfers, it can be seen as an *input* rather than

¹³ The measurement of the income situation of the population, particularly by age, can be biased by the fact that the data source currently used to calculate income poverty rates takes no account of imputed rent, i.e., the money that one saves on rent by living in one's own accommodation. This is likely to result in underestimated living standards of older households, who are generally more likely to be living in their own accommodation than younger households. It will also tend to affect comparisons of the overall poverty risk across countries, insofar as the share of owner-occupiers in the total number of people at risk of poverty varies across countries. Furthermore, the income-related indicators may not be able to fully reflect the real situation if older people living alone can rely on their families' economic support. In this case, measures of subjective poverty are advanced as a useful complement to the poverty risk indicator. However, recent empirical evidence does not support the common view that societies characterised by a high degree of family solidarity tend to view themselves as poor less often than other societies. (see Duncan Gallie and Serge Paugam, *Social Precarity and Social Integration : Report for the European Commission based on Eurobarometer 56.1, October 2002*).

¹⁴ Except for single person households, gender difference in poverty risk need to be interpreted with caution, since they rely on the assumption of equal sharing of income within the household.

output indicator (i.e. it aims at measuring the impact of national social transfers in reducing poverty risks).

Figure 6. At-risk-of-poverty threshold for a single person (in PPS) – 2002*



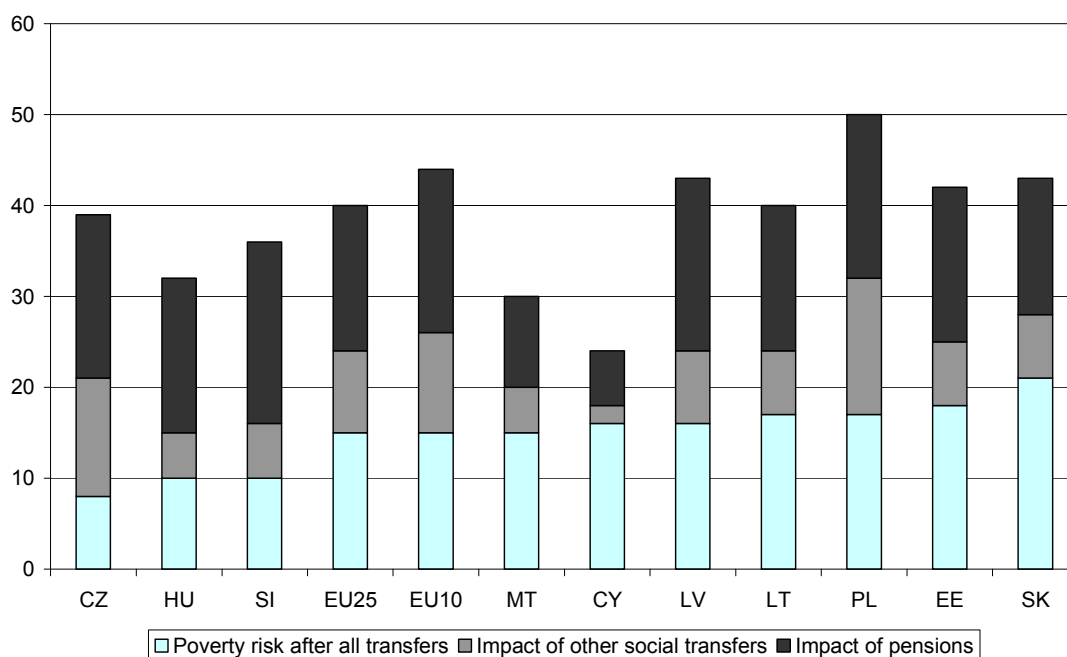
* CY: 1997; MT: 2000. Data for Slovakia are provisional.

Countries are ranked by the level of the at-risk-of-poverty threshold.

Source: Eurostat. See Box 2 and Statistical Annex for more detail.

A comparison between the standard at-risk-of-poverty rate and the hypothetical situation where social transfers are absent *ceteris paribus* shows that such transfers have an important re-distributive effect that helps reduce the number of people who are at risk of poverty. Figure 7 compares the different at-risk-of-poverty rates before and after social transfers for all the new Member States around 2002. In each country, these rates are calculated with the same threshold, namely the nationally-defined 60% threshold calculated on the basis of total household income, i.e. including all social transfers.

Figure 7. Impact of social transfers on the at-risk-of-poverty rate, total population – 2002*.



* CY: 1997; MT: 2000. Data for Slovakia are provisional.
 Countries are ranked by the at-risk-of-poverty rate after all transfers.
 Source: Eurostat. See Box 2 and Statistical Annex for more detail.

Figure 7 shows that in the absence of all social transfers, the average poverty risk for EU-10 Member States would be considerably higher than it is in reality, by the order of 29 percentage points (average rate of 44% instead of 15%). For the EU-15, social transfers reduce the poverty risk by 24 percentage points, from 39% to 15%. The higher poverty-reducing effect in the new Member States compared to the average for EU-15 is not at odds with the generally lower level of social protection expenditure in the former countries, even when the latter is measured in relative terms as a percentage of GDP (see chapter 5). While deserving further reflection in the light of more accurate information on the structure of social protection expenditure and of individual income by source, it can already be said that the comparison of the indicator of poverty risk before and after social transfers gives an indication of the redistributive impact of social protection rather than the absolute impact on the incomes of its recipients; furthermore, such comparison needs to take account of the important gap in national poverty thresholds between EU-10 and EU-15 countries.

The poverty-reducing effect of social transfers is particularly evident in the Czech Republic and Slovenia, where social transfers reduce poverty by more than three fourths; on the other hand, transfers appear to have a relatively limited impact on the poverty risk in Cyprus.

It can be argued that the primary role of old age (and survivors') pensions is not to redistribute income across individuals but rather over the life-cycle of individuals. If, therefore, pensions are considered as primary income rather than social transfers, the at-risk-of-poverty rate without all other social transfers is 26% for EU-10 countries (24% for the EU). The poverty-reducing role of social transfers other than pensions is negligible in Cyprus, whereas it is quite important in the Czech Republic and in Poland.

Material deprivation, including housing difficulties/discomfort

In the NAPs/incl, most of the EU-10 have provided evidence on material deprivation, particularly of housing discomfort/difficulties. They have done so either explicitly, by including such measures among the tertiary indicators of poverty and social exclusion, or implicitly, by using them for the purpose of illustrating particular problems of social exclusion and poverty in the body of the text.

Hungary and Poland go furthest by referring to composite measures of material deprivation. In Hungary, three such measures are used, for the following three dimensions: poverty of housing; absolute deprivation of assets; and deprivation of living conditions. In addition, the Hungarian NAP measures poverty on the basis of two alternative thresholds: a subjective threshold, corresponding to "the amount households qualify as necessary to live very frugally", and one based on the minimum pension amount.

In Poland, a "minimum subsistence level" is estimated on the basis of a basket of goods and services needed to meet the most basic needs: modest food, housing expenses for a very small flat, replacement of the most basic household items and underwear, medical drugs and items required for obligatory school attendance. People who are unable to afford this basket of goods are considered poor. According to the Polish NAP, the "minimum subsistence" poverty measure must be used because 'the scale of extreme poverty in Poland is so high that enabling people to meet basic needs and creating conditions to help them leave the poverty circle becomes a priority'.

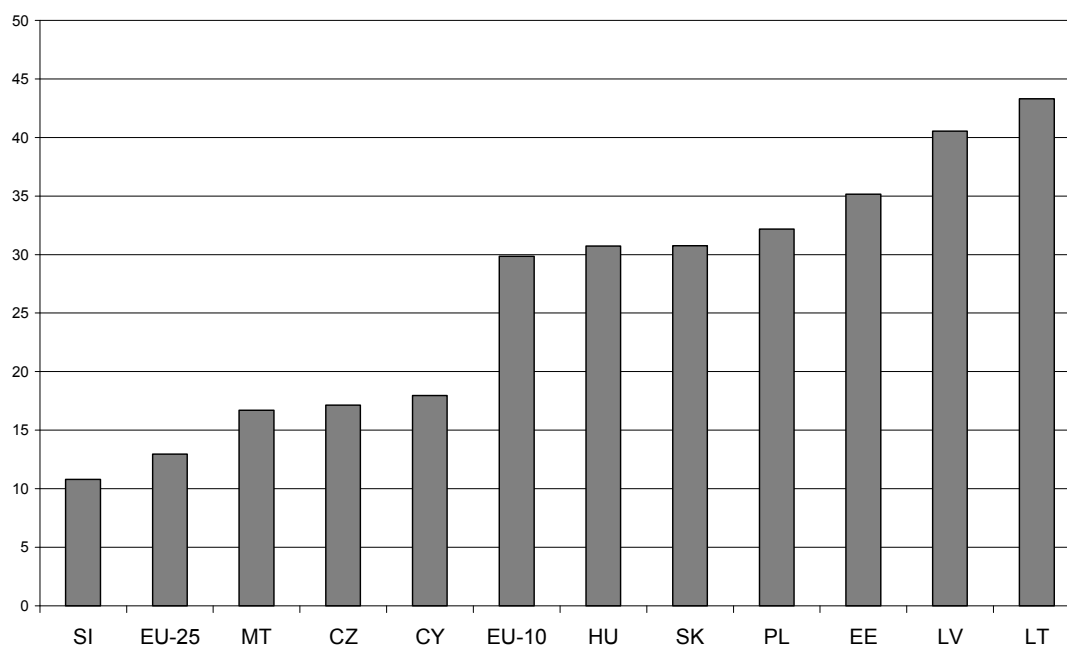
While waiting for the introduction of EU-SILC (see Box 2) in all 25 EU countries, there is still little available evidence on material deprivation on a common and regular basis for EU countries. The *European Quality of Life Survey*¹⁵ conducted by the European Foundation for the Improvement of Living and Working Conditions in 2003 provides useful comparative information on material deprivation. This is measured by a set of four items that households report as not being able to afford. A fifth item in the set expresses perceived economic strain defined as difficulties households have in making ends meet. The information on the five items is summarised in a mean index, which expresses the mean percentage of deprivation suffered by households for the constitutive items. For example, in EU-10, on average, households miss 30 percent of the 5 items related to economic strain (i.e. 1.5 out of 5 constitutive items). The index is comprised between 0 and 100%; the nearer the index is to 0, the less deprived people are.

The pattern of deprivation is quite consistent with that of the national at-risk-of poverty thresholds displayed in Figure 6: within the EU-10 countries, Lithuania, Latvia and Estonia display the highest mean deprivation index, whereas Slovenia, Malta, the Czech Republic and Cyprus report the lowest deprivation levels. The average deprivation level for the EU-10

¹⁵ The survey was carried out in 28 countries: the 25 EU Member States and the three candidate countries Bulgaria, Romania and Turkey. Around 1,000 persons were interviewed in each country, except for Luxembourg, Malta, Estonia, Cyprus and Slovenia, where around 600 interviews were conducted. The questionnaire covers a broad spectrum of life domains with an emphasis on employment and working conditions, housing, family, social and political participation, quality of society and subjective well-being.

is between two and three times higher than that for the EU, with only Slovenia reporting an index below that average.

Figure 8. Mean index of problems of economic strain* (%), 2003



* Mean index over 5 items: keeping home adequately warm; a week's annual holiday away from home; having a meal with meat every second day if wanted; having arrears on utility bills; making ends meet.

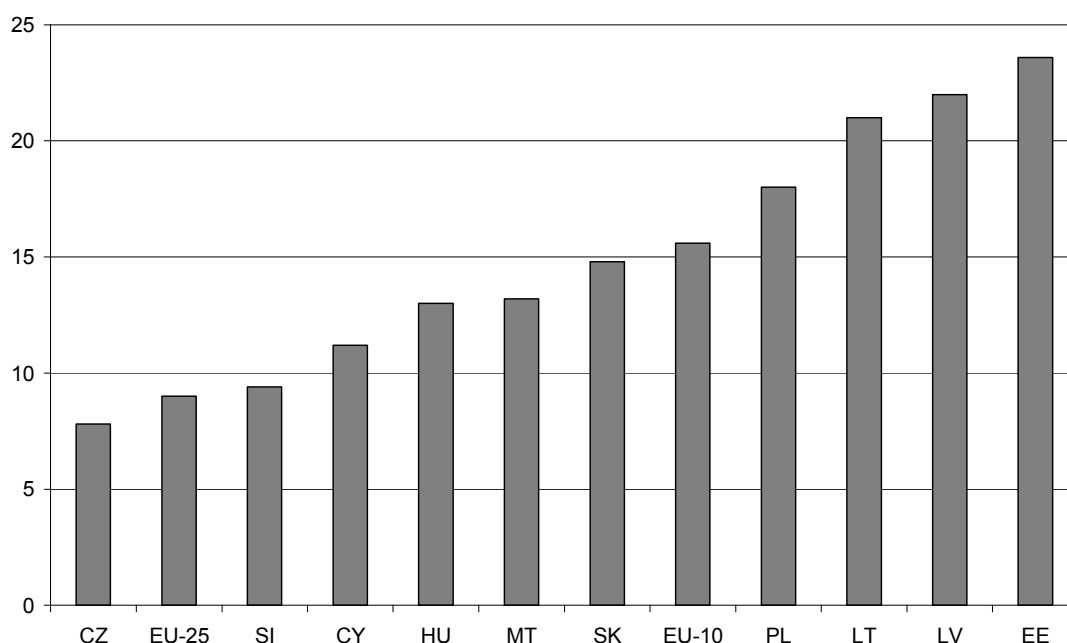
Countries are ranked by the level of the mean index.

Source: European Quality of Life Survey 2003, by the European Foundation for the Improvement of Living and Working Conditions, Dublin

An important dimension of the material situation of households that is not captured by the poverty risk indicators relates to housing. In conformity with the recommendation set out at the Laeken European Council, in December 2000, most National Action Plans contain quantitative information relating to this aspect: housing quality; difficulties of payment and context information on the housing stock. Estonia, Hungary, Lithuania, Latvia and Poland refer to problems of housing quality, and provide measures thereof – pointing to problems of shortage of space, discomfort, obsolescence, poor equipment in terms of piped water, central heating, bath or shower, hot water and gas supply. Information on the share of population with difficulties or inability to pay rent, mortgage or utility bills are referred to in the Estonian, Hungarian and Lithuanian NAPs. Information on housing difficulties is often accompanied by context information on the size, age and structure of the (rental) housing stock; the number of applicants for or beneficiaries of state support for accommodation purchase or social housing; the share of housing costs as a share of total income or expenditure of households by socio-economic type. More detailed examples of measures of housing deprivation are given in Chapter 6.

Figure 9 provides evidence on housing discomfort as it has been collected by the *European Quality of Life Survey* mentioned above. The same type of mean index over four constitutive items of housing discomfort is presented.

Figure 9. Mean index of housing deprivation (%), 2003



* Mean index over 4 items: shortage of space; rot in windows, doors or floors; damp and leaks; lack of indoor flushing toilet.

Countries are ranked by the level of the mean index.

Source: European Quality of Life Survey 2003, by the European Foundation for the Improvement of Living and Working Conditions, Dublin

The Figure shows that severe deprivation of housing facilities occurs in most of the EU-10 countries, especially in the Baltic republics. However, the mean index for the Czech Republic is below that for the average of EU countries; for Slovenia, it is only slightly above that level.

Regional cohesion

Many NAPs highlight territorial disparities in the extent of social exclusion and poverty. Often, such disparities take the form of an urban/rural divide, but in the case of Hungary and Poland the concern is also expressed in terms of disparities across administrative regions. In fact, only four of the EU-10 States have more than one NUTS2 region – Poland, Hungary, the Czech Republic and Slovakia. In these countries, the indicator of dispersion (coefficient of variation) of employment rates across NUTS2 regions is never as high as in the two EU-15 Member States featuring the highest regional disparities i.e., Italy and Spain. It ranges from 5.8 in the Czech Republic to 8.5 in Hungary. In their NAPs, Slovenia and Lithuania refer to LFS data below the NUTS 2 level pointing to significant regional employment gaps. More details on evidence used in the NAPs in the form of tertiary indicators is contained in Chapter 11, section 5.

The lack of regionally disaggregated data on income and living conditions makes it impossible to develop a comprehensive analysis of the geographical distribution of poverty and social exclusion in the EU. This will be an important area for future development and research.

2. KEY TRENDS AND PRIORITIES

It is clear from the NAPs/inclusion that poverty and social exclusion are significant and urgent challenges for the EU10. At the same time it is also evident that while the extent and intensity of the problems vary greatly across the ten Member States the poverty profiles are very similar across the EU25. The rates of relative income poverty are comparable in the EU10 and EU25 and the risk remains highest for the same risk categories in the enlarged Union. However, in countries which are significantly poorer than the EU average, being above the poverty line may not guarantee a sufficient quality of life. Furthermore, the different estimates (when available) of those at risk of extreme poverty, and of the dispersion around the at-risk-of-poverty line often reveal the existence of pockets of persistent poverty. Indeed, a striking aspect of several of the 2004-2006 NAPs/inclusion is the greater emphasis given to situations of extreme poverty. In this regard groups such as the Roma, the homeless, victims of trafficking, alcoholics and drug users, victims of violence and crime, people living in or leaving care institutions, victims of domestic violence and subsistence farm families feature often. Some also connect very high suicide rates to poverty and exclusion.

Risk Factors

Looking at the main risk factors identified in the 2004-2006 NAPs/inclusion reinforces but also adds to the picture of poverty and exclusion outlined in chapter 1. The main risk factors associated with poverty and social exclusion that are highlighted in these NAPs/inclusion include:

- long-term unemployment or inactivity especially when coupled with being part of a jobless household
- having low/outdated skills (especially older workers and young people) and being in and out of poor quality/low paid and precarious employment or involved in the large grey/informal economies
- educational and training disadvantage, especially early school leavers, persons with low education and training attainment levels and low participation rates in lifelong learning, and/or with a lack of relevant skills, competences and qualifications
- growing up in a poor family, particularly in a family with 3 or more children or a lone parent family
- having a disability, chronic ill-health or suffering drug and alcohol abuse
- being part of an ethnic minority (especially Roma) and experiencing discrimination
- living in small, disadvantaged and often geographically isolated settlements, particularly in rural areas
- growing up in institutional care
- being an asylum seeker or illegal migrant
- being exposed to particularly critical situations such as imprisonment, crime and violence or trafficking.

It is also clear from the NAPs/inclusion that many people face more than one risk factor and that different risk factors interact to deepen people's poverty and to increase the cross-generational inheritance of poverty and exclusion. However, it is also apparent that not all risk factors are as significant in all countries or indeed in all parts of one country. In reflecting on the risk factors in the EU10 compared to the EU25 it is noticeable that in several countries some risk factors tend to be deeper and more severe. This in part explains the greater preponderance of persistent poverty and subsistence lifestyles. In this regard many of the NAPs/inclusion particularly stress the impact of long-term unemployment, the size of the grey/informal economy, the frequency of very low incomes and widespread deprivation involving lack of basic necessities and a subsistence level life style, poor health conditions and inadequate access to health services and the lack or poor condition of much housing. It is also clear that ethnic minorities, and the Roma in particular, acquire a new importance in the enlarged Union and are consistently more at risk than the rest of the population. Other minorities are new to the Union: the Russian-speaking groups in the Baltic countries, whose lack of language abilities and other handicaps hamper their access to jobs.

The NAPs/inclusion also highlight significant imbalances in the geographical distribution of poverty, especially along the rural and urban divide. Lithuania and Poland are the countries where this problem is more pressing, due to the high share of the population employed in the agricultural sector; however, marked regional disparities also affect Slovenia, Latvia, the Czech Republic, and Hungary.

The NAPs/inclusion also demonstrate how the pressures of transformation and institutional change have, in most countries, resulted in a significant deficit in terms of key social services thus exacerbating the impact of poverty and social exclusion. This may in part reflect political choice and also the pressure of fiscal convergence. However, what is clear is that there is a significant capacity problem to be overcome if such core provisions, which normally play a key role in preventing and mediating social exclusion, are to be developed and delivered.

It is evident from the NAPs and the analysis in chapter 1 that the situation in the EU10 is not static. There are a number of major structural changes taking place in these countries that affect the risk of poverty and social exclusion. Just as in the EU25, the positive aspects of these changes go hand in hand with the creation of new risks of poverty and social exclusion. However, such risks are likely to be heightened in those countries with less developed social systems. Developing policies to prevent these risks leading to new poverty and exclusion is thus a key issue for policy makers. The four structural changes that are particularly striking in most of the EU10 are: major industrial and agriculture restructuring and changes in the labour market arising from very rapid economic transformation and globalisation;

- significant demographic changes in terms of ageing populations and lower birth rates;
- changing household structure with increasing numbers of family break ups, more births out of wedlock and growing numbers of lone parent families;
- rapid growth in the knowledge based society and Information and Communication Technologies.

Arising from the evidence outlined above it is apparent that the core social inclusion challenges, which were previously identified in the JIM and described in the Commission's

synthesis report on social inclusion in the new Member States¹⁶, are confirmed. Inequalities and low expenditure

In spite of the common poverty traits identified between the EU10 and the EU25 and the similarity of many of the challenges across the enlarged Union it is also clear from the NAPs/inclusion that the overall consequence of enlargement is an increase in inequalities among the citizens of EU25. Furthermore, the share of GDP allocated to social protection expenditure in all the new Member States is significantly below the EU average. It is true that, notwithstanding such low expenditure, most countries manage, thanks to social transfers, to contain appreciably the spread of poverty and social exclusion. However, in many cases the budgetary resources earmarked for social inclusion might be at risk, as governments strive to reduce budget deficits to meet economic convergence criteria. Thus, the on-going or planned reforms of the social protection systems will require close monitoring, both as concerns their social impact and their financial sustainability. This also means that for the EU10 it will be particularly important to ensure that economic policies take into account social inclusion goals. In this regard four things are important. First, it is essential, if social inclusion is to be genuinely a mainstream policy goal, to ensure economic growth that is sustainable and that translates into more and better jobs. In order to ensure the long-term sustainability of economic growth it is important to both prevent social exclusion arising and to take steps to increase human capital resources through investment in areas such as social protection, health, education, training, housing and health. This is essential to increase the size and skills of the labour force. This is especially the case in most of the EU10 where ageing populations and high levels of child poverty threaten to weaken human capital resources. Secondly, as economic growth occurs and GDP increases this needs to be complemented by a commensurate increase in the resources that are available for social spending otherwise those who do not benefit directly from economic and employment growth (i.e. the elderly, children, people with disabilities, the sick) will be left further behind. Thirdly, if economic growth leads to significant increases in income inequalities, without measures being introduced to address this, the sense of exclusion and alienation from society will deepen for those on the margins. Fourthly, addressing the pockets of persistent poverty cannot await medium or long term improvements. The benefits of economic growth and the important opportunities for new action that are provided by the EU Structural Funds (see chapter 14) need to be used to ensure that their situation is improved now. All of this means that if national strategies to promote inclusion are to be effective they need to be set in the broader context of mutually reinforcing economic, employment and social policies. It also means that it is important to achieve a balanced approach which encompasses policies both to prevent and to alleviate poverty and social exclusion and which also combine both overall long-term goals with immediate short-term actions.

Six Key Challenges for Social Inclusion

The 2004-2006 NAPs/inclusion show that the 6 priority challenges which emerged from the JIM as common to most new Member States remain pertinent. However, more emphasis is given in the NAPs/inclusion to the issues of poor housing and homelessness and child poverty than before and the six challenges have been amended to reflect this. Addressing

¹⁶ European Commission, Commission Staff Working Paper SEC (2004)848, Social Inclusion in the New Member States: A Synthesis of the Joint Memoranda on Social Inclusion. This paper elaborates in some detail on each of these challenges, see pages 42-45.

these six key challenges will be of particular importance over the next two years if real progress is to be made towards the eradication of poverty and social exclusion. They are:

1. Expand active labour market policies and develop coherent and comprehensive lifelong learning strategies in order to increase labour market integration, especially of the long-term unemployed and groups at high risk of poverty and social exclusion, and ensure more effective and efficient spending in this area so as to improve the quality of provision.
2. Ensure that social protection systems have sufficient coverage and levels of payment to guarantee an adequate minimum income for all to live with dignity, while at the same time removing disincentives to take up employment.
3. Strengthen policies to tackle child and family poverty and to protect the rights of children.
4. Improve access to decent housing and tackle homelessness.
5. Invest more, and more efficiently, in order to improve the quality of and access to key public services, particularly health and social services, education and training and transport.
6. Intensify efforts to overcome the particularly high levels of exclusion and discrimination experienced by some ethnic groups, especially the Roma, and other groups at high risk such as people in or leaving institutions or people with a disability.

In pursuing these key challenges it will be vital to achieve a balance between the prevention and alleviation of poverty. Thus it will be important both to increase the adequacy, accessibility and affordability of key services for all and to take urgent action to help those facing particular difficulties and barriers to social inclusion .

Cross-cutting issues

It is also vital that in implementing these challenges Member States give attention to three key cross-cutting issues that are currently insufficiently developed in most NAPs/inclusion. First, there is a need to increase equal opportunities. This means doing more to tackle discrimination faced by ethnic minorities and immigrants, notably the Roma and the Russian speaking minority in the Baltic States (see chapter 11.1). It also means paying much more attention to the gender dimension of poverty and social inclusion (see chapter 13). Secondly, devising and implementing an efficient system of governance and enhancing capacity in the field of social policy is a major challenge that will require sustained effort on the part of Member States if policies are to be effectively delivered on the ground. As part of this the involvement of stakeholders will need to be significantly developed (see chapter 12). Thirdly, ensuring effective delivery means putting in place systems for monitoring and evaluation. This aspect is currently very underdeveloped in the NAPs/inclusion (see chapter 12.2).

3. STRATEGIC APPROACHES ADOPTED IN THE NAPs/INCL

The core reason for Member States to prepare National Action Plans on poverty and social exclusion is to enhance the effectiveness of their policies and programmes. The aim is contribute to the achievement of the goal set in Lisbon of making a decisive impact on the eradication of poverty and social exclusion by 2010. A NAPs/inclusion should be much more than just a report on the situation and measures in place. It should assist Member States to make improvements to their policies and to ensure that there is a comprehensive and strategic plan of action in place to prevent and alleviate poverty and social exclusion.

The overall context for developing a NAPs/inclusion must of course take into account the broader economic and social context if it is to be realistic and to be integrated into the heart of national policy making. In this regard the Lisbon policy triangle emphasising complementarity and mutual reinforcement between economic, employment and social policies is very important. The NAPs under review do little to situate plans in this broader context. In general they do not look meaningfully at the relevance of general economic policy to social inclusion and how the two can go hand in hand to ensure the quality of development, except in the case of Cyprus and to some extent Slovenia.

Most fail to address the need to gradually increase resources to meet social challenges. Economic convergence criteria and budget deficit reduction goals appear to take precedence over social cohesion goals instead of taking these into account. This seriously curtails the potential of the NAPs/inclusion to make a significant impact on the reduction of poverty and social exclusion.

Member States approach the task of developing a national plan from very different starting points. This is not surprising as levels of poverty and social exclusion vary significantly and there are very different welfare regimes across the EU10. Countries also differ in terms of their prior engagement in such actions with some already having developed specific strategies in relation to social exclusion or poverty eradication but others doing so for the first time. In any case the EU10 are still at different points of the learning curve in adapting to EU concepts and terminology such as "social inclusion", "multi-dimensional approach" and "national action plans". However, all Member States have developed their NAPs/inclusion in the context of agreed objectives. These are the Common Objectives agreed at the Nice European Council in 2000 and endorsed and added to during at Copenhagen in 2002. These objectives are broad ranging. They emphasise the need for both a multi-dimensional approach and for achieving a combination of measures both to prevent and alleviate poverty and social exclusion. A key challenge facing Member States in preparing their NAPs/inclusion is to reconcile the agreed Common Objectives with national objectives and to integrate and mainstream the NAPs/inclusion process within national policy making processes.

It is clear that while policies and programmes to develop effective and strategic action plans in the context of the Common Objectives will differ between Member States, three critical elements are required. These are:

- first, plans need to be comprehensive and multi-dimensional: that is they need to encompass the different policy domains that are crucial to people's inclusion in society (economic, employment, social and cultural) – making progress in only one dimension is not sufficient. They also need to ensure that policies and programmes in these areas are integrated and mutually reinforcing;

- secondly, plans need to be coherent and logically planned: they should move from a thorough analysis of the situation and identification of the key social inclusion challenges to the establishment of clear priorities with long and short term objectives. Then they should assess the strengths and weakness of existing policies and programmes in terms of achieving the objectives set and so identify what specific new or additional actions are to be introduced and how these will be funded. In other words they should be strategic development plans not just reports listing policies and programmes developed in other contexts;

- concrete targets for poverty reduction need to be set: effective strategic planning requires establishing clear targets that need to be achieved if significant progress is to be made towards the overall goal of eradicating poverty and these then should provide the context for a transparent monitoring process.

Overall Member States have made a good start in their first NAPs/inclusion building on the work that was done in preparing the JIM. They provide a sound basis on which to build for the future. In the short space of time since accession it is not realistic to expect the NAPs/inclusion process to have become fully integrated into national policy making processes or to have led to major shifts in policy direction or resource allocation. However, in most cases it has been possible to begin to identify strengths and weaknesses of existing systems and to begin to mobilise relevant actors and to develop strategic priorities. Nevertheless, in several instances the NAPs/inclusion still remain primarily an aggregation of policies and programmes that have been prepared in other contexts rather than a new and distinctive strategy for promoting social inclusion.

Multi-dimensional approach

All Member States incorporate a multi-dimensional approach to a significant extent in their analysis of the key trends and challenges. In this regard the NAPs/inclusion of the Czech Republic, Poland, Hungary, Slovenia and Cyprus are particularly noteworthy for the breadth and detail of their analysis.

When it comes to setting objectives, a multi-dimensional approach is evident to some extent in most plans and is particularly strong in the cases of Estonia, Latvia, Slovak and Czech Republic. Most plans focus strongly on employment related measures, some at the expense of giving sufficient priority to other important dimension of social inclusion.

When it comes to setting out policy measures, the multi-dimensional approach tends to be weaker in many plans. A truly multi-dimensional approach involves more than just listing policy measures in a range of different policy domains. It is about ensuring that policies are co-ordinated and mutually reinforcing. Such an approach is most evident in the Cyprus NAP, which, for example, contains an in-depth discussion on the relationship between employment and social inclusion policy. It is also frequently evident in relation to the inclusion of the Roma, for example in the Czech and Hungarian plans. However, it is much less apparent for other groups recognised as being at high risk such as people with disabilities, the homeless or children growing up in poverty.

Coherent and Planned Approach

The Estonian plan is particularly clear and is probably the plan that adopts the most generally coherent and planned approach. It develops clear objectives on the basis of a good analysis, sets clear and quantified targets for several areas and proposes specific actions

aimed at achieving them. The plan gains credibility from being supported by clear budgetary commitments. However, it is somewhat cautious in relation to the scale of the problems outlined and sometimes the objectives are not translated into specific measures but rather areas for action.

Cyprus adopts a logical approach. It identifies clear problems and focuses mainly on particular target groups. It then presents some concrete solutions. It is also good at identifying weaknesses in the current systems and specifying detailed measures to achieve objectives, though in many cases it describes existing practices and programmes or suggests improvements that are marginal rather than radical. However, it fails to set concrete and quantified targets, though it does present preliminary ideas for doing so. Institutional reforms and monitoring procedures towards achieving the timely and effective implementation of the envisaged policy measures are not proposed. Slovenia, likewise, develops a clear and logical plan, and goes further in setting some concrete targets and identifies risk groups. As with Cyprus, the Slovenian plans describes certain measures clearly such as access to health care and education but in others, for example reducing regional differences and the prevention of discrimination and other risks of exclusion, some of the objectives outlined are not sufficiently translated into concrete measures. The credibility of the plan as a strategic document is enhanced by the fact that its main strategies and objectives have been taken into account in Slovenia's Development Strategy 2004-2013.

The Hungarian and Polish plans are ambitious and set objectives that follow logically from the analysis of trends and challenges. Poland's analysis is particularly thorough and it is noteworthy in spelling out both short and long-term objectives as well as a number of outcome targets. In Hungary's case less attention than might be expected is given, in an otherwise strong analysis, to the impact which an overriding policy focus on competitiveness and the rapid reduction of budget deficits has had on the capacity to fight poverty and social exclusion. While objectives are clear and a wide range of measures are outlined the overall coherence and co-ordination of policies could be improved. More precise targets and deadlines would have strengthened the NAP. The Czech Republic's overall analysis is clear and its priorities cover the most vulnerable groups but the general strategic approach remains rather implicit and there is a lack of precise targets and actions. The Czech Republic and Hungarian plans tend to report on policies developed in other contexts rather than present new strategic planning leading to new policies and programmes. However, by bringing different programmes together in a coherent framework they provide a useful starting point for a more strategic approach. In Poland's case a National Social Inclusion Strategy had already been adopted for the period to the end of 2010 so the NAP/inclusion is more an implementation plan for the period 2004-2006. In the case of the Czech plan the fact that the NAP has been incorporated into the programme of the new government adds to its strategic credibility.

In Malta the analysis, while it could be deepened, is quite sound in identifying key issues and groups and setting overall objectives. However, the list of key priority areas that follow is somewhat long and does not always seem to connect back to the objectives and challenges identified earlier. Clear targets are infrequent and the concrete measures set out are less coherent and are often described in a general manner and without quantitative detail.

The Slovak plan contains a clear and open analysis of the key problems and risks and this leads to clarity on objectives. However, its failure to analyse the potential negative impact of changes in the social protection system on particularly vulnerable groups is a significant weakness. The plan is most developed in terms of measures aimed at increasing

employability, though in this regard it concentrates more on solutions already developed. The attention given to other key issues is less developed and it is often not clear what new or additional dimension is brought to the process by the NAPs/inclusion. Thus in terms of addressing social exclusion overall the plan lacks a very comprehensive approach. This is reflected in its very narrow and limited approach to targets.

The Latvian and Lithuanian plans contain a thorough analysis and generally identify well the key challenges. In Latvia long-term policy objectives are reasonably clear but when it comes to setting priorities and developing measures the plan lacks a coherent and integrated strategy and the priorities set seem to be too numerous. The measures listed tend to lack priority and it is often not clear what is to be changed or developed as a result of the NAPs/inclusion process that was not already incorporated into other initiatives. The NAP does not indicate whether additional resources will be available. Similarly, the Lithuanian plan, while containing a very extensive list of objectives, lacks prioritisation both between the overall objectives and between the many sub-objectives which are set. This imprecision is then carried over into the planned measures which tend to be a mix of actions already planned within other contexts and a listing of measures which would be desirable without necessarily providing a concrete means of implementing them. Nevertheless, important long-term targets are set, while short-term targets and budgetary resources are less apparent.

Setting Targets

The evidence from the 2004 NAPs/inclusion is that most EU10 Member States are still at a very early stage in setting meaningful targets for the reduction of poverty and social exclusion. Encouragingly 6 out of 10 countries include one or more direct quantified targets that aim at a reduction in poverty and social exclusion in a key policy domain. This compares positively with the 2003 NAPs/inclusion when 8 out of 15 Member States set such targets. However, in most instances the majority of the targets seem to have been set in other contexts and then imported into the NAPs/inclusion. In most case they do not seem to result from a systematic planning process in developing the NAPs/inclusion. This also may explain why the dates set for achieving targets vary widely. Indeed, very few countries adopt a systematic approach to setting direct outcome targets that reflect the key challenges and the multi-dimensional nature of poverty and social exclusion. A lot of what are referred to as targets tend to be rather broad, non-quantified aspirations rather than real targets.

Not surprisingly, given the importance Member States attach to employment as a route out of poverty, by far the largest number of targets set for the direct reduction of poverty and exclusion relate to long-term unemployment or the employment of vulnerable groups (EE, HU, LT, MT, PL & SI). Most of these would appear not to have been set specifically in the context of the social inclusion process but rather to be targets that were already set in the context of the employment process. This synergy between the two processes is encouraging but the added value of the social inclusion process to setting targets in this area is not often apparent. Surprisingly and worryingly, particularly given the importance given to extreme or subsistence poverty by many Member States, only three countries (EE, LT & PL) set targets for reduction of income poverty. The other areas in which quantified outcome targets are set concern educational disadvantage (EE, HU & PL) and health/life expectancy (EE, HU & PL). However, it is striking, given the acknowledged importance of housing/homelessness issues, that no direct outcome targets cover this domain. It is also noticeable that none of the direct outcome targets are broken down by gender.

Table 2 - Use of Quantified Targets in the NAPs/inclusion

Country	Direct Outcome Targets ¹				Indirect Outcome Targets ²	Input Targets ³
	Income/ Deprivation	Long-term unemployment/employment of vulnerable groups	Education	Health		
Cyprus						
Czech Rep.					*	
Estonia	*	*	*	*	*	*
Hungary		*	*	*	*	*
Latvia					*	*
Lithuania	*	*			*	*
Malta		*	*		*	
Poland	*	*	*	*	*	*
Slovak Rep.					*	*
Slovenia		*	*		*	*

1. Direct Outcome Targets are those targets that directly indicate a reduction in poverty and social exclusion in a key policy domain (i.e. reduction in long-term unemployment, increase in employment of vulnerable groups, reduction in numbers on low income, poor housing/homelessness, educational disadvantage, poor health). They are subdivided into targets by key policy domain. Some MS make use of the Laeken indicators while others use national indicators.
2. Intermediate Outcome Targets are those outcome targets which may indirectly contribute to a reduction in poverty and social exclusion (e.g. increase in overall employment rate, reduction in unemployment rate, reduction in number of people depending on assistance payments, reduction in level of sick leave, shorter waiting lists)
3. Input Targets are those targets which aim at an increase in policy effort (e.g. increasing the number of homeless assisted; ensuring that all immigrants can participate in an integration programme)

Indirect targets, whose achievement may indirectly contribute to a reduction in poverty and exclusion, are nearly twice as common in the NAPs as direct targets on poverty reduction. Again many of these come from other processes and employment/unemployment is the predominant concern. The relevance and significance of these vary widely. Seven countries also include some input targets with Estonia and Poland being the most systematic in this regard. However, output and input targets are quite often mixed up together.

The setting of clear overall targets for the reduction of poverty and exclusion is most developed in the NAPs/inclusion of Estonia and Poland. They both adopt a multi-

dimensional approach with targets covering income, unemployment, health and education. They complement these targets with a range of indirect and input targets. Estonia systematically sets targets for 2006 whereas Poland's targets are for 2010. Hungary too is quite multi-dimensional in its approach covering unemployment, education and health and also including significant indirect and input targets. Lithuania sets ambitious long-term income (both relative and extreme poverty) and unemployment targets and also has important indirect and output targets whereas Malta covers unemployment and educational disadvantage

Cyprus is the only country that does not to set any targets at this stage. It considers that this would be premature due to statistical limitations and lack of experience in the use of indicators. However, it emphasises that an important part of the process during the implementation of the plan will be to promote analysis and public discussion with key stakeholders about indicators, with a view to adopting a cohesive, ambitious and realistic set of targets for 2010.

4. PROMOTING EMPLOYMENT

Main findings

All NAPs place employment policy on top of the policy agenda for fighting poverty and social exclusion. This follows logically from the assessment that low levels of employment and high levels of unemployment – in particular long-term unemployment – are major risk factors for poverty and social exclusion. However, most NAPs do not see labour supply policies as the exclusive remedy and emphasize the importance of economic growth leading to the creation of new jobs.

Many NAPs adhere to policy objectives such as "making work pay" and state the intention to promote "activation policy" in general. Also, many emphasise the modernisation of Public Employment Services, education and training and life-long learning. However, most of them do not specify which concrete employment policy measures they intend to launch or what financial commitments they are ready to make. This task appears to be left to the forthcoming NAPs /employment. This makes it difficult to assess how Member States ensure coordination – or integration – between policy measures in the fields of employment and social inclusion. In view of the relatively low weight given in the countries' budgets to active labour market policy and life-long learning, the strong priority given in the NAPs/inclusion to employment policy, calls for an increase in such budgets, backed by forthcoming support from the European Social Fund. There is also room for improvement in the way education and training systems are working. Otherwise, the NAPs devote much attention to policies that are geared towards specific groups.

It is important to stress that the new Member States are not a homogenous group in terms of their employment situation. While, for example, Cyprus is in a relatively favourable position combining high growth rates and near full employment, there are countries facing a very difficult situation on the labour market. For instance, Poland, which displays the lowest employment rate in the EU (51,2%), high unemployment (19,5%) and a high share of long-term unemployed, whereas other countries reveal dramatic problems for specific target groups, such as the Roma, as for example in Hungary where they account for about 5% of the population.

Accordingly, there is a variety of policy responses concentrating the policy efforts on different problems and risk groups. Whilst for example Slovakia is concerned with expanding active policy measures at the expense of passive ones and puts the emphasis very strongly on employment measures (activation, self-employment, supported job creation) and training, other countries are still in the phase of building up or strengthening their minimum safety nets and increasing the - very low - level of social protection benefits. On the other hand, there are also a number of recurrent themes, e.g. specific measures for the disabled, that are common to almost all NAPs.

It is challenging to reflect and assess the wealth of information, provided in the NAPs. The present analysis sets out to summarise the most essential points. However, most NAPs do not report on any sort of policy *evaluation* in order to assess the efficiency and the effectiveness of concrete measures such as active labour market policy or life-long learning. In this respect there is certainly room for improvement.

Problems, risk-factors and vulnerable groups

The NAPs address the underlying economic causes of the very difficult situation on the labour market (in particular, the transition towards market economies in conjunction with a fundamental structural change; external shocks, such as collapse of demand from the former soviet union; increasing globalisation and competition).

One major consequence was a decrease of labour demand. Consequently, the NAPs point out the importance of economic growth. However, some also underline that growth as such is not sufficient – Poland, for example, stresses the problem of "jobless growth". Cyprus goes one step further in referring to the concept of "the quality of development", and wants to achieve "not any growth" but a "stable development path which leads to income increase and does not leave anyone behind".

Another major consequence for labour supply is the mismatch between skills and qualifications held by very large segments of the labour force (particularly the older) and those that are demanded by the labour market.

Joblessness has still a strong negative impact on the income situation of households in many new Member States, as the existing social protection systems do not appear capable, either in terms of coverage or level of benefits (cf. chapter 5), to make up for the lack of income from work. However, the NAPs also make clear that even having a job is not an absolute guarantee against poverty, by pointing out the situation of the "working poor". Estonia, for example, makes clear that the income from work is not always greater than income from benefits.

In this context, minimum wages play an important role. They exist in all EU 10 (in Cyprus it only exists in specific sectors). Their levels, measured in Purchasing Power Standards (PPS), are among the lowest of EU25. However, there are significant differences among the EU 10 (in January 2004, the minimum wages, expressed in PPS, ranged from 281 in Lithuania and 283 in Latvia to 667 in Slovenia and 821 in Malta). The minimum wage levels in the latter are therefore comparable to those in Portugal or Greece.

Furthermore, the NAPs make clear that there is a whole range of specific groups that have, in the absence of some sort of public intervention, rather low chances of finding a job. The underlying problems can be relatively straightforward as in the case of lone parents and the

lack of affordable child care facilities, or multi-causal as in the case of the Roma. Other groups are frequently mentioned, suggesting that they may deserve greater policy efforts: victims of trafficking, persons released from prisons, farmers and inhabitants of regions where there is a concentration of disadvantages.

In conclusion, most NAPs present a sound and critical analysis of the current situation, including the major problems, risk factors and groups most distant from the labour market. However, not a single NAP systematically addresses the shortcomings of existing policies, and what is their degree of responsibility in the present situation.

Strategic approach and concrete measures

There are three recurrent themes in Member States' policy responses: activation/to make work pay, to reform Public Employment Services and to improve education and training.

To make work pay

A large number of NAPs state the intention to develop or extend "activation measures", to fight "disincentives to work", "dependency or reliance on social protection benefits", "poverty traps" and, more generally "to make work pay". However, in most cases there is not sufficient precision about how these objectives are supposed to be achieved. For example, Malta highlights "making working pay" as one of four priorities but only states that "A strategic approach will be taken to this issue, whereby between 2006 and 2010, a number of reforms will be designed and introduced".

In particular, there is scant information about unemployment benefits, and how their design in view of rights and obligations actually creates incentives or disincentives to work. The same applies for in-work-benefits, tax credits and wage subsidies. It is unclear what role these instruments play within employment policy, not to mention their respective role in promoting social inclusion. It is not clear either whether the countries try to build "pathways" into the labour market and how recipients of social assistance are involved.

As a serious "activation policy", addressing the needs of those most distant from the labour market, requires a sufficient level of social protection benefits, so as to create a system of duties and obligations for the beneficiary vis-à-vis the employment or social services, extending the eligibility for benefits and increasing their amount could be a step in the right direction in some countries. However, there are many open questions in respect to "making work pay" in the new Member States (relating to disincentives to work, the eligibility criteria, the compulsory or voluntary nature of activation and the availability of financial resources) which resemble very closely to the questions currently raised in the wider debate in the Union, despite the different situations of departure.

A few NAPs are more concrete and contain important clarifications. Cyprus addresses the problems of "poverty" and of "unemployment traps" and the risk that unfavourable combinations of social protection and tax provisions can block to taking up a job. To avoid this problem the marginal tax rate on income from work was reduced in recent years. Furthermore, the Public Assistance and Services Law 8/91 contains a number of provisions favouring employment, including, for example the use of the monthly assistance allowance as a kind of in-work-benefit during the first month a person takes up a job and the possibility to, if a person refuses job offers, to stop paying benefits. Slovenia indicates that funding has been shifted away from passive to "active measures". About a third of the spending went

into public work programmes followed by subsidised social contributions and education and training for the unemployed. The new *Employment Act* provides for a more flexible labour market, providing for a shared obligation of workers and employers regarding education and training. Hungary has abolished the income tax rate on minimum wages. Furthermore, promotion of employment through measures of training, adult education, wage supports and assistance to start up businesses involves an average of 80.000 – 100.000 persons per month. In particular, Hungary emphasis the success of wage subsidies in helping people to find eventually a permanent job (again, the information on these schemes is not very detailed).

Furthermore, some countries try to keep a sufficient gap between the level of social protection benefits and income from work (CZ, LV, SI & SK) by adapting their legal stipulations on minimum wages accordingly. In the Czech Republic, for instance, the minimum wages will continue to be increased on a regular basis in order to attain a more positive relation with the minimum subsistence amounts which are also regularly increased. Since 2003 Poland has regulated by law the determining and negotiating principles for the increase of minimum wages.

Latvia, proposes to increase regularly minimum wages, to revise the amount of tax exemption for low income individuals, and to increase the pension entitlements by allowing additional payments to the state old-age pensions. Finally, Slovakia to make work pay and motivate parents to a job is supporting working parents with a flat-rate supplementary child benefit. Furthermore a monthly tax-bonus per each dependent child is paid to one of the parents provided that he or she works.

The Slovenian government plans to reform minimum wages to make work pay and reduce dependency on social transfers by providing subsidies for employment (and introducing reductions in social security contributions) for certain groups of unemployed.

Reforms in public employment services

A number of NAPs focus on job counselling, identification of training needs on an individual basis etc. (CZ, EE, HU & CY). For example, in the Czech Republic a new programme started on 1 January 2004. All Labour Offices implement the programme “First Opportunity” which is designed to support young people under 25, the objective being to provide jobs to all unemployed people, or to increase their employability by means of advice, training, retraining, training on the job or similar measures. There is also a pilot programme “New Start” with a similar objective but aiming at persons over 25. The Estonian NAP announces a reorganisation of the public employment offices to ensure that the jobseeker, after an initial evaluation, will be directed either to a “career and counselling centre” (for work mediation, counselling and other general labour market services) or a “case management centre” that deal with jobseekers that require more extensive and diversified assistance. Personal employment counsellors will play an increasing role and there number will be increased between 2004 and 2006; from 2005 onwards the principle of case management will be extended to long-term unemployed and young people. Hungary reports that the Public Employment Service organises training that is customised to the special needs of a number of target groups (school dropouts, young unemployed persons, long-term unemployed and elderly unemployed) and counselling and career-orientation services.

As suggested above, it is not always clear how and to what extent rights (unemployment benefit) and obligations (to accept a job; to follow a training course), including sanctions are

linked. In the light of the analysis of the main problems, the emphasis on Public Employment Services is convincing, if they are in a position to tackle the mismatch of skills and qualifications, i.e. if they have the resources to provide training on a larger scale. Whether this is the case is an open question. Otherwise, an improvement of the efficiency of administering the unemployed might not lead to the desired results.

Improvement of educational and training systems

All NAPs adhere to the promotion of life-long-learning and attach great importance to the improvement of educational and training systems as well as of the employability of the workforce in general. Surely, this approach is the logical consequence of having identified insufficient skills, competences and qualifications among the limiting factors in the creation of jobs. However, there is considerable room for improvement in the way lifelong learning systems are delivered and implemented. The EU10 tend to perform at a much lower level than the EU25 as a whole in the area of lifelong learning. Furthermore, training measures for the unemployed are poorly developed which is illustrated by the fact that, in 2003, the unemployed in the new Member States had a participation rate in lifelong learning of 3,6% (age group 25 – 64). These rates are even lower for inactive persons (2,8%) and low-skilled workers (0,9%). The EU10 should thus, in close cooperation with the social partners and other relevant actors, step up their efforts towards having coherent and comprehensive national strategies for lifelong learning in place by 2006.

Other aspects

The Nice common objective 1.1. does refer to other aspects that are relatively neglected in the NAPs/inclusion of the 10 new Member States. For instance, only a limited number of NAPs address the issue of reconciling work and family life through the creation of good and affordable child care facilities (a positive exception in this regard being Hungary).

Similarly, the role that the Social Economy can play in promoting jobs particularly for the most disadvantaged groups does not seem to deserve great recognition in most new Member States' strategies. In particular, the role of microcredit in promoting self-employment seems to have been completely disregarded. However, Poland does lay stress on the social economy. The Law on social employment defines the most vulnerable groups and a series of steps to re-inclusion are identified. Social co-operatives have been introduced into the Polish system of social policy. It is envisaged that under EQUAL twelve Partnerships for Development will be created with the aim of creating and supporting the development of the Polish model of the social economy including support for social employment and social co-operatives.

Poland highlights the role that can be played by *social contracts* as an activating tool in the social assistance system. The contracts define the rights and duties of a person applying for the aid and the duties of the social worker, which will help to overcome the difficult situation in life and facilitate a person's (or a family's) moving out from the group of recipients of social assistance.

The place of minority groups on the labour market

While discrimination on the labour market is widely recognised in the NAPs/inclusion only a few point a finger to the demand side. Hungary is an exception in this respect, indicating that the difficult situation of some minority groups on the labour market is also to be

explained by discrimination on the side of the employers. On the other hand, most Member States offer specific guidance and training for minority groups. However, Latvia while showing an unemployment gap between Latvians and non-Latvians of more than 5 percentage points, does not present plans to improve the labour market situation of the latter.

In view of the multi-dimensional character of social exclusion it is also important to highlight the limits of policy responses that are confined to the dimension of employment. Although finding a job plays a crucial role, such an approach needs to be embedded in a wider framework addressing *all* the needs of the specific target group. Examples are Member States' efforts to tackle the difficult position of the Roma and the disabled.

- To help the Roma is one of the most demanding objectives, as it is highlighted by the Hungarian NAP. Their problems are multifaceted and cover employment, education, health, income and living conditions, including housing. In Hungary, their unemployment rate is between 3 and 5 times higher than average, only 44% of the children finish primary school; the poverty rate is about 5 – 10 times higher than for the rest of the population. The Hungarian government adopted in 2004 a “medium-term package of measures to promote the social integration of the Roma” that tries to address all of the different dimensions of social exclusion the Roma are suffering from. The “decade of the Roma integration”, that will be launched in 2005, is part of that package. This is a good example of an attempt to integrate employment policy with action in other areas as a decisive step for social inclusion.
- Many NAPs point out disabled persons as a group with serious problems on the labour market (e.g. Czech Rep., Estonia; Hungary, Cyprus). Some countries provide elements indicating how the situation is critical. For example in Hungary a share of the population has a disability (5,7%) but only 9% of them are in employment. The high level of unemployment among them might be due to the inability of the education and training system to respond to their special needs. Difficulties in terms of access, prejudices on the side of possible employers and low productivity might aggravate the problem. The Czech Republic tries to tackle this complex problem with a combination of subsidies, specific training and sheltered employment.

5. SOCIAL PROTECTION SYSTEMS

5.1. Social Protection systems in the fight against poverty and social exclusion

Social protection is a key element of the policy response to poverty and social exclusion. Social transfers play an important role in reducing poverty risk in the EU 10 countries (cf. Figure 7, chapter 1). They do so in an economic and financial context which places serious constraints on their coverage, duration and benefit levels in the majority of EU 10 Member States. Most of these countries have gone through, and continue to experience, rapid economic and societal change. Their social protection systems have been restructured under the pressure of wide-scale restructuring in order to respond immediately to challenges such as high and increasing unemployment, massive lay-offs and creeping poverty which have accompanied this change. Several factors – such as the drive to consolidate public budgets; the state of development of administrative structures; the “immaturity” of systems as they build up reserves; the high level of the grey economy and other barriers to revenue collection – act as constraints on the ability of these systems to address the major challenges which they face. Furthermore, in restructuring their social protection systems, Member

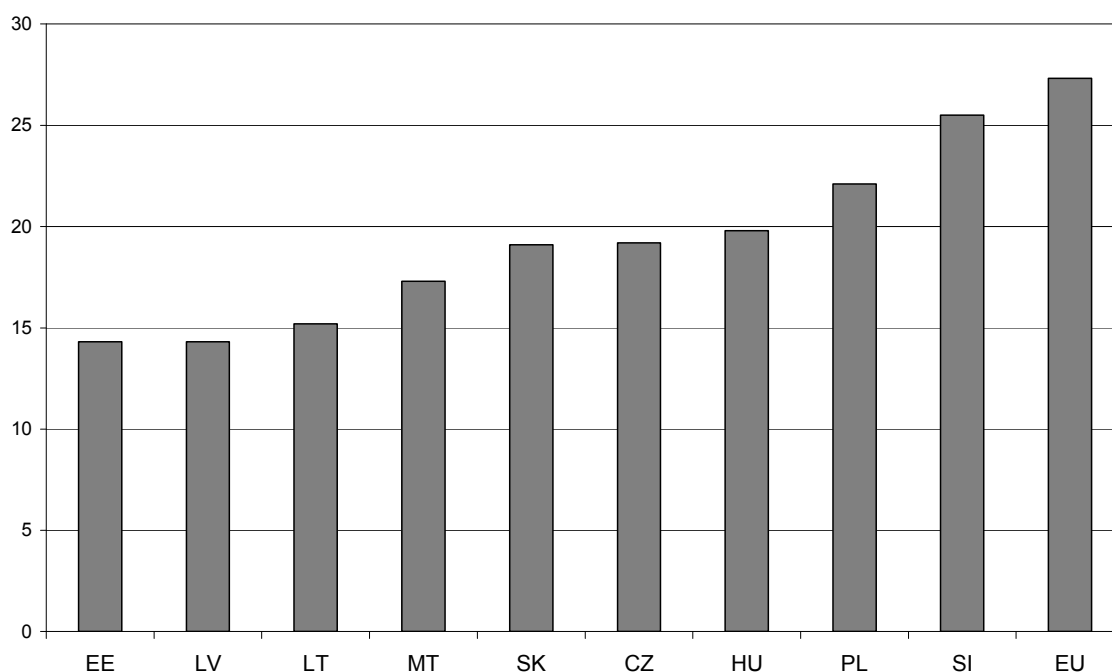
States face the challenge of ensuring that their systems both provide adequate support to prevent poverty and to ensure that people can lead life with dignity while at the same time minimising disincentives to work and avoiding excessive budgetary costs.

Given the key role of social protection systems, one would have expected the NAPs/inclusion to present a much more developed account of how existing and envisaged policies in this area are impacting or are expected to impact on poverty. However, evidence in this area is scarce, and for this reason, the present chapter will start by presenting an overview of the features of the social protection systems in the 10 Member States before reporting on how social protection is addressed in the NAPs/inclusion.

5.2. Overview

Figure 10 shows data on expenditure on social protection in 2001 as a percentage of GDP for all EU-10 countries except Cyprus. An important result to bear in mind when discussing the role of social protection in preventing income poverty in the 10 new Member States is that aggregate expenditure (covering pensions, healthcare, unemployment benefits, social assistance, family and child allowances) is substantially lower than in the whole EU25 with the exception of Slovenia, where spending levels are close to the EU average.

Figure 10. Social protection expenditure as a % of GDP, 2001



Source: Eurostat - ESSPROS database. Data for Cyprus are not available.

Pensions

Reform of pension systems was a central element in the process of social protection reform throughout most of the EU 10 countries in the 1990s. Reforms are still ongoing (2003-2004) in a few Member States (LT & SK). A summary of the main characteristics of the different pension systems, after reform, can be found in Table 3.

Table 3 - Basic Characteristics of (Reformed) Pension Systems in the EU 10 Member States

	Main reforms	Statutory schemes		Private pillars
		PAYG	Funded	
Czech Republic	1990-92, 1995, 2003	Defined benefit PAYG financed from social security contributions	None	Voluntary, tax expenditure subsidised of minor importance
Estonia	1997	PAYG earnings-related similar to German system	Mandatory fully funded DC (2002) administered by private funds	Voluntary, tax expenditure subsidised of minor importance
Hungary	(1994) 1998	Defined benefit PAYG financed from social security contributions & general taxation	Mandatory Fully * funded DC (1999) administered by private funds	Voluntary (94) Mutual Benefit Funds, tax expend subsidised moderate importance
Latvia	1995, 1998, 2000	NDC based	Mandatory Fully * funded DC (2001) administered by private funds	Voluntary (1998), tax expenditure subsidised of minor importance
Lithuania	2003/2004	Classical PAYG DB w. flat-rate & earnings-related part financed from gen. Taxation & social security contributions	None	"Hybrid" voluntary pillar financed with public pension revenues.
Poland	1999	NDC based	Mandatory Fully * funded DC (1999) Administered by private funds	Voluntary, tax expenditure subsidised of moderate importance

Slovenia	3 pillar reform rejected 1999, existing pillar strengthened thereafter	Classical PAYG DB financed from social security contributions & general taxation	None	Voluntary, tax expenditure subsidised
Slovakia	Major reform planned for 2003/2004	Defined benefit PAYG financed from social security contributions	Mandatory fully funded DC (2005). To be administered by private pension administration companies.	Voluntary, tax expenditure subsidised of minor importance (1996). Insurance principle should be transformed into savings and one specialized supervision agency should be introduced (2005)
Cyprus	1995 (introduction of social pension)	Classical PAYG DB financed from social security contributions & general taxation	Mandatory pension schemes/provident funds for the broader public sector.	Voluntary, of minor importance
Malta	No major reforms recently	Classical PAYG DB financed from social security contributions & general taxation	None	Voluntary, of minor importance

DC= Defined Contribution. DB=Defined Benefit. PAYG=Pay as you go i.e. financing current benefits out of current revenues. NDC= Notional Defined Contribution, i.e. a system with individual contribution accounts where benefits for individuals are calculated as sum of individual contributions times a factor of real growth in the economy in the contribution period.

* Whether these elements in overall provision should be categorised as the 2nd part of 1st pillar provisions or actual 2nd pillar depends on the jargon applied. In the Swedish system the NDC and the fully funded DC element are integral parts of the first pillar. Also in Poland the system of mandatory pension funds is part of the 1st pillar.

An important general focus of the reforms has been to lay the basis for the ongoing sustainability of systems. While there are important variations in the way Member States have addressed the pension reform, in general they have greatly strengthened the incentives to continue in work, gradually raised the pensionable age and limited the access to early retirement and invalidity benefits. As a result, early retirement is not any more an open exit route from the labour market in countries such as Poland and Latvia.

EU 10 Member States can be grouped in five groups when it comes to reform trends over the last decade:

- i Latvia, Poland and Estonia have adopted fundamental reforms of their public 1st pillar pensions and have introduced a 2nd pillar of mandatory, fully funded schemes managed by competing private pension institutes. Furthermore, Poland has planned to adopt provisions allowing granting old age pension to people who reached retirement age but had not managed to accumulate the required insurance record because they were receiving a disability pension¹⁷.
- ii Hungary and Slovakia have introduced a 2nd pillar of mandatory, fully funded schemes managed by competing private pension institutes, and reduced their 1st pillar public scheme.
- iii Lithuania has established the possibility to opt out of a part of the otherwise unreformed public scheme by shifting a small part of the obligatory contribution to a voluntary 3rd pillar pension insurance;
- iv The Czech Republic has launched a reform of its public scheme, but refrained from introducing a mandatory private one; and
- v Cyprus, Slovenia and Malta are in the early stages of reforming their pension systems. While Malta foresees to launch a national debate in 2004, Cyprus introduced a social pension in 1995, and has stated its intention to set out a strategy for pension reform in 2005.

As noted in chapter 1, the risk of poverty among the elderly are (with the exception of Cyprus) relatively low, suggesting that pension systems are currently effective in providing retired people with income enabling them to maintain living standards broadly in line with those of the majority of the population. However, the absolute levels of pensions, and especially of social pensions, are low in most of the EU10 countries. The future impact of the radical reforms of recent years is difficult to predict. In particular, the strategy of placing increased reliance on 2nd pillar pensions in part-replacement of 1st pillar pensions, followed by six out of the 10 new Member States, might increase the risk of poverty after retirement for those with precarious and/or irregular links to the labour market.

Minimum Income

In general all EU 10 States provide some sort of minimum income schemes for all legal residents, providing income support to all those unable to earn income from other sources up to a certain pre-defined level. However, in many countries, the reality still does not adjust closely to the intentions declared in the laws: the administration of benefits tends to be quite discretionary and in some cases these are dependent on resource availability at the local level. In Hungary, there is no general scheme but rather several benefit schemes for different groups such as the old-age allowance or the regular social allowance.

¹⁷ Poland is also preparing a new system of bridging pensions for persons who will not be able to continue their working career until retirement age, due to special conditions (e.g., miners, fishermen, pilots, etc.)

- In Cyprus, the Public Assistance and Services Law (1991) secure a minimum standard of living for all persons legally residing in Cyprus and may be provided in the form of financial assistance and/or services to persons whose resources do not meet their basic and special needs as determined by law. Furthermore, additional non-contributory schemes such as the 'social pension' for those who are not entitled to an old-age pension from any other source or the 'social card' form part of the social assistance safety net.
- In the Czech Rep., protection against poverty is guaranteed through two minimum income categories, the minimum subsistence amount and the minimum wage, which were introduced in 1991 and have a protection function.
- In Estonia, a social assistance benefit is granted for persons whose income falls below the subsistence level; and the 'national pension' guarantees a minimum pension for persons who do not qualify for old-age pension.
- In Latvia, the mandatory guaranteed minimum income is too low to ensure adequate income.
- In Lithuania, the Law on Social Assistance (2003) guarantees minimal survival and utility services to low income individuals.
- Malta has a universal social assistance scheme aimed at guaranteeing a minimum income to all citizens.
- In Poland, another type of last resort safety net consists of financial benefits in the form of a social pension designed for adults who are completely unable to work because of old age or disability, and also cash benefits to persons or families whose per capita income does not exceed the legal income criterion.
- In the Slovak Rep., the Law on Social Assistance guarantees for every citizen a social assistance benefit.
- In Slovenia, the Law on Social Assistance and Services provide means of minimum income for persons who cannot provide their means by themselves

Generalised information regarding the coverage of these systems and the value of the income provided is not available. However, for those countries where this information exists, (EE, LV, LT & PL) the benefit levels are acknowledged to be rather low.

Family benefits and support services

Supporting families is an important policy objective in several countries and family allowances still play a prevalent role in combating poverty alongside more universal social assistance instruments such as minimum income guarantees. Family benefit schemes range from child benefits and child-raising allowances to other types of benefits such as birth and adoption grants, child-care allowances, allowances for single parents, special allowances for handicapped children, and advances for maintenance payments. The most important and widespread type of family benefits is child benefits – usually a universal entitlement system provided by the state to all residents – and child-rearing allowances. Although they do not form part of the family benefits *stricto sensu* and are earnings related, maternity benefits are also provided in all EU 10 Member States.

Apart from family benefit schemes, support services for families such as childcare, pre-school facilities and social care services for old-age family members and those with disabilities have been developed in several EU 10 Member States, such as Cyprus, Czech Republic, Estonia, Hungary, Lithuania and Slovenia. However this is an area where insufficiencies are broadly recognised, and all EU 10 States will have to address the shortage of facilities for child care and care for the elderly, in order to promote female employment and prevent poverty. In many families with children, adding a second-wage to the family income is often the surest way to lift them out of poverty.

Unemployment Benefits

Unemployment benefit schemes tend to be weak in the EU 10 States in terms of benefit levels, coverage (except in the Czech Republic), and period of entitlement. In many of these countries only a very limited proportion of the unemployed receive an unemployment benefit. This may reflect the fact that they are not yet eligible - the case of young people with no employment record - or they are no longer entitled to receive a benefit - the case of long-term unemployed - or they are not registered at all. In Estonia, for example, the unemployment insurance benefit amounts to 25 Euro per month and only a third of the long-term unemployed are registered, only 54% of the registered unemployed receive a benefit and less than 20% of the newly unemployed qualify for the earnings-related unemployment insurance benefit. In Lithuania, the coverage of unemployment insurance was 11.7% in 2003 and the maximum level of the unemployment entitlement was 250 litas, a figure which falls below the relative poverty line in 2002 (266.2 litas); the minimum unemployment benefit (135 litas) implies that a person has to survive with 4.5 litas a day. In Malta, the unemployment benefit amounted between MTL 2.38 and MTL 3.66 a day for single and married persons, respectively. Poland indicates that only 13-14% of the unemployed receive a benefit and the period of entitlement varies between 6 months and 18 months. In the Czech Republic coverage is much more extended, but the period of unemployment entitlement is relatively short.

5.3. How Social Protection is addressed in the NAPs

Minimum Income Schemes

In general, EU 10 Member States stress the need to increase minimum income guaranteed schemes and strengthen the income-testing principle. A few countries (CZ and SI) recall the need to create appropriate incentives to avoid the poverty trap.

One interesting initiative is announced by Hungary with the launch of SZOLID¹⁸, in 2005-2006, with the aim of modernising social provisions as well as introducing a new threshold for allowances for all residents. This will replace and be higher than the minimum pension. Eligibility criteria will be expanded to include those people without any work experience. The reform is also aimed at providing an adequate safety net, rationalising social assistance, expanding day-care for children, improving coordination between various social provisions.

On the other hand, in the Slovak Republic the Law on Assistance in Material Need entered in force in January 2004, with the aim of modifying the structure of social assistance

¹⁸ Modernisation of Social Act and the Democratic and Long-term development of Social Administration.

benefits, and introducing activation benefits. The emphasis is put on activation measures, thanks to which the benefit recipients are expected to regain their working habits, increase their employability and re-enter the labour market. While the authorities expect this important reform to have a positive impact on poverty in the medium term, some reduction of the assistance benefits can be expected in the short term as a direct effect of the reform, with a negative impact on poverty.

Several countries acknowledged the need for mechanisms to review and update the value of minimum income payments, and a few announce in the NAPs their plans for annual review (LT, CZ & PL). Estonia has made a commitment to raise the subsistence level in 2005 (from 500 to 750 kroon). On the other hand, Slovenia does not envisage increasing the level of various cash social benefits as they propose to concentrate on reducing the tax burden of the weakest income groups reduce dependence on social transfers and prevent abuses of benefit systems.

Family Benefits

The improvement of family benefits and other measures to support the family is highlighted in many NAPs/inclusion. Estonia, for instance, has set the target of reducing the number of children below the poverty line by 2% in 2006 as compared to 2003. In 2004, Estonia launched a new type of family benefit, the so-called 'Parental Benefit' aimed at preventing families from falling into poverty when parents of children under 1 year are temporarily away from work; furthermore, the value of child monthly benefit for the first child was raised to 300 kroons, and benefits to families with many children were extended. In Hungary, expanding day-care for children is one of the main strands of the planned SZOLID programme which has set the target of increasing these day-care facilities by 10% by 2007. In Latvia, the Government has approved "The Concept on State Social Benefit Increase for families after Birth", which envisages an increase in the level of child-birth grant and child-care allowance as of January 1, 2005. Furthermore, the Alimony Guarantee Fund has started its operations in 2004. It provides the amount of the state defined minimal provisions for children when their parents are unable to provide it

In May 2004, Poland launched a new Law on Family Benefits containing new principles for determining means-tested family benefits. The law aimed at creating consistency and improving the efficiency of the benefit support by simplifying the previously complicated system of benefits, and addressing family benefits to concrete needs. In January 2004, the Slovak Republic adopted a new legal framework for supporting families with children, including subsidies for catering and school expenses to children in need, a flat-rate child benefit and a tax bonus for working parents and reduction of compulsory contributions on pensions insurance per each dependent child. In addition, the new Law on Employment Services is aimed at helping reconciling work and family life by providing monthly income support, up to SKK 1 200 for a child and up to 900 for each additional child.

Unemployment Benefits

The NAPs, despite the strong emphasis on employment as a main strategy in fighting poverty and exclusion, contain little information about reforms of unemployment benefits. Only Latvia and Lithuania acknowledge that the efficiency of their UB schemes needs further improvement. The same applies to the minimum level of unemployment replacement income and that of social assistance as both are extremely low, that is, 135 litas or about 50% of the relative poverty line. Since April 2004, Lithuania grants the right to social

benefits to registered long-term jobseekers (i.e. unemployed for more than six months), as well as to persons of pre-pension age.

6. ACCESS TO HOUSING AND BASIC SERVICES

All Member States agree that access to adequate housing is one of the most important factors influencing social inclusion. They thus support the the statement in the Joint Report on Social Inclusion of 2004 that "decent housing, at an affordable price for households and in a safe, dynamic environment offering appropriate social support and an environment where children can grow up in good conditions, is a central plank in the fight against poverty and social exclusion".

The summary report of the Joint Inclusion Memoranda (see footnote 2) noted that the privatisation of the housing market during the transition period and the partial liberalisation of the market in some countries brought about a change in the structure of ownership. In most of the new Member States the housing sector still faces serious problems which mainly relate to the lack of affordable quality housing and, more particularly, quality social housing.

Also worrying are the poor condition of apartments, poorly-equipped housing and tenants' frequent difficulties in covering the costs of utilities, flat maintenance and rent, which in many cases result in high indebtedness and lead to an additional risk of poverty, not to mention the existence of overcrowded dwellings with no appliances, in short: housing poverty. Housing conditions and infrastructure are even poorer in the case of the Roma minority, but also for other vulnerable groups, such as the homeless, people living in disadvantaged areas, refugees, certain categories of immigrants, ex-prisoners, etc.

The analysis contained in the 2004 National Action Plans on Social Inclusion confirms these findings and adds further evidence:

- Poland shows the difference between the number of households and the number of dwellings as 1.5 million while the Slovak Republic puts the shortage of dwellings at 250 000;
- in Lithuania the average number of rooms per person is 0.98 compared with 1.89 in the EU 15;
- in the Czech Republic the percentage share of housing expenditure in the household budget is 22.8% while in Latvia the proportion of income spent on housing and utilities is 13% per one household member. The Slovak Republic points out the need for the calculation of this figure to be brought into line with the method recommended by Eurostat in order to allow comparisons across all Member States;
- in Poland the ratio of average monthly salary / average price per square metre is 0.6 – 0.8;
- in Estonia nearly one in three houses have difficulty in paying their housing expenses while in Hungary about 13% of all households are over-indebted as a result of mortgages or unpaid utility bills. In Poland one in five tenants are in arrears with rent and 5.2% are more than three months in arrears in the payment of rent or utilities charges;
- in Lithuania 31% of households lack hot water while 28% have no lavatory with drain water;

- In Poland the number of evictions is 7631 of which 65% are evictions into the street.

However, only two Member States presented quantified objectives: Hungary has undertaken to increase the percentage of rental accommodation to 15% in the next 15 years (from 8% in 1999), the EU15 average being 33%; Slovakia has set itself the objective for 2010 that half of all the 20 000 new dwellings scheduled to be built each year (of the 250 000 or so dwellings needed) are to be rental accommodation and a quarter, or 5 000 new dwellings per year, are to be low-cost rental accommodation. It has not been explained how this objective is to be financed, as the State Housing Development Fund's resources were halved in 2003.

Similarly, only a little over half of the Member States examined have a comprehensive housing policy comprising measures to improve access to decent and affordable housing, protection of the rights of tenants and owner-occupiers, and housing assistance for persons and families faced with disabilities, health problems or difficulties in social integration (CZ, HU, LV, PL & SI).

The others have taken a fragmented approach which is often limited to a very staggered redevelopment of the subsidised rental sector, for which the municipalities are primarily responsible.

The municipalities have only extremely limited funds available but could receive subsidies from a financial institution set up by the State; the amount of the subsidies is sometimes difficult to estimate, as no specifics are given for the budget allocated.

Access to decent, affordable, sanitary and desegregated housing

In all the Member States in question, the inadequacies of the housing market require corrective policies and these are still, more often than not, very much underdeveloped.

The measures presented may be regarded as social transfers in favour of low-income groups or disadvantaged geographical areas with the aim of reducing poverty and social exclusion.

- The development of a municipal rental sector or one run by non-profit bodies, for low-income families, large families and young families seems to be a priority in many Member States (CZ, EE, HU, PL & SI).
- Poland and the Czech Republic also plan to provide support for housing cooperatives or social housing associations in order to allow greater access for average-income households to rental accommodation suited to their needs.
- Mortgages are provided at preferential rates and for extended periods of up to 30 years, sometimes even with allowances, to allow young families and those renting restored dwellings to purchase or renovate their homes (EE, HU, LV & MT), as well as for those whose income is not more than 3.5 times the subsistence income in Slovenia and low-income households or families settling in specific communities or villages in Cyprus.
- In order to prevent the formation of socially excluded housing areas, Estonia has adopted a policy of dispersing municipal rental housing and the Czech Republic has been launching a project to prevent social and territorial discrimination.

- Some States (HU & CZ¹⁹) also mention programmes for the regeneration of depressed urban areas with concentrations of underprivileged groups, the eradication of slums and connection to utilities networks (running water, electricity, sewers) using assistance from the ERDF (European Regional Development Fund). Latvia seems to focus its action on the renovation and thermal insulation of apartments, thus helping to reduce the cost of heating and maintenance for occupants.

Balance between rights and obligations

As highlighted by the Joint Report on Social Inclusion "avoiding exploitation or abuses on the property market and preventing the expulsion of tenants or owners who have got into social difficulties" is a primary concern in tackling social exclusion.

The EU Directives on electricity and gas have also required Member States to ensure that there are adequate safeguards to protect vulnerable customers, including measures to help them avoid disconnection.

However, only half of all the Member States under consideration presented reasonably well-developed provisions on this subject.

- In their Joint Inclusion Memorandum (JIM) the Czech Republic and Poland had announced the adoption of new legislation on tenant/owner relations with a view to improving the functioning of the housing market and attracting private investors to the rental housing sector. However, the discussions are still ongoing and new laws are expected for the near future.
- Latvia points out that since 2002 the law has prohibited the eviction of families with children in the event of failure to pay rent or rental expenses, unless alternative housing has been found. In order to help control expenditure on utilities, it is planning to introduce individual billing in 2004 for the water used by each household and individual billing for heating in 2007, and to encourage the installation of instruments to measure individual consumption.
- Malta presented²⁰ a new system for the allocation of social housing, using a standardised points-based calculation in order to ensure greater transparency.
- Slovenia plans to introduce a new standardised method by the end of 2006 for the calculation of rent in the social housing sector, in order to promote the construction of new apartments.
- Hungary has presented a programme for assisting households which cannot cope with their housing debts.

¹⁹ Measure of limited importance set out in the JIM

²⁰ In the JIM

HOUSING DEBT MANAGEMENT (HUNGARY)

Since 1 January 2003, the Social Act has made it possible for local governments to provide debt management services. This assistance is based on a two-pillar system. On the one hand, the assisted people receive cash benefits, transferred by local governments to the creditor, along with support towards housing maintenance, the minimum amount of which has been increased as of this year. The other pillar is debt management counselling, which is mandatory for everyone receiving benefit. The government provides local governments with assistance in starting up their counselling services and, at the same time, is helping them to set up seven regional methodology advisory services, whose main task is to provide vocational training for debt management advisers.

Under a programme adopted in 2004 to help manage debts from mortgages and utility bills, additional measures will be introduced in 2005. One move will be the consolidation of the mortgage debt for the most disadvantaged households, while another will be to expand existing debt management services in order to reduce debts. The following measures are expected to be introduced to help resolve overdue utility bills:

- The family contribution (25%) will be reduced for families in the most disadvantaged situations, while the remaining debt will be eliminated after debt management is finished, assuming that no further debt is accumulated within a given time period.
- A ‘signalling system’ under which utility providers will notify debt management advisers before disconnecting electricity or gas.
- Card-operated metering will be introduced to prevent the accumulation of household debts.

Housing or accommodation assistance for vulnerable individuals and families

Individuals and families with severe problems due to disability, ill-health or lack of social integration often benefit from more favourable access to housing geared to their specific requirements. In all the EU-10 Member States these groups appear to be given priority when it comes to social housing, but the fact that this sector is currently so small means that much has still to be done to meet their requirements.

Some Member States announce additional arrangements in their NAPs/inclusion.

The Republic of Malta, for example, plans to increase the proportion of affordable housing for the disabled, introduce a quota for people with mental problems and provide rent subsidies to young people leaving institutions. The Slovak Republic intends to award grants of 50% of the purchase price (up to a maximum amount of SKK 100 000 = € 2 500) or of the price of converting a property and plans to provide loans at preferential rates for disabled people, with the aim of purchasing 200 "obstacle-free" housing units a year.

Hungary aims to provide people of Roma origin, 60% of whom live in disadvantaged areas segregated from the rest of the population, with access to housing in areas which will facilitate their integration.

The Czech Republic and Poland present measures to subsidise housing for people who, because of poor health, disability or difficulty with social integration, need assistance every day but not on a permanent basis.

Slovenia has given local authorities the task of developing temporary or emergency housing for people who find themselves on the street: people who have been evicted from their homes, women (with or without children) who are victims of violence, and people whose homes have been destroyed as a result of a natural disaster.

7. ACCESS TO HEALTH CARE

In EU10, life expectancy is generally below EU25 average. Only in Cyprus and Malta it is at a similar level. In the Baltic States, Hungary and the Slovak Republic, life expectancy at birth for males is between 5 and 10 years and for females more than 4 years lower than the average of EU25 (see table 1).

The UNDP Human Development Report 2004 reveals large differences between the EU Member States as regards health expenditure. Within EU10, purchasing power adjusted health expenditure per capita in 2001 was three times higher in Slovenia (1,545 PPP US\$) than in Lithuania and Latvia. Compared to EU15, only Slovenia reached the level of expenditure of the three least spending Member States (EL, ES and PT). However, in most of the EU15 Member States health expenditure ranged between 2.000 – 2.800 PPP US\$.

In EU10 public health expenditure varies from 3.4% of the GDP in Latvia to 6.7% in the Czech Republic. The share of private health expenditure is even more uneven, ranging from 0.6% of the GDP in the Czech and the Slovak Republics to 4.3% in Cyprus and 3.1% in Latvia.

	CY	CZ	EE	HU	LT	LV	MT	PL	SI	SK
Health Expenditure/Capita (PPP US \$ 2001)	941	1,129	562	914	478	509	813	629	1,554	681
Public Health Expenditure (% of GDP 2001)	3.9	6.7	4.3	5.1	4.2	3.4	6.0	4.4	6.3	5.1
Private Health Expenditure (% of GDP 2001)	4.3	0.6	1.2	1.7	1.8	3.1	2.8	1.7	2.1	0.6

Source: UNDP: Human Development Report 2004

The policy responses to the health challenges identified in the 2004-2006 NAPs can be grouped according to three approaches:

- providing access to quality health care services for all and coping with problems of ageing populations;
- reinforcing prevention;

- access to primary health care, promotion of ‘healthy life styles’.

Access to quality health care for all

The Czech Republic has developed a ‘Long-Term Programme for Improvement of the Population’s State of Health’ designed to reduce the health differences among social and economic groups. In order to guarantee access to quality health care for all, management standards and performance standards in compliance of International Society for Quality in Health Care standards were adopted. The ‘National Programme on Preparation for Ageing’ designs measures to promote healthy ageing, including rehabilitation services and integrated home care. Subsidies can be made available to local governments and NGOs dealing with care for the elderly and people suffering from diseases related to advanced age.

QUALITY STANDARDS IN THE HEALTH SECTOR (CZECH REPUBLIC)

In order to guarantee access to quality health care for all, a comprehensive set of National Accreditation Standards for Health Providers in the Czech Republic was prepared. The strategies and approaches which already existed abroad were used as a point of reference. Compilation of these standards was also directed at achieving international recognition and enabling international comparisons of quality, effectiveness and efficiency. More specific development of the basic draft, in particular in the area of measurable elements for individual standards, is proposed by means of Ministry of Health grants and projects on improving quality in health care. The following accreditation standards have already been developed in accordance with principles adopted by the International Society for Quality in Health Care: I. Management standards for health institutions, II. Performance standards in health care.

The Ministry of Health, in collaboration with the WHO/ European Regional Bureau for unification of health service provision, works on Standards to promote health in hospitals - a tool for self-assessment with a view to improving the quality of health care. Altogether 5 standards were developed, which deal with the following subjects: management policy, assessment of the patients' needs, provision of information to patients and measures for health promotion, promotion of a healthy working environment and continuity and co-operation.

Measurable performance indicators and an action plan on quality improvement are integral components of these standards. They aim to improve activities directed at health promotion, to achieve continuous improvement of quality, to identify opportunities for quality improvement and to inter-relate self-assessment within standards for health promotion with the existing strategies for quality assurance in health care. The standards have been introduced and further developed in five hospitals of different size and level, two of them being members of the WHO Healthy Hospitals network.

Professional groups of the Czech Medical Society have been working on effective JEP medical care standards, which also contribute to quality assurance of care provided. The aim of standardisation is to promote the use of evidence based medicine, and to improve and make the health care system in relation to clients more effective. The structure of these standards is based on principles contained in Recommendation 13 as adopted by the Council of Europe in 2001. 230 standards have already been developed and are expected to be widely used by general practitioners.

Slovenia is intending to improve access to primary health care by ensuring basic standards, aiming at health rights without additional private funds. Furthermore, it is tackling the problems of waiting lists for complex forms of treatment. Within the next five years, a more balanced deployment of physicians throughout the country should be implemented. The

scope of treatment and care provided at home will be increased significantly in future. A proposal is being drafted for compulsory insurance of long-term care.

Cyprus has launched three distinct processes for improving access to healthcare: The promotion of primary health care, the psychiatric reform (as a result of deinstitutionalisation) and, most crucially, in the long run, the preparation for the full implementation of the General Health System, in 2008.

Reinforcing prevention

The Slovak Republic focuses on preventive healthcare programmes and preventive examinations that should reduce costs. Furthermore, a number of health targets are put forward including integrated health and social care for persons dependent on long-term care on the basis of universality, equality and solidarity principles – accessibility, quality and financial sustainability.

The Hungarian NAP is the only plan which refers explicitly to general mid-term health targets: Life expectancy at birth should be raised for women to 79 years and for men to 71 years by 2012 (i.e. respectively roughly 2 and 4 years below the EU25 average in 2003). The second target intends reducing premature mortality in the most disadvantaged regions by 10% by 2008. Improving access to healthcare services for disadvantaged groups is a horizontal target of the National Public Health Programme. A sub-programme called “Tolerance for Health” is establishing a model programme operating in hospitals in five cities. This is intended to respond to the special needs and problems of the Roma minority.

Access to primary healthcare and promotion of 'Healthy life style'

In Poland, a new law provides that persons fulfilling the income criteria defined in the Law on social assistance will be entitled to access to primary health care. The NAP mentions long waiting lists for medical treatment, especially for an appointment to see a specialist and puts forward the challenge of combating regional disparities in the population's health status.

Latvia formulates the objective to ensure minimum state guaranteed health care and adequate access to necessary medicine. The broadening of the state immunisation programme is envisaged. It is also intended to reduce the negative impact of alcohol on the health of the population. Doctors' primary care training in the diagnosis and treatment of tuberculosis and lung diseases is to be continued.

In Estonia, 6% of the population do not have health insurance and are covered only for emergency treatment. Long waiting for access to specialised medical care hampers the access for risk groups. The main features in the Estonian NAP are improving the availability of health care and on developing medical rehabilitation and nursing care that supports the return to the labour market.

The Lithuanian NAP describes the problems faced by the excluded in accessing services other than primary health care. The objectives put forward in the NAP are improving access to primary health care, strengthening prevention and promoting healthy life style, though the means of achieving this are unclear.

8. ACCESS TO EDUCATION

The EU10 perform better than the EU15 as regards upper-secondary education graduates; indeed, approximately 81% of the population aged between 25-64 has completed upper-secondary education in the EU10 compared to only 65% in the EU15. This high level of education and training should be regarded as an asset in developing multidimensional strategies to tackle poverty and social exclusion.

The picture is less positive as regards tertiary education and training, which is also very important in promoting social inclusion. Attainment levels in the EU10 are on average well below the level of EU15 and they have not shown recent signs of improvement. Welfare institutions in the EU10 do not regularly support students for studies in higher education and training and even fewer students in later stages of life. There seems to be a certain hesitation about the necessity for supporting higher education and training activities, as resources are often directed towards basic needs education at school level and initial and continuing vocational training. Comprehensive student welfare systems, which have been established for schools, do not exist to the same extent for supporting equal opportunities at university level. Welfare support often stops at lower or upper secondary level of education. Only Hungary makes reference to a package for assisting single parents in higher education by supporting student loans, additional childcare costs and a kind of lowered threshold of entry”.

The EU10 also lack systematic policies for providing care and learning for 0-2 year old children. While pre-school education is more common for 3-6 year old children, the focus is often on social support for working mothers or families, not on providing learning opportunities for all, especially for children from disadvantage backgrounds.

It is, however, acknowledged in several of the EU10 that there is a general need to improve the quality of education and training systems at all levels and expand the relevant use of ICT in the school systems as an integral part of socially inclusive strategies. Indeed, education and training policies should aim at assisting people to achieve a successful integration in the labour market and, equally important, to develop basic skills for participation in society.

All NAPs acknowledge the importance of ensuring access to education and training as a crucial right and tool which prevents social exclusion reduces risks and supports re-integration into civil society and the work place. There is also a growing recognition that formal education is not something that happens at one point in a person's life but needs to be seen in the framework of lifelong learning. Yet despite the quite extensive coverage of education and training one does not get either a full sense of its fundamental importance in tackling social exclusion nor a sense of an overall strategic approach backed up by substantial investment. All NAPs tend to see education and training primarily through the prism of access to the labour market. However, they do not also sufficiently acknowledge the important role they play in ensuring inclusion in civil society, particularly in the context of the emerging knowledge based society and active citizenship.

While the EU10 are often supporting literacy and numeracy courses in the narrow sense of reading, writing and calculating skills, access to the new basic skills is only ensured systematically for younger and older citizens in a few cases. ICT is one of the basic skills essential in contemporary working life, facilitating participation and active citizenship, if the necessary skills are acquired. Access to computers and internet-facilities are provided in

public settings in most of the EU10. However, facilities are limited in scale compared with the EU15 and are unevenly distributed among regions. Disadvantaged persons often lack access and do not possess the necessary skills to participate actively in the knowledge-based society. Furthermore, the need of other key competences such as interpersonal and civic competences, learning to learn and competence linked to cultural participation are often ignored by the national action plans. This is particularly true in relation to the integration process of minorities. Due attention is also given to basic competences in the field of health protection at home and in the work place as well as basic competences in finance, which can contribute to better information on social rights, especially to welfare payments, and credits and debts.

Four main themes seem to emerge from the NAPs of the EU10, as already highlighted in the JIMs earlier this year, namely early intervention, emphasis on mainstreaming, tackling early school leaving and overcoming particular barriers.

Early intervention

There is a widespread recognition of the critical importance of learning in early years which entails a two-fold approach: providing for learning opportunities for all, in particular children from disadvantaged backgrounds and identifying learning difficulties which may have a negative effect on the children's school progress. As an example,

- the Czech Republic refers in its NAP to the system of preparatory classes introduced in order to improve the educational results of Roma children;
- in Hungary, where the proportion of children with learning disabilities is 5,3%(compared to 2,5-3% at EU level), a series of programmes will be funded with a view to promote their educational integration with the help of special regional education centres;
- in Estonia, the state supports local municipalities in preparing children for school by developing, inter alia, a method of evaluating whether they are ready for school, thus enabling individual development programmes for children with special needs to be prepared and necessary support services to be provided;
- in Poland an obligation to attend pre-schools for six year olds has been introduced and at the same time actions are being taken to encourage more frequent participation of younger children. For instance it is envisaged to develop alternative forms of pre-school education and to check the readiness of six year olds for school education.

Emphasis on mainstreaming

The role of school is changing: it is gradually becoming a learning community taking on board a broader support role and involving in its work all necessary partners. Ensuring equal opportunities for all in the education system is a theme that is tackled in all NAPs in particular as regards with learning disabilities or children from ethnic /religious minorities (especially Roma children). A common characteristic throughout the NAPs is the need for mainstreaming, by transferring those children in ordinary classes while providing appropriate support, thus promoting their acceptance by their peers. Thus, for example:

- in Cyprus, full inclusion of children with special needs in the ordinary school through the provision to them of opportunities for an equal treatment, education and vocational training is established by law;
- in Hungary, a programme of integrated education was established aiming to eliminate segregated classrooms and provide a common educational space for children from differing socio-economic backgrounds or learning abilities;
- in Latvia, the number of teacher-assistants who work children with special needs within the mainstream general educational system will be increased.

Tackling early school leaving

Most of the EU10 NAPs highlight a growing tendency among young people to leave school before completing basic education, thus compromising their future opportunities as regards participation in active life. Emphasis is placed on preventing the problem through different types of measures, including those mentioned in respect of the first two themes, aiming at improving the social and intercultural dimension of the school system and providing individual support to those at risk of dropping out. For example,

- in Slovenia, education programmes in lower and secondary vocational education are modified so that they are adapted to the target population, while an appropriate competition policy for enrolment in schools ensures that the majority of young persons can follow their desired education programme at the school they have chosen, thus contributing in minimising the risk of drop-out from school;
- in Hungary, the law on public education was amended with a view to contribute in reducing drop-outs as regards pupils qualified as "home schooled", as these latter, being exempted from attending classes and thus not possible to supervise, end up sooner or later to drop out of school.

SUPPORTING CHILDREN'S ACCESS TO EDUCATION (POLAND)

School Layette: The introduction of the programme School Layette addressed to pupils from families in financial difficulties and beginning primary school aims at compensating the differences in starting school among the pupils. The families obtain aid in the form of new textbooks, a backpack, school accessories and an outfit for physical training. In 2004 the programme School Layette is continued by the Ministry of National Education and Sport in the form of the purchase of school textbooks. Moreover, a new money allowance paid as a lump-sum benefit at the beginning of the school year for all the families entitled to a family benefit has been also introduced (by the Law on the family benefits). Textbooks and money grants should be available for all those who are in need of such kind of aid.

School lunch programme: According to the Law on social assistance, it is the duty of the communes to provide food for children in need. Since 1996 the central government financially supports the communes in implementing this task by means of the earmarked reserves determined every year in the State Budget law. The amount of this support will be considerably increased. As a result of the co-operation of the state budget, non-governmental organisations and sponsors the aid in the form of school lunches reaches children from poor families. This action will be gradually expanded in 2005 and 2006.

Overcoming particular barriers

Many of the EU10 are taking initiatives with a view to overcome particular barriers which impede access to education. These barriers may be geographical (children from rural areas), financial (children from poorer families), ethnic (Roma children), etc. In Hungary, for example, children from poorer families or families experiencing social problems are provided with free school lunches. In Estonia school meals at primary schools are free for all students and children from less well-off families can have free school lunches also at secondary level. These children may also benefit from free placements in student homes. In Poland, a system of grants supporting access to education for children and young people coming from poorly developed areas is planned, while the "School layette" programme which is already running provides pupils beginning primary school that come from families in financial difficulties with new textbooks, a backpack, school accessories and an outfit for physical training. In Malta, the NWAR programme is a literacy programme which has proved to be successful since students, whom schools and teachers had declared "un-teachable" have learned to read and write within few weeks by using an innovative methodology.

Pointers for further action

Overall the education and training reforms undertaken in the EU10 do not appear sufficient to meet the current challenges. They should, in close cooperation with the social partners and other relevant actors, step up their effort towards having coherent and comprehensive national strategies for lifelong learning in place by 2006²¹. The basis for doing so is already in existence with the Education and Training 2010 work programme as well as the analysis provided in the *"Joint interim report of the Council and the Commission on the implementation of the detailed work programme on the follow-up of the objectives of education and training systems in Europe"*.²²

Strategies and complementary national targets should be in place to increase the level and efficiency of investment in human capital of all ages. This will involve a higher level of public sector investment in key areas for the knowledge society and a higher level of private investment, particularly in higher education, adult education and vocational training.

An entitlement to education and training for those groups most in need, notably the low-skilled, disadvantaged groups, older workers, and workers employed by SME's needs to be provided. Reducing the levels of early school leaving should also continue to be a priority across the EU10 but particularly in those Member States with levels in excess of the EU target for 2010.

²¹ The importance of increasing efforts in education and training has been reinforced in the November 2004 *Report from the High Level Group chaired by Wim Kok* on the Lisbon Strategy which urged the adoption of national strategies for lifelong learning by 2005.

²² This report was adopted in the Council (Education) and submitted to the European Council in March 2004. It identifies three key levers in need of urgent reform: the need to concentrate reforms and investment in identified key areas, the need to make lifelong learning a concrete reality and the need to establish at last a Europe of education and training.

9. ACCESS TO OTHER SERVICES

9.1. Access to culture

Cyprus, Hungary, Latvia, Slovak Republic and Slovenia stress the important role that culture and access to cultural goods play in improving the quality of life and in facilitating inclusion in everyday life and social integration. Indeed it is encouraging that most countries give some attention to the issue of access to culture in their NAPs/inclusion. Only the Czech Republic and Malta do not. On the other hand, as was also the case in the EU15 NAPs/inclusion, a comprehensive analysis of the connection between culture and social inclusion and the development of a strategic approach to promoting cultural inclusion and using culture as a means to reinforce social inclusion strategies is not much developed in most NAPs, though several such as Hungary, do point to social inclusion concerns being incorporated in existing national cultural development programmes, on which they draw.²³

PROTECTING CULTURAL RIGHTS (SLOVENIA)

In 2002 an analysis of the situation in the area of protecting the cultural rights of minority ethnic communities, children as vulnerable groups and disabled persons as challenged groups was carried out. It showed that not everywhere is there satisfactory provision of access to cultural institutions for disabled persons, that their active participation in formulating cultural policy is not ensured, and further that there is no systematic monitoring of the inclusion of the cultural activities and cultural creativity of disabled persons and children in cultural life and insufficient account is taken of the specific circumstance in which vulnerable groups are culturally active. Cultural policy can contribute creatively to the quality of life of disabled persons and to their social inclusion through the understanding of their special nature and by means of their expression of experiencing social reality. For this reason the basic objective is to eliminate the deficiencies identified in the analysis. Long-term objectives have been established aimed at: promoting cultural diversity in public institution programmes and raising the share of programmes for ethnic minorities supported by the Ministry of Culture; maintaining the dynamic of developing amateur culture and increasing the number of cultural societies and the average number of those attending by 10% by 2007; increasing organisational efficiency in the area of amateur cultural activities. A number of priority objectives have been set for the period 2004 – 2006. They are: ensuring the conditions for special treatment of the cultural rights of ethnic minorities and disabled persons as challenged groups, and children as a vulnerable group; promoting the development of minority cultures and better provision of information; promoting cooperation between the Ministry of Culture and local communities; supplementing the regional network of cultural links; raising awareness of affiliation to society and moving beyond differences; improving access to cultural benefits and conditions for creativeness irrespective of the location.

²³

For a more detailed exposition on the connection between access to culture and social inclusion and the need for a strategic approach in the NAPs/inclusion see both the 2004 Joint Report on Social Inclusion and the recent study by R. Woods, C. Gordon et al, University of Northumbria, *Thematic study using transnational comparisons to analyse and identify cultural policies and programmes that contribute to preventing and reducing poverty and social exclusion*, for the European Commission, 2004

It is particularly striking that nothing is said in any of the NAPs about the significant contributions that cultural and creative activity can make to two very important aspects of tackling poverty and social exclusion: promoting the regeneration of disadvantaged areas and helping people experiencing exclusion to gain the skills and self confidence to express themselves and to participate more fully in economic and social life. However, the Slovenian NAPs/inclusion is particularly interesting in emphasising a cultural rights approach. It reports on an analysis of the situation in the area of protecting the cultural rights of minority ethnic communities, children and vulnerable groups and disabled persons as challenged groups which identified a range of weaknesses in terms of access to cultural activities and participation in creative activities. As a result a series of long term goals have been set and within this a set of priority objectives for the period 2004-2006 are established. Also striking are the number of Member States that draw particular attention to the need to address a decline of the cultural infrastructure in recent years, especially in rural areas and disadvantaged areas (HU, PL, LT & LV).

While the development of comprehensive strategies in relation to access to culture may be largely missing the range of actions that are put forward when looked at in total give one a sense of some of the many ways in which access to culture can be enhanced and in which cultural and creative activities can contribute to greater social inclusion.

Four types of approaches are discernable: increasing access to cultural activities, addressing problems of remote areas, encouraging creative activity for disadvantaged/at risk groups and promoting inclusion of ethnic minorities.

A number of approaches to increasing access can be identified. These include:

- ensuring core provision of municipal and community libraries (CY & LV) and promoting local public libraries, especially in rural areas, as local village centres and meeting points (EE & PL);
- making grants to rural cinemas and cinema bus tours in rural areas (EE);
- enabling access to cultural activities through the provision of free/reduced tickets for theatre, cinema, museums (EE, HU,LT & PL);
- increasing disability access to facilities and library for the blind (EE & LV).

The problems of remote areas are addressed by promoting cultural activity in local communities through supporting:

- the development of local cultural centres in settlements (HU);
- regional cultural development programmes (LT);
- cultural events, road shows and concerts in local communities and regions (LV & PL);
- folk art groups, amateur cultural societies etc. (LV & SI).

The encouragement of creative activity among disadvantaged/at risk groups is addressed by Lithuania through supporting arts activity for young people.

Several Member States give significant attention to the role that cultural activities can play in promoting the inclusion of ethnic minorities (see also chapter 11.1). They do this through measures which:

- promote the cultural identity of Roma and other ethnic groups and oppose discrimination (HU, LT, PL, SK & SL);
- promote cultural adaptation and multiculturalism (CY & LT); and by
- using cultural activities to promote awareness of social inclusion issues (CY & LT).

9.2. Access to sport and leisure

Several Member States acknowledge the importance of sport and leisure activities for both health promotion and for promoting social relationships and forming communication bridge for certain groups (CY, CZ, HU, LV, SI). However, there is no very developed strategy in the context of social inclusion or any significant developments reported as a result of the NAPs process. Many Member States do not address the issue at all.

The main activities covered are: first, increasing opportunities to participate in sport particularly for disadvantaged groups such as people with disabilities, older persons, young persons at risk and women (CY, HU & LV); secondly, investing in more sports facilities (EE); thirdly, sports programmes after school, weekends and during school holidays (EE & SI). Slovenia has identified concrete financial means reserved for supporting a specific number of participants in sporting activity.

9.3. Access to transport

Access to transport emerges as an issue in only four NAPs/inclusion (CZ, PL, SK & LV). The Czech NAP stresses the importance for transport strategies to take into account social solidarity, social integration and equal opportunities dimensions. Latvia stresses that public transport services are essential for ensuring the mobility of people and their access to both employment and key services. However, given the importance of access to affordable transport often being critical to accessing jobs for people who are unemployed, to enabling vulnerable people to access basic services and to facilitate participation in social and cultural life, it is surprising that more Member States did not give attention to this issue. Cyprus identified this issue as one to require future consideration but did not elaborate further in the NAP.

The main measures reported in the NAPs/inclusion concerning transport aim to:

- develop public transport networks (LV);
- improve transport in remote and rural areas so as to increase access to services and to jobs (CZ & PL);
- increase access for people with disabilities and older people (CZ, LV & SK);
- reduce costs for bus and rail transport for disadvantaged groups (SK).

9.4. Access to legal services

Several Member States emphasise the importance of better access to legal services for people at risk of poverty and social exclusion. Free legal aid for low-income people is generally recognized as a necessary step to achieve this objective. In several countries laws on free legal assistance are already in place or will be elaborated. Another important issue raised is to enhance the access to information on the law (HU & PL). The Czech Republic mentions that access to legal services for the disadvantaged groups will be guaranteed by a new Act on Provision of Free Legal Assistance; preparatory work on it is underway. Support is provided to NGOs creating civic advice centres. Estonia admits that competent and reliable legal assistance is inaccessible for the major part of low-income people. The State Legal Assistance Act that will come to force in 2005 should improve their access to legal aid. Free legal assistance on specific topics is provided by many NGOs and the law students. Hungary stresses that there is the Law on Legal Aid Provision in force guaranteeing disadvantaged people legal representation and access to legal counsel services for free of charge or the state advance the costs. Further care-recipients' rights advocates have been institutionalised. In order to provide people with the information on their rights several initiatives are being implemented at the regional and local levels (establishing equal opportunities offices and centres, information points). In Latvia work on the draft law on state financed legal assistance has started. Lithuania is stressing a need to establish a system of appeals, which would give the vulnerable people an easier way to dispute the decisions of social institutions with regard to them. The aim is to ensure them a possibility to lodge complaints against the decisions contradictory to their interest.

In Poland a citizens' legal guidance system was created to improve access to the legal system. Within this system the Citizens' Advice Centres operate. In every Polish court there are attorney services that are free of charge and provide basic information on the law. There are also the opportunities of taking a barrister without any charge or repaying the costs of the court case. Under the Law on Social Assistance the districts are obliged to provide information about rights and entitlements. Further, by 2010 all the communes will be covered by a network of civil information centres. In the Slovak Republic legal aid has been free of charge for the socially deprived people since 1999. Free legal advice is provided in the fields of civil, family and labour law and is accessible in the regional courts and at the Ministry of Justice. Also the civic advice centres and NGOs play important role. In Slovenia the access to free legal aid provided by the Free Legal Aid Act has been in sue since 2002. The recent reform of the act increased the circle of eligible persons and the allocated budget funds have been increased accordingly.

9.5. Access to social services

Significant changes in the structure and ownership of social services have been taking place in 8 of the EU10 countries (except Cyprus and Malta) since the end of communism. Before that the state was the only provider of social services and the most common kind of services was residential care. In the 90s other social services providers became involved such as regional and local authorities, NGOs and private social services providers. Also the range of social services has widened and non-residential care has begun to be supported. However, decentralization of responsibilities for delivering social services has created a number of key challenges, in particular ensuring that providers of services are adequately funded and increasing the availability and quality of services for users. The importance of improving accessibility to and the quality of social services is generally recognized. Such services are

seen as being key to the effective delivery of social inclusion measures. The NAPs/inclusion particularly emphasise:

- improving availability (CZ, EE, HU, LT, LV, SK & SI);
- promoting quality of services (CY, CZ, EE, HU, LT, LV, SK & SI);
- promoting individual approach to the disadvantaged people, adapting services to users, supporting personal care services, and thus promoting independent life (CY, CZ, EE, HU, LT, LV, PL, SK & SL);
- promoting community care services (CY, CZ, HU, LV & SI);
- strategic planning (CZ, HU & PL);
- training and life-long learning of professionals working in social services (CZ, HU, LT, LV & PL).

Estonia and Poland set up quantitative targets to improve the availability of social services by increasing a number of social workers. Cyprus and Hungary intend to modernise social services. Cyprus through its Strategic Development Plan, which sets out development priorities for 2004-7, aspires to create a more 'accountable' and 'transparent' public service as well as the promotion of quality of service to the citizens. Importance is given to the individual approach at the local level. Hungary intends to modernise the social provisions with the aim to adapt personal care services to the local needs and increase availability and efficiency of services. The SZOLID programme was launched. The Czech Republic has elaborated the Standards for Quality in Social Services.

COMMUNITY PLANNING OF SOCIAL SERVICES (CZECH REPUBLIC)

Community planning is directed at the promotion of partnership, development of regional social policies and planning of social services at the level of regions, municipalities, NGOs and social service users. Community planning is based on mutual co-operation between municipalities and regions and users together with social services providers on the development of a plan and on reaching agreement on the future network of services to be provided. Planning of social services takes into account comparisons of the existing supply of social services with the established needs experienced by potential users. The objective is to develop a continuous planning process and establish full cooperation on the level of municipalities and regions for the development of specific community plans. Community planning was piloted by the Czech-British project "Support to Ministry of Labour and Social Affairs for the Purpose of Reforming the System of Social Services". A programme consisting of pilot and innovative projects supporting the process of introduction and extension of community planning was launched by the MoLSA in 2003 and 2004. Community plans are currently being developed by half of all regions and in more than 50 towns.

The main issues arising from the NAPs/inclusion are fostering an individualised approach, adapting the social services to the users' needs and thus supporting their independent life and promoting community care. Attention is given also to developing non-institutional care and supporting home care. The Czech Republic highlights a community planning of social services and elaboration of the community plans corresponding with citizens' needs. In Estonia a special programme (2004-2006) has been launched to develop services supporting

independent living and development, social inclusion and improvement of quality of life of people with special needs. The aim is to develop preventive services based on the needs and to support local government in organising welfare for children, disabled people and the elderly. Hungary presents a system of village and remote homestead community care-giving that includes basic social and health care services, transporting of children, mediation and delivering information between the local self-government and citizens. In Poland social contracts are being introduced to enhance active cooperation of the social workers and socially excluded people. These contracts define the rights and duties of clients and social workers and should enhance the activation of recipients of social assistance.

10. PREVENTING THE RISKS OF EXCLUSION

10.1. Promoting e-inclusion

The impact of the knowledge-based society and Information and Communication Technologies (ICTs) on inclusion, the eInclusion issue, is generally recognised by the New Member States. However, few of them develop in the NAP a real strategic approach which would fully exploit ICT related opportunities for increased social and economic participation - and improved quality of life - of all citizens.

Most New Member States lag behind the EU 15 in the development of the ICT sector as such. Basic provision of telecommunication infrastructure – and the enhancement of the existing one - is still a problem to be tackled in most countries, especially in rural or remote areas. In all New Member States, Internet penetration rates are lower, or significantly lower than the EU 15 average (43,4%), with the exception of Estonia (44%), closely followed by Slovenia (41,4 %).²⁴ All other 2004 countries score rates of Internet access ranging from 25% in Hungary to 35% in the Czech Republic, with only 30% of the population in Poland surfing the Net. Not having a computer at home, not being able to purchase one, the high cost of Internet connections, lack of digital skills, lack of interest for going online, are among the most frequently identified barriers to digital access in the New Member States. As in most EU countries, income, education and age emerge as the main determinants of digital exclusion, followed by geographical location (the rural/urban divide) and gender. For people with disabilities lack of accessibility is a major barrier to the use of new technologies having a direct impact in their inclusion and participation in society. However, the gaps in the 2004 countries are relatively wider, particularly with respect to income related and geographical factors. Generally speaking, the (emerging) Information Society in the New Member states is more polarised in the EU 15 zone, even in areas showing an Internet penetration rate close to the EU 15 average (EE, SI).²⁵

The diffusion of ICTs among (national) populations is a complex phenomenon to a large extent driven by market dynamics. At a different pace, supply and demand in the ICT sector are developing in the New Member States; however, evolution trends – and impact on new technologies diffusion - are not easily identified for relative lack of directly comparable data

²⁴ Source of all data mentioned in this section: Eurobarometer 2003.3 – public Opinion in the Candidate Countries –

²⁵ Commission Staff Working Paper "eInclusion revisited: the local dimension" – *currently undergoing interservice consultation – deadline Oct. 15*

over time²⁶. Following the eEurope + initiative, National Plans for the Information Society were developed in the New Member States, along the main lines traced by the eEurope 2005 Action Plan. These National Strategies are mentioned in most NAPs as providing the framework within which eInclusion related measures are embedded.

The main emerging concern relates to the provision of digital access to the population at large, especially to the wide share of citizens of middle or lower income who cannot afford the high cost of hardware and Internet connection, or are not at reaching distance from the information highways. Developing, modernising, enhancing the quality of telecommunication infrastructure - and making connection to it affordable - are among the objectives most frequently mentioned in the NAPs, irrespective from the different level of advancement of the Information Society in the various national realities, from Hungary to Estonia²⁷. The cost of PCs is not expected to drop rapidly in the New Member States; this is why most of them foresee - or implement - measures supporting digital access in PIAPs (Public Internet Access Points) set up in town halls, schools and libraries, and community access points in rural areas. Slovenia introduces the concept of PIAPs "with added value", where specialised assistance and training are provided.

In most NAPs – and rightly so - the provision of basic digital skills is considered a fundamental enabler for the participation to the knowledge society, and eInclusion initiatives are heavily concentrated on this issue: Estonia will provide 20.000 free basic IT training opportunities for adults each year; Slovenia tackles digital literacy of the unemployed; a *National Plan for Computer Literacy* was launched by the Czech republic in 2003; the Slovak Republic plans to open the use of Internet laboratories in schools to the local communities. The connection to Internet of educational institutions, the introduction of digital skills in the curricula starting from primary schools, the IT training of teachers, are measures particularly targeting the younger generations. Initiatives in primary schools are particularly important in promoting eInclusion (as all young children go there) as are efforts to boost the skills of teachers and associate parents. Estonia and Slovenia are showing the way in this respect. eLearning is also often mentioned in the NAPs, in connection with distant and lifelong learning and in relation to vocational training (e.g. LV, CY, EE, PL, CZ & SK). In Slovenia, *General education centres for independent study* are set up, in order to ensure access to eLearning and distant learning by socially excluded and vulnerable group. The CIP EQUAL initiative is often stimulating and co-financing this kind of activities. In Estonia, it is planned to enhance employment opportunities by means of job search portals and telework. Leading ICT companies have launched major initiatives in the new Member States to address the issue of basic ICT skills and digital literacy. However, these initiatives and the public-private partnerships need to be made more visible and to be supported in future NAPs/inclusion.

Supporting access to culture through IT (e.g. networks of digital libraries) and the provision of eGovernment services are also measures contemplated by various New Member States. In some of them – e.g. Estonia, Czech Republic - WAI guidelines are made compulsory for public administration web sites (eAccessibility). In Slovenia, the development of user-friendly applications for people with special needs is foreseen, as well as the introduction of telework for employment of disabled persons in specific jobs.

²⁶ an attempt in this direction is to be found in the Czech Republic NAP

²⁷ Extension of broadband telecommunication infrastructure to backward regions is also realised with the support of the Structural Funds (e.g. Hungary).

Some groups at risk of digital – and social - exclusion (elderly/retired people, minorities, women, people with disabilities) are identified in the NAPs but are not necessarily – or hardly - targeted with specific measures. The potential of ICTs enabled opportunities for social integration of vulnerable groups seems not to be fully developed in the 2004 -2006 eInclusion plans. The same can be said concerning support to the provision of contents, services and user-friendly applications, issue hardly mentioned in the NAPs (except for eGovernment). However, digital access is not an end in itself, and technology is only adopted – and "domesticated" - when its use is perceived as socially relevant. The development of local contents, the provision of services – e.g. through eHealth initiatives – the creation of networks for cooperation of actors toward common aims, would act as catalyst for ICT diffusion as well as for social – and civic - participation. Again, Slovenia is setting the right priorities when it targets the creation of local, regional and national networks for linking workplaces, homes and IT centres. On the other side, Estonia intends to provide all public services in a web based environment by 2006, and implement electronic voting at local elections.

Unfortunately, for many of the eInclusion initiatives mentioned in the NAPs, it is hard to understand whether they are at the stage of declaration of intents, planning or actual implementation. Often objectives are set, but details concerning specific measures/projects, approaches, targets, financial envelopes, etc. are missing. This makes it obviously impossible to evaluate the scope and potential impact of the initiatives; moreover, experiences are not shared concerning methods, approaches, success factors, etc. The usefulness of the whole exercise is therefore somehow jeopardized. Thus, as in many other aspects of the NAPs, there is a need to improve the availability of statistical data and to define targets more clearly. This would make it more possible in future to distinguish between intent, planning, wishful thinking and implementation.

Only a few Member States set indicators (LV & SK); others NAPs describe interesting eInclusion Good Practices (Slovenia: "*e-Schools*"; Lithuania : "*Lithuanian Citizens Advice union: Enhancement of Information Accessibility*"; "*Window to the Future Alliance: Development of the Information Society*").

WINDOW TO THE FUTURE ALLIANCE (LITHUANIA)

Window to the Future Alliance started in 2002 as a consortium of business leaders - including major banks, IT companies and telecom operators – supporting the development of the information society in Lithuania. A Public Internet Centre project - launched in 2002 - was implemented with the cooperation of the Lithuanian Government, as part of a wider strategy for enhancing public Internet access throughout the country. So far, 172 Public Internet Centers have been established within the premises of 44 Libraries, 10 Post Offices, 8 Local Administrations, 23 commercial outlets and 15 various organisations. Almost a half of these centres – scattered across 58 different municipalities - are based in small towns of 400 to 4.500 inhabitants. The Alliance had developed a dedicated software application for the management of the Centres, which enables to monitor the operations of PCs installed in all Internet centres from a single master computer.

10.2. Preventing and tackling overindebtedness

The abuse of consumer credit stemming from the liberalisation of the financial system, the increase in advertising offers, and the sometimes irresponsible encouragement of consumers to take advantage of facilities offering immediate access to goods and services seem to play a much smaller role in the cases of over-indebtedness reported in the 10 new EU Member States than in those reported in the 15 old EU Member States in the joint report on social inclusion adopted in March 2004.

The cases of over-indebtedness highlighted in at least half of the national plans for 2004-2006 submitted by the new Member States (EE, HU, LT, LV & PL) are largely due to the failure to pay rent, the expiry of housing loans or, most frequently, utility services (water, heating and electricity). If no solution can be found, they represent a major cause or threat of eviction for the poor.

However, the Czech Republic also points to the problems of loans offered by loan sharks to Roma families at exorbitant rates. The problems faced by families in trying to pay back the loans frequently result in blackmail, extortion with violence, intimidation and physical violence towards family members. Usury is said to be partly responsible for particularly serious situations, such as homelessness or children being taken into care.

Apart from Hungary, which has introduced a comprehensive arrangement for tackling over-indebtedness linked to expenditure on housing (see Chapter 6), and Lithuania, which lists a range of measures designed to prevent and tackle debts on utility bills, the various NAPs/incl still only describe measures which are very incomplete: suspension of eviction of families with children who have failed to pay their rent where replacement social housing has not been found (LT); financial assistance to cover the cost of repairing and maintaining buildings (MT); verification of the ability of each tenant to pay the rent and payment of a housing allowance of up to 50% of the rent, and 80% in exceptional cases (SI); new programme on social housing which includes measures aimed at those who are at risk of losing their homes because of financial difficulties (PL).

10.3. Preventing and tackling homelessness

In the National Action Plans for the 10 new EU Member States, the term "homeless" is used in reference only to people living on the street, i.e. "without a roof over their heads". This definition is more restrictive than those adopted by most of the 15 old EU Member States in their National Plans, which relate more generally to all situations of "homelessness" and take account of the different degrees to which people are deprived of decent and salubrious housing. On the basis of a study commissioned from INSEE, a group of experts appointed by Eurostat identified several levels of homelessness, including: sleeping outdoors; in premises unsuitable for human habitation; in squats, temporary shelters, shantytowns or fixed caravans; in emergency shelters run by the public authorities or charities; in furnished rooms (bed and breakfast) or other temporary housing provided by the public authorities or charities; in accommodation centres run by the public authorities or charities; staying temporarily with friends or relatives because one does not have a home of one's own.

The NAPs/incl from the Czech Republic and Latvia indicate that homelessness in a number of countries seems to be caused by rapid economic change (transformation of the labour market and housing costs) and has increased significantly over the last five years.

In view of the difficulties²⁸ associated with counting a population which is not covered by normal censuses and household surveys, most of the estimates are based on administrative data (people staying in homeless shelters), which can vastly underestimate the extent of the problem, or on extrapolations provided by NGOs. The figures provided, while not directly comparable, are often much higher than those presented in the NAPs/incl for the EU15 where, for example, the estimate provided in 2002 for rough sleepers in England was 504 and in Finland 480.

A census carried out in the Czech Republic in Prague identified 3 096 experiencing "visible homelessness"²⁹. This is estimated to account for 65-75% of the real number of rough sleepers. The figure for homelessness for the country as a whole, if one takes into account the number of people who are not only rough sleepers but also people sleeping in hostels, asylum houses and in inappropriate accommodation, is unknown and no definitive estimate is available. Moderate estimates are in the range of tens of thousands of people. The figures presented in other NAPs/inclusion are 3 500 in Estonia, 2 123 in Latvia, between 35 000 and 40 000 in Hungary, and between 30 000 and 80 000 in Poland. These estimates, however, are based on non-homogeneous and often unclear definitions.

The main problems faced by homeless people, as described in the NAPs/incl, are: lack of money, unemployment, insufficient housing for the underprivileged, coming out of institutions, mental illness, one or more disabilities, separation from family, domestic violence, lack of qualifications, addictions (to alcohol or drugs), etc. The NAP/incl for the Czech Republic indicates that increasing numbers of young people and mothers with children are becoming homeless. In Estonia, however, more than three quarters of the homeless people surveyed are men over 50.

Although most countries provide support at local level through cooperation between local authorities, charities and NGOs by distributing food or providing accommodation, it still seems that much too little is being done, even when it comes to initial assistance of this kind. Some Member States, such as Slovakia, are thus planning to develop a comprehensive network of homeless shelters with the support of the European Union, the cooperation of local authorities, assistance from NGOs and donations from private companies.

As pointed out in the joint report on social inclusion adopted in March 2004, there is also a need for multidisciplinary mobile outreach teams for people living on the street, networking between public authorities, health care and psychiatric institutions, emergency shelter institutions and social housing agencies, close cooperation with NGOs, a rehousing capacity guaranteed by the public authorities, and sustained efforts by professionals and volunteers to help with social integration and reintegration.

28 This group includes people without roof over their head, who sleep in streets, parks, railway stations and other public places, deserted houses, etc.

29 As well as including people without a roof over their head, who sleep in streets, parks, railway stations and other public places and deserted houses this also includes people sleeping in asylum houses and hostels.

HOMELESSNESS STRATEGY (HUNGARY)

TARGET: To Reduce the number of homeless persons living on the street, to increase opportunities to integrate homeless persons

Street social work has to be advanced on the one hand, while on the other, complex programmes designed at re-integration into society have to be supported. The priority goal of the programme is evolving and advancing the operation conditions for street social work both in the countryside and in Budapest and to maintain *regional dispatcher* centres. They will be charged with surveying needs and available services, and monitoring and organising access. To better coordinate work on the regional level, as of 2004, *Regional Methodology Centres* are being established. Special emphasis will go to social work case management that is not shelter-based. The supported *re-integration programmes* for homeless persons will be focused primarily on job finding and on creating opportunities for independent living. One pillar of independent living is maintaining a home and to do this, the programme to increase accommodations outside of institutions will continue. Available development resources will be used in a flexible and need-oriented manner, coordinated by Public Foundation 'Cooperation' established in 2003, covering Budapest and Pest County.

A legislative amendment in 2004 has targeted the establishment of *six regional and four Budapest health centres* which are to provide emergency care, monitoring, and nursing to back up street social work.

HRD OP measures include expanding day-care for homeless persons in 2004-2006. The goal is primarily to evolve services that are aimed at integration into society and the labour market, and that improve the skills of service recipients and provide sheltered.

However, as pointed out by the Czech Republic, the kind of life led by homeless people makes it very difficult for them to gain access to assistance provided by the social protection system, which necessitates ties with the place of residence, whereas most homeless people do not live in the place in which they are registered. They can also find it difficult to obtain medical treatment, as they do not pay health insurance contributions and doctors and health-care bodies are therefore concerned that no-one will pay them for the services they provide.

Poland and Hungary have presented programmes designed to tackle these problems. In cooperation with the public authorities and NGOs, Poland plans to introduce a wide range of services and assistance measures from 2004 to 2006: overnight accommodation, food, clothing, health care, legal and psychological assistance and social reintegration activities. The programme presented in the NAP/incl for Hungary, which sets an objective of reducing the number of people living on the street and increasing capacity for reintegrating them into society, is outstanding. Since the adoption of the NAP the Government has allocated funding to the Homeless Programme (HUF 600 million).

10.4. Preserving family solidarity

Across Europe, there is evidence that the family unit is changing and evolving: there are, for example, later and fewer marriages and more marital breakdowns. In 2003, there were 2.17 million marriages in EU25 compared with 2.20 million in 2002. In contrast, there were 889 thousand divorces in 2002 compared with 851 thousand in 2001. This pattern is followed by the EU10, with the exception of Cyprus who has the highest crude marriage rate. As a consequence, there is a striking rise in the number of children living with one parent and a

fall in the number of couples with children. The overwhelming majority of these single parents are women.

Another common characteristic in the majority of EU10 that leads to changes in family structures is early mortality, due in particular to cardiovascular diseases that are connected with the economic situation and the population's health behaviour (high levels of alcohol consumption, smoking, drugs).

At the same time the EU10 are confronted with the same challenges as the EU15 in terms of demands on the family units due to longer periods of education, increased unemployment that mainly affects women and young people, caring both for children and elderly, etc. These challenges reflect the crosscutting and important nature of family issues while making clear that policies such as employment, social protection and health affect the family's capacity to meet those demands.

Despite the heterogeneity of the situations and approaches across the EU10, there is a certain amount of convergence in the challenges faced, and solutions considered. For example, most countries highlight the fact that the size of the family – in terms of both the number of children and the number of parents – affects the likelihood of social exclusion. In general, it appears that single parents are relatively more likely to be affected by social exclusion, as are, in most of the EU10, families with three or more children.

Supporting families is thus an important policy objective in most of the EU10 in view in particular of the changing structures of families and the high risk of poverty for single parents and larger families. Support to families is provided through a range of measures that on the one hand provide financial assistance to parents (tax reductions or allowances) and on the other hand help parents reconcile their professional and family life (parental leave entitlement/ care services).

Given the broad range of family-related issues and concerns referred to above, there is a wide range of measures aimed at addressing the issues, both explicitly with family policies, and more broadly in other policy areas. When discussing family policy there is a consensus that the aim is to support parents so they are not financially disadvantaged, allowing them to invest in their children's welfare. This is addressed across the EU10 in ways similar to those adopted by the EU15, with a wide variety of mechanisms in place to support families. These range from mechanisms for all families, such as minimum income guarantees, updated parental leave entitlement or allowance, or the increase in flexible or part-time working patterns, to mechanisms targeted at more specific subgroups, such as village/remote homestead community care-giving (HU), monthly subsidies for at-home care givers forced to leave the labour market (HU & CY) or health visitors' services (HU) providing ongoing care and counselling to families throughout the country. Furthermore, as employment is commonly identified as a key factor in ensuring social inclusion, and because all the EU10 are committed to increasing female employment rates, all NAPs recognise the importance for families of managing the balance between work and family life.

The issue of childcare is also essential in ensuring that working or studying parents are not disadvantaged. In addition to parental leave entitlement, one of the most important factors is therefore the availability of childcare. Indeed, one of the targets defined at the European Council of Barcelona (2002) was for Member States to "...strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between 3 years old and the mandatory school

age and at least 33% of children under 3 years of age". However, availability of childcare alone is not sufficient to bring more mothers into the labour force; childcare must be affordable (increasingly so in large families or for lone parents) available at times consistent with working patterns and of a high quality.

In most countries there seem to be no systematic policies in the EU10 towards providing care and learning for 0-2 year old children. While pre-school education is more common for 3-6 year old children, the focus is often on social support for working mothers or families, not on providing learning opportunity for all, especially for children from disadvantaged backgrounds. The responsibility for early childhood education is still left with the families in spite of their fragility these days. Parents have no regular free of charge access or incentives to participate in basic parent education and little is mentioned about the reliable availability of guidance for parents. Competences for serving the basic needs of children and following their development are not provided in basic curricula in the education systems. Adult courses for parents, including childcare, should be made accessible on a larger scale rather than being an optional service for better-off parents. A social mixture of participating parents in adult education would contribute to more solidarity, contacts and inclusion, and reduce isolation of single parents. While some remedial actions are taken to re-introduce the increasing number of teenage mothers to schools, nothing is said about their social and medical protection rights and their threatened right to continue learning during pregnancy.

The issue of the cost of childcare is part of the overall debate to ensure that parents who work, or study, are not financially disadvantaged for doing so. There is a range of financial (fiscal and/or cash) initiatives in the EU10, just like in the EU15, targeting parents, with the aim of improving their prospects in the labour market, and, in turn, providing a more secure future for their children (see details under chapter 11.4- Social exclusion amongst children).

Ensuring the provision of quality services which are adequate, accessible and affordable for all citizens is a major challenge for the EU10. But while the challenge of increasing access to health services and care services especially for the elderly and the mentally ill or suffering has become prominent in many of the EU15, it has not been sufficiently addressed in most of the NAPs from the EU10. Regarding the care of elderly generations, there is a general agreement across the EU25 that a level of formalisation of care provision is increasingly necessary, to support but not supplant the role of the family. In the Czech Republic, for example, the establishment of rest and rehabilitation centres for the elderly will ease the burden of caring for the elderly for the family.

There is, however, a risk of poverty and social exclusion not only for the elderly but also for the persons who care for them; these latter may either be excluded from the labour market due to the day-long care the elderly require or they may have to undertake increased costs for providing care via another person or facilities outside the family. However, the elderly are not always a burden for the family as they very often assume themselves the role of carers for the children thus helping parents to avoid additional costs for childcare. In addition, the elderly living within the family unit may often support its income either through their pensions or other revenues or by offering gifts or paying for certain costs incurred for the children in particular (CY) thus alleviating the risk of child poverty.

The development of support services for families can be very important in crisis situations such of domestic violence. Domestic violence is referred to in most of the NAPs of the EU10 as a risk of social exclusion for the victims and is an issue that is addressed already at national level. Ensuring strong legislation to guarantee the rights and protection of victims

of violence is essential as is developing interdisciplinary teams and raising awareness (CZ, HU & MT). Women's crisis centres providing shelter, psychological and legal assistance etc. can play an important role (HU & LT). Partnership between the state and NGOs and community development organisations is seen as very important in developing accessible and timely services and supports for families (CY & MT).

11. HELPING THE MOST VULNERABLE

11.1. Immigrants and ethnic minorities (including the Roma)

11.1.1. Analysis of problems/issues

As in previous National Action Plans for EU-15, almost all EU-10 Member States clearly identify national and ethnic minorities³⁰ and immigrants as being particularly at risk of social exclusion. Indicators for these groups for employment, education and training, health, income and living conditions, where available, are generally below the comparable indicators for the majority population.

The sections below indicate which ethnic minorities have been identified as being at risk of poverty and exclusion. However, certain NAPs favour the rather general term "vulnerable groups" which can encompass a wide range of groups (e.g. migrants, national minorities, older people, and people with disabilities). Such a broad-brush approach makes analysis of strategy, goals, means etc. particularly difficult.

The majority of the plans (Slovakia is an exception) fail to acknowledge the diversity of various groups, such as the Roma. All people in this category are presented as belonging to a *homogenous* group with similar situations, needs and problems. In addition only a minority of the plans (Slovak, Czech and Hungarian among the exceptions) mention the problems of multiple discrimination which these groups can face (e.g. because of living in a certain regions, disabilities, or gender).

In most cases (as was the case with EU 15), trends, negative or positive, in the living and working conditions of minority groups are overlooked with little reference made to the Joint Inclusion Memoranda.

Roma populations

Although the Roma national minorities are a heterogeneous group, a large part of Roma people belongs to the most vulnerable individuals in the EU-10 countries, as for the Union as a whole. Their social situation has for a long time been determined by a high rate of unemployment, in particular long-term unemployed, dependency on benefits from the social system, a low education and training attainment level and poor living conditions. Members of this community continue to experience widespread poverty, and even extreme poverty, and social exclusion. The poverty rate for Roma in Hungary, for example, is about 5-10 times higher than that of the non-Roma population.

30 As noted in the 2004 Joint Inclusion Report, the term ethnic minorities generally refers to people of an ethnic origin other than that of the majority of the population. These may include groups among the immigrant population with an ethnic origin which is distinct from that of the majority of the population.

Table 5 - Official and estimate figures on Roma population in EU-10 countries

Countries	Official number (last census)	Estimate figures ³¹
Cyprus	no data available	
Czech Rep.	12 000 (2001)	150.000 to 300.000
Estonia	542 (2000)	1.500
Hungary	190.046 (2001)	600.000 to 800.000
Latvia	8 205 (2000)	8.000 ³²
Lithuania	2.570 (2001)	2.500 to 4.000
Poland	12,731(2002)	20.000 to 60.000
Slovak Rep.	89.920 (2001)	350.000 to 520.000
Slovenia	3.246 (2002)	7 000-10 000

Other groups at risk of exclusion

Roma, which are present in all 10 countries with the exception of Malta, are referred to extensively in the Slovak, Hungarian, Polish, Czech, Latvian and, to a lesser extent, Slovenian and Lithuanian plans.

Within EU-10 Member States there are many other ethnic and linguistic minorities. In some cases where these people are long-term residents (e.g. Germans and Poles in Czech Republic) they are not identified as being at a particular risk of poverty and social exclusion.

The Estonian plan identifies non-Estonians, particularly the Russian speaking population as a group vulnerable to exclusion. In the Latvian plan, the lack of Latvian language skills among non-Latvians is identified as one of the key problems in their access to the labour market; however, the plan does not recognise this group explicitly as one vulnerable to exclusion. While poverty and social exclusion indicators between Latvians and non-Latvians (mostly Russians, 29% of the population) and between Estonian and non-Estonians (mainly Russians 26%) do not show major disparities, the prevailing unemployment rates among these groups still show substantial differences. However, little information is given on general or targeted policies to support this population or to the wider problems of discrimination faced both within and beyond the employment sphere. In addition few details are given on how EU funding, particularly the European Social Fund, will be used to tackle the problems they face. In Estonia the only measures foreseen concern provision of labour market services in Russian to facilitate labour market entry, and no other inclusion measure is mentioned.

³¹ Estimate figures come from Council of Europe's elaboration based on different sources (administrative data, research findings, NGOs' estimations).

³² In the case of Latvia the JIM presented an estimation based on studies of a population between 13.000 and 15.000.

Immigrants, asylum seekers and refugees

Much less policy attention is given to the links between immigration and poverty and social exclusion, due to the fact of considerably lower levels of immigration than in most EU-15 Member States.

The Polish, Czech, Slovak and Hungarian plans refer to "immigrants"; Slovakia to "asylum seekers". The Cypriot plan identifies "foreign workers" and Turkish Cypriots as vulnerable groups, while the Maltese identifies among disadvantaged groups "refugees and illegal immigrants". Lithuania also refers to the integration of refugees, immigrants and ethnic minorities.

The majority of the EU-10 Member States expect the number of immigrants to rise following EU accession and in some cases such as Hungary institutions and policy tools are being adapted in order to be able to support these groups. Some countries (Malta, Poland, and Slovakia) express concern at the increase at the number of illegal immigrants entering their territory as well as of that of asylum seekers. However, in the case of the Slovak plan, no strategy has been envisaged.

Data and statistics

As highlighted in the last Joint Inclusion Report for the EU-15 countries, the lack of data on migrant and ethnic groups continues to be a major problem in the NAPS/incl.

Only a small number of countries include data or indicators thereby attempting to gain a real insight into the situation and needs in their countries. In general, data, where available, refers to employment rates only.

It is regrettable that none of the NAPS/incl appears to set out a strategy for improving the collection, analysis and publication of statistical data. Some progress can be noted however. Comprehensive data has been presented in the Hungarian plan (activity situation in the labour market; rate of persons in poor housing conditions; rate of persons with disabilities by ethnic breakdown -Roma and non-Roma). The Lithuanian and Latvian plans present and employment and unemployment rates by nationality and ethnicity, but little analysis has been made of the figures. Lithuania also breaks down data on educational structure.

Some countries (PL, CZ & SK) acknowledge the challenge for their national statistical offices in that not all groups at a risk of long-term and multiple social exclusion may be 'caught' by means of standard surveys and common indicators. In some cases special case studies (PL) or field research (CZ & SK) is taking place.

11.1.2. Strategic Approach, Main Objectives and Targets

It is clear that many countries lack a 'joined-up' approach to tackling the poverty and exclusion of ethnic minorities, placing the emphasis on isolated measures in certain areas such as education and training or health. The Plans also need to better assess the strengths and weaknesses of existing policies and programmes. Some countries develop more integrated responses (CZ, HU, PL & SK). However, only a comprehensive and coherent strategy built on solid analysis, identification of key-challenges, definition of targets and procedures for implementation and backed by appropriate legislation and earmarked funding can have a significant impact and tangible results. Employment measures are of course highly important but measures must also be taken in the fields of education and training

(from pre-school through vocational training to life-long learning) housing/infrastructure, healthcare etc).

In addition, prejudice and discrimination remains widespread and clearly hinders particularly Roma from accessing the resources and opportunities that are the norm for other citizens. In this context, ensuring the transposition and effective implementation of the EC directive on combating discrimination on the grounds of ethnic or racial origin³³, constitutes an important element in strategies for promoting the integration of vulnerable groups who are often subject to discrimination. The EC Directive, which was to be implemented into national law in all 10 countries by 1 May 2004, was virtually overlooked in all the NAPs with the exception of Slovenia. The Hungarian plan is one of the few to refer to the independent equality bodies which must be set up under the EU rules and could play a crucial role in monitoring implementation of the directives and providing support to victims. The equality body, however, will not be operational before 2005.

In a number of cases the emphasis in the plans is on the need for the minorities to adapt, for example through language training. While these initiatives are important, there is a continued need for measures that address the potentially discriminatory behaviour, attitudes or practices of the majority population which can prevent people from accessing a job or service or training course irrespective of his or her language ability.

Some targets related mainly to Roma population have been set, including practical training to be provided for 11,500 teachers and other professionals assisting teachers in 2005-2006 to assure equal opportunity for students in disadvantaged situations, primarily for Roma students; to reduce dropout rate of young people from vocational training schools by 15%; to return children unjustifiably labelled “disabled” to mainstream primary school classes and to reduce the number of children qualified as disabled in first grade by two-thirds (Hungary) and increase by 2006 to at least 20% the proportion of long-term unemployed job applicants participating in active employment policy programmes, including Roma (Czech Republic).

Employment

All countries consider employment as a precondition for fighting poverty and social exclusion of excluded ethnic groups and present a range of measures and instruments to boost their employment rate.

The Slovenian plan for example highlights an action programme for the employment of Roma (2003-2006) in which priorities were clearly set (e.g. inclusion of young Roma in primary education and vocational training). However, no assessment is given of the achievements thus far and there is no indication of what evaluation mechanisms are in place to monitor the impact on the employment of Roma. The introduction of special Roma advisers in public employment services is to be noted as is also the case in Hungary. Similarly, Lithuania highlights the preparation and implementation of programmes for vocational training and employment of Roma, but no details are given.

Slovakia sets a specific target “to increase the support for labour market training and retraining and job creation in the case of marginalised Roma communities” and in Poland,

³³ Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin.

the Program for the Roma Community in (2003) covers a range of actions that relate, inter alia, to counteracting unemployment mainly through training and vocational counselling.

The Estonian plan points to support for non-Estonian-speaking people looking for jobs, through for example, providing information and counselling in Russian as well as labour market training.

Education

The situation of Roma in the area of primary education is particularly worrying. Low education levels are recognised in the NAPs as a primary risk factor for poverty and exclusion. In Hungary for example, only 44% of 14-year-old Roma children finish the eight grades of primary school. The rate of Roma children who finish secondary school is about 24%, but only 2.2% acquire 'A level' in secondary schools or graduate from college or university.

While attention is given in most of the NAPs to preventing early school leavers of Roma children (LV, PL, CZ, HU & SK), little details are given on the concrete tools to achieve objectives, funding or legislation which may bring about more fundamental structural change. Only Hungary and Czech Republic have identified pre-school education as a priority and have allocated Structural funds to this end.

The Czech plan also mentions the creation of a position of teacher's assistant and the development of special educational plans and teaching materials with a view to improving the educational results of Roma pupils. The Hungarian Plan presents a specific target for "Increasing opportunity for Roma children through the continuous expansion of integrated education". Announced objectives include combating discriminatory segregation in schools, taking measures to increase educational chances of disadvantaged pupils and students, reducing dropouts in all educational levels including vocational training, and establishing programmes to assist students to access higher education.

The Slovenian plan particularly focuses on difficulties Roma children face in pre-school and primary school due to their "deficient knowledge of Slovenian". Less emphasis is given on other factors at play, for example discriminatory attitudes/practice by the majority population. A strategy for education of Roma was adopted in June 2004, aiming at an early inclusion of Roma children in the education system.

Similarly, the Lithuanian Plan acknowledges as a major challenge the illiteracy of Roma people, (approximately 30% are illiterate and almost one-fifth of Roma children abandon school and fail to gain elementary education). The Plan does present a number of general objectives (create conditions for the Roma children to attend the groups of pre-school education; draw up individualised programmes), however, there is no clear indication of the means to achieve these goals.

The Slovak Plan sets a specific target to increase support for education of Roma children and youth at primary, secondary schools and universities. The implementation of certain PHARE programmes in the field of education and improving living conditions and literature curriculum at primary and secondary schools are mentioned.

The above-mentioned Polish Programme for the Roma also covers activities related to the improvement of level of education and particularly the increase of school graduation indicator and employment of teachers and assistants to support education of Roma children.

The Latvian Plan, despite recognising the high proportion of Roma children who do not attain even a primary education, does not include any specific measures.

Housing and health care

Little attention seems to be focused on this area, which is surprising given the issues of poor living and health conditions in Roma settlements in many of EU-10 countries. Living conditions, for a large proportion of immigrants and ethnic minorities, especially Roma, remain extremely poor and do not meet the basic health and safety requirements. However, Hungary has announced its intention to start a slum elimination programme.

As a result of such factors as lack of water supply and sewage systems, unsatisfactory heating systems, poor diet, limited access to health care services and lack of prevention, the Roma are often particularly vulnerable to illness and disease. The Polish plan notes tuberculosis as a problem among Roma.

Slovakia mentions financing of the health programs for the Roma population through PHARE funding. The sustainability of the measures to be implemented is, however, not explained. Hungary outlines a pilot programme entitled "Tolerance for Health" which has been set up in 5 hospitals to improve care offered to Roma patients.

Housing is not eligible for financing under the Structural Funds (only infrastructure) but where it is mentioned few if any details are given on state budget resources. The links between the central administration and the local authorities is also often unclear even though the latter will be at the front line of service provision.

The Slovenian plan recognises the problem Roma face in housing, and mentions the general goals of tackling the problem of Roma settlements - help from municipalities and the state for purchase of land (where this is needed) and legalisation of existing buildings, plus the provision of appropriate infrastructure.

Culture and cultural identity

A key consideration when improving the social status of ethnic minority populations is to retain their cultural identity.

Slovenia sets among its priority objectives for 2004-2006 the cultural rights of ethnic minorities (and disabled persons), and the promotion of the development of minority cultures. The necessity of developing special instruments for protecting the cultural rights of vulnerable groups and to fulfil the concept of cultural diversity is acknowledged.

Poland, Hungary and Lithuania award support to cultural activities of national and ethnic minorities (including festivals, panel discussions, publishing books, magazines, organising concerts, etc.).

Police

The Czech Plan sets a target to enhance the quality of police work in relation to national and ethnic minorities, mainly through the inclusion of training programmes on human rights, rights of minorities and integration of foreigners.

Awareness raising

It is to be welcomed that the Hungarian and Slovenian plans refer to awareness-raising activities which attempt to question prejudice and preconceptions about the Roma population. In Hungary, within the framework of a PHARE programme, a series of anti-discrimination actions are to be implemented in 2004-2005. Initiatives called 'Creating an inclusive society' and 'Local initiatives to reinforce tolerance' are being started up in 2004 to reduce anti-Roma prejudice and increase social inclusion as part of a nationwide media campaign. In addition to the campaign, a primary school teaching package, which informs children about the history and culture of the Roma, is being designed with the aim to transfer it to 250 teachers in 50 schools. In Slovenia, the implementation of the EU awareness-raising campaign "For Diversity – Against Discrimination" was referred to.

Participation in the decision-making process and involvement of actors

In general the plans were weak on involvement of groups facing high risk of poverty and discrimination. Co-operation and consultations with the different partners at all levels needs to be stepped up, to enable them to participate in implementation, monitoring of the results and future development.

Capacity building of organisations representing ethnic groups and civil society in general is highly important for effective programme design and delivery.

In Hungary, Roma advocates, mentors and employment coordinators have been employed in jobs centres and in programme management to promote and facilitate Roma participation in employment programmes. In Slovenia, Roma councillors in the municipal councils of 19 municipalities have been appointed since 2002. In the Czech Plan mention is given to permanent advisory and initiatory bodies, as the Council for Roma Community Affairs and the Council for National Minorities, in which representatives of Roma communities and national minorities respectively form one half of the members. Both these bodies have the right to submit proposals on allocation of funding assigned to programmes to promote integration of the Roma/minorities and prepare recommendations concerning the enforcement of minority rights, in close co-operation with regional offices and municipalities, with NGOs and with certain international organisations.

Mainstreaming and Co-ordination

Some progress has been made in strengthening institutional arrangements to mainstream social inclusion and in co-ordination among the different bodies and services involved in the elaboration of social inclusion policy measures and in the preparation of the NAPs.

More specifically on immigrants and ethnic minorities issues, in Hungary, Roma desk officers have been appointed in various ministries, as well as government level inter-ministerial Committees are in operation.

The Czech Plan acknowledges that social inclusion mainstreaming has not yet been applied as a comprehensive policy process cutting across all policy areas. In 2004, a new 'Commission of the Minister of Labour and Social Affairs on Integration of Foreigners' was established, with the task of strengthening co-ordination of conceptual, organisational and practical activities performed by all relevant ministries.

The Slovak Government has created the 'Office of the Government Plenipotentiary for Roma Communities', which co-ordinates five regional offices whose basic activity is targeted at mapping the situation, co-ordinating and implementing programmes at the regional level, providing consultancy and advice in the preparation of regional projects for foreign aid funds, as well as building up regional partnerships.

Budget links

Financing of policies and measures for vulnerable groups is of course critical to delivery and implementation. The NAPs generally give little indication of the financial resources which will be used to implement the targets and objective set. The absence of links between strategy, targets, policy measures and a clear and concrete budget is a major weakness of the plans.

The Czech Republic and Slovakia give some indication of budgets, however details are scant.

The only clear funding sources often come from the various European Social Fund Human Resources Programmes and from the Community initiative EQUAL (HU, PL & SI). However, the role European Structural Funds can play in addressing these issues seems neglected.

Some countries make reference to the role that PHARE support has had in the starting-up of social inclusion related projects.

Monitoring and evaluation

While, certain Member States (including Latvia, and to a lesser extent Slovakia, who use only input indicators) introduce objectives and indicators as a basis for monitoring progress, the lack of data referred to above make this goal extremely difficult to achieve. As for existing policies and measures concerning immigrants and ethnic minorities, assessment is often limited to a general statement that positive results have been registered.

There is therefore a clear need of targets, indicators, timetables, identification of the main actors in order to achieve meaningful evaluation.

11.1.3. Assessment

Social inclusion policy measures for disadvantaged groups cuts across the full range of issues dealt with in the Plans. The coverage by the EU-10 Member States of this issue, as was the case with the EU-15 NAPs, has been in general quite disappointing. Although the vulnerability of disadvantaged groups such as Roma and other minorities to poverty and exclusion has been recognised by all, only in few cases a clear strategy, with specific targets, objectives, budget, timetable and evaluation mechanisms has been set out. The challenge of overcoming higher levels of unemployment of linguistic and ethnic minorities is an important issue, particularly for Latvia and Estonia. However, with the exception of provisions of labour market services in Russian to facilitate labour market entry, few details are given on how the situation of these groups is to be improved.

The specific situation facing all these groups will require greater effort, analysis, on-going monitoring of the implementation and evaluation if we are to increase their participation in social, cultural and political life, and of course the economy, to the same levels as the

majority population. Equal opportunities for these groups need to be dealt with across the full range of policy areas, notably employment, housing, education, healthcare and social services in general. Such a 'joined-up' approach backed by sustainable finances is needed if political will is to be translated into practical and effective policy measures.

It is essential that the difficulties facing these groups are seen from a discrimination perspective. Prejudice and discrimination in wider society, particularly as regards employment and service providers, need to be addressed and this hinders equal access to resources and opportunities.

Little attention is paid to a right-based approach, which can provide a useful framework for the further development of integration policies. Further emphasis must be given to enforcing legislation, notably the laws transposing the Article 13 Directives. The role of the civil society as well as impact of the recent decentralization towards regions has been largely underestimated in this process.

As indicated in the assessment of the JIMs, the lack of detailed data and indicators hinders any thorough analysis of the situation facing these vulnerable groups. Aspects of ethnicity and immigrant status of relevance for poverty and social exclusion should deserve more attention and be included as a breakdown category at least into the national level's indicators (*third level indicators*) for EU-25.

In general, as Member States did not define precise objectives, indicators and quantified targets in the JIMs, measuring progress appears difficult. There is, however, an evidence of better understanding the need to link the NAPs/incl. process with the policy making processes and mobilisation of relevant actors. It also appears that structures created during the JIMs process have been strengthened. More specifically on Roma, the four challenges and measures identified by the Commission in its synthesis of the Joint Inclusion Memoranda have not been adequately followed-up.

Some countries are moving in the right direction and progress is to be welcomed. Nevertheless, much effort remains to be done, in particular in defining a coherent approach, targets and indicators and procedures for implementation, monitoring and evaluation of policies.

A further source of concern is that envisaged and existing measures are very often not backed up by sufficient resources and monitoring other than those of the Structural Funds. In this respect, the European Structural Funds can play an essential role in implementing social inclusion measures for disadvantaged groups, and particularly for Roma.

At-risk groups such as the Roma, immigrants and other ethnic minorities need to be more closely involved in the policy making process. There is a clear need for capacity-building programmes to support greater participation and representation of these groups.

11.2. Disabled people

11.2.1. *Main trends and challenges*

All countries identified disabled people amongst the vulnerable groups at risk of poverty and social exclusion. Accordingly, most the NAPs have a wide range of policies and measures aimed at contributing to a better inclusion of disabled people.

However, it is sometimes difficult to identify those policy measures that relate to disabled people because they are included in the vague category of "vulnerable groups". It is a challenge to mainstream the disability perspective in all relevant policy areas at the same time as targeting the services and support systems according to the specific needs of disabled persons. Even if some countries have paid more attention than others to this issue, it would be helpful with a better identification of the specific determinants of poverty and social exclusion of disabled people and clearly define visible strategies, actions, indicators and targets in the NAPs.

The main challenge identified by all countries is raising the employment level, and all the NAPs present measures to improve the employment rate of disabled people. In many countries, the main path chosen into employment for disabled people appears to be sheltered employment and not the mainstream labour market. More attention should therefore be made to mainstream employment measures. Among the EU25 different strategies are used to raise the employment level of disabled people. Some Member States use subsidies to employers and/or have a quota system, while others believe that this stigmatizes disabled people and prefer to focus on other ways to include disabled people into the mainstream labour market.

Other policy challenges identified in the NAPs include improving access to education and training, social protection, healthcare and other services, housing, transport, public buildings, information and communication technology, culture, sports and leisure.

Many countries have well identified the main challenges relating to the situation and needs of people with disabilities and set up clear objectives. Nevertheless, the policy measures proposed are often not clear or do not respond to the challenges identified and are not supported by targets and the adequate financial resources.

The main challenge related to poverty reduction and social inclusion of disabled people remains to mainstream a disability perspective in all relevant policy sectors, to collect statistics on the situation of disabled people, to define appropriate indicators and targets to measure progress and to allocate adequate funds to allow the implementation of policies.

Although some progress is visible in the NAPs to respond to the identified challenges, much remains to be done. Therefore, the EU10 are encouraged to pursue and reinforce their efforts if tangible results are to be achieved, in particular on the following areas:

- To deepen efforts to mainstream a disability perspective in all sectoral policies. For this, the EU10 are encouraged to create or substantially improve a context combining political will, legal provisions and the formulation of clear objectives; to build a capacity including training and expertise on disability issues and to establish institutional

mechanisms to plan, implement, monitor and evaluate policies. Setting up the institutional framework for such a multi-sectoral disability policy will be a key element of any poverty reduction strategy for persons with disabilities.

- To continue efforts to develop an overall strategic approach to disability issues and therefore combine complementary measures: increase access to mainstream education, vocational training, lifelong learning opportunities, employment; enhance social and healthcare services; continue to remove barriers and implement measures related to improving accessibility (built environment, transport, housing, information and communication technologies in particular web accessibility and access to online services of public interest) and availability of assistive technologies.
- To ensure that, in a context of social protection reforms and budgetary constraints, disabled people and their families, in particular those who cannot work and/or are severely disabled, receive an adequate income allowing them to live in dignity.
- To develop quality and affordable care and support services for disabled people, in particular for those with high dependency needs, and their families. A better co-operation between the various institutions that provide support and help to disabled people is needed. Small rural municipalities are also unlikely to be able to provide as wide a range of services as large cities.
- To intensify efforts to raise awareness on disability issues and overcome negative public attitudes, paying special attention to people with intellectual disabilities.
- To address the future challenge of the increased proportion of older people in the population. The likelihood of experiencing major impairments dramatically increases at a very old age, and within the age group of 60 years and over. However, impairments associated with ageing can be prevented or delayed. The reduction of impairments among older persons considerably lessens the burden and expense of care-giving.

11.2.2. Main policy approaches

The situation varies between the EU10. Generally, there is a lack of a comprehensive and coherent approach to disability issues even if a wide range of policies and measures are described in the NAPs. In order to reduce poverty and social exclusion of disabled people, it is essential to prepare a comprehensive, coherent and co-ordinated strategy. For example, employment promotion programmes remain inefficient if policies and programmes to assure access to education, vocational training, the provision of technical advices and appliances, accessibility (not only physical, but also communicational, financial or social) of schools, workplaces, public buildings and housing are not simultaneously put in place in a coherent manner. Each element depends on all the others, and all of them are directly or indirectly elements of a strategy of socio-economic integration of disabled people. Isolated measures have no tangible results, only a comprehensive and coherent whole will have a significant impact. Some Member States already have a multidimensional approach to disability issues. For example the Czech government recently approved the Medium-term Strategy for a National Policy on People with Disabilities that was elaborated by the NGO the Czech National Disability Council, which represents disabled people. This strategy covers all areas affecting their lives and will be a basis for a new national action plan for disabled people. Nevertheless, much efforts remains to be done, in particular in defining a coherent approach,

targets and indicators and procedures for implementation, monitoring and evaluation of policies.

Even if participation in employment is considered the best way to diminish the risk of poverty and to improve the inclusion of disabled people in society, more attention should be given to those who cannot work because they are severely disabled or have difficulties getting access to employment because of high level of unemployment, attitudinal prejudices etc.

Moreover, a protective attitude towards disabled people seems to remain in some cases, with not enough efforts to include people with disabilities in the mainstream labour market or to promote inclusive education and training in mainstream schools.

Examples of policy approaches:

- **Legislation:**

In all the countries, the rights and obligations of disabled people are regulated by various laws. Examples of recent initiatives: The Czech Republic has a new Employment Act which entered into force on 1 October 2004. Slovenia is preparing a new Act to be adopted in 2004 on Equal opportunities for disabled people that covers the right to non-discrimination, adapted transport, rehabilitation etc.

- **National Action Plans:**

Several countries have National Action Plans for disabled people, among them the Czech Republic, Lithuania, Hungary and Latvia.

- **Financial resources:**

There is a general lack of quantified references to the allocation of financial resources to the measures relating to disabled people. The use of the European Social Fund and the Community initiative EQUAL is identified as support of vocational and social inclusion of disabled people.

- **Participation of disabled peoples' organisations (DPOs):**

In order to mobilise and ensure the involvement of disabled peoples' organisations, it is necessary to strengthen their capacity. Unfortunately, there is not much focus on this aspect in the NAPs. Most Member States have formal arrangements for involving DPOs in the NAPs/inclusion process (CY, CZ, HU, LT, LV, MT & PL) (for more information, see chapter 12.1)

11.2.3. Main policy measures

Access to employment

All Member States present measures to improve the employment rate of disabled people.

In Estonia, the government has established a website on employing disabled people where employers get practical information. The government will issue a mark for disability friendly employers. Poland provides support to disabled people who start a business through

loans, financing of credit interest rates or financing of part of the social security contributions.

ENCOURAGING THE MAINSTREAM EMPLOYMENT OF DISABLED PERSONS (CYPRUS)

In the context of raising the employment of disabled persons, incentives are provided to enterprises of the private sector in order to hire persons with disabilities. They take either the form of subsidization of salaries or the funding of the social insurance fund contributions for a certain period of time. In the case of individuals with severe disabilities (intellectual, serious movement, sight and acoustic disability etc.) which may require the existence of suitable technical infrastructure or other material, companies may receive an additional grant for small adaptations at the working place.

Additional measures/practices include:

- Vocational training measures to raise the employability of disabled persons in the context of a personalised approach (ESF co-financed)
- Self-employment scheme for persons with disabilities

A Pancyprian council for people with disabilities exists since 2000, presided by the Minister of Labour/Social Insurance, and consisting of five Permanent Secretaries from competent ministries, social partner and NGO representatives.

Access to social protection systems

There will always be some disabled people who are not able to work. It is therefore important to secure an adequate social protection system guaranteeing disabled people a dignified living standard and the possibility of living independent lives. Several Member States have measures to provide better access to social protection systems (EE, HU, LT, LV, PL, SI & SK). Some countries are reforming their social protection systems. Lithuania is increasing the payment of disability pensions and increasing the age limit from 16 to 18 for disabled children receiving social support. In Hungary there are plans to enhance benefits to those caring for severely disabled people.

Access to healthcare and other services

It is necessary to build up community based services in order for disabled people to be able to live in their own homes and not be confined to institutions. All Member States present measures to improve access to services. Lithuania will implement a Programme for Development of the Infrastructure of Social services for 2004-2006. The aim is to create a network of social services in municipalities and regions. Hungary established support services in 2003 to provide services in the local communities. Latvia has targets to provide an opportunity for people to receive social services according to their needs and as close to home as possible.

Provide accessible housing

It is a big challenge for disabled people to find appropriate housing. In addition to financial constraints, a specific problem for disabled people is that there are not enough accessible apartments. On a long term basis, legislation and/or standards requiring new houses to be accessible would result in an increase in accessible housing. In the short and medium term, a social housing policy is necessary to secure housing for disabled people. Three Member

States have measures to increase the number of accessible apartments (CY, CZ & SK). In Slovakia, a fund is set up to promote the building of accessible apartments. Approximately 200 accessible apartments are supported annually (the state financial support is limited to 50% of the construction costs or € 2,500)

Access to mainstream education

Disabled people have a lower level of education than non-disabled people. Improving access to mainstream education is necessary to increase the education and employment level of disabled people. Several Member States include education measures in the NAPs (CY, CZ, EE, HU, MT, LT, LV & PL). Cyprus has support programmes to include disabled children in mainstream education at all levels. Hungary has set a target to return children from segregated to mainstream primary school classes.

Access to transport

Lack of accessible transport is an important factor that excludes disabled people from education, work and daily life. Four countries refer to measures to improve the accessibility of their transport systems (CZ, HU, LV, & SK). In the Czech Republic, the public transportation system in Prague has an electronic communication system which assists visually impaired persons. Latvia has a 10-year plan of improving the accessibility of their public transport services.

Access to information and communication technology

Ensuring that new information and communication technologies (ICT) are accessible to disabled people is highlighted as an important objective by the EU, and most Member States include ICT in their NAPs (CZ, CY, EE, HU, LT, LV, SI & SK). It varies however to what extent each country implements concrete measures targeted towards disabled people.

Estonia has the objective of making all public websites accessible by using the international web accessibility standard (WAI) and in the Czech Republic all websites of central and local government institutions are obliged to follow the WAI standard.

Access to culture, sport and leisure

Several Member States have included access culture, sport and leisure in their NAPs. (CY, CZ, HU, LV & SL). Hungary is implementing a programme to make 150 schools and sports centres accessible, with the support of PHARE funding. In Estonia, most of the national theatre buildings have ramps or lifts and there is a library service for visually impaired people. Lithuania is implementing a programme (2003-2013) to increase the accessibility of libraries.

11.3. Other vulnerable groups

Two groups of problems are mentioned in the EU10 NAPs most frequently under this category: Ex-prisoners, juvenile delinquents or delinquent children facing difficulties in finding back into mainstream society. The second issue is support for drug addicts and alcoholics.

Ex-prisoners

Cyprus plans to focus on implementing measures for the decriminalisation of juvenile delinquents on prevention, control as well as rehabilitation. Community services are seen as an alternative disciplinary measure. Officers of the Social Welfare Services act as probation officers.

The Czech NAP refers to problems related to housing encountered by people leaving institutional education and care and by ex-prisoners. Young people in particular are provided with an opportunity to live in so called 'halfway houses' where appropriate social services are available.

Hungary mentions the restructuring of the probation service and the important role being given to individual case work and special employment programmes.

Lithuania intends to provide assistance for convicts and persons returning from custodial institutions by increasing possibilities for vocational training and helping them in getting employed.

In Latvia the participation rate of convicts in vocational training is 5.5%. The NAP announces that, in addition to continuing measures increasing the employability, the renewal of the social skills of the ex-prisoners will be promoted through the establishment of social rehabilitation centres.

Poland identifies the weaknesses of the re-socialisation capacities of the system currently in place. The NAP advocates for fostering vocational skills of ex-prisoners and improved access to education. The Law on social employment opens access to the Centres of Social Integration and to the secondary labour market to persons released from penal institutions who have difficulties in inclusion.

Drug abusers, alcoholics

The Cypriot NAP describes the combat and prevention of drug use as well as the social integration of drug users as important challenges. Provision of knowledge and information acquisition of skills and boosting children's self-esteem are the three pillars in the strategy of drug prevention.

The Hungarian NAP refers to the National Public Health Programme that considers reducing the addiction to be a high-priority task. Within the framework of the programme a number of preventative actions as well as curative actions improving social care will be taken. The health targets include (i) reducing the number of alcohol-dependent patients from the current 800.000-900.0000 to less than 500.000 by 2012; (ii) keeping the number of drug-dependent persons down to the 2002 level in 2008; and (iii) reducing smoking by 8% per year from 2003 to 2005. The drug target is to increase the number of drug-dependent persons being

treated / rehabilitated by 40% between 2003 and 2005. Additional programmes to be implemented within the framework of the national drug strategy include the development of re-socialisation and re-integration programmes, training and support for low threshold institutions.

Lithuania is putting forward a list of goals for providing assistance for persons, in particular in custodial institutions, abusing narcotic substances. However, due to the lack of implementation details, it remains unclear how these goals are intended to be reached.

Like Lithuania, Malta puts emphasis on drug rehabilitation rather than prevention. In particular, it highlights an information and awareness campaign near employers to promote employment as an important tool to foster the social inclusion of ex-drug abuser.

The Polish NAP refers again to the Law on social employment, under which ‘addicted to alcohol who have completed a psychotherapy programme in a rehabilitation centre’ and ‘addicted to drugs and other psychotropic substances who have completed a therapy programme’ are eligible for measures promoted by the Centres of Social Integration and consequently for subsidised employment in the secondary labour market

11.4. Social exclusion among children

The high level of poverty and social exclusion experienced by children is widely recognised as a key challenge in most Member States. Encouragingly this is then reflected, in varying degrees, in the strategic approach, objectives and targets set and the measures adopted in the NAPs/inclusion in many of the Member States. Estonia notes child poverty and exclusion as one of the key challenges and goes on to set a specific objective in relation to social protection of decreasing and preventing poverty of families with children. Hungary also makes the well-being of children one of its key objectives. Latvia has a long-term objective which stresses strengthening family solidarity and protection of children's rights by building a healthy and favourable social and economic environment for family development and this then is reflected in some of the more specific objectives in areas such as access to education, adequate income and access to social services. Malta has as one of its twelve key priorities to promote public awareness of children's rights and to provide services to protect and empower children. Poland includes as one of its four most important objectives over the next two years taking up educational, social and health activities preventing exclusion as well as setting the scene for equal chances for children and youth. Slovakia also notes the risk of poverty of families with dependent children as one of its four key challenges. This is then reflected within several of its core objectives such as employment, guaranteeing essential resources, creating the conditions for family solidarity, support for inclusion of most vulnerable groups. For instance, in relation to employment it includes families with children as a target group and also emphasises reconciliation of family and working life. However, more attention needs to be given to families with a large number of children. A number of countries (CZ, LT & SI), while not making the prevention and reduction of child poverty a core objective, do make targeting particular groups of children, such as children in institutional care, young offenders, children at risk of violence, pre-school children, Roma children, an objective.

However, only a few NAPs/inclusion begin to develop a fully comprehensive and integrated approach to reducing and preventing child poverty that cuts across all relevant policy domains and is of sufficient intensity to make a decisive impact on the problem. Furthermore, the development of concrete targets for reducing child poverty and exclusion is

rare. Only Estonia sets specific overall quantified targets for poverty reduction for children. Hungary and Latvia set a number of targets concerning child poverty but these are mainly not quantified. Cyprus, proposes to set a decisive target for the elimination of the risk of poverty among children once more up to date data becomes available.

Children's rights are a key part of the approach adopted by Estonia, Hungary, Malta and, to a certain extent, Latvia. They acknowledge the importance of the UN Convention on the Rights of the Child. However, in many countries there is no acknowledgement of the rights of children and it seems as if priority is given to basing children's services on an adult understanding of what children need rather than on their rights to universally agreed services. Children are generally not seen as a discrete group but as an aspect of family life. Too often measures that are potentially beneficial seem to be developed primarily for another reason. For instance child care is most often looked at from the perspective of increasing female participation in the labour market rather than the needs of children. Furthermore, there is little evidence of consultations with children affected by poverty and social exclusion in the preparation of the plans and the expertise of children's NGOs in this regard has not been much recognised. However, in some countries structures are already in place which could be used as a mechanism for engagement such as the children's parliament in Cyprus. Only Latvia proposes to involve children in the future.

Similarly there is a lack of child oriented data and indicators to describe the poverty and exclusion experienced by children. Planning is too often based on out-of-date data and/or with no local knowledge and information held by children's NGOs does not seem to have been much exploited.

While there is in general an acknowledgement of the need for an integrated and multi-dimensional strategy this remains rather underdeveloped in most NAPs/inclusion and generally the scale of what is proposed is not sufficient to make a decisive impact on the eradication of child poverty and exclusion. Some plans tend to be rather general and aspirational and the resources to implement the concrete measures are often not specified. However, there is a general consistency in the range and types of policies being pursued. Looking across the range of policies proposed gives a good sense of what mix of measures would be necessary for Member States to adopt a truly integrated approach. The range of policy clusters meet well with those identified in the report on child poverty policies in the recent study undertaken for the European Commission by Petra Hoelscher³⁴. These are policies to increase families' financial resources, policies to reduce expenses of families and policies focusing on prevention and child well-being.

³⁴ Petra Hoelscher, *A thematic study using transnational comparisons to analyse and identify what combination of policy responses are most successful in preventing and reducing high levels of child poverty*, European Commission, 2004.

THE SURE START PROGRAMME (HUNGARY)

The Sure Start programme was started in 2004 as an adaptation of a UK programme. It aims at complex support to families with children under 6 who live in disadvantaged regions, villages and urban areas. The goal of the programme is to break the "cycle of deprivation" by developing cooperation between different sectors and with NGOs based on local needs in healthcare, child welfare, day-care and family care. The adaptation of the programme to Hungary began in a specific area where there were regional disadvantages as well as other risks of exclusion. In the years to come the goal is to expand the programme as funding becomes available.

Three types of approaches to increasing financial resources of families with children can be identified. These are:

- increasing employment opportunities of parents (see also family friendly work policies in section on employment) (HU & SK);
- lowering the tax burden on families caring for children (HU, LV & CZ);
- improving child/family income support (EE, HU, LT, LV & PL - see also chapters 5.2.3 and 10.4).

Policies to reduce expenses of families are also of three types:

- reducing education costs (HU);
- assistance with housing costs (LV);
- reducing/subsidising child care costs (SK).

A range of measures are identified with a view to promoting the well-being of children. These include:

- increasing child care provisions (see chapter 4 on employment);
- developing early identification of problems and early intervention schemes (CZ, HU, MT & PL);
- developing child welfare service at local level (HU);
- improving child care and protection systems to prevent violence and abuse (CZ, EE, LT, LV, MT & PL);
- encouraging support for NGOs working with children (CY);
- improving standards of care in institutions and for children leaving institutions (CZ & MT);
- enhancing participation of poor children in education (see chapter 8 on access to education);

- developing rehabilitation services for adolescents leaving prison or special schools and developing crime prevention strategies for young people (CZ & LT);
- developing social rehabilitation services for young substance abusers (LV).

11.5. Areas marked by exclusion

The EU10 NAPs clearly focus on regional disparities related to industrial restructuring, the living conditions of farmers and agricultural workers are dealt mostly within the regional context. In some of the EU10 countries regional disparities are correlated with problems of vulnerable ethnic minorities. Only Poland mentions in addition explicitly the need for revitalisation of urban areas.

The Structural Indicator ‘Dispersion of regional employment rates at NUTS 2 level’ from the 2003 Labour Force Survey is higher in Hungary (8.5), Slovakia (7.6), Poland (7.2) and the Czech Republic (5.8) than in most EU15 countries, but significantly lower than in Italy (17.0) and in the same range as the figures for Spain, Belgium, Finland, Germany and the United Kingdom. Slovenia and Lithuania refer in their NAPs to LFS data below the NUTS 2 level pointing to significant regional employment gaps.

As regards indicators: the NAPs present regional disparities which are partly underpinned by data based on living conditions surveys:

- Incidence of absolute poverty (under the ‘subsistence minimum’) in rural (18%) and urban (7.5%) regions is used in Poland as a third level poverty indicator.
- *Disparities between urban and rural regions* are underpinned in Lithuania by data on disposable income and consumption expenditure. Latvia presents statistics on disposable income by regions.
- *Deprivation at district level is operationalised in Slovakia* by an indicator that combines unemployment, education, family type, housing conditions and private transport.
- Poor housing conditions, absolute deprivation of assets and deprivation based on living conditions are in the Hungarian NAP complementing regional unemployment data.

There are essentially three concepts for tackling regional disadvantages:

- The regional development approach characterises the Czech and the Slovenian NAPs; Hungary puts forward by far the most explicit quantified regional development targets.
- Poland and Lithuania intend to improve the situation of farmers.
- The Slovak Republic argues in favour of increasing labour mobility.

Poland is the only EU10 country where all municipalities, districts and regions have to develop their strategies of solving social problems in order to foster inclusion of particularly endangered people and families.

PROGRAMMING OF REGIONAL AND LOCAL SOCIAL POLICY (POLAND)

The Law on social assistance has imposed on the communes and districts the task to elaborate and implement from May 2004, commune and district strategies of solving social problems in order to foster inclusion of particularly endangered people and families. Self-governing voivodships (regions) have been assigned the task to elaborate, validate and implement strategies, encompassing in particular fighting social exclusion and co-operation with non-governmental organisations. The communes should be consulted about the district programmes and the districts about the voivodship programmes. By 2010 in all communes, districts, and voivodships should implement their local strategies. To this end in 2004 and 2005 integrated promotion and education actions will be conducted in order to support local governments in the independent elaboration of the local strategies.

Combating regional differences

Overcoming regional inequalities is identified as a key issue in the Czech NAP. The objective of the support for disadvantaged regions is to reduce inter-regional differences and to mitigate the adverse impact caused by decreased competitiveness of disadvantaged regions by (i) promoting regional development (competitiveness; social infrastructure) and (ii) promotion of SMEs (subsidised loans targeted to regions with high unemployment; consultancy). Slovenia intends to direct programmes and policy instruments into the less developed regions.

In Hungary, the new Territorial and regional development Fund provides funding to overcome regional inequalities. A number of regional development targets were formulated:

- healthy drinking water for everyone by 2009;
- 83% of sewage system coverage by 2015;
- continuation of a regional development programme for 516 settlements where there are multiple disadvantages;
- micro-regional inequality-reduction programmes to be started up in another 10 micro-regions by 2006;
- 50 new villages and remote caregiver services started up in the most disadvantaged settlements by 2006.

EU Structural Funds will also be important in implementing these targets, particularly the programmes dealing with water and sewage management.

Assistance to farmers

Poland refers to the Sectoral Operational Programme ‘Development of rural areas’ which provides for organising training and agricultural counselling. Lithuania intends to help farmers in less favoured areas through compensatory payments. Both countries are implementing a kind of early retirement system for farmers who sell their land.

Supporting labour mobility

In Slovakia, regional social disparities are particularly striking: the social assistance dependency rate varies from 2% in the Bratislava region to 17.8% in the Kosice region. Supporting labour mobility is intended to play a key role in removing differences between the regions. Since February 2004, the Public Employment service has provided a contribution for moving for work. Moreover, jobseekers can receive compensation for a part of the travelling expenses which are connected with a job interview or selection proceedings. However, due to the high cost for housing in the Bratislava region and transportation being expensive for those receiving low earnings, labour mobility seems rather difficult for the disadvantaged. Moreover, high emigration of those fittest for the labour market might worsen the potential for job creation in the region and put additional risks at the sustainability of the social infrastructure.

12. MOBILISING ALL RELEVANT BODIES

12.1. Promoting the participation of people suffering exclusion

The need for and value of input from people with experience of poverty and social exclusion to the NAPs process is widely acknowledged, particularly the insights and experience of poverty and exclusion that they bring to the policy making process. The most common method involved the participation of their representatives (mostly NGOs) in preparatory seminars, working groups and committees and in consultancy procedures. However, it is not entirely clear how broad the participation was and what will be the involvement of excluded people in the implementation of the Plans.

A key problem which hampered the involvement of NGOs was the lack of umbrella organisations or networks of NGOs capable of acting as strong partners of the public authorities. Building up a national network of NGOs focused on the fight against exclusion and representing excluded groups is viewed as essential in several NAPs/inclusion (CY, LV, LT, SK & SI). A positive development is that the creation of the European Anti-Poverty Network (EAPN) is underway in several countries (the Czech Republic, Hungary, and Malta) and that EAPN will be an important actor in implementation and evaluation of the NAPs/inclusion. Cyprus reports on the role of the Pancyprian Welfare Council, an institution which coordinates and represents the voluntary sector with the state administration. Slovakia is implementing a project for networking NGOs and experts devoted to combating poverty. Polish NGOs played a key role in the development of the National Strategy on Social Inclusion, through their participation in the Task Team on Social Reintegration elaborating this strategy. NGO representatives chaired all working groups. The Strategy then served as a basis for the NAP/inclusion.

Normal arrangements for involving some disadvantaged groups in policy making already exist in a number of countries and this contributes to the relatively high visibility given to issues of such groups in some of the NAPs/inclusion. Among the disadvantaged groups, people with disabilities tend to have the best-organised representation and are accordingly most strongly present in dealings with the state authorities. As several states have identified the inclusion of Roma as one of the main priorities in combating poverty and social exclusion, it would be important to ensure their direct involvement in the process. Two countries mentioned possible arrangements for doing so.

Table 6 - Formal arrangements involving excluded people

	Country
People with disabilities	CY, CZ, HU, LT, LV, MT, PO
Roma	CZ, HU

Little other evidence is given about the involvement of disadvantaged groups in the NAPs/inclusion process. The Czech Republic mentions that NGOs working with the homeless people and elderly were invited to participate in drafting the NAPs/inclusion. NGOs representing pensioners took part in the NAP/inclusion working group also in Latvia.

A separate issue relates to the involvement of the excluded at the local level in implementing social inclusion strategies. This is a potentially important step and it is dealt with in some NAPs. However this issue is mentioned usually when speaking about future developments and there is almost no evidence about the arrangements already in place. The Czech Republic mentions the appointment of regional Roma coordinators to regional offices and special regional and municipal commissions, which have social policy responsibilities. Representatives of various disadvantaged groups (especially people with disabilities and in some cases also Roma) are often invited to participate in the commissions. Slovenia enabled Roma direct participation and decision making by appointing Roma councillors in the municipal councils of 19 municipalities.

The challenge ahead is to put in place structured ways of ensuring participation of people experiencing poverty, to involve them directly into the NAPs/inclusion process and to consult them to a broader extent to ensure the development of better-targeted and more effective policies.

12.2. Mainstreaming the fight against exclusion

The National Level

In the period between the JIMs and the NAPs/inclusion positive progress has been made in strengthening institutional arrangements to mainstream social inclusion. All NAPs/inclusion were elaborated by either the formal ministerial committees established by Government Resolution (CZ & HU), or ministerial working groups. Their composition is quite broad and usually includes the most relevant ministries, Government bodies, regional or local governments, social partners, NGOs and experts. In Poland and Hungary, working groups consist only of representatives from the ministries. However, the Polish working group built on the work of the Task Team on Social Reintegration which involved a wide range of relevant actors and used its National Strategy on Social Inclusion as a basis for the NAP/inclusion. Ministries have played a key role in the development and will play one in the implementation of the NAPs/inclusion. However, it is often not entirely clear how broad a range of ministries are involved and to what extent the economic and finance ministries are engaged. The role of other partners was generally weaker. Sometimes they had a possibility to contribute directly to the NAPs/inclusion, but more often they were only consulted. Often the short time available restricted the extent to which real dialogue took place between the Government authorities and other partners on the content of the NAPs/inclusion. In several cases it is not clear how wide a range of relevant actors (i.e. social partners, NGOs,

researchers and academics) were consulted, how extensive the consultation was or to what extent their input was taken into account. Furthermore, it is not clear what will be their role in the implementation of the NAPs/inclusion. Some member states enabled the wider public to comment on the NAPs/inclusion by publishing drafts on the internet (CZ, HU, LV, PL & SK).

The fact that the NAPs/inclusion were approved by the governments has been an important step in giving social inclusion a more important role in the overall policy making. Some of them were also sent to the Parliament for comments (CZ) or to inform its members about the NAP/inclusion process (LV).

The NAPs/inclusion are the first mainstreaming strategies in the field of social inclusion for most of the EU 10 member states. Many of them acknowledge that until now there has been a lack of sufficiently integrated and coordinated policies to tackle poverty and social exclusion. Mainstreaming social inclusion as a comprehensive policy process cutting across all policy areas has not been practised up until now. Only Latvia, Lithuania, Poland and Slovenia already had their own national strategies on social inclusion. Successful implementation of the NAPs will require the creation of better links between policies and implementing arrangements listed in the Plans, developing really integrated mainstream policies and their delivery to all levels.

Decentralisation to regional and local levels

The importance of mainstreaming social inclusion at all levels was generally recognised. Representatives of the regional or/and local authorities were included in several committees/working groups developing the NAPs/inclusion (CZ, LV, LV, SK & SI). They will be present also in several evaluation groups.

From the NAPs/inclusion it is apparent that the policies are usually designed on the Government level and there are limited links to the regional/local levels. Also the analysis of the impact of particular policies at regional/local levels is often missing. Therefore, more needs to be done towards involving local authorities into the implementation of the NAPs/inclusion. A key factor in increasing the role of local, and indeed regional, authorities in the NAPs/inclusion process will be to offer support for capacity building in these bodies.

Delivery systems are under review in several Member States, and administrative reforms are ongoing, in many cases tending towards a de-centralisation of the provision of social services. While a degree of de-centralization will certainly allow social policy to become more flexible, thereby improving its reach and effectiveness, there are legitimate concerns about the financial resources that local and even regional bodies will be able to rely upon if they are to successfully implement the provisions of the social inclusion strategy. Also, where competencies are devolved, greater clarity is needed as to how minimum standards of access to basic services can be guaranteed across a country.

Some countries have already set up institutionalised cooperation between Government and the regional/ local governments by means of regular consultations. These are sometimes established on basis of special agreements (CZ) or joint commissions (PL). Institutionalised cooperation at regional/ local level is also set up in several countries (CY, CZ, LV, PO & SK). No regional/local action plans on social inclusion are yet being elaborated. On the other hand there are many other programmes or plans running at regional or local levels that

are contributing to social inclusion but have not been connected with the NAPs/inclusion process. They are very often connected with the EU structural funds.

In the Czech Republic several regions and municipalities have elaborated special community plans identifying existing problems and setting up arrangements to address them (so called 'community planning of social services'). Development of these plans will be compulsory after a new Law on social services comes to force. In Poland based on the Law on social assistance communes, districts and self-governing voivodships (regions) have to elaborate and implement (by 2010) their own strategies to address social problems. In Hungary significant innovative arrangements were introduced in 2003. All settlements with at least 2000 inhabitants and all county Governments have to develop a service planning strategy that should be updated every two years. Also local and county Social Policy Roundtables have been mandated by law. They should ensure the participation of stakeholders in local planning. A pilot programme has been put in place, which should support establishing the planning network capacities at the regional level as well.

Monitoring and Evaluation

Monitoring and evaluation are important tools for effective implementation of the social inclusion strategy. . The need for comprehensive evaluation is broadly acknowledged and all countries propose that it should be done, either by existing committees or by establishing special bodies. They should usually be chaired by the ministries responsible for the NAP/inclusion elaboration and consist of representatives of Government, local authorities, social partners, NGOs.

Table 7 - Formal arrangements for monitoring/evaluation

	Country
Existing committee	CY, CZ, HU
New committee	LT, SI
Ministry	EE, LV, MT

Poland plans to regulate for the creation, implementation and assessment of actions in field of social inclusion, in a manner similar to that already used for the NAP/employment, during 2005. Further it intends to create a National Observatory of Poverty and Social Exclusion as an independent group of scientific institutions financed from the public funds.

In several NAPs/inclusion it was reported that monitoring/ evaluation will be carried out by means of special evaluation reports to be submitted to the Government (HU, LV, SI). It is necessary to ensure that these will not be only reporting exercises without real impact on development of future policies and arrangements. As there are not many quantified targets, monitoring and evaluation may be quite difficult

12.3. Promoting dialogue and partnership

Reinforcing Dialogue at National Level

Committees and working groups established for the development of the NAPs/inclusion could play a central role in further development of partnership and dialogue. A common feature of the EU 10 has been to use the existing social dialogue structures between the Government and the social partners. The Czech Republic, Poland and Slovenia highlighted the important role of the tripartite bodies established to permit dialogue of the Governments and social partners. Tripartite bodies work at the regional levels as well. In Poland the Centre of Social Partnership 'Dialogue' is in place and the mayors of regions are responsible for promoting social dialogue at the local levels. In Slovenia the social agreement was signed between the government, employers and employees. Lithuania presents its plan for the development of social partnership in 2003-2004

RURAL PARTNERSHIP PROGRAMME (LATVIA)

The Rural Partnership Programme for the sustainable social and economic development of rural communities was a 3-years project implemented in Latvia, Estonia and Lithuania thanks to the financial aid of the Government of United Kingdom. In Latvia, the project was implemented within the territory of Latgale and the project's task regions were Balvi, Rēzekne and Daugavpils. The key objective of the project was to develop policies, systems and strategies in order to increase – in a sustainable and substantial way - the standards of living of people, thus ensuring economical opportunities, creating new jobs, promoting the increase of income levels and promoting social cohesion.

In each of the project task regions the Programme of Rural Partnerships established a regional partnership. The main objective of the regional partnership was to develop a strategy for reducing poverty and social exclusion in the region, and to prevent the causes which lessen competitiveness and which hinder the social inclusion process in the region. Using this strategy the regional partnerships facilitated the initiatives of local communities which were aimed at solving the different problems of rural communities. Use of the Support Fund (30,000 £) aimed at implementing small community projects to reduce poverty and social exclusion in rural areas was made by each of regional partnerships.

The Board of the Rural Partnership created a very large partnership. The Board consisted of 20 board members representing each of the following four groups: heads of local municipalities/ state and municipal institutions providing services to inhabitants living in rural areas/ institutions for the promotion of development/ communities, voluntaries, non-governmental organizations. The Board of Rural Partnership evaluated the project applications, approved the applications, carried out monitoring of the use of the Support Fund at the regional level, and prepared reports on the use of the Support Fund and results achieved.

Under the framework of all three strategies of the Rural Partnership in the Latgale region, more than 80 projects were implemented using approximately 100,000 £. In the framework of the Rural Partnership training (135 hours) was provided to 20 rural development professionals and 40 community coordinators. At present these professionals are actively working in their communities.

Latvia highlights that at the national level consultations are organised on a regular basis with social partners but at the regional and sector levels the development of consultations is still

problematic. Hungary envisages an enhanced role for its civil dialogue fora, the so-called Councils, which have been in existence since 1991 but which are now being reformed. They include a Social Policy Council organised at three levels – national, regional and county.

The role of social partners in designing social inclusion strategy and in its implementation is recognised. Social partners were members of the committees/working groups developing the NAPs/inclusion in almost all EU 10 member states, participating directly in the drafting process or at least being consulted. However, little attention was given to their potential role as actors to promote social inclusion. in the NAPs.

Promoting Partnerships at Local Level

Partnership and dialogue at local levels are important tools for delivering social inclusion. They can help with the identification of problems and disadvantaged groups, in directing social assistance and in activating people experiencing poverty and social exclusion. In addition to receiving national support they may also be supported also from the structural funds.

In Estonia the Local Self-Initiative Programme financed by the state has been launched. Its aim is to support the initiatives of citizens' associations to develop the local social environment and build organisational capacity. Continuous training of local governments' staff is underway. In Slovakia the Government established the Social Development Fund. Its aim is to support the social inclusion of disadvantaged groups directly in certain regions and areas. The fund should support the creation and development of social inclusion partnerships that will prepare and implement special programmes with use of financial resources from the ESF. Latvia mentions that the partnerships among NGOs, municipalities and the private sector are being developed. In the next two years it wants to strengthen community participation by use of local centres for supporting and informing people involved in self-help initiatives. Lithuania presents the Rural Community Partnership Programme targeted at the reduction of poverty and social exclusion in rural areas. The Czech Republic supports community planning with the aim of promoting participation in the design of social services and the development of special community plans. In the field of employment, laws on employment in the Czech Republic, Poland and Slovakia encourage creation of local or regional partnerships. The partnerships should consist of representatives of social partners, NGOs, local or regional governments.

NGOs and Civil Society as providers of inclusion measures

Almost all NAPs/inclusion highlighted the very important role that NGOs play in the delivery of social inclusion measures and emphasised the need to increase support for their role in this regard. However, most of the NAPs do not contain measures intended to build on this capacity.

FUNDING FOR PUBLIC BENEFIT ORGANISATIONS (POLAND)

This law introduces the possibility for an individual to make payments to public benefit organisations. A taxpayer may decrease up to 1% of the due income tax and transfer this amount to the account of a chosen organization. The above transfer should be shown in the tax return declaration sheet. For the first time, transferring of 1% of the tax was possible in 2004 (in the tax return declaration for 2003). Admittedly small organisations had no money for promotional actions, but estimates indicate that 3% of taxpayers made use of this possibility, which gave non-governmental organisations the amount of 10 million PLN.

The Czech Republic established the Government Council for Non-State Non-Profit Organisations, an advisory body of which at least one half of the members are NGOs representatives. Estonia created a joint commission of representatives of the government and citizens' associations and an action plan for 2004-2006 has been prepared for the development of the civil society. Slovenia supports the Centre for Non-Governmental Organisations, which currently includes around 70 NGOs. Cyprus refers to the important role of the Pancyprian Welfare Council, which represents voluntary sector and NGO service providers in their relations with the state administration.

Tax revenue is available in Poland (1%) and Lithuania (2%) to support the financing of NGOs. Similarly, in Hungary the National Civil Fund Programme plays an important role in funding NGOs. Taxpayers can earmark 1% of their personal income tax to NGOs of their choice and via the National Civil Fund Programme matching funds are provided from the central budget. In Poland preparatory work for the elaboration of a National Strategy of the Third Sector has been undertaken. Poland highlights the role of the Public Benefit Works Council, created as an advisory body of the Ministry of Social Policy. Half of its members come from NGOs and unions. The Council should be a new forum of social dialogue. The Polish NAP/inclusion also stresses the necessity of incorporating NGOs into the system of communes, districts and voivodships as an equal partner. Special rules for the creation of cooperation programmes were elaborated.

Lithuania plans, with the financial and methodical assistance of the United Nations Development Programme (UNDP) to establish a country-wide structural network of NGOs involved in the fight against poverty and social exclusion; and to develop their skills in social initiative management. It has already established a structural network of advisory agencies and has trained volunteers to provide information for socially excluded people. The network should become a partner of the Ministry of Social Security and Labour in its works on their "Social Map" and implementing the social inclusion strategy.

Public Awareness

The need to build public awareness of the social inclusion and the NAPs/inclusion is recognised but there are not arrangements in place yet. In general, the NAPs/inclusion are not visible enough and the public do not have sufficient information about the social inclusion strategy. During the elaboration of the NAPs/inclusion a number of seminars took place and NGOs were invited to participate; several countries organised national seminars

that were attended also by the representatives of the European Commission (LV, LT, MT, PL & SI). Special web sites for public were used in the Czech Republic, Latvia, and Poland. The Czech Republic published the JIM and disseminated it to the Government bodies, regional and local authorities and other relevant actors. In several countries information about the NAPs/inclusion was published in the press on the occasion of their approval by Government..

Social Responsibility of Business

The potential to develop the social responsibility of businesses is not sufficiently covered in almost all NAPs/inclusion. Lithuania mentions promoting the expansion of cooperative social responsibility among businesses as one of its objectives of its plans to strengthen NGOs. Poland mentions that there are a number of initiatives mobilising businesses to combat poverty and social exclusion already in place and the Responsible Business Forum was created. Slovenia took the social responsibility of business into account in the drafting of the social agreement.

13. GENDER MAINSTREAMING

Gender in the social inclusion process

Applying a gender perspective in the social inclusion process implies that

- a gender perspective is used to inform the design and implementation of the relevant policy, with a view to improve its effectiveness (gender mainstreaming initiatives)and
- policy design and implementation are contributing in furthering the objective of promoting equality between women and men (gender specific actions).

For mainstreaming gender into the NAPs, the EU 10 had to

- create a framework combining legal provisions, political will and formulation of clear goals
- build a capacity including training and expertise all along the process
- establish adequate institutional mechanisms

New initiatives in gender mainstreaming

Many of the new member states have introduced or reformed national legislation and related equal treatment/equal opportunities institutions as part of the preparation for EU accession, and these are mentioned in most of the NAPs.

The development of explicit gender mainstreaming mechanism appears to have been much more uneven:

- in some NAPs there is no discussion of specific gender mainstreaming mechanisms and no mention of how the work of the equal treatment bodies may relate to the development of the NAPs (CY,MT & SK)

- other NAPs include statements of commitment to gender mainstreaming and claim that it has been undertaken, but with little discussion of the procedures used and few signs elsewhere in the NAP that policy has been systematically mainstreamed (LT).

However, there is evidence of institution building and a growing awareness of gender mainstreaming in some of the reports:

- in the Czech Republic gender mainstreaming mechanisms were introduced into government ministries in 1999 and were developed further in 2002
- in Latvia gender mainstreaming mechanisms were introduced in 2001 and became a requirement in 2002 and there are plans to introduce further initiatives at state and municipal level, although no detail is provided
- Estonia has passed a law this year (2004) which introduces requirements for gender mainstreaming at national and municipal level
- in Hungary gender mainstreaming is specifically mentioned in the section on mainstreaming social exclusion
- in Poland some of the activities of the NAP were coordinated with activities of the proposals of the government's 'National Action Plan for Women 2003-2006' prepared by the Equal Status Office.

In general, the elaboration of the NAPs has helped the EU 10 to highlight the need to pay more attention to the gender dimension of poverty and social exclusion; nevertheless, it is evident that that existing equal treatment and gender mainstreaming mechanisms have not been fully implemented or adequately resourced.

New initiatives in gender specific policies

Initiatives in gender specific policies can be grouped into six categories:

- i) General equal opportunities/equal treatment policies
- ii) Employment and active labour market measures targeted at women
- iii) 'Indirect' policies for enhancing women's employability which focus on children or 'the family', for example childcare services
- iv) Policies associated with assistance to particularly disadvantaged groups of women (lone parents, pensioners, ethnic minorities or migrants)
- v) Policies associated with the problems of gender relations per se (domestic violence, trafficking and prostitution, etc.)
- vi) Policies to promote gender equality that are targeted at men

General policy programmes

The development or implementation of general equal opportunities/equal treatment policy programmes are mentioned in some NAPs, but most do this only briefly.

Two examples are that the ‘Gender Equality Action Plan’ is highlighted in relation to improving women’s employment in Malta, and in Poland the National Action Plan (2003-06) is referred to for its influence on the design of the NAP.

Employment and active labour market measures

One of the main areas of emphasis where gender specific policies have been developed in the NAPs concerns employment and active labour market measures – in relation to enhancing employment and employability. Most countries have initiated policies directed at integrating unemployed or inactive women, or general programmes that include specific provisions for equal treatment.

However:

- the relevant policies in Estonia and Latvia that do have a gender specific focus lack detail,
- in Slovakia the lack of gender-specific provisions in the main active labour market measures is noted as a matter for concern
- in Poland, the gender-specific emphasis focus is less on active labour market measures for the unemployed and inactive and more to do with promoting flexible forms of employment, where it is specified that this is relevant for both men and women.

Reconciliation between work and family

Most of the NAPs make reference to the development of work-family reconciliation measures:

- an expansion of child and or elder care services are planned in (CY, HU, LT, MT & SI)
- rights for parents to have reduced working hours, and other new opportunities for part-time work are planned in Hungary and Slovenia
- flexible forms of employment are to be promoted for both sexes in Lithuania and Poland
- there are also policies for reconciliation of work and family life planned in Latvia and Malta and in relation to resources for care leave
- a carer’s benefit has been introduced in Cyprus for the non-employed, which will improve women’s resources but it is important that this accompanied by the implementation of the planned expansion of childcare services so that the care benefit does not reinforce women’s non-employment
- a caregiver’s fee for temporary leave from the labour market is to be increased in Hungary

- in the Czech Republic the regulation for entitlement for the ‘parental benefit’ has been reformed to enable recipients to participate in employment.

Only a few of the EU10 have recognized the increasing challenge especially for women to look after family members with long-term diseases or very fragile old persons. Studies and statistics show that women are still the primary providers of social care in families and these tasks threaten to interrupt female professional career patterns for a second time in life, potentially contributing to female poverty in the older age groups.

Caring responsibilities are rarely related with corresponding qualified learning. Some reports show that a kind of “natural competence” is still attributed to women for these tasks, while very few learning opportunities for such new life situations are provided. This is a major challenge for vocational and social learning, but also for social security systems and for gender mainstreaming. Voluntary work in the field needs competent systematic support by lifelong learning opportunities.

Most vulnerable groups

Most of the NAPs also identify particularly disadvantaged groups of women as targets for particular policies in relation to access to social protection and other forms of assistance. Here women are addressed largely due to their higher risk of poverty and social exclusion due to their over-representation among lone parents and among pensioners with inadequate pensions. Thus, for example:

- support for lone parents has either been extended (CY & LT) or will be introduced (HU)
- pensions have been reformed to address women’s particular circumstances (CY, CZ, PL & SK).

A target group which requires particular attention is that of old women, especially as regards their right to learn in order to live an independent life and to take well-informed decisions about their own life as long as possible. Pensions and other transfer payments do not always provide the financial margin necessary for older women to participate in cultural and learning activities. Current initiatives in the EU10 aiming at reducing ticket prices or course fees seem insufficient. Equal opportunities for personal development and active citizenship have to be provided by joint strategic actions of social and lifelong learning policy makers.

A major challenge for preventing additional risks of exclusion will be to prepare older women for their lives outside the labour market during the last years of their working life. Budgets of labour and social ministries do not focus enough attention on preparing for such transitions by providing life and survival competences rather than work related competences. Furthermore, knowledge about the ageing body, about main diseases, healthy nutrition, and new forms of living and family roles has to be made accessible in the future.

As for the other disadvantaged groups – such as the Roma – gender differences are rarely discussed.

REDUCTION OF VIOLENCE AGAINST WOMEN AND TRAFFICKING IN HUMAN BEINGS (ESTONIA)

Irrespective of the greater attention being paid by the general public towards the subjects of domestic violence and trafficking in human beings during recent years, general awareness of these issues is still low. Opportunities to get help and advisory services in these issues are currently limited. There is one shelter in Estonia specifically focussed on women as victims of intimate relationship violence, and two shelters for women and children. As from autumn 2003 support groups have been opened in major cities for women suffering from violence and this network is going to be extended by the end of 2004. Until now, access to information on violence has generally been a major problem. To develop common policy against violence against women and trafficking in human beings, the Government has set the goal to develop and implement relevant national action plans. These action plans focus on gathering information and raising public awareness. Targets have been set to reduce the number of cases of domestic violence and of people becoming victims of trafficking in human beings.

Policies to tackle domestic violence, trafficking and prostitution are specified in all NAPs, except the ones from Cyprus and Slovakia. Domestic violence is the focus of a major and ongoing policy programme in the Czech Republic, new measures have been introduced in, Hungary, Malta, Poland and Slovenia and an information campaign is planned in Latvia. Domestic violence is one of the few policy areas targeted at women in the Estonian NAP. The programme to control and prevent violence, human trafficking and prostitution is a policy priority in Lithuania.

Men

There are however few policies to promote gender equality that are targeted at men. Men are clearly implicated in some of the measures – especially in measures to prevent domestic violence, trafficking and prostitution – but there are few instances of policies with a positive focus on men in order to promote gender equality. The one area where there are some small signs of a focus on men is in their role as fathers, with some work-family reconciliation measures discussed with explicit reference to ‘fathers’ or ‘both parents’.

Gender disaggregated statistics and indicators

For the EU 10 there is still work to be done to develop the statistical resources, including gender disaggregation and where such statistics already exist, they should be used more systematically in policy analysis and design. Latvia, Lithuania, Slovenia and Slovakia are particularly problematic with almost no gender disaggregation of statistics in the text. Poland and Malta display a good level of gender disaggregation in relation to employment in the text but breakdowns relating to social inclusion indicators are confined to the annex and not referred to in the text. In Cyprus there is also a good level of gender disaggregation in relation to employment in the annex but key indicators of social exclusion are missing. In Poland and Estonia the gender disaggregated data was found to be useful but was not followed with analysis. The general lack of gender disaggregated statistics on social exclusion and poverty indicators is particularly stark in the absence of gender breakdowns of vulnerable groups, in either the text or the annex, mentioned in the cases of Poland and

Latvia, while Slovakia provides in the annex disaggregated data in respect of 5 of the Laeken indicators and for the majority of the socio-economic indicators. In some countries, this can be explained by a lack of appropriate data, particularly in relation to social exclusion and gender specifically.

This is recognised as a problem in Hungary and Lithuania, although in Lithuania there is evidence that the data that is available is not fully used.

Assessment

In general, the content of the NAPs demonstrates that there is some development of a gender perspective through women being identified as a target group in relation to raising their employment as well as where women are identified as being at greater risk of poverty in certain target groups, such as among single parents or low-income pensioners. This relates to the problems raised by the gender division of labour between paid work and the domestic domain of care work. Indeed, women's more constrained opportunities for economic independence via employment due to continuing discrimination and disadvantage, their more limited individual access to resources in a number of areas of social policy, and their social position as the primary providers of unpaid care in the family and community exposes them to higher risks of poverty and many other related dimensions of social exclusion.

The preparation of the JIM helped Member States highlight the need to pay more attention to the gender dimension of poverty and social inclusion. Indeed, gender aspects are analysed in most NAPs, although the focus is mainly on labour market trends. Gender-disaggregated data are often missing, and where they exist little use is made of them while gender issues not related to employment are neglected.

Thus, while the legal provisions on equal opportunities are in place, the gender mainstreaming tasks which were identified in the JIM are insufficiently addressed in the NAPs do not indicate operational goals or specific implementation measures; capacity building and the set up of institutional mechanisms, which were further JIM commitments, are not followed up. The development of a gender perspective in policy design is fragmented and incomplete and, consequently, in most NAPs, important gender differences are neglected. These gender differences are pertinent for the effective design of policy objectives and measures – not only in relation to those issues which might be more readily identified as having an ‘obvious’ gender dimension – such as work-family reconciliation or measures to prevent domestic violence – but also to other issues such as how to tackle unemployment in a context of severe public expenditure constraint, or how to design policies to prevent the social exclusion of groups such as single parents, elderly or the Roma.

14. ROLE OF STRUCTURAL FUNDS

All NAPs confirm the strong link between national policies for social inclusion and the support from the Structural Funds (SF) that was already present in the JIMs. The fact that the preparation of the JIMs took place at the same time as the negotiations over the Structural Funds programming documents evidently helped to ensure that synergies were effectively established right from the beginning. Nonetheless, it is fair to say that the NAPs 2004 for social inclusion overall appear to have devised their policies with a view to making

the most of the available EU assistance in this field, which was not always the case in the previous rounds of NAPs, in 2001 and 2003.

In fact, all NAPs make rather extensive reference to the support from the Structural Funds in terms of the measures that will receive assistance, while in the *strategic* parts of the national plans the difficulties inherent in translating a global support framework into one plan focused on combating social exclusion may have resulted in choosing a narrower focus, and in somewhat underreporting the positive externalities generated by the contribution from the Funds. However, most countries provide, in a distinct chapter or in a separate annex, financial tables for the measures supported by the SF or by EQUAL (the Cypriot plans could be singled out for the completeness of the information concerning financing), and the actions that are envisaged in the measures are described in fair detail, even though the *link* with the policies espoused in the NAP is not always explicit.

The European Social Fund (ESF) is given more attention, which is natural in the light of its leading role in fighting exclusion though focusing investment in human capital, but support from the European Regional Development Fund (ERDF) is also mentioned almost invariably, and the roles played by the EAGGF (Agriculture) and the FIFG (Fisheries) are also acknowledged when directly relevant to the purpose of fighting exclusion. On the other hand, the role in the national strategies of the Community Initiatives, such as EQUAL, appears less well defined, with the exception of the smaller countries, where the circumstance that the number of projects was limited has probably made their integration in the overall strategy easier.

EU assistance through the SF in the programming period 2004-2006 will involve the availability of substantial resources: the overall “envelope” tops 15 billion €, with the share of the ESF approaching 3.6 billion €. The four main areas where support from the ESF is an integral part of the national strategies in all ten countries are a) active labour market policies; b) lifelong learning; c) gender equality; and of course d) social inclusion.

In accord with the Lisbon strategy and with the Nice objectives (and of course also with the mission of the ESF) all plans have promoting employment opportunities and fighting unemployment as a clear strategic principle in the fight to reduce poverty and prevent exclusion, and will in fact rely heavily on the ESF to implement policies to that purpose. On average, around 30% of the resources of the ESF will then finance the reintegration of the unemployed in the labour market and prevent inflows into long-term-unemployment through the development and modernisation of labour market institutions, including the Public Employment Services. Information on the support that the ESF will give to the implementation of active labour market policies is generally quite detailed, and reflects rather accurately the content of the programming documents. In the policy field of lifelong learning, ESF-financed measures aimed at improving quality of and access to education (including when necessary “literacy for employment” – measures) will also receive on average approximately 30% of the available resources.

It is instead more difficult to provide average figures for gender equality, where the member states have chosen different approaches in tackling gender-related gaps: while for example in Malta, in view of the very low employment and activity rates, gender equality is a policy priority of the same importance of promoting employment and developing lifelong learning and will then be pursued through independent (but often integrated,) policies and correspondent ESF-supported measures, in Slovenia, as in other member states, gender

equality will instead be “mainstreamed” in all policies and measures financed by the ESF, under the provision that 50% of all beneficiaries must be female.

Nonetheless, the importance of the ESF contribution to fostering equal opportunities is all the greater since the response to gender issues remains overall insufficient in all NAPs; indeed, basically all the specific measures envisaged in the plans are *labour-market related*, and will then be implemented thanks to the ESF, as is the case for the measures aimed at promoting a better re-conciliation of work and family life, where the ESF will take a leading role in increasing the availability and affordability of childcare services.

Inclusion policies supported by the ESF fall into two basic categories: those addressing directly the excluded, and those aimed at improving the efficiency of the welfare services. Supporting the vocational and social insertion of the disabled (as will be done in all member states) is an example of a measure directly targeting individuals at risk of exclusion, while the provision of training to staff of welfare services or to the newly-established inclusion coordinators in schools (as will be done again in Malta) is an example of support aimed at improving the efficiency of the delivery systems. Unfortunately, given the extreme diversity of the measures (since many actions are in effect micro-projects targeting very specific groups) and the frequent overlapping with the other ESF policy fields, it is impossible to estimate with sufficient precision the overall resources that will be destined to this purpose.

The ESF will also finance measures aimed at improving conditions and life-chances of minorities. In the EU10, except Malta, these actions will target almost exclusively the Roma (but language courses financed by the ESF and aimed at promoting employability will be provided in the Baltic countries to the linguistic minorities) and here too, according to the national plans and in view again of the relative lack of budgetary commitments that afflicts most NAPs and of the “mainstreamed” approach that was frequently adopted, it appears again that the ESF will provide the back-bone of the interventions. Roma in the Slovak Republic will also benefit from the prosecution of PHARE projects supporting better infrastructure for settlements, further integration in the field of education, and improved access to healthcare, while seven specific measures of the operational programmes financed by the Structural Funds (of which four are financed by the ESF) will be supported at a higher co-financing rate of 80% during the period 2004-2006 with a view to contribute in improving the situation of the Roma in the Slovak Republic.

As for the other EU funds, the synergies between the ESF and the ERDF are often mentioned, but more rarely explained in detail. In most member states the ERDF will intervene mainly through financing the building of social and educational infrastructure, while the ESF will provide training to the staff employed at the same centres. A good example of this kind of synergy is the Hungarian plan, which explains how the two funds will contribute to improving healthcare in a country where many health indicators portray a worrying picture. Other areas where the NAPs offer more information on ERDF interventions are transport infrastructure, childcare services, and ICT support. Rural development plans, also recently approved by the Commission and supported by the EU through the EAGGF, are mentioned in relation to the rural-urban divide that exists in those countries (such as Lithuania and Poland) where the share of population employed in agriculture is considerably higher than in the rest of the EU, but information on these measures is provided only sparingly, and sometimes consists only in passing reference. Moreover, more complex development strategies, as the ones that were devised for Poland, Hungary and the Czech Republic, do not lend themselves easily to being re-phrased solely in

terms of their contribution to social inclusion, and are then only partially reflected in the national plans.

However, it is important to underline that in order for the EU10 to achieve significant results in the fight against poverty and social exclusion an effective implementation of the SF programmes will prove essential. Quantified indicators have been defined for all programmes, and the estimated impact on GDP is (on average) of the order of 3%, indicating that GDP will be 3% higher than without the SF programmes. Core output indicators also predict the number of jobs that will be created: in some cases such numbers are substantial (85,000 new jobs for the disadvantaged in Slovakia) while in other cases the projected increases in productivity will lead in the short-term to limited progress in fighting unemployment, but then to substantial rewards in the medium-to-long term (it is the case of Poland, where unemployment in the best-case scenario will only drop by less than 2%, which nonetheless entails about 300,000 people leaving unemployment to enter the labour market).

In order to assess the future *strategic* impact of the SF on the fight against poverty and social exclusion it would also appear necessary to look beyond the actions that will be financed and consider other features such as “additionality” and monitoring and evaluation arrangements. The rules governing “additionality” are expected to generate a leverage effect on national and regional funding policy through ensuring an adequate and stable level of public expenditure, so that EU funds do not simply replace national expenditure but generate instead a truly “additional” impact. For some countries, and it is the case for instance of Hungary, this will involve an increase of over 30% compared to average expenditure in the last three years (1999-2001) for which final spending figures are available. In Poland, the same rule will require an increase of only 1% over the reference period, but even such a limited increase will translate into an average annual national expenditure of almost 5 billion € in the period 2004-2006.

Then, it must also be considered that while in most NAPs monitoring and evaluation arrangements concerning national policies appear insufficient, the present regulations require all SF programmes to be regularly monitored as well as to be subject to final evaluation. Appropriate quantified output indicators have been defined at measure level, which will guarantee that, at least for the measures financed by the SF, there will be a reliable indication of their effectiveness in fighting social exclusion.

As concerns the national budgets available for the NAPs, the relevant financial allocations are indicated in a few of them thus providing a clear picture about the scale and possible impact of programmes, projects and arrangements that are already in place or will be launched. However, in other NAPs specific funds are not given and even when they are, it is not clear to what extent these represent new commitments or just existing expenditure plans. In most of the NAPs there are no overall financial perspectives or tables that would enable one to assess the importance given to combating poverty and social exclusion in the national budgets. There is no indication if the NAPs/inclusion process will impact on the overall distribution of the national budget or lead to increases or shifts in social investment. Only Latvia provides specific tables indicating certain central government and municipal budgets allocations and funds expected from the ESF, and Estonia states that the implementation of social inclusion strategy is supported by the principles of the National Budget Strategy 2005-2008.

Overall, it is interesting to note that the link between the policies supported through the Structural Funds and the national policies described in the NAPs is more clearly established in the NAPs of the new Member States than in many of EU15.

In this respect, the fundamental role of the Structural Funds, and the ESF in particular, for the promotion of social inclusion in new Member States should be highlighted. Indeed, the Structural Funds not only often provide the main source of investment in equal opportunities and making labour markets more inclusive but they are also the main example of stakeholder participation and evaluation of social inclusion interventions. In addition, the ESF can be essential to sustain the development of labour market and social inclusion research and improve the knowledge base in the EU10

15. IDENTIFICATION OF EXAMPLES OF GOOD PRACTICE

The dissemination of examples of good or best practice is a key element in the open method of co-ordination for social inclusion. It allows Member States to learn from one another, by systematically exchanging information regarding their experiences in implementing new or radically overhauled policies or institutional mechanisms. Accompanied with evaluation results and details of how these results were obtained, it should facilitate the preparation of reforms or the implementation of model integrated multidimensional approaches and the mobilisation of all stakeholders, considered particularly effective.

The 2004-2006 NAPs/incl reveal the areas in which the EU-10 states appear to feel that their innovations have been most interesting, whether at a national, regional or local level. The following table is an exhaustive list of the examples submitted by the EU-10 states, with the examples being grouped according to categories already used for the EU-15 NAPs/incl, as far as possible. The distribution of the projects among then ten states is uneven as the number of examples each state contributed ranges between two (CY, LV & SK) and eleven (CZ).

Measures designed to help people with disabilities head the list with eight such projects being deemed examples of good practice, while six projects for the support of the Roma minority were presented. Local/regional projects were also prominently featured with six entries. At the other end of the scale, there was only one project featured in each of the categories “employment”, “other vulnerable groups”, “access to right and public administration” and “promoting dialogue and partnership”, in the categorisation which was applied. In the case of the “employment” category, this was effectively due to the high number of employment-related projects which were filed under “people with disabilities” given their particular focus. Surprisingly few of the selected good practice examples deal with lifelong learning and these do not represent the best examples compared to other examples mentioned in the NAPs/inclusion.

Where evaluation of the projects was undertaken, as in the EU-15 NAPs/incl, presenting details of these evaluations would give further indications with regards to success and transferability of the projects. Furthermore, in the case of projects which were of especially short duration and/or conducted on an especially small scale, the “Pilot” label was given. This phenomenon was present to the extent that in the “employment”, “education”, “territorial/regional dimension”, “people with disabilities”, “elderly”, “drug misusers” and “other vulnerable groups”, only pilot projects are featured.

<i>Member State</i>	<i>Title of Measure</i>	<i>Summary</i>	<i>Related Topic Areas</i>	<i>Scope of Measure</i>
1. EMPLOYMENT				
Malta	“Employment and Training Initiatives”	This initiative consists of a number of co-operation agreements between the Employment and Training Corporation and NGOs, e.g. a co-managed adult literacy training programme in Zejtun paid by the corporation.	Education	Pilot
2. HEALTHCARE				
Czech Republic	“Quality Standards in the Health Sector”	In order to guarantee access to quality health care for all, management standards and performance standards in compliance of International Society for Quality in Health Care standards.		Pilot
Hungary	“Health services” visitors’	In existence for 89 years, this programme has been extended by the 1997 Health Act to guarantee prophylactic care for children in the whole country. There were 486 full time school health visitors in 2002 to guarantee that this goal would be met.		
Slovenia	“Dispensary for persons without health insurance”	Over 8,000 socially at-risk persons visited this dispensary in Ljubljana in 2003, over double the figure for 2002, the first year during which the dispensary was operational. The dispensary staff also help people with arranging accommodation, official status, insurance and social assistance.	Other vulnerable groups	
3. EDUCATION				
Malta	“Improving literacy amongst children”	Consists of a series of programmes managed by the Foundation of Educational Services and involves students, professionals and parents. Also draws upon local councils and aims to help risk groups in particular.	Family Solidarity/Children	Pilot

Poland	“Lending library of schoolbooks for children”	This library serves Zabrze and neighbouring towns for the third academic year in a row, with 524 families making use of its deposit-based services in the 2002/2003 academic year.		Pilot
4. E-INCLUSION (ICT)				
Lithuania	“Window to the Future Alliance”	172 public internet centres established by a business consortium over Lithuania, almost half of which have been implemented in towns with a population under 4500.		Pilot
Slovenia	“e-School”	Since 2001, 22 e-Schools have been set up (with funding totalling 190 m SIT/roughly €790,000). These e-Schools are offering workshops, informational education and are visited by 7,000-8,000 people each month. An additional five e-Schools are under construction.		
5. HOMELESSNESS				
Czech Republic	“Nadeje Integration Programme”	Five-stage programme (the fifth stage not being implemented yet) for homeless people, running since 1990 and featuring services adapted to different age and ethnic groups. Extended to 8 towns after the original launch in Prague.		
Poland	“Brochure – searching for missing persons among homeless”	This nation-wide programme prints 4,000-12,000 brochures a year to find missing people, with a success rate of 100 found out of 450 missing.		
6. TERRITORIAL/REGIONAL DIMENSION				
Czech Republic	“Community Planning of social services”	Community planning is directed at the promotion of partnership, development of regional social policies and planning of social services at the level of regions, municipalities, NGOs and social service users. Community plans are currently being developed by half of all regions and in more than 50 towns.	Elderly / People with Disabilities	

Estonia	“Local self-initiative programme”	Continuing a programme launched in 1996, this programme begun in 2001 to encourage civil initiative and cooperation and to institutionally strengthen local low level organisations.	Dialogue and Partnership	Pilot
Hungary	“Village and remote homestead community care-giving”	This programme currently employs 800 caregivers in villages whose population ranges between 70 and 400, with plans to extend the programme to villages with up to 600 people. The tasks of the caregivers include giving basic social and health care services, mediation, information and organisation.	Healthcare	
Latvia	“Rural Partnership Programme”	3-year project covering 3 regions aiming to achieve sustainable social and economic development of rural communities. 80 projects were supported and a board was created with funds totalling £100,000 (roughly €147,000).		Pilot
Lithuania	“Local Employment Initiatives”	This programme has created 1,240 jobs within a three-year period in areas where unemployment is at least 1.5 times national average, by supporting a number of projects financially.	Employment	Pilot
Malta	“ACCESS Community Resource Centre”	This government-run centre includes community services, employment training, social security and adult training units. The centre also coordinates and initiates various other community projects	Employment	Pilot
7. TO HELP THE MOST VULNERABLE				
7.1. PEOPLE WITH DISABILITIES				
<i>A. EMPLOYMENT-RELATED PROJETS</i>				
Czech Republic	“Supported employment for people with disabilities”	“Transition Programme” targets young people with disabilities people, currently about 50 clients. Currently restricted to one region, funding for 2004 totals CZK1.42 million or roughly €45,000.	Employment	Pilot

Estonia	“Case management for disability employment”	Twinning project between UK and Estonia. Training for institution officials, search for solutions to problems rather than wage subsidies. Since pilot project, case managers were hired to each county labour market office and local networks have been established.	Employment	Pilot
Hungary	“Assuring equal access to Public Employment Services”	15 Rehabilitation Information Centres were created in Labour Centres (with plans to have one in each centre), which provide information on the labour market and rehabilitation to the people with disabilities, their entourage and their employers. The next phase of this programme also intends to make PES staff themselves more accessible to the needs of people with disabilities.	Employment	Pilot
Latvia	“Subsidised Employment Measures for People with Disabilities”	566 jobs were created and 609 people with disabilities people joined the labour force in 2003 as a result of this programme which aims to give financial support to people with disabilities workers and to adapt workplaces so that they can be used by people with disabilities people (102 workplaces having been adapted). The budget for this programme totalled 475,000 L's in 2003 (roughly €715,000).	Employment	Pilot
Malta	“Co-operation Agreement with the Richmond Foundation Malta”	This is another programme devised by the Employment and Training Corporation which provides a three stage approach for people with mental health problems. The programme first tries to endow participants with social skills necessary for employment, then trains them in the proposed job and finally provides job support services and follow-up support.	Employment	Pilot

Slovak Republic	“Supported Employment Agency”	This initiative based in the Banska Bystrica region funds several projects, one of which has resulted in the creation of 20 jobs (the project costing SKK 66,500/roughly €1,660) and another of which resulted in 56 people participating in three so-called motivation activities.	Employment	Pilot
<i>B. OTHER PROJETS</i>				
Czech Republic	“Command sets for information of blind and partially sighted”	Introduced in Prague, won award for “accessibility of transport services and infrastructure”.		Pilot
Slovenia	“Independent life for persons with handicap”	Personal assistance is the prime objective of this programme. It has been active since 1992 and currently includes 70 people with disabilities. An expansion of the project onto a national scale is also planned		Pilot
7.2. ETHNIC MINORITIES/IMMIGRANTS				
<i>A. CENTRAL/EASTERN EUROPEAN ROMA PROJECTS</i>				
Czech Republic	“Field Programmes in Socially Excluded Communities”	Support programme for Roma in no more than twenty localities. Launched in 1999 in cooperation with NGOs, 2004 budget totals CZK 14.28 million (roughly €452,000)		Pilot
Czech Republic	“Drom Roma Centre”	Assistance for Roma in the city of Brno, funded with CZK 5.1 million (roughly €161,000) per year. Also features a community housing project.	Housing	Pilot
Czech Republic	“Eindhoven–Ostrava co-operation project”	Organisation of workshops, educational courses for Roma mothers and small children, publication of a training booklet for Roma assistants.	Education	Pilot
Czech Republic	“Combating usury in Roma communities”	Project tested in 2003 in one region, police assistants now employed as regular field social workers and project evaluated in report submitted to the Minister of Interior.	Indebtedness	Pilot

Hungary	“Integration Programme in Education”	This programme was launched as a response to research findings which showed that there were over 700 segregated classrooms in Hungary. It aims to allow disadvantaged and Roma children to pursue standard education. This programme included 33,000 pupils in the 2003 academic year, with plans to add a further 270 schools.	Education	
Slovak Republic	“Development of Roma settlements”	This project in the Spis region resulted in the creation of 20 jobs and 16 apartment units (20 more will be available in summer 2005) in co-operation with seven NGOs. SKK 19.1 million/roughly €476,000 were made available	Employment / Housing	Pilot
<i>B. RUSSIAN MINORITY PROJECTS</i>				
Estonia	“Estonian Language Training”	Every year, 2,000-3,000 children of non-Estonian origin participate in this programme created in 1998 and spend time at small summer camps or with Estonian families. Financed both by state funds and foreign aid.	Education	
<i>7.3. ELDERLY PEOPLE</i>				
Cyprus	“Self-employment scheme for older people”	This project started in 2001 as a self-described pilot project and aims to provide incentives for people over 63 to stay active in the labour market. Until now, the project has had a moderate take-up (€21,000 being all the funding required) but the rules are currently under revision to allow a broader spectrum of applicants and thus a higher relevance of the project.	Employment	Pilot
Czech Republic	“Portus House respite and rehabilitation centre”	Respite and rehabilitation house with a capacity of 20, launched in late 2003. Was allocated CZK 1.2 million (roughly €38,000) for 2004.	Health care	Pilot

Slovenia	“Old people’s self-help groups”	A Slovenian NGO manages 493 groups of old people (totalling 5,202 people over 65) in all of Slovenia. The programme is run by a national coordinator and regional and local coordinators.		
7.4. DRUG MISUSERS				
Czech Republic	“Junior Police Academy”	Covers 20 schools and 4,000 pupils over four years in České Budejovice, prepares workbooks and organises paramilitary competitions and educational programmes, trying to prevent drug abuse.	Education	Pilot
Poland	“Duet: Re-adaptation of the imprisoned through work with disabled youth	This programme based in Cracow aims to create fruitful “social and emotional relations between convicted alcoholics and intellectually handicapped people aged 3-34.” 31 prisoners have participated in the programme; two of them went on to be employed as social workers elsewhere and reportedly quit drinking.		Pilot
7.5. OTHER VULNERABLE GROUPS				
Poland	“Protection of biological diversity as a form of social reintegration”	Protecting the environment and reintegrating unemployed, homeless, AIDS patients and drug addicts are the two chief aims of this programme, which has directly created 98 jobs in one region of Poland since 1999.		Pilot
8. ACCESS TO RIGHTS AND PUBLIC ADMINISTRATION				
Lithuania	“Lithuanian Citizen Advice Union”	NGO which works in accordance with EU regulations and consists of 16 offices and 11 advisory bureaus in addition to headquarters in Vilnius. Co-operates with both government organisations and NGOs and provides regular training to improve the skills of volunteers and acts as an advisory agency.		

9. PROMOTING DIALOGUE AND PARTNERSHIP

<p>Cyprus</p>	<p>“Pancyprian Welfare Council”</p>	<p>Officially the highest coordinating body of voluntary social welfare since 1989, the PWC administrates a pancyprian autonomous organisation and a local structure which operate hundreds of programmes. The PWC is split into 6 district welfare councils, 39 pancyprian voluntary organisations and 235 regional/local voluntary organisations. The PWC also founded a Volunteers’ Body, which now spans several districts of the island and helps identification, prevention and treatment of social issues.</p>		
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PART II: THE MEMBER STATES

CZECH REPUBLIC

Situation and key trends: Since 2000, the Czech economy has experienced a moderate growth rate of about 3% of GDP. The employment rate is above the EU-25 average for the population aged 15-64 (64,7% in 2003); for older workers it was also slightly above the EU-25 average (42.3%). The unemployment rate increased to 7,8% in 2003. The Czech labour market displays high regional disparities in unemployment, a high share of long-term unemployed and the growing youth unemployment. The figures for those at risk of poverty are very low in the Czech Republic, in 2002 reaching only 8%. The most vulnerable groups of the population are the unemployed and other economically inactive people, single-parent families, families with three or more children, members of the Roma communities and the homeless. The Czech population is ageing rapidly. Social protection expenditure is slowly increasing, and reached 19,2% in 2001.

Strategic approach: The outline of the NAP is clear, and its priorities cover the most serious challenges and vulnerable groups. The multi-dimensional approach is also quite strong. The NAP makes an important step in mainstreaming the process of social inclusion into other public policies, but the general strategic approach remains sometimes rather implicit. Individual areas are not as clearly structured as in the JIM. Targets and monitoring indicators are not quantified in most cases, and social inclusion is not yet fully mainstreamed in the other public policies.

Key policy measures: There are no explicitly new measures launched within the NAP. The institutional arrangements for tackling poverty and exclusion have to be strengthened. Also, mainstreaming poverty/social exclusion issues in national policy making started just recently. The NAP implementation and monitoring measures should be further clarified. Gender mainstreaming started to be one of the government's priorities since 1999, but the issue is still not comprehensively covered in the NAP. There is some attention given to the regional problems and ethnic minorities (Roma). The use of the ESF is foreseen in support of several policy areas. Employability is a key principle applied in the NAP. Given the low poverty rates, social inclusion was not for a long time on the top of political agenda. The NAP helped bring together all relevant actors in the field, but had the process received more political visibility, more could have been achieved.

Challenges ahead: The social inclusion concept could be better mainstreamed into other public policies. Disadvantaged regions in particular face a combination of structural handicaps and need more comprehensive strategies. The situation of disadvantaged groups such as the Roma and the homeless could be improved also by increasing the political visibility of these issues, and by providing appropriate funding. Due attention should be paid to the ongoing public finance reform, so that the important role of the Czech social protection systems in alleviating poverty is preserved. Participation in tertiary education should be increased. There is a need to create better conditions for families, particularly by increasing their financial support. Improving access to affordable housing and preventing spatial and social segregation is also a priority issue. An improved co-ordination between employment and social policies could increase the employment participation. Finally, there is a need to address undeclared work and the issue of making work pay.

1. Situation and key trends

Since 2000, the Czech economy has experienced a moderate growth at about 3% of GDP, driven mostly by household consumption and significant FDI inflow. The GDP per capita in PPS was at 69% of EU25 average in 2003. The state debt increased up to 19,5% of. The deficit also increased dramatically up to 12.9% of the GDP.

The employment rate is above the EU-25 average for the population 15-64 (64,7% in 2003; 56,3% for female and 73,1% for male). Also the employment rate for the older workers was slightly above the EU-25 average (42,3%). A slight decrease in employment levels (by one percentage point) occurred between 1999 (65,6%) and 2003 (64,7%). The unemployment rate increased up to 7,8% in 2003. The share of long-term unemployed is very high (50,6% in 2003). The rate of youth unemployment (15-24) is growing (in 2003 17,6%).

Regional disparities in unemployment are very high. The rate of unemployment in structurally weak regions is more than four times higher than in Prague - an economic engine for the country - and in some areas it exceeds 23 per cent.

The population is ageing and the fertility rate is one of the lowest in the world. The education system is solid with a high share of people with upper secondary education. However, there is a need to modernise education and provide the skills and qualifications that are needed on the labour market. According to PISA results, the Czech Republic is among the countries which fall into the lower half in terms of reading literacy performance of 15-year-old pupils. The transition from secondary to tertiary education is also difficult.

The size of the informal economy is substantial. There are no official sources on this but the estimates from national research studies vary between 8 to 17%. Often only a minimum wage is paid officially, with an unregistered cash payment as a complement.

While in relative terms the Czech Republic experiences considerably lower levels of immigration than most EU-15 Member States, the country shows a clear change in immigration patterns, and is becoming a receiving instead of an emigration country.

The figures for those at risk of poverty are very low in the Czech Republic, in 2002 reaching only 8% (21% before transfers, excluding pensions). Above all the unemployed and other economically inactive people, single parents, and families with three or more children are considered as poor according to the criteria. Women also are more at risk of poverty than men (9% as opposed to 7%).

According to ESSPROS data, social protection expenditure has been increasing recently and reached 19.2% of GDP in 2001. Expenditure on health care is also rising, reaching 7.4% of GDP in 2003. The share of active labour market policies in employment expenditure has been rising and reached 39% in 2003. The minimum wage improved its relative position and now represents 40% of the average wage. The relatively generous social system is sometimes a disincentive as concerns the readiness to accept an employment.

The most vulnerable groups of the population identified in the NAP are the long-term unemployed and other economically inactive people, single parent families or families with more children, the members of the Roma community (estimated at between 150 000 and 300 000 according to different sources), and the homeless.

2. Strategic approach

The outline of the NAP is clear and its priorities generally cover the most serious problems and vulnerable groups. A genuine multi-dimensional approach is also used in setting overall objectives. Nevertheless, the general strategic approach remains sometimes rather implicit.

The NAP considers the following issues as the most important ones: a) reducing regional disparities; b) facilitating participation in employment; c) improved access to resources, rights, goods and services for all; d) prevention of social exclusion and e) assistance provided to the most vulnerable groups.

The challenges identified in the JIM are considered as NAP objectives too. However, these objectives are not adequately followed up by the monitoring indicators and targets, except for the section on employment.

As a positive development with respect to the JIM, the NAP is more specific regarding programmes and their institutional bases. Individual areas are, however, not as clearly structured as in the JIM. The JIM is also more concrete on the issues related to the social protection, which are less comprehensively covered in the NAP.

While a transfer of responsibilities and resources within the administrative framework is currently ongoing, the NAP does not provide a distribution of central, regional and local funding. Several aspects (such as pension reform) could have been addressed in a more comprehensive way.

3. Key policy measures

The NAP describes the existing policies and programmes, but the general policy framework is less developed: for example, it mentions several committees, but does not describe the links between them. The NAP covers the most vulnerable groups in the Czech society; it is not overly ambitious in launching explicitly new measures, but to a certain extent it helps mainstream social inclusion into other public policies. Funding is provided only for some areas. Many programmes envisaged in the NAP appropriately define employability as a key principle to fight social exclusion.

Although the NAP acknowledges the key role of the social protection system in alleviating poverty in the Czech Republic, it mentions only in very general terms the importance of improving the design of benefit schemes while making work pay. Information on the objective "adapting the social protection and health care systems thus ensuring a better response to social changes, in particular to population ageing" remains insufficient.

More attention should have also been given to ensuring that education responds to the labour market needs; there is no indication of the available funding for this objective, except as concerns the ESF.

The NAP clearly acknowledges the issues of regional disparities and ethnic minorities (Roma), but the amount of finance allocated to tackle these issues is insufficient as compared to the needs.

The modalities for implementation and monitoring of the NAP remain rather unclear, given the insufficient amount of indicators (the only envisaged monitoring will be conducted in the

framework of Lisbon objectives). Furthermore, the NAP does not contain comprehensive information on the financial sources available to promote social inclusion. It is worth noting, in this respect, that the ESF will play an important role in financing in most of the planned actions.

Gender perspective: Whereas gender mainstreaming became one of the government's priorities in 1999, and gender focal points were established in all ministries in 2002, a lot must be still done in this field. Gender mainstreaming is explicitly mentioned as a tool to help to mobilise all actors, but this is not reflected in the chapters on strategy and key policy measures.

Mobilising All Actors: In order to mainstream the process of social inclusion, a *Commission for the Preparation of the Joint Inclusion Memorandum and the National Action Plan for Social Inclusion* was established in May 2003. Mainstreaming the fight against social exclusion as a general political concept started recently. Social inclusion is reflected in individual integrated policies which target the disadvantaged groups of the population: the disabled, the Roma, the elderly, and immigrants.

However, the preparation of the NAP should also have received more political attention within the national political agenda, in order to better develop public awareness of this problem. .

4. Challenges ahead

In order to tackle social inclusion, there is a need to better integrate the various policy areas and mainstream social inclusion into other public policies, in parallel with better public awareness of the issue. Supporting disadvantaged regions is recognised by the Czech government as one of the key challenges, since the country features high and growing regional disparities. The situation of the Roma minority and other vulnerable groups such as the homeless could be improved also through an increased political visibility of these issues and increased funding. Due attention should be paid to the ongoing public finance reform, so that the important role of the Czech social protection systems in alleviating poverty is preserved. Access to education, in particular the transition from secondary to tertiary education, should be more open, and a comprehensive system of lifelong learning should be put in place. The NAP addresses the need to create better conditions for families; some problems are tackled but the financial support foreseen is not sufficient. Improving access to affordable housing and preventing spatial and social segregation are also important, and greater integration and reconciliation of the agendas of social and employment policy would help obtain a better monitoring of benefit recipients and their activity.

There remain a number of other issues which will have to be addressed in the future. In particular, there is a need to reinforce some benefit schemes of the social protection system while implementing making work pay policies; the widespread and growing informal economy needs to be reduced; the distribution of responsibilities among various public bodies could be fine-tuned.

ESTONIA

Situation and key trends: Although the overall performance of the Estonian economy in 2003 was relatively positive, the economic growth decreased from 7.2% in 2002 to 5.1%. The employment rate rose from 62% in 2002 to 62.9% in 2003, increasing for both men and women. The employment rate for the age group 55-64, already relatively high, further increased to 52.3% in 2003. The unemployment rate increased from 9.5% in 2002 to 10.1% in 2003. Structural elements remain, such as high youth unemployment and a long-term unemployment rate of 4.6%. Estonia has a particularly high at risk of poverty rate (18%). The preparation of the JIM and the NAP Inclusion has stimulated considerable action by the Ministry of Social Affairs. Promising initiatives have been taken concerning the labour market and social welfare. The preparation of policy papers, action plans and draft laws has been intensive. However the involvement of the social partners and other actors in the preparation and implementation of NAP Inclusion could be improved. Budget constraints cause concerns regarding the real impact of the new social inclusion activities.

Strategic approach: The NAP Inclusion follows the approach set in the JIM. Where the JIM sets long-term objectives for the solution of problems related to poverty and social exclusion, the NAP Inclusion focuses mainly on objectives and activities in the years 2004-2006. The NAP Inclusion is based on the following principles to decrease poverty and exclusion: work is the best protection against poverty and social exclusion; education is an investment in the individual; decent social protection for those in need; an integrated approach.

Key policy measures: The main emphasis is placed on expanding active labour market measures so as to support the reintegration of the unemployed, especially the long-term unemployed, ethnic minorities, disabled people and other risk groups, into the labour market. Priorities in education are: to ensure pre-school day care and education for every child, to make learning opportunities available to everybody, to create opportunities for lifelong learning and to implement integrated measures in order to prevent school drop-outs. Increasing the level of subsistence benefits and of family benefits is foreseen. It is also proposed to implement a strategy of protection of children's rights, to improve the quality and availability of social services, to raise the level of old-age pensions, to improve the supply of affordable housing, and to increase e-inclusion. Special attention is also given to developing the victim support system and reducing violence against women.

Challenges ahead: The most urgent challenge is to increase labour market participation, particularly for the women and for the long-term unemployed and other risk groups. Adequate social protection should be ensured for families with children as well as for the elderly and people unable to support themselves. It is important to tackle educational disadvantage. In order to provide more individualised support to those in need, better integration of all relevant policies and actors at national and local levels is needed. Improved access to health care, assistance to victims of violence and crime, housing conditions and preventing homelessness are also important. Extra finance will be needed to ensure sustainability.

1. Situation and key trends

Although the overall performance of the Estonian economy in 2003 was relatively positive, economic growth decreased from 7.2% in 2002 to 5.1% in 2003, still considerably higher than in the EU, 0.9%. The GDP per capita in PPS is very low; in 2000 it was 41.8% of the EU average. The employment rate rose from 62% in 2002 to 62.9% in 2003; it increased for both men and women. The employment rate for the age group 55-64, already relatively high, further increased to 52.3% in 2003. However, the unemployment rate increased from 9.5% in 2002 to 10.1% in 2003. The unemployment rate for non-Estonians (15.2%) is much higher than that for Estonians (7.3%). Non-Estonians, 80% of whom are Russians, constitute 32% of the population. Among the factors influencing are lack of knowledge of Estonian and residence in areas of industrial decline. Other structural elements remain, such as high youth unemployment and a long-term unemployment rate of 4.6%, 46% of all unemployed.

Estonia has a particularly high at risk of poverty rate of 18%, both for Estonians and non-Estonians, which has stayed at the same level since 2000. The NAP Inclusion draws particular attention to the link between poverty and unemployment, especially long-term unemployment, and the high risk of poverty faced by large and single-parent families (24% and 33% respectively). Other important issues are the increased number of young people dropping out of school and the regional variations in poverty and social exclusion.

Since signing the JIM, Estonia has started to implement a new approach concerning poverty and social exclusion. Preparation of the JIM and the NAP Inclusion has stimulated considerable action by the Ministry of Social Affairs. A structure has been agreed to better integrate the labour market and social welfare policies. Preparation of concepts (Labour Market Measures; the Welfare Concept), action plans (NAP employment; "21st century education" programme) and draft laws (Inclusion of Employees; Employment Contract) has been intensive. New interrelated social policy measures are promising. However, the understanding and co-operation of different governmental bodies needs to be increased.

The above preparatory projects have been successfully finished but the implementation and sustainability of the activities might cause some difficulties. The level of resources allocated for social protection and employment policies has increased more slowly than GDP and appears to be low compared to the EU average.

Substantive involvement of social partners, local governments and representatives of NGOs, as well as the public has remained weak in the preparation of NAP Inclusion. Although there was a short deadline, feedback from all relevant actors would have created a more secure basis for actual accomplishment of the plans.

2. Strategic approach:

The strategic approach follows the JIM, which identified the most urgent challenges: the need to increase employment and integrate long-term unemployed, ethnic minorities and other risk groups into the labour market; provide adequate income for those in need; improve access to education; and to achieve better integration between different policy domains such as employment, education, social protection, health care, housing.

The principles of the Estonian strategy stated in the NAP Inclusion are as follows:

- Work is the best protection against poverty and exclusion
- Education is an investment in the individual
- Decent social protection
- An integrated policy approach to decrease poverty and exclusion.

The implementation of the NAP Inclusion is supported by the National Budget Strategy 2005-2008. The priorities are: improving the quality and availability of education; implementing active labour market measures; raising the income tax free minimum earnings to 2000 kroons per month (€ 128) by the year 2006; raising the level of social assistance and providing other means to relieve the reasons for poverty.

Reference has also been made to the European Social Fund's SPD measure 1.3, Inclusive labour market, where different activities are foreseen to decrease unemployment and increase social inclusion. Total ESF assistance here is €26m. The EQUAL programme contributes €4m.

Long-term objectives and targets for 2006 are given for employment, social protection, education, health, housing and e-inclusion. The most important targets for employment and education are the increase of employment to 64.3%, reduction in the share of drop outs from basic school to 0.4% (currently 0.57%) and preparation and implementation of a lifelong learning strategy. As regards social protection, it is foreseen to raise the subsistence level, which has remained at 500 kroons per month (€32) since 1997, to at least 750 kroons per month (€48) by 2005 and to improve the quality and availability of social services.

3. Key policy approaches:

Facilitating participation in employment: Special attention will be paid to long-term unemployed, ethnic minorities and other risk groups. The main principles of the Government's new labour market strategy are: motivating job search, extending active labour market measures, providing individual assistance to the risk groups using the principles of case management, joint working between agencies and providing services in Russian. It is however of crucial importance that enough case managers are hired and trained in order to be able to offer sufficient help. Priorities in education are: to ensure every child has good pre-schooling and education; to create new opportunities for lifelong learning and to implement integrated measures in order to prevent students dropping out of school.

Facilitating access to resources, rights, goods and services for all: In order to provide social protection for those in need, most attention will be given to the elderly, families with children and disabled people. It is foreseen to raise the present inadequate subsistence level. For those who cannot support themselves, assistance needs to be individualised and based on needs. A thorough analysis is needed of the quality of health care services and barriers to using them. Long-term objectives include development of medical rehabilitation services supporting a return to employment, promotion of healthy lifestyles, preventing HIV/AIDS and drug addiction. However, the outflow of trained doctors and nurses either out of the profession or to other countries, together with the reduction in the number of students in medical specialities, may have major implications for the quality of health care. It is planned

to improve the supply of affordable housing by expanding municipal housing available for rent. Housing loans need to be more accessible to the specific target groups. Activities are foreseen to provide persons with low income with victim support, legal assistance and access to culture, sport and leisure activities.

To prevent the risks of exclusion: Initiatives in this field involve mainly activities for promoting e-inclusion e.g. raising the awareness and use of new technologies and online-services, teaching ICT basic literacy and enhancing ICT skills, developing online services, and fostering e-democracy.

To help the most vulnerable: The objective is mainstreamed through the NAP Inclusion. Various kinds of measures are foreseen, such as preventing drop outs and school violence, services supporting independent living of disabled persons, and preventing homelessness.

To mobilise all relevant bodies: The NAP does not contain a special chapter describing the arrangements for monitoring and evaluating the implementation of the NAP Inclusion and how different actors will be involved in the process. However, the Ministry of Social Affairs is responsible for the implementation and monitoring of the NAP inclusion. It is expected that all other ministries will be responsible for their particular areas of interest; their own plans and involvement of stakeholders. Adequate institutional arrangements for mobilising all relevant bodies are missing.

Gender perspective: Although special measures are foreseen to reduce violence against women, in the objectives and targets no specific gender characteristics have been used. Furthermore, the policy initiatives mentioned in the NAP Inclusion show little general recognition of gender issues.

4. Challenges ahead

The current issues include increasing employment and decreasing unemployment, paying special attention to long-term unemployed and other risk groups. In particular this will include increasing the female participation in the labour force. Furthermore, ALMPs to address skills gaps need to be improved if the economic upswing is to impact positively on unemployment. Therefore, opportunities for education should be ensured for all children including those with special needs. At the same time the drop-out rate needs to decrease and counselling services provided. There is also a clear need to develop and implement lifelong learning strategy for all people.

It is important to ensure adequate income for those in need especially families with children, the elderly and persons with disabilities. In order to provide more individualised and integrated support to those in need, better integration of all policies at national and local levels should be achieved. Improving the health situation of disadvantaged groups, improving housing conditions and preventing homelessness are also important.

Although plans to meet these challenges have been drawn up, they will not be sustainable without extra finance, which does not appear to be foreseen in the budget in the immediate future. A further major challenge will be to ensure better co-operation between public and government institutions as well as with NGOs and civil society.

CYPRUS

Situation and key trends: The Cyprus economy grew at approximately 3,7% per year during 1995-2003. GDP per head in PPS reached approximately 84% of the EU25 average in 2003. The employment rate (69,2%) almost reaches the Lisbon target and unemployment is low (4.4% in 2003). The employment rate for older workers with 50,4% stands above the Stockholm target. The gender wage gap reached approximately 25% in 2002. Recently, there has been a sudden widening of the fiscal deficit and real GDP growth slowed down. Income concentration is similar to the EU15. The poverty rate is known for 1997, when it reached 16%, comparing well with the EU but considered somewhat high in view of the high employment and low unemployment rates. The highest incidence of poverty occurs amongst persons over 65 (58%) living in one-adult households. Expenditure for social protection reached 17,4% of GDP in 2001 as compared to 27% in the EU 25. Cyprus exhibits high levels of educational attainment. Foreign workers represent 12,9 % of the employed labour force. A fiscal consolidation programme drawn up in order to deal with the expanding public deficit contains a series of austerity measures, but it is intended that the level of social transfers will be at least maintained in real terms.

Strategic approach: Problems of poverty and social exclusion in Cyprus are not particularly acute and mainly concern groups of people falling outside social networks (elderly living alone, single parents, drug/alcohol users etc.) as well as the disabled and immigrants. A series of interventions in crucial areas such as the employment field, education, health, social protection and housing are envisaged. The need to raise the involvement and strengthen the capacity of civil society and NGOs for participating fully and effectively in combating social exclusion is recognised. The strategy and the institutional framework for that must be reinforced. A reference to the sources of financing in support of the policies was largely omitted from the plan. The plan recognizes that the procedures and indicators for monitoring progress towards the proposed targets are lacking. It foresees an interim dialogue following the release and analysis of 2003 data on social exclusion which will lead to the adoption of a set of targets, largely left out from the current plan.

Key policy measures: The plan covers the four EU common objectives in the fight against poverty and social exclusion. Actions in the field of employment are explicit and focus on the full utilisation of human resources. It is recognised that a strategic approach towards foreign workers is required and a review of policies towards them is under development. Despite women being referred to several times as a target group, gender issues are not generally mainstreamed in the plan. Financial resources referring to the ESF are singled out but reference to other sources of financing is in the main omitted from the plan.

Challenges ahead: The overall capacity of governmental services and of all actors involved has been identified as of key importance and remains to be further addressed. Institutional arrangements for the monitoring and implementation of the plan's measures are not sufficiently developed. The inclusion strategy in Cyprus needs to become more comprehensive so as to cope with varying sources of social exclusion faced by vulnerable groups of a different cultural background and persist on being flexible and forward-looking so as to keep pace with the rapidly changing character of the Cypriot society.

1. Situation and key trends

The Cypriot economy is small and fairly flexible. It grew at approximately 3.7% per year during 1995 to 2003. GDP per head in PPS reached 84% of the EU25 average. Economic developments were paralleled by a continuous positive situation in the labour market. The unemployment rate in 2003 was 4,4% whilst the employment rate (69,2%) almost reaches the Lisbon target. The long-term unemployment rate was 1,1% in 2003. In recent years the economy underwent important reductions in the share of GDP of the primary and secondary sector. The services sector accounts for the biggest share in employment (72%). In 2003 the government deficit followed a sudden upward trend to reach 6,1% of GDP (2,8% in 2001), and the inflation rate reached 4,1% (2,8% in 2002, 2% in 2001). Real GDP growth slowed down in 2003. A tax reform took place to adjust public finances and shift the tax burden towards indirect taxation. A fiscal consolidation programme drawn up in order to deal with the expanding public deficit contains a series of austerity measures, but it is intended that the level of social transfers will be at least maintained in real terms. The poverty rate reached 16% in 1997, comparing well with the EU average but considered somewhat high in view of the high employment and very low unemployment rates experienced. As the Gini coefficient illustrates, income concentration as based on the last available data is similar to that of the EU15 (29% in 1997). The highest incidence of poverty occurs amongst persons living in a one-person household (including persons in retirement) at 64% and it increases substantially (83%) if the person living the one-person household is over 65. Elderly women run an even greater risk, whereas children do not face a serious risk (12%). Total public expenditure for social protection reached 17,4% of GDP in 2001, 8,2% for social insurance and 2,4% for health. The 'at the risk of poverty' rate is 24% before social transfers, the lowest in the EU. Family solidarity sometimes plays the role of an informal safety net. The demographic situation is characterised by high life expectancy (76,1 for males, 81,1 for females in 2000) and a total fertility of around 1.19 children per woman. Population ageing is expected to play a crucial role in the near future. Foreign workers represented 12,9 % of the employed labour force in 2003, mainly concentrating on low-skilled jobs. Since the loosening of restrictions in crossing the Green Line, an increasing number of Turkish-Cypriots cross over to work in the government-controlled part. Cyprus exhibits relatively high educational attainment levels, with 66,5% of the population aged 25-64 having completed upper secondary education and approximately 1/3 of the working age population having completed tertiary education. The early school-leavers rate reached 14%.

2. Strategic approach

The problems of poverty and social exclusion are not considered particularly acute and are mainly found in small groups of people that fall outside social networks such as elderly persons living alone, single parents, drug users, as well as immigrants and the disabled. On the one hand, the plan emphasises the need to maintain the generally favourable macroeconomic environment. In this respect, a great deal depends on the successful outcome of government policies in this field and on external factors affecting the stability of Cyprus' open economy. On the other hand, the NAP envisages a series of interventions in crucial areas such as employment, education, health, social protection, and housing. The principle of work as the best prevention of poverty appears strongly and imbalances in the labour market and weaknesses in the orientation of education and training systems are addressed. Educational reforms among others emphasise early diagnosis and prompt intervention to prevent social exclusion. Priority is also given to fully integrating children with special needs in the ordinary school.

The plan discusses the crucial issue of improving access to healthcare including the realisation of a national health system in 2008. A series of general objectives and actions planned in this field is listed, but it is not always clear at what stage of the planning or implementation phase those are. The upgrading of mental healthcare and decentralisation of services to ensure equal access are also addressed. A thorough description of the social insurance scheme (pensions and social benefits) is set out. The social benefits system appears to be the result of historical trends and could require adjustments in order to respond to new challenges. The plan restricts itself mainly to citing a description of already existing practices and schemes and does not always clarify the effect that the proposed new measures should have. As regards pensions, the plan mentions that a national strategy report for pensions which should address issues relating to the financial viability or the overall modernisation of the system is under preparation. The plan mentions the ongoing upgrading of the statistical infrastructure and the importance of setting ambitious and relevant targets. It therefore only envisages areas where targets may be set. The inclusion of further concrete or quantitative targets could have provided better guidance to the responsible bodies for implementing social inclusion policies and facilitated the allocation of appropriate financial resources and the monitoring of progress. It is of relevance to mention that statistics in the field of poverty dating from 1996-7 may not be representative of the current situation.

The need to raise their involvement and strengthen the capacity of civil society and NGOs for participating fully and effectively in combating social exclusion is recognised. The strategy and the institutional framework for their involvement must be reinforced.

Realising E-government and decentralisation are also mentioned but few practical measures are proposed as concerns the latter.

With some exceptions (mainly ESF) the identification of the sources of financing in support of the policies is omitted from the plan. Finally, monitoring procedures towards achieving the proposed policy measures remain to be developed. It is envisaged that the existing Monitoring Committee for the NAP employment could also monitor the NAP inclusion, but in that case, its composition must be extended to cover for social inclusion issues. The strategic approach chosen could be more forward-looking.

3. Key policy measures:

Key policy approaches focus on facilitating participation in employment, access to other resources, rights, goods and services, prevention of the risk of exclusion and actions for the most vulnerable, namely the disabled, older persons, public assistance beneficiaries, the unemployed, drug users, juvenile delinquents and foreign workers.

Actions in the field of employment aim towards the full utilisation of human resources by upgrading the skills of targeted groups and ensuring equal access to the labour market for all. With regard to older persons, important policy measures are proposed in order to facilitate their mainstream employment. A substantial role is also attributed to the scheme for the self-employment of older persons and a National Action Plan to develop a more encompassing strategy towards older persons is to be completed by the end of 2004. The NAP elaborates extensively on ways to guarantee minimum access to resources, rights, goods and services, particularly as regards healthcare, housing and employment. The introduction of the General Health service remains one of Cyprus's primary objectives. Substantial reforms are underway in the field of mental health services, for bringing persons with mental health problems into the society. They include developing the administrative

capacity of the services involved and the setting up of public awareness programmes. Family support focuses mainly on the improvement of existing care facilities. The importance of developing complementary and partnership arrangements with NGOs and other social partners is acknowledged and efforts are being deployed but need to be intensified in order to aid their evolution and involvement. The issue of foreign workers is conceived as of key importance. A strategic approach towards foreign workers is required. The NAP also lists actions taken or planned for Turkish-Cypriots. They include the facilitation of their employment in the government-controlled part of Cyprus, the setting up of an office to eliminate any discrimination against them, education-related positive actions and healthcare provisions. The facilitation of the implementation and monitoring of measures should be further elaborated.

Gender perspective: Although women as a separate category are mentioned in the plan, the majority of challenges, objectives and measures are constructed as gender neutral or gender blind. A gender-disaggregated analysis is lacking, despite the fact that statistics are generally broken down by gender. More gender-disaggregated data on disadvantaged groups are required (i.e. alcohol/ drug abusers, the disabled, immigrants). Important developments with regard to the legislative framework have taken place and various equality bodies have been set up (the setting up of an equality commission, the sexual harassment law, the reversal of the burden of proof, the possibility for adopting affirmative action measures etc.). However, implementation and awareness-raising remain a main challenge. Women's lower earnings are reflected in the plan but are not addressed, same as their over-representation among part-time workers. In addition, no reference is made to trafficking and prostitution.

Mobilising all actors: Although a consultation of social partners and NGOs was adequately followed, some vulnerable groups are not represented in the bodies consulted.

The plan is concerned with the need to raise the involvement and strengthen the capacity for the effective participation of civil society and NGOs in combating social exclusion. However, the strategy and the institutional framework for that need to be reinforced.

4. Challenges ahead

The rationale of the proposed approach which focuses on clearly identified vulnerable groups is conditional upon retaining the same positive employment trends and economic stability experienced by Cyprus so far. The reforms of the social protection system should ensure adequate protection for all, with emphasis on particularly vulnerable groups such as older persons. Health related reforms should address issues of inequality, and promote the efficiency and quality of services.

However, target groups could not exhaustively cover all people at risk of marginalisation. In this respect, the overall capacity, both in terms of resources and structures, of governmental services and all actors concerned, and the efficiency required in order for them to fulfil their role in the fight against social exclusion requires further consideration. In the meantime, the plan does not propose adequate institutional reforms and monitoring procedures to achieve the timely and effective implementation of the proposed policy measures. Finally, the inclusion strategy in Cyprus needs to become more comprehensive so as to cope with varying sources of social exclusion faced by vulnerable groups of a different cultural background and also more flexible and anticipatory so as to keep pace with the rapidly changing character of the Cypriot society.

LATVIA

Situation and key trends: Latvia shows strong economic growth (7.5% in 2003) although a high increase in the inflation rate has been registered in 2004. The employment rate has increased to 61.8% in 2003 (men 66.1%, women 57.9%). However, the main problems remain high unemployment at 10.5% in 2003, long term unemployment at 4.3%, youth unemployment at 17.6% and a mismatch of skills and labour market demands. Latvia has high numbers at risk of poverty (43%, before social transfers) and level of income inequality. Although welfare expenditure is low (15% of GDP), social transfers, in particular pensions, play a significant role in poverty reduction. The extent of undeclared work (14-20% of GDP), regional and urban/rural disparities are significant. Lone parent families and families with three or more children have a very high risk of poverty. Particularly vulnerable groups include unemployed, people with disabilities, ex-prisoners, homeless people and vagrant children, and victims in human trafficking. Ethnic minorities have a higher unemployment rate than Latvians, though poverty rates are similar, except for Roma. Health conditions as measured by life expectancy and mortality rates are unsatisfactory. Domestic violence is a significant issue.

Strategic approach: Following on the Poverty Reduction Strategy (2000), this is the first Action Plan with a multi-dimensional approach to reduce the poverty and social exclusion. While the analysis provides good coverage of different aspects of poverty and social exclusion, the strategic approach is weak and lacks coherent measures and quantified targets. The measures will be implemented within the framework of the annual budget with significant support from the Structural Funds, but availability of financial resources to implement the measures for the next years is not guaranteed.

Key policy measures: The overall framework is based on existing programmes and measures. It emphasizes employment promotion, including entrepreneurship, lifelong learning and prolonging working age. The needs of disabled people and unemployed youth are particularly addressed. NAP foresees measures on adequate income by increasing the minimum wage, raising taxation thresholds, increasing pensions, in particular small pensions, the guaranteed minimum income and social allowances for families with children, including childbirth and childcare allowances. Alternative social services for persons with disabilities, children and elderly, and training provision for social workers will support access to services. While the needs of socially excluded people are considerable, measures to promote access to housing, including social housing, **have** been envisaged. The NAP reports on measures to improve general access to health care, transport, and legal assistance, although they are not sufficiently targeted to meet the needs of vulnerable groups. A consistent gender equality mainstreaming policy across the NAP is not presented.

Challenges ahead: A coherent strategic approach, including regional and gender perspectives, should be further developed. The social protection system needs to be further strengthened, in particular healthcare and social assistance. Undeclared work needs to be addressed and labour market as well as social protection policies need to be more geared towards making work pay. More targeted measures for homeless people, vagrant children and ethnic minorities, including the Roma, are needed. Housing problems should be addressed more intensively. The resources required for the implementation of NAP need to be guaranteed, in particular for healthcare. Latvia needs to develop institutional arrangements, including evaluation and monitoring system, as well as mobilising all stakeholders for implementing the NAP

1. Situation and key trends.

In Latvia, economic growth remains very strong (7.5 % in 2003, 6.1% in 2002 and 7.9% in 2001). During the last years, average inflation has been 2-3%. However, in 2004, a high increase in the inflation rate has been registered (7-8%), mainly due to increases in prices on fuel, electricity and gas.

The employment rate has increased from 60.4% (2002) to 61.8% (men 66.1% and women 57.9% in 2003). The employment rate for women has increased by 1.1 percentage points (57.9% in 2003) reaching the Stockholm target. The activity rate also shows an upward trend (69.2% in 2003, 68.8% in 2002 and 67.7% in 2001). The activity rate for older persons has increased at 47.9% in 2003. According to national data, there are considerable regional differences, in particular for Latgale (East region) where in 2003 economic activity was 62% compared to 74% in Riga and the unemployment rate 15.7% (10.4% in Riga region). High growth has contributed to lowering the unemployment rate, which decreased to 10.5% in 2003 (12.6% in 2002). The long-term unemployment has decreased by 1.5 percentage points (4.3% in 2003) and the youth unemployment rate declined to 17.6% in 2003 (24.6% in 2002).

The Latvian workforce is relatively high educated: 20% with higher and 66.4% with secondary education. However their vocational skills and qualifications often poorly match the requirements of the labour market. Vocational school drop-out rates are substantial. Access to lifelong learning is limited, in particular for persons with low income. The informal economy is substantial, 14- 20% of GDP in 2002 (18% in 2003 by a recent study on undeclared work). The typical form of undeclared work is a declared worker who receives a minimum wage and the rest as a non-declared cash payment.

Latvia has a relatively high level of income inequalities (Gini coefficient -34% in 2002) and risk of poverty (43%, before social transfers). In 2001, welfare expenditure was low (15% of GDP) compared with the EU 15 average (27.5%), in particular for health, unemployment, social inclusion and housing. However, social transfers play a significant role in poverty reduction and the risk of poverty is 16% after social transfers, including pensions. The value of the at-risk-of poverty threshold is very low, at less than one third the average level for the EU in 2002. Lone parent families and families with three or more children have a high risk of poverty. Vulnerable groups to social exclusion and/or poverty include the unemployed, people with disabilities, ex-prisoners, homeless people, vagrant children, ethnic minorities and victims in human trafficking. While the risk of poverty of pensioners is comparatively low, an important share of newly granted pensions in recent years was at the minimum pension rate.

Though the poverty rates are similar, ethnic and linguistic minorities- Russians , Ukrainians, Byelorussians, Poles and other minor groups (41.5% of the population) have a significantly higher unemployment rate than Latvians (Latvians 8.2% and others 14.5% in 2003), although the gap is diminishing. Roma are at a high risk of poverty and social exclusion (8,205 Roma residents in 2002, representing 0.4 % of the population). Low levels of education, inactivity and high unemployment rate are the most important issues for the Roma in Latvia.

Health conditions in terms of life expectancy and mortality indicators remain unsatisfactory. In 2002, the life expectancy at birth was 64.8 years for men and 76 years for women. Mental

diseases and HIV/AIDS infection continues to spread in Latvia. Social exclusion risk groups have a higher risk for late diagnosis and chronic illnesses due to their limited access to healthcare services. Domestic violence is a significant issue: 29% of women have suffered from domestic violence.

2. Strategic approach:

After the Poverty Reduction Strategy (2000), this is the first attempt to set up an integrated action plan at the national level to combat poverty and social exclusion. The NAP is based on long-term policy objectives as identified by the JIM: quality and accessibility to education; formation of an inclusive labour market and promotion of employment; adequate income; access to housing; guaranteed health care minimum and access to social services. The family solidarity and children rights are important part of strategy as well. The NAP's weakness is the lack of a coherent strategy with an integrated approach for the most immediate challenges. It mainly reports on existing policies and programmes with emphasis on some social groups. The measures and activities will be implemented within the budget allocations for 2004 with strong support from the Structural Funds where eligible. The financing of new policy measures might be restricted due to availability of financial resources in 2005 and 2006.

The Ministry of Welfare coordinates the implementation and monitoring of the Plan. However, the monitoring arrangements are weak, based on reports of the responsible institutions. Targets, for the most part, are not quantified and without baselines. The NAP does not report on all of the Laeken indicators.

3. Key policy measures:

Promoting employment and integration into labour market of the most vulnerable groups are recognised as the main instruments to combat poverty and social exclusion. However, certain social exclusion risk groups (e.g. Roma) may not be reached by the measures without a more targeted approach. Also, the measures to tackle educational disadvantage may not be sufficient, in particular concerning the access of social excluded groups to lifelong learning opportunities. The measures to improve Latvian language skills, including educational reform, are not reported.

In 2004, the Government has increased the minimum wage to 80 LVL (121 EUR) per month. However, further increases of the minimum wage as decided by Government early this year might be frozen due to the budgetary considerations. Amendments to the "Law on State Pensions" envisage additional payments to state old-age pensions, within the limits of the budgetary possibilities. Although the pension benefits are regularly adjusted, single pensioner households in large cities might face the risk of social exclusion, in particular in terms of access to health care services and housing.

In 2003, the guaranteed minimum income (GMI) has introduced a means tested social assistance benefit to support the poorest persons. However, the GMI is too low (18 LVL per month and capita, 27 EUR) to ensure adequate income. While a regular increase of the GMI is envisaged, the future rates for the GMI depend on the budgetary position of municipal authorities that may decide on higher levels.

Income security measures to protect families with children from social exclusion have been introduced in 2004. The Alimony Guarantee Fund provides allowances for children whose

parents do not pay alimony. The child-birth grant and childcare allowance will be increased substantially. This might help to improve the demographic situation in the country as well. A coordinated approach between different measures (childcare facilities, re-integration to labour market after childcare, awareness raising of men's role in family, etc.) would help avoid potential difficulties of women returning to the labour market. The development of alternative social services for persons with disabilities, children and elderly as well as training provisions for social workers will support access to the social services. Programmes to promote access to housing, including social housing are envisaged for 2005-2008. However, the NAP reports on measures to improve general access to health care, transport and legal assistance, although they are not sufficiently targeted to meet the needs of vulnerable groups.

In addition to the risk groups identified by the JIM (lone parent families and families with three or more children, unemployed, disabled, women after child care, ex-prisoners, homeless people, vagrant children) the NAP also includes older people, children and youth, ethnic minorities and victims in human trafficking. However, no targeted measures are envisaged for the Roma. Moreover, the measures for homeless and vagrant children are not developed sufficiently. Although not reported in the NAP, Latvian language training will continue to be provided to the unemployed ethnic minorities. The NAP measures do not mention the studies on risk factors for ethnic minorities in accessing the labour market agreed in the JIM.

Given high employment and unemployment regional disparities and material inequalities between urban and rural areas, the measures do not specify how the regional and urban/rural differences will be tackled. Municipalities are responsible for implementation of certain measures. However there are no indications of the financial and human resources.

Gender perspective: A consistent gender equality mainstreaming policy across the NAP is not presented. The gender perspectives do not exceed the measures of the Programme for the Promotion of Gender Equality that mainly addresses women's situation in the labour market (e.g., pay gap at 81,5%), including the reconciliation of work and family life as well as domestic violence and trafficking in human beings. Increases in child birth and childcare allowances and the introduction of the Alimony Guarantee Fund will better protect women against risk of poverty and social exclusion. There is a lack of gender based indicators in the NAP.

Mobilising all actors: The NAP process was launched by a national seminar. The NAP drafting group, led by the Ministry of Welfare, contained a large range of stakeholders, including the line ministries and local governments, social partners, NGOs, researchers and regional development agencies. The Parliament Commission were also informed about NAP developments. The public at large were consulted on the draft NAP through a website, although time allowed was short and the access to internet is limited.

4. Challenges ahead:

A coherent strategic approach, including regional and gender perspectives, should be further developed. The social protection system needs to be further strengthened, in particular healthcare and social assistance. Undeclared work needs to be addressed and labour market as well as social protection policies need to be more geared towards making work pay. More targeted measures for homeless people, vagrant children and ethnic minorities, including the Roma, are needed. Housing problems should be addressed more intensively. The resources required for the implementation of NAP need to be guaranteed, in particular for healthcare. Latvia needs to develop institutional arrangements, including evaluation and monitoring system, as well as mobilising all stakeholders for implementing the NAP.

LITHUANIA

Situation and key trends: GDP in Lithuania continues to grow (9% in 2003). However, the GDP per capita in PPS is still below the EU-25 average (45.9%). Rapid economic growth has started to translate into employment growth (2.4% in 2003) and reduction in unemployment, though the latter is still high (12.7% in 2003). Youth (27.2%) and long-term unemployment (6.1%) are still high and mainly related to a lack of necessary skills. Equally, unemployment rates are higher among ethnic minorities. Social transfers have an effect on the poverty level: in 2002 the at-risk-of-poverty rate was 17% after and 24% before social transfers. The main groups at risk of poverty comprise people living on benefits, scholarships, savings; families with many children; households whose head has low education; retired people; single parents with children; farmers and rural population.

Strategic approach: The analysis of the situation identifies clearly the challenges faced by the Lithuanian society. At the core of the strategic approach is the elimination of extreme poverty by 2008. A number of interrelated long-term objectives are identified, some of which with quantified targets. A list of short-term priorities and actions is given with regard to each of the Nice objectives. However, the lack of short-term and intermediate targets, clear budgetary resources and institutional responsibilities should be urgently addressed to allow efficient and timely implementation. Lithuania is preparing an implementation document, which should be ready shortly.

Key policy measures: A list of policy actions is presented for each of the key areas, but the information provided is not always sufficient. It is not clear which actions are new and which are to be continued. Similarly, it is difficult to see whether the implementation of all actions is feasible, since the budgetary resources are not clearly identified. A preventative approach is chosen with regard to facilitation of employment. With regard to the access to resources, rights, goods and services, the NAP foresees a number of actions to improve the social protection and other relevant systems and services, such as broadening the coverage of the social protection system, developing the social services infrastructure, increasing the availability of municipal housing, establishing municipal funds to provide financial support to children, etc. With regard to helping the most vulnerable, the main focus is on the elimination of social exclusion of the most vulnerable children. While the importance of gender mainstreaming is highlighted in the NAP, the efforts to integrate the gender equality principle lack consistency. They are most visible in relation to the facilitation of employment and assistance to most vulnerable groups of women, while other important areas, such as social welfare, single parenthood, disability, old age, are not sufficiently addressed from the gender perspective.

Challenges ahead: A key challenge is to translate the rapid economic growth into more and better jobs and greater social security and cohesion. Of major importance is to tackle regional differences, including the most deprived areas. Care should be taken not to leave certain people without any income. Educational disadvantage should be prevented by improving access to labour market oriented vocational training, life-long learning and tackling school drop-outs. Affordable housing shortage and over-indebtedness related to utility bills should be more addressed. A comprehensive and integrated response to homelessness needs to be developed. The NAP shows good understanding of the situation and the will to improve it. The main challenge is the implementation. This requires establishing baselines, setting clear intermediate targets and allocating the necessary resources. The negative impact of undeclared work, low fertility rates and emigration of the labour force on the amount available for social expenditure should also be addressed.

1. Situation and key trends:

In recent years, the economic growth in Lithuania has been particularly favourable. The GDP growth in 2003 reached 9%. Lithuania (whose GDP per capita in PPS is 45.9% of the EU25 average) is hoping to sustain an annual growth of more than 6% until 2007. This trend has started to translate into positive employment growth (2.4% in 2003). However, while in 2003 unemployment decreased to 12.7%, long-term (6.1%) and youth (27.2%) unemployment are still high (and mainly related to a low level of education and skills). Unemployment rates are higher among ethnic minorities (Russians 18.7%, Poles 13.9, others 15.3%). Very long-term unemployment remains very high (3.9%) compared with EU25 (2.3%). With the steady decline of total unemployment rates, the sex ratio has reversed and now female unemployment exceeds that of men (13.3% versus 12.1%).

The high share of people working in agriculture (17.8% in 2003) remains a problem. Farmers and rural population are among the groups most at risk of poverty. Other such groups include people living on benefits, scholarships, savings; families with many children; households whose head has low education; retired people; single parents with children. Particularly vulnerable groups include disrupted families; orphans and children deprived of parental care; asylum seekers, victims of abuse or human trafficking; prostitutes; ex-prisoners; drug and alcohol addicts. Ethnic minorities, especially Roma, are also among the most vulnerable groups. According to the Population Survey of 2001, 6.7% of the population were Poles, 6.3% Russians, 2.6% belonged to other minorities, including about 2600 Roma.

The Gini coefficient for Lithuania is 0.3 (in 2002) and has been relatively stable for the last 6 years. Social transfers have an effect on the poverty level: in 2002 the at-risk-of-poverty rate was 17% after and 24% before social transfers. However, the social protection system needs further improvements and its financing is low. Expenditure on social protection as percentage of the GDP in 2001 was 15.2%.

Life expectancy is low (66.3 for men and 77.5 for women in 2002). The suicide indicator is one of the highest in the world (more than 40 people per 100.000) and has grown significantly between 1991 and 2001.

Though the general literacy level is high (99.7%), the biggest problem is the literacy of the Roma, 31% of whom are illiterate. A big share (17%) of people aged 15 and over have only primary or even lower education; the majority are people aged over 55. The number of early school leavers in 2003 was relatively high (11.8% in Lithuania, 16% in EU-25, but 7.7% in the 10 new member states).

Gaps remain with regard to accessibility to education and training, health care and decent housing. Regarding regional disparities, in 2003 unemployment in the areas with highest unemployment decreased faster than in other areas. However, regional differences in terms of the cost of housing and transport still remain, which hinders labour mobility. There are a number of areas that suffer from multiple disadvantages.

2. Strategic approach:

The NAP puts the emphasis on the political will and cooperation between all the relevant actors in fighting social exclusion, while steady economic growth is seen as the necessary pre-condition. The analysis of the situation identifies clearly the challenges faced by the Lithuanian society.

The plan sets a multi-dimensional approach to fighting poverty and fostering social inclusion, which shows good coverage of the main challenges faced by the Lithuanian society in the context of the Nice objectives. At the core of the approach is the elimination of extreme poverty by 2008 and achievement of significant progress in reducing relative poverty. A number of interrelated long-term objectives are identified, most of which with quantified targets (though the baseline value or the time reference for some of them are difficult to track).

A number of specific short-term priorities for the period 2004-2006 are identified with regard to each of the Nice objectives, namely facilitating employment and access to resources, rights, goods and services, prevention of social exclusion, helping the most vulnerable, and improvement of institutional mechanisms. Unfortunately, short-term targets are missing and there is not enough information on budgetary resources. A description of the measures to be financed by the ESF in Lithuania is provided, although the link between the NAP and the ESF aid is not clearly explained. The institutional mechanism for the implementation of different policies is also not clear. However, it is envisaged to create a new commission to monitor the implementation of the Plan.

3. Key policy approaches:

A long list of points is presented for each of four key areas (helping the most vulnerable; facilitating employment and access to resources, rights, goods and services; prevention of social exclusion; ensuring gender equality). However, this list does not give much concrete information on measures (especially whether the measures listed are already on-going) and partly resembles a list of goals. It is difficult to see how feasible the implementation of some of the actions is.

A preventative approach is taken with regard to facilitation of employment. The aim is to ensure that the unemployed youth are offered active support within the first six months, while other unemployed within 12 months of unemployment. For the disadvantaged people unable to compete on the labour market, the possibility of social enterprises has been foreseen. Specific actions have been foreseen with regard to vocational training, consultation, continuous training tackling problems of regional concentration of unemployment and ensuring reconciliation of family and profession life.

With regard to the access to resources, rights, goods and services, the NAP foresees a list of actions to improve the social protection and other relevant systems and services, such as broadening of the coverage of the social protection system – which currently focuses on hired workers – by extending the number of social groups being entitled for social insurance old age or disability pensions or other social benefits, raising the level of state-supported income and the minimum subsistence level, developing the social services infrastructure, increasing the availability of municipal housing, establishing municipal funds to provide financial support to children, granting disabled children the right to social guarantees for longer periods, improving the quality of social workers and of social services in general, etc.

In the area of prevention of social exclusion, the NAP sets the promotion of knowledge society as one of the key measures. Investments into ICT infrastructure and equipment and a country-wide network of internet access points are foreseen.

With regard to helping the most vulnerable, the main focus is on the elimination of social exclusion of the most vulnerable children. Attention will be given to orphans, to delinquent children, families with many children, and socially vulnerable families.

Gender perspective: The importance of gender mainstreaming is highlighted in the NAP. Unfortunately, the efforts to integrate the gender equality principle into the plan lack consistency. They are most visible in relation to the facilitation of employment and assistance to most vulnerable groups of women (victims of domestic violence, prostitution and trafficking in human beings), while other important areas, such as social welfare, single parenthood, disability, old age, are not sufficiently addressed from the gender perspective. Similarly, specific risks more related with the behaviour of men (alcoholism, drug addiction, delinquency, homelessness, and suicides) are not identified as disadvantages linked with Gender.

Mobilising all actors: The NAP was drafted by a Task Force comprising representatives of various Ministries, local authorities, NGOs, associations of employers and of employees. While the preparation of the NAP was certainly open and inclusive, it appears that interdepartmental cooperation should be strengthened.

4. Challenges ahead:

While economic growth is foreseen to continue in the next few years in Lithuania, a key challenge is to translate it into more and better jobs and greater social security and cohesion, which should provide benefits and new opportunities for all.

Of major importance is to tackle regional differences in terms of the level of employment and access to resources and services. Efforts to solve the problems of the most deprived areas, some of which have high concentrations of ethnic minorities, should be enhanced.

Care should be taken not to leave certain groups of people without any sources of income. For instance, attention should be paid to the pension age individuals who are not entitled to social insurance old age or disability pensions have no source of income and may not have a right to get the social pension.

Efforts to prevent educational disadvantage should be continued by improving access to labour market oriented vocational training, life-long learning and solving the problem of early school leavers.

Efforts to improve access to housing and its quality and to tackle over-indebtedness related to utility bills of low-income families should be strengthened. A comprehensive and integrated response to homelessness also needs to be developed.

Overall, the NAP shows good understanding of the situation and the will to improve it. The main challenge is the implementation. This requires establishing baselines, setting clear intermediate targets and allocating the necessary resources. At the same time, the negative impact of undeclared work, low fertility rate and emigration of the labour force on the amount available for social expenditure should be addressed.

HUNGARY

Key Trends: real GDP growth fell to 3.0% in 2003 in Hungary. The general government deficit dropped to 6.2 % of GDP in 2003 (2002: 9.2 %). Though employment rates improved in 2003 - overall (57%), male (63.5%) and female (50.9%) 55-64 age group (28.9%) – they remain below EU average and the EU targets. Employment among the 15-24 age group fell to 26.8% (EU: 36.8%). Unemployment remained stable at 5.8%, while the share of the LTU is still high (41.1 %). The activity rate totalled 60.6% in 2003; this remains one of the most acute problems of the Hungarian labour market. The problems of unemployment and poverty continue to have strong ethnic, health and regional-related origins. The health status of the population continues to remain a real concern. Public welfare expenditure totalled 19.9% of GDP in 2001 (EU: 27.5%).

Strategic approach: the NAP sets five strategic objectives: Promoting employment; Guaranteeing access to public services; Reducing poverty, including persistent and deep poverty; Investing in the future: guaranteeing child well-being; Mainstreaming the fight against social exclusion. However, overall coherence and coordination of policies could still be improved. In a number of areas, certain elements are not present such as, precise targets, deadlines, clear definition of responsible agents and details of funding. This renders the implementation of actions and their effective monitoring more difficult. The Roma, the disabled and children are identified as clear priority groups of the plan. The measures intend to maximize the effective use of the ESF.

Key policy measures: There is a wide range of measures aimed at the most disadvantaged groups, promoting their employment, training and life-long learning. The SZOLID project is designed to modernize social provisions as well as introduce a new threshold for allowances. Budgetary considerations remain a key factor determining the success of this project. The reform of personal care services points in the right direction. It may nonetheless be difficult to achieve, in view especially of the return of some responsibilities from local governments to micro-regional level. The Roma form a key priority group of the NAP with a wide range of measures under the medium-term Roma Program and the “Decade of Roma Integration”. Effective monitoring will be difficult in some cases given the absence of baseline data, deadlines and targets. Measures aimed at disabled people address their main problems of exclusion. The gradual introduction of the 13th month pension for the elderly has increased the real value of pensions. Measures aimed at children include free school meals and books, increasing the preschool rate, and desegregation. However, these measures only partially address the problems affecting the well-being of the most disadvantaged children. The lack of affordable housing remains one of the most acute problems of the housing market. The mobilisation of the relevant actors has so far succeeded only to a limited extent.

Challenges ahead: Social inclusion and the fight against poverty should become a higher national priority in practice. Addressing effectively social inclusion will require increased resources and a reinforcement of the mainstreaming of social inclusion in public policy formulation. Better cooperation among the relevant governmental bodies will also be needed to produce more coherent policies for social inclusion. In the elaboration of such policies, a more effective mobilization and consultation of civil society will be an added challenge. Hungary needs to improve employment performance vis-à-vis the Stockholm/Lisbon targets. Crucially, it has to address the issue of those inactive persons who remain inactive for unknown reasons. In this context, the informal economy needs to be further addressed. The gender perspective should be consistently mainstreamed across all measures fighting poverty and social exclusion.

1. Key Trends:

Real GDP growth in Hungary was lower in 2003 than in the previous year, falling to 3.0 %. In 2003 the conditions for a stricter fiscal policy were established. The general government deficit dropped to 6.2 % of GDP in 2003, which was a significant improvement compared to the previous year (9.2 %). However, the deficit remained higher than the government target.

In 2003, the employment rate in the 15-64-years group increased slightly from 56.2% in 2002 to 57%. This was due to an increase in both the male and female employment rates, respectively 63.5% (2002: 62.9%) and 50.9% (2002: 49.8%). In the 55-64-year-old cohort, the employment level rose from 25.6% to 28.9% in 2003, mainly due to the increase in the retirement age. Nevertheless, all indicators remain below the EU average and the EU targets set for 2005/2010. In the 15-24 age group, the employment rate fell from 28.5% to 26.8% in 2003 (EU: 36.8%). Young people continued to face the problem of a 'mismatch' between their low-level qualifications and the requirements of the labour market. At the same time, the 2003 unemployment rate remained stable at 5.8% with the LTU still representing 41.1 % of that figure. One of the most persistent problems is the low activity rate of only 60.6%. Over half a million people of the working age population remained inactive for unknown reasons.

The problems of unemployment and poverty continue to have strong ethnic, health and regional-related origins. The share of the population at risk of poverty amounted to 10% in 2001 (EU: 15%). The Roma population continues to be over-represented amongst the poorest segments of the population. The key poverty risk factors - unemployment, large families, and low education level - are cumulatively present in the case of the Roma, while their unemployment rate remains considerably higher than that of non-Roma. The situation of the working age population with long-term health problems (including *disabled* people) is similarly unfavourable. They are also predominantly absent from the labour market. At the same time, marked regional and settlement-type disparities remain a feature of employment and poverty-related data. The health status of the population also remains a real issue of concern while life expectancy is well below EU average (men: 68.4 years - EU: 74.8; women: 76.7 years EU: 81.1).

Public welfare expenditure to redress the persistent problems of poverty and social exclusion totalled 19.9% of GDP in 2001 and remains below the EU 15 average (2001: 27.5%). Moreover, budgetary constraints continue to affect the capacity to tackle social exclusion, which has so far not been considered a top national priority.

2. Strategic approach:

The present NAP is the first attempt to comprehensively address the issues of social exclusion and inclusion with the twin aim of reducing poverty levels and preventing the associated risks. In line with the main challenges identified in the 2003 Joint Inclusion Memorandum, the NAP sets the following objectives: *Promoting employment; Guaranteeing access to public services; Reducing poverty, including persistent and deep poverty; Investing in the future: guaranteeing child well-being; Mainstreaming the fight against social exclusion.* A Committee to Combat Social Exclusion was established that will be responsible also for monitoring. While the NAP has been formulated on the basis of the input of the relevant ministries concerned, coherence and coordination of policies could still be improved. In a number of areas, certain elements are not present such as precise targets and deadlines for actions, as well as a clear definition of responsible agents and details of

funding. As a consequence, a coordinated implementation of actions and their effective monitoring is rendered more difficult. At the same time, the document presents two conflicting sets of data concerning inequality. The absence of consistent data hampers the capacity to monitor and assess the effectiveness of the measures set out in the NAP.

In the main, most major disadvantaged groups affected by poverty are mentioned in the NAP, with the Roma, the disabled and children identified as clear priority groups and a range of measures to improve their situation is outlined. In this context, it is important to note that these measures are designed to maximize the effective use of the European Social Fund under the relevant measures of the Human Resources Development Operational Program and the Operational Program for Regional Development.

3. Key policy measures:

The Hungarian authorities consider that the most effective way out of poverty and social exclusion is through employment. To this end, a wide range of measures aimed at the most disadvantaged social groups to promote their access to employment, training and life-long learning is presented. Women are also identified as a priority group through measures aimed at promoting their employment, including better reconciliation of work and family life. The importance of a further review of taxes on low-wage earners is recognized. However, measures designed to address poverty levels within the unemployed with little prospects in the short-term future of reintegration to the labour market are not put forward in the NAP. At the same time, the important role the social economy can play in the fight against social exclusion is not sufficiently emphasized.

The gap in social provisions (benefits and services) between Hungary and EU standards also calls for specific policy responses. In this context, the SZOLID initiative of the Ministry of Health, Social and Family Affairs is designed to modernize the system of social assistance and other provisions and will include the introduction of a new threshold for allowances. Details of the implementation require further elaboration while budgetary considerations will remain a key factor in determining the ultimate success of this project. The reform of personal care services - to simultaneously improve efficiency and access - points in the right direction. It may nonetheless be difficult to achieve, especially in view of the proposal to return certain responsibilities from local governments to micro-regional level.

The Roma continue to form a key priority group in terms of required action. To this end, measures covering employment, education, training, housing, health, rights and justice, anti-discrimination, e-society and cultural integration are presented as well as actions to increase public awareness. While the principal elements form part of two government programmes (a medium-term Roma Programme for 2004-2006, and the "Decade of Roma Integration" project to be implemented from 2005 to 2015), effective monitoring will remain difficult given the absence of baseline data, deadlines and targets.

Disabled people and the elderly are also identified as target groups. Policy measures relating to disabled people cover employment, training, rehabilitation, services, and - with particular emphasis - access to public places. As far as the elderly are concerned, the gradual introduction of the 13th month pension has increased the real value of pensions. Access to early retirement has been tightened somewhat.

Children form a major target group in the NAP with the most important elements being policy measures to increase coverage of free school meals and school books. Other

objectives aim at increasing the pre-school participation for poor - particularly Roma - children as well as efforts to decrease educational segregation. It is also proposed to give poor single parents better access to regular child protection benefit through changes in the eligibility criteria. At the same time, the indexation of the regular child care protection benefit is being introduced. Taken together, however these measures only partially address the problems affecting the well-being of the poorest and most disadvantaged children.

Some of the housing problems of the most disadvantaged - such as serious indebtedness or the loss of abode - are being addressed by the government through a series of measures designed to redress the negative consequences of accumulated debt cycles. These mechanisms have now been put in place: since 2003 legislation has been in force which allows local authorities to offer debt management services. Nonetheless, the lack of affordable rental and other housing remains one of the most acute problems affecting the housing market. While the measures helping the homeless seem generally well designed, the necessary resources for implementation are not adequately addressed.

Gender perspective: Gender has not been consistently mainstreamed through the NAP. Women are identified as a priority group only in the case of the employment objective. Violence against women is also given attention. However, important aspects of gender discrimination such as the pay gap are not mentioned. Equally, the inter-action between some policy fields and gender gaps such as child poverty, lone parents' difficulties and social deviance has not been adequately emphasized.

Mobilising all actors: The mobilisation and involvement of the relevant actors has so far succeeded only to a limited extent. Because of the short time allowed to complete the consultation process on the NAP, and due to a certain lack of awareness by the general public, contributions from civil society remained limited.

4. Challenges ahead:

First and foremost social inclusion and the fight against poverty should become a higher national priority in practice. Addressing social inclusion in an effective manner will require increased resources dedicated to fighting poverty and exclusion, and a more forceful mainstreaming of social inclusion in public policy formulation. Hungary needs to improve cooperation amongst the relevant governmental bodies to produce more coherent policies in tackling social exclusion and poverty. In the elaboration of such policies, a more effective mobilization and consultation of civil society will also be necessary.

To successfully fight poverty and social exclusion, Hungary needs to improve employment performance vis-à-vis the Stockholm/Lisbon targets. There is an increasing need for active labour market policies, for mobilising more women into the labour force and for extending working life and the average exit age. Crucially, Hungary has to address the issue of persons who remain inactive for unknown reasons – over half a million people. Moreover, the situation of the inactive needs to be further explored as regards their possible exclusion from social and health-care services and in relation to the informal economy. In parallel with this the on-going review of the tax and benefits systems should be given new impetus. The gender perspective should be consistently mainstreamed across all measures fighting poverty and social exclusion. In this context, more extensive gender-specific statistics are required to monitor developments in the field.

MALTA

Situation and Key Trends: In 2003, economic growth decelerated to 0.2%, while activity and employment rates (especially for women) increased but still remained low when compared to the EU25 averages. Although relatively low, the unemployment rate has also been rising (7% in 2000 and 8.2% in 2003). The social protection system, coupled with an active role played by NGO's and strong family and community bounds, explain the low Maltese poverty rate. Nevertheless, the ratio of total borrowings on property and consumer debts to disposable income has increased indicating that Maltese people might be economically more vulnerable than in the 1990's. Single parents, unemployed, children and persons aged 65 or more are those most at risk of poverty. The early school-leavers rate is the highest in the EU (48% in 2003) but showing a marked decreasing tendency (it was at 54% in 2000).

Strategic Approach: Increasing the overall employment rate (with special attention for measures favouring female participation and making work pay), combating illiteracy and strengthening the welfare system, are the three main pillars of the Maltese strategy. These are further developed in twelve key national priorities, which are supported by relevant data, identification of target groups and – only in the case of four of them - also quantified targets. While exhaustive in the range of short and medium-term solutions to Malta immediate problems, the lack of in-depth analysis prevents the NAP from taking a truly multi-dimensional approach.

Key Policy Measures: Thirteen key priorities addressing three of the Nice common have been identified. Although similar to the priorities composing the strategy, they are not identical, thereby weakening the consistency between the strategic approach and the policy measures. A vast majority of the measures address the first Nice objective with particular emphasis on the gender dimension. Accent was also put on access to education mainly for illiterate people. However, the information contained in the NAP regarding future measures envisaged on the social protection domain is rather slim. Policy measures for 'illegal' immigrants seeking asylum in Malta may also appear insufficient. Interestingly, an important number of measures are new and to be funded by the ESF showing not only the evolving policy dynamics in the field of social inclusion in Malta but also the importance of the ESF contribution. Unfortunately, the NAP does not quantify the financial resources to be allocated for its implementation nor does it present a consolidated monitoring system.

Challenges Ahead: To expand the active labour participation and increase labour market integration of the most vulnerable groups remain immediate challenges to Malta. The plan sets the ambitious target of increasing female employment rate to 45% by 2010 obliging to pursue sustained efforts through a wide-ranging gender mainstreaming approach. Furthermore, addressing illiteracy and all educational disadvantages and reducing early school leaving also continue to be necessary to improve employability. Affordable housing for all and a welfare system that responds to the economic challenges, while guaranteeing its adequacy and comprehensiveness, reveal to be important developments for the near future. As for governance, the main challenges are to stimulate a wider contribution of media in consciousness-raising on equality, to enhance the overall inter-institutional cooperation in policy formulation and to foster dialogue and more involvement of the target groups

1. Situation and Key Trends:

The economic performance of Malta has been characterised in recent years by a slowdown due to the unfavourable international economic trends and the internal restructuring process. In 2003, Maltese GDP increased by 0.2% and the public deficit reached 9.7%. Malta presents slowly increasing but decidedly low activity and employment rates (58.6% and 54.2% in 2003) when compared to the EU25 averages (69.3% and 62.9%, respectively). The gap from the EU averages is even more important regarding the participation of women in the labour market; they show an activity rate of 36.8% and an employment rate of 33.6% (61.2% and 55.1%, respectively in EU25). Although relatively low, the unemployment rate has been slowly rising (7% in 2000 and 8.2% in 2003) and the female unemployment rate (11.3% in 2003) exceeds that of men (6.8% in 2003). As most EU countries, Malta is going through two major demographic processes: a gradual decline in the total fertility rate (1.41 in 2003 well below the replacement level and an increasing longevity in old age (aging index was 59 in 2003). The need to reduce the public deficit and the likely growing demand for social expenditure resulting from the projected ageing of the population and the rising unemployment, cannot but put conflicting pressures on the social protection system in Malta. Indeed, the current system is running a deficit of 1.2% of the GDP with projections of 3.5% for 2015 and 4.7% in 2030. Given this fact, the need for reform has been voiced in the Maltese political debate. The public pension system is organised as a classical PAYG (defined benefit) financed from social security contributions and general taxation. There are 'retirement pension' and 'two-thirds pension', which relate to earnings payable to persons who retired after January 1979, both contributory. The Maltese pension system is perceived as generous and as offering adequate protection against poverty in old age.

In 2000, the at-risk-of-poverty rate was 15%, like for the EU-25, while income was relatively evenly distributed among the population (the Gini coefficient was 30.0%). The wide-ranging social protection system absorbs 17.7% of the GDP (2002), and coupled with and active role played by NGO's and strong family and community bounds, explain this low poverty rate. Nevertheless, a worrying sign is that the ratio of total borrowings on property and consumer debts to disposable income has increased (from 3.9% in 1994 to 12.9% in 2002) indicating that Maltese people might be economically more vulnerable than in the 1990's. As for the categories that face the most difficulties, 55% of single parents are at risk of poverty, so are 50% of the unemployed (especially men), 21% of children up to 15 years old and 20% of persons aged 65 or more.

Regarding education, Maltese labour force is relatively less skilled and well-educated in comparison with European levels. Among the workforce only 69.5% completed secondary or lower education, 28.1% have a post-secondary or university diploma and 1.5% have a post-tertiary level of education. The early school-leavers rate is also extremely high in EU terms (48.2% in 2003) but it is showing a marked decreasing tendency (52.7% in 2002).

2. Strategic Approach:

The Maltese NAP reiterates that increasing the overall employment rate (with special attention for measures favouring female participation and making work pay), combating illiteracy, strengthening the welfare system and increasing affordable housing, are the main pillars of its strategic approach, which makes the plan fully consistent with the JIM. In order to address these challenges, the plan identifies twelve *key national priorities*, which are supported by relevant data, identification of target groups and – only in the case of four of them - also quantified targets. While exhaustive in the range of short and medium term

solutions to Malta immediate problems, the lack of in-depth analysis prevents the NAP from taking a more multi-dimensional approach. Access to culture, sport and leisure, legal services or the promotion of e-inclusion are not covered by the NAP.

3. Key Policy Measures:

From the strategic pillars descend five *immediate policy priorities*, further elaborated into thirteen *key priorities* addressing three of the common objectives set by the Nice European Council. These thirteen key priorities are similar but not identical to the priorities identified in the previous chapter, thereby weakening the consistency between the strategic approach and the policy measures.

A vast majority of the measures address the first Nice objective (access to employment) with particular emphasis on the gender dimension. These include not only very targeted actions but also initiatives likely to have a welcome horizontal impact like the 'Gender Equality Action Plan' or an accompanying measure encompassing all structural funds projects aimed to provide childcare services at the workplace. Regrettably, the plan reschedules the reforms of the fiscal system in order to reduce disincentives to take up work to the period 2006-10. In regards to improving access to services, accent was put on access to education mainly for illiterate people. Regarding housing and health, the new plan of the Housing Authority and the government plan, aimed to safeguard the sustainability of quality health and to promote health to lower socio-economic groups, both to be unveiled during 2005, might be the first steps towards significant changes in the Maltese social protection system. Nevertheless, on the social protection domain, the information contained in the NAP about future measures envisaged is rather slim.

Overall, the sixty measures listed in the plan will provide a good mixture of delivery mechanisms (directed to individuals, and employers, but also to the public service, through financial assistance, training courses, institutional building, personalised assistance, research studies, etc) and target all major vulnerable groups. A considerable number of measures directed to children up to 15, yet none of them new, has been listed, while measures to promote employment for disabled persons may prove insufficient in light of the ambitious target of raising their employment rate to four fifths of the national employment rate. Policy measures for 'illegal' immigrants seeking asylum in Malta may also appear insufficient, given their increasing influx in recent years.

Twenty-eight initiatives are entirely new and a large number of them have been submitted for ESF (mainstreaming and EQUAL) funding. This shows not only the evolving policy dynamics in the field of social inclusion in Malta but also the importance of the ESF contribution, in particular when it comes to actions aiming at promoting employability, access to education and reconciliation of work with family life.

Unfortunately, the NAP does not quantify adequately the financial resources that have been allocated for its implementation nor does it provide for a monitoring system such to enable the evaluation of its efficiency and effectiveness. The impact of each measure will be difficult to assess also because the target groups are only broadly defined and the coordination between the actions is not always evident. Nonetheless, changing the Department of Family and Welfare into a regulatory body should contribute to improve the overall regulation and monitoring of the welfare services, even though the resources allocated to this department may again prove insufficient.

Regarding indicators, two issues should be considered: firstly, the plan uses the Laeken indicators in the situation analysis and at times in the strategy formulation but not all indicators are presented (example: persistent risk of poverty rate); secondly, the absence of second and third level indicators prevents the analysis from being exhaustive and from revealing national specificities.

Gender Perspective: The NAP brings an important contribution to the promotion of participation in employment by women with comprehensive measures. A positive development to be noted is the legislative framework regulating the work childcare services under consultation process. Nevertheless, gender mainstreaming is missing in a number of measures related to access to services (ex: affordable housing for single female parents) and to avoid risk of exclusion.

Mobilising all actors: Also worthy of notice is the consultation process through which the plan was developed. Although it was a fundamental exercise aimed at enhancing inter-institutional cooperation, the fact that the focus groups were conducted under severe time-constraints somewhat limited the contribution of all stakeholders.

4. Challenges Ahead:

The three strategic pillars of the Maltese plan identify quite well the major challenges in tackling poverty and social inclusion in Malta. The low activity rate together with the relatively low unemployment rate poses the problem of the inactive and the need to set up a strategy to bring them back into activity. Indeed, to expand the active labour participation and increase labour market integration of the long-term unemployed, women, the 55+ year olds and other groups at high risk of poverty and social exclusion remain an immediate challenge. Regarding women, the plan sets the ambitious target of increasing female employment rate to 45% by 2010, (recently reviewed downwards and which is nevertheless still lower than the EU15 average). Sustained efforts must therefore be pursued through a wide-ranging gender mainstreaming approach.

Furthermore, expanding lifelong learning opportunities and vocational education, addressing illiteracy and all educational disadvantages, and reducing early school leaving continue to appear necessary in order to improve employability and ultimately promote the creation of more and better jobs.

Finally, demographic ageing coupled with poor economic growth, increasing unemployment (which raises the demand of social benefits), and the resulting large fiscal deficits are imposing tensions on the sustainability of the social protection system. The reform will have to focus on making work and longer working lives much more attractive. A compulsory funded element is expected to be added to the current dominant first pillar pension scheme. The difficult challenge Malta will face in the near future will therefore be to reform the welfare system in order to make it more responsive to the economic challenges and guarantee its adequacy and comprehensiveness while stimulating work culture and minimising welfare dependence.

As for governance, the plan correctly identifies the main challenges as being to stimulate a wider contribution of media in consciousness-raising on equality, to enhance the overall inter-institutional cooperation in the collection of data on service users' views and policy formulation and to foster dialogue and more involvement of the target groups.

POLAND

Situation and key Trends: Since 1998 Poland has experienced a significant drop in employment and an almost similar strong increase in number of people living in poverty. In 2003 GDP growth reached 3.8% and marked the first step out of the 2001-2002 stagnation. Though the economic growth and substantial productivity gains, these have not translated into increase in employment. The employment rate is the lowest in EU with 51.2% (M: 56.5%, F: 46%) in 2003. The rate of unemployment is the highest in the EU (19.2% in 2003; M: 18.6%, F: 20%). It is particularly high among persons with low education and youth. In 2002, 17% of the population were at risk of poverty (EU: 15%). The most significant risk factors of poverty include unemployment and low levels of education. Higher risk of poverty also persists in rural areas. There is a high correlation between risk of poverty and the large number of children in the household. The economic transformation of recent years have widened regional differences, particularly with respect to education where strong differences still persist between rural and urban areas. New legislative initiatives increase the significance of local activities in fighting poverty and exclusion.

Strategic approach: Poland adopted a National Social Inclusion Strategy [NSIS] in June 2004 based on large contributions from social partners. The document sets out objectives and quantified targets of the Polish social inclusion policy until 2010. The NAP reflects the most urgent priorities set out in the NSIS. For the 2004-2006 period, four types of priorities have been set: 1) improving educational, social and health care activities including providing for equal chances for children and young people, 2) creation of a social safety network, 3) supporting systems to activate and integrate groups threatened by exclusion or already excluded from the labour market and 4) actions aiming at reforming the institutions, developing the social services and improving co-ordination. The NAP would strongly benefit from a more operational outline on how to achieve these more strategic objectives. The NAP does not in itself, apart from NSIS, "set out targets for significantly reducing the number of people at risk of poverty and social exclusion by 2010" in line with the Barcelona declarations. Nor does it contain any analysis of the budgetary implications of the planned activities and policies, but it often refers to relevant schemes under the ESF programmes.

Key policy measures: The main tool traditionally used to fight poverty in Poland has been redistribution of income. Recently a more multidimensional approach has been adopted. A number of new acts came into force recently aiming at both activating vulnerable groups and improving the institutional effectiveness of the welfare system and labour market: the Act on the Promotion of Employment and Labour Market Institutions, the Act on Employee Pension Plans, the Act on Individual Retirement Accounts, the Act on Social Employment, the Act on Social Assistance, and the Act on Family Benefits. In May 2004, a reform containing new principles of determining means-tested benefits for social assistance and family was implemented with the aim of creating consistency and simplifying the previously complicated system of benefits. The complicated structure of competencies in the institutions responsible for the employment and social policy at the local level may cause significant problems in implementation of social inclusion programs in Poland. The NAP lacks a comprehensive approach towards the problems of people with disabilities, especially concerning their access to education.

Challenges ahead: The overall challenge ahead will be to reverse the very negative trend in employment and in the number of people living in poverty. It is crucial to stop the post - 1998 spiral of falling employment and increased poverty. In that context, it is important to define a policy framework that reflects this by establishing the necessary links between the social inclusion priorities and the necessary measures to create employment. Another main issue is the administrative capacity of policy implementation, which may become a major obstacle to using fully the opportunities provided by new legislation. Strengthening of the social policy institutions and improved general coordination of inclusion policies at the local level will have to be addressed. Some progress in this area may be expected after implementation of the new legislative acts. More support should be provided to large families, as well as families with children with disabilities. There is also crucial need of affordable housing for low and moderate income households.

1. Situation and Key Trends:

Since 1998, Poland has gone through a very difficult economic period with falling employment and strongly rising poverty. During this period employment went down from 15.3 million to 13.7 million. Between 1996 and 2003 the absolute poverty rate grew from 4.3% to 11.7%. In 2002, 17% of population was at risk of poverty, compared to 15% in the EU. In 1997 GDP growth reached 6.8% but had fallen to only 1% in 2001 and 1.4% in 2002. This period was particularly characterized by strong restructuring, due to the loss of trading markets in the former USSR and the generally tightening monetary policy. In 2003 the GDP growth reached 3.8% and figures for the beginning of 2004 indicate that Poland might be out of the worst recession. It has been characteristic, however, that the economic growth so far has been relatively jobless. National estimates suggest that GDP growth should exceed 5% before creating employment. In 2003 Poland registered the lowest employment rate among all EU Member States at 51.2% (M: 56.5%, F: 46%). In the same year, the unemployment rate reached 19.2% (M: 18.6%, F: 20%). However the most serious problem seems to be the long-term unemployment which has increased from 6% to 11% over a four year period. (F: 11.5%, M: 10.1%). Young people have experienced particular difficulties in finding a job and the unemployment ratio among this group nearly reached 15%. The highest unemployment rates are observed in the group of people with primary education and basic vocational training. Elderly workers and people with low qualifications have the highest risk of long-term unemployment. The unemployment rate of people with disabilities is slightly more favourable than among the rest of population, first of all due to unsatisfactorily low economic activity rates. Among ethnic minorities, mainly the Roma (about 0.05% of population) are affected by social problems. Unemployment is the predominant factor determining poverty. The risk of poverty has proved to be directly correlated with the size of the family. Children and young people represent the groups which are most affected by poverty. In 2002, about 23% of children and 21% of the youth lived in poverty. Farmers with small scale farms and unskilled workers are other groups strongly affected by poverty. Generally, children from rural areas are poorer than children from towns. However, regional surveys also points to the problems of “poverty enclaves” for children living in urban areas. The transformation processes have widened the regional differences which are reflected in diversified access to important areas as education, health care, transport, social services, culture and internet. The education level of Polish population has been improving since the transition period. Nowadays, there are high enrolment rates in secondary and tertiary education. In 2003, the early school leavers constituted 6.3%. Despite these positive indicators, the Polish education system contains many inequalities, especially between rural and urban areas. The lack affordable housing in urban centres for low income families and the lack of basic sanitary and poor infrastructure in rural areas (one in ten dwellings) constitutes still a major problem. On the basis of the NC 2002 data, it is estimated that the number of households exceeded the number of housing units by 1.5 million. So problems of flat-sharing, overcrowding, and lack of possibilities for purchasing own dwellings affect not only the poorest people but also people with moderate incomes. According to estimates, there are also 30-80 thousand homeless people.

2. Strategic approach:

The objectives of the social inclusion policy stem mainly from the priorities defined in the National Social Inclusion Strategy [NSIS] adopted in June 2004 and covering the period until 2010. This document was drafted by a Task Force consisting of representatives of social partners, non-governmental organisations, central and local governments, and

international organisations. The NAP focuses on particularly urgent issues. In 2004-2006 the social inclusion policy will be based on four types of priorities: 1) improving educational, social and health care activities including providing for equal chances for children and young people, 2) creation of a social safety network, 3) supporting systems to activate and integrate groups threatened by exclusion or already excluded from the labour market, 4) actions aiming at reforming the institutions, developing the social services and improving co-ordination between them. The NAP outline is clear and its priorities seem to cover most of the vulnerable groups. The NAP would strongly benefit from a more detailed operational outline on how to achieve these more strategic objectives. The NAP, apart from NSIS, does not in itself "set out targets for significantly reducing the number of people at risk of poverty and social exclusion by 2010" in line with the Barcelona declarations. Nor does it contain any analysis of the budgetary implications of the planned activities and policies but it often refers to relevant schemes under the ESF programmes. The interesting statistical annex provides data combining indicators on living conditions and at-risk-of-poverty rates. The system of monitoring has not been developed yet. The NAP presents plans for establishing the regulations for creating, implementation and assessment of action in the field of social inclusion starting from 2005 together with the aim to establish the National Observatory of Poverty and Social Exclusion.

3. Key policy Measures:

In 2003, a new Act on Social Employment was introduced aiming at integrating socially and vocationally people affected by social exclusion. It provides the legal framework to establish Social Integration Centres, by the local administration and NGO's, which are to carry out tailor-made assistance programmes such as vocational education and labour. In 2004, the Act on Employment Promotion and Labour Market Institutions was adopted putting more emphasis on the vulnerable groups on the labour market. It is expected that the activation instruments applied to people in the most vulnerable groups will be diversified and adapted to the specific needs of each group. In May 2004, a reform containing new principles of determining means-tested for social assistance and family benefits was aimed at avoiding the unjustified accumulation of benefits covering similar functions and allowing for the monitoring of the revenue-dependent benefits system as a whole. The reform has created consistency and it has simplified the previously complicated system of benefits. The Act on Social Assistance plans to increase the minimum guaranteed quota from 2004 to 2008. The Act on Family Benefits introduces new principles for the family policy aimed at improving the efficiency of the benefit support and addresses concrete family needs. The complicated structure of competencies in the institutions responsible for the social policy at the local level may cause significant problems in the implementation of social inclusion programs in Poland. The Act on Social Assistance is aimed at counteracting institutional shortcomings of the implementation of social inclusions programs in Poland, by forcing the authorities at different levels of the local administration, to develop and implement strategies to solve social problems of families and individuals from vulnerable groups. The implementation of those provisions will depend, however, on local circumstances: the organisational strength of the social assistance institutions and ability to mobilize partners and establish cooperation also with local authorities. On the pension area, the Parliament adopted in 2004 the Act on Employee Pension Plans and the Act on Individual retirement accounts, aimed at promoting voluntary pension saving and prolonging working lives. Furthermore, there are plans to grant in 2004 an old-age pension to people who had not managed to accumulate the required insurance record. A new system of bridging pensions for people unable to work (for health reasons) until retirement age will be prepared. The NAP does lack, however, a

comprehensive approach towards the problems of disabled people. Low qualifications are often one of the primary factors in the exclusion of this group. Despite of this the document does not contain measures to improve the access of people with disabilities to primary and secondary education.

Gender perspective: During the whole transition period women have been facing more difficulties on the labour market than men. The more difficult situation for women is mainly the result of increased competition on the labour market combined with insufficient access to affordable childcare facilities. At the same time, however, economically active women are better educated than men. Thanks to the activity of the Governmental Plenipotentiary for Equal Status of Men and Women and activity of some non-governmental organisations, the issue of gender equality of rights is more visible in Poland. The reform of the state pension system in 1999 has increased the differences in acquired pension allowances between men and women. The Government's efforts to equalise the retirement age of men and women have so far not been received favourably by the public. Nevertheless, policies should develop in the direction of equalising the retirement age of men and women.

Mobilising All Actors: In May 2004, a conference launched the NAP process and at the same time consultations with social partners started. The representatives of the local governments, social partners and non-governmental organisations took part in the conference. In order to disseminate information and raise public awareness as to the document the media were also invited. In June 2004, the Ministry of Social Policy announced a competition for „Example of Good Practice”. In 2003, the Act on public benefit and volunteer work was adopted, providing - for the first time - a comprehensive legislative regulation of the collaboration between state administration and NGOs. It defines the terms and rights of the voluntary workers and regulates the rules of taxation and financing of NGO activities. The new act may play a positive role in planning and implementing local activities for social inclusion. The introduction and definition of the voluntary work status may improve the performance of local projects supporting vocational activation of people excluded from the labour market. In order to foster the role of social service providers, the possibility for individual to transfer 1% of for public benefit organisations was introduced. A taxpayer may deduct up to 1% of the income tax due and donate this amount to a public benefit organisation to his/her choice. The very recent implementation of the act does not yet allow for assessment of its impact.

4. Challenges ahead:

The overall challenge ahead will be to reverse the very negative trend in employment and in the number of people living in poverty. It is crucial to stop the spiral of falling employment and increased poverty which has been seen since 1998. In that context it is important to set out a policy framework which would favour job creation and contain social exclusion. Such policy framework should focus on improving labour market flexibility and reducing tax-wedge. Succeeding in this will determine the success of any social inclusion policy in Poland in the years to come. Furthermore, as the unemployment rate is expected to start decreasing only in 2005, a slowdown in the pace of restructuring in agriculture deserves some consideration as a way to protect a large number of unemployed from poverty, until non-agriculture jobs are created. The social inclusion policy in Poland should thus focus on bringing down unemployment, reducing poverty - particularly in families with many children and families with disabled children - and on improving education. Apart from establishing the necessary framework for creation of employment, it requires that actions are taken in all aspects of social policy and social services. It is necessary to initiate more

activities to improve the possibilities of special groups to find a job. The biggest challenge on the labour market is to improve the access to the labour market of people with low qualifications, elderly and people with disabilities. Poland has yet to mainstream problems of persons with disabilities into all social policies. Key steps to encourage employment of older workers have already been taken. Despite this success, Poland continues to face serious problems in this area. In order to finance the large volume of disability and early retirement pensioners Poland should continue with a combination of large contribution rates and moderate benefits for all currently retired. After the early retirement routes have been closed or significantly restricted (i.e. disability) a major challenge in relation to pensions will be to establish the ALMPs that can deal with the reinsertion skill needs of the growing reservoir of unemployed older workers and to solve the remaining problems in the implementation of the pension reform. The social welfare for marginalized groups has not been sufficient and it has focused on passive participation of beneficiaries, instead of supporting their social and vocational skills in order to improve employability. It is necessary to level out the quality of the education system at different stages and to provide for the necessary financial means, particularly for students from the poorest families. Implementation of the efficient accreditation system for educational and training institutions is a very important aspect. An important factor supporting education of disabled children and young people is the provision of affordable transport and care while conveying to schools or school-educational and revalidating-educational centres. It is also important to adjust lifelong learning to the needs of the disabled in terms of programmes, methodology, and communication. There is a crucial need to develop the social housing and economic infrastructure, which would offer affordable housing for low-income groups. Assuring at least a temporary apartment is an essential element in preventing people from falling into a chain of problems, eventually leading to social exclusion. For health care, a future challenge will be to support the access to specialised health care facilities for the poorest and for people in rural areas through, inter alia, rationalization of the network of health care facilities as well as by shortening the waiting lists. This requires a health-care reform which should favour the interests of patients. The existing regional disparities have to be tackled. They cover a large number of areas like social protection, transportation, access to education, health care and child care and culture. At the operational level it is important that the Polish policy of social inclusion is implemented in close cooperation with a wide range of social partners, notably trade unions and employers' organisations, non-governmental organisations, social service providers, local governments, and charity organisations of churches and religious groups. The participation of these groups can be seen as crucial for the success of this policy.

SLOVAK REPUBLIC

Situation and Key Trends: GDP growth remained high in 2003 and reached 4.2% (4.4% in 2002). The overall employment rate (57.7%) is still under the EU 25 average (62.9%). The female rate is at 51.4%. The employment rate of older workers (24.6%) is also far from the Lisbon 2010 goal, with extremely low employment rate of older female workers (11.2%). The unemployment rate declined in 2003 to 17.1%, but long-term unemployment (11%) and unemployment of young people under the age of 25 (32.9%) remain very high. At-risk-of-poverty rate 21% is the highest in the EU 25 with unfavourable dispersion around the risk-of-poverty - 13% of the population have income lower than 40% of the national at-risk-of-poverty threshold. Social protection expenditure is on a declining trend and stood at 19.1% in 2001, below the EU 15 and EU 25 average (27.5% and 27%, respectively).

Strategic Approach: The outline of the NAP and the selected objectives are strongly related to the national employment strategy built on the idea that employment is the most effective way to fight poverty and that welfare dependency should be very strongly discouraged. Major stress is put on strengthening the role of the individual in order to increase his/her motivation to (re)enter the labour market. Accordingly, the main tool in the combat against poverty and social exclusion is considered increasing employability. In this respect, in order to enhance the lifelong learning participation of people aged from 25 to 64, a comprehensive LLL strategy was prepared and will be implemented. Decentralisation of the provision of public social services should also be completed in order to bring them closer to people. Different actions are prepared, which are to improve the situation of the Roma minority.

Key policy measures: The measures described in the NAP address individual issues within the social inclusion process: ALMP measures are defined well, and are supported by amended labour law/new labour legislation; the education aspect is taken on board though different initiatives aimed at groups at risk of social exclusion. A new legislation in the field of social assistance and social benefits is presented. It brought a new structure of the social assistance benefits with a motivation aspect for people in material need to take up work; new measures were introduced to support families with children. The pension reform took place and, as from 2005, the 2nd pillar of the pension system will be introduced. Different programmes for the Roma minority are being implemented; however, a comprehensive approach to this minority should be further enhanced (with the support from the Structural Funds). Monitoring and evaluation arrangements of the NAP should be ensured, more targets and objectives quantified.

Challenges ahead: Beside the four key challenges defined in the NAP (to increase employment levels and employability of vulnerable groups; to decrease the risk of poverty of families with dependent children; to overcome educational disadvantage; to promote integration of the Roma communities), it will be necessary: to closely monitor impacts of the recent reforms of the social protection system; to establish a permanent co-operation network in order to enhance the involvement of the social partners, the poor and excluded themselves; to tackle the housing shortage and to combat homelessness, to fight regional disparities in employment; to respect the gender mainstreaming principle when formulating strategies; and to increase public awareness in relation to the Roma minority.

1. Situation and Key Trends:

In 2003 GDP growth kept its high level from the previous years and reached 4.2% (4.4% in 2002). The overall employment rate reached 57.7%, with 63.3% for men and 52.2% for women (in 2002 - total: 56.8%; men: 62.4%; women: 51.4%). The employment rate of older workers increased by 1.8 percentage points compared with 2002 (from 22.8% to 24.6%). However, the employment rate of older female workers remain very low (11.2%) and the total employment rate for older workers is still far from the Lisbon 2010 goal of 50%.

The unemployment rate – according to the LFS - declined in 2003 to 17.1%. However, it seems to be rising again according to most recent data (LFS QI and QII). The latest LFS QII data (18.5%) are in marked contradiction with the data on registered unemployment recorded by the labour offices (13.71%) with the difference representing 97,000 unemployed persons. Long-term unemployment (11%) and unemployment of young people under the age of 25 (32.9%) remain very high.

The NAP shows an at-risk-of-poverty rate of 21% (the highest in the EU 25). Dispersion around the risk-of-poverty rate is also worrying, as 13% of the population have an income lower than 40% of the national at-risk-of-poverty threshold. All the Laeken indicators used (10 out of 18) were calculated on the basis of the Microcensus which the Slovak authorities do not consider entirely reliable, deeming instead that the real at-risk-of-poverty rate should be lower. The vulnerable groups were identified well: long-term unemployed, single parent families, low-skilled, disabled, older workers, inhabitants of areas with high unemployment rate and Roma minority. However, the fact that children, and especially children from large-size families, do not figure in the list maybe a consequence of the ceiling for the maximum amount of social assistance benefits having been set up at four children. For several target groups, only statistical data were provided in the plan without an exhaustive analysis of their situation as regards social exclusion.

Income distribution inequality is higher than in the EU 15 or EU 25 with a Gini coefficient of 31 (28 for both EU 15 and EU 25). Social protection expenditure reached 19.1% of GDP in 2001, below the EU 15 and EU 25 average (27.5% and 27%, respectively).

2. Strategic Approach

In 2004 several significant reforms took place in Slovakia: introduction of the flat-rate income tax and unified VAT rate (both 19%), a reform of the labour market policy - both aimed at the creation of a favourable economic environment for job creation, and at increasing motivation and self-responsibility of individuals. The Structure of the assistance in material need has been changed since 1 January 2004. It now consists of a basic benefit which should ensure basic living conditions (defined as one hot meal per day, essential clothing and shelter), and several additional benefits such as housing and health care benefit. In addition to these benefits, people in material need may receive activation benefits if they participate in the activation programmes or training or a protection benefit in case they are not able to solve their unfavourable social situation on the labour market.

The Objectives defined in the NAP are strongly related to the national employment strategy (2003) based on the idea that "any meaningful legal work is better than idleness, and that employment is the most effective way to fight poverty". Its long-term aim is to achieve a decrease of poverty through employment growth, and the related possibility to find employment for all individuals whose real intention is to get employed. Major stress is put

on strengthening the role of the individual in order to increase his/her motivation to (re)enter the labour market.

The main tool in the combat against poverty and social exclusion is seen in increasing employability of the groups with higher risk of social exclusion by means of: more effective employment intermediation and advisory services and through the supported creation of jobs for disadvantaged groups (with high emphasis on promoting self-employment). Unfortunately, a proper analysis of the labour market supporting this approach is lacking to a degree, especially when it comes to the analysis of the demand side (including the sustainability of the supported jobs in question). Given the high costs for transportation and housing, the measures foreseen to promote mobility seem not sufficient for tackling the large regional disparities in employment. Taking into consideration the low lifelong learning participation of people aged 25-64 in 2003 (SK: 4.8%; EU 15: 9.7%, EU 10: 5.6%), a consistent LLL strategy should be implemented. More attention should be paid to the revision of curricula of general and vocational secondary schools (NAP speaks only about the university specialisations) in order to ensure efficient matching of the provided education and training with the labour market needs.

Concerning the provision of public social services, the state of play of the ongoing decentralisation of the provision of these services is rather neglected in the NAP.

An innovative approach can instead be seen in the preparation of the “concept” of long-term social care approved by the Government in 2004 and designed to solve the issue of overlapping, while favouring interlinking and coordination of social and healthcare services (and of their respective financing resources).

The Situation of the Roma minority is described in brief; according to estimates, there are 350,000 Roma living in Slovakia, and 28% of this group live in enclosed settlements. People living in the settlements are facing extreme poverty with only very limited chances to improve their situation. A large part of this population is formed by dependent children often at the margins of the education process. However, the strategy outlined in the NAP is limited to a reference to the governmental Roma strategies. Targets and indicators, covering a wide range of areas, including employment, housing, education and healthcare, are set up but not quantified.

If the input indicators are provided, but not always quantified, output indicators are absent, which could prevent an efficient monitoring and evaluation of the plan

3. Key policy measures

Overall, The NAP follows the measures proposed already in the JIM. ALMP measures are defined well, and most of them were devised in the ESF programming documents. These measures are supported by already adopted or planned changes to the labour law. The Education aspect is addressed through establishing work practices for graduates, provision of training and retraining for the unemployed, scholarships and other supporting activities – For these measures to fully succeed, a stronger involvement of the Social Partners should be pursued.

In January 2004, a new legislation was introduced in the field of employment services, social assistance and social services. The Law on Assistance in Material Need reduced the social assistance benefit, introduced its new structure and when calculating the entitlement

to the benefit, only a maximum of 4 children is taken into account - what has a strong effect on the large-sized families with unemployed parents (majority of them Roma).

A new legal framework for social services has been adopted to support families with children, including subsidies in catering and school expenses, a flat-rate child benefit for each dependent child; a monthly tax-bonus per each dependent child provided for one of the parents provided he/she works; reduction of compulsory contributions on pensions insurance, etc. Insufficient space is devoted to the childcare services; it is mentioned only as an accompanying measure to the activation and training measures, while general support for child care facilities as well as their accessibility for all remains insufficient.

During 2003-04, the pension reform took place and, as from the year 2005, the 2nd pillar of the pension system will be introduced (personal pension accounts managed by private funds).

With the shortage of approx. 250,000 apartments, the state housing policy forecasts construction of 20 thousand apartments yearly, a quarter of which should belong to the public rental sector. This seems to be insufficient. Moreover, the financial coverage of this target is not known – in contradiction, resources of the State Housing Development Fund were cut by half in 2003.

The NAP presents several programmes for the Roma minority that have already been implemented or are planned to be implemented in the near future, which are in general aimed at improving the living conditions of this group and at giving these people a better chance of participation in the social, economic and political life. It refers to the *Government Conceptual Policy in the Integration of Roma Communities*, outlining measures which are to support the inclusion of the Roma. Although the plan does not mention results of the evaluation of implemented measures (approved by the Government in April 2004), it states that the implementation of previous policies and programmes for solving the problems of the Roma minority is still insufficient. A number of objectives are defined (but rarely quantified). In the framework of the OP Human Resources, the Social Development Fund was established (also at regional level) to improve the social situation of marginalised groups through establishing local social inclusion partnerships and developing micro-projects in some communities. Here too in order to achieve the maximum effects the comprehensive approach is needed with a good coordination of the actions of different actors.

Information on Monitoring and evaluation arrangements is not included in the document, and no information is provided on the administrative capacity of the responsible implementing authorities.

The NAP provides only information on the financial allocation for the national projects (many of which financed by the ESF) and already approved specific programmes. State budget allocations for different measures are disclosed only partially. ESF resources are used at the maximum level with an exceptional ESF funding rate (80%) in the measures assisting the Roma minority.

Mobilising all actors: In the process of the preparation of the NAP a working group was established with representatives of the central state administration bodies, regional authorities and NGOs. The social partners – although having been invited – did not join the preparations of the NAP. And in general, it seems that the NAP was not discussed with the

wider public. The adoption of the plan was not publicly announced. To ensure a deeper involvement of the wider public in the social inclusion process, public awareness activities should then be enhanced.

Gender perspective: Gender mainstreaming did not play an important role in the NAP. In spite of the significant gender pay gap, no reference is made to gender as a poverty risk factor. Policy measures take the GM perspective on board very marginally - in the measures focused on reconciliation of family and working life. GM is also missing among the challenges ahead and no reference is made on mobilising gender equality bodies in the process of the NAP implementation.

4. Challenges ahead

Beside the four key challenges defined already in JIM and recognised also in the NAP (to increase employment levels and employability of vulnerable groups; to decrease the risk of poverty of families with dependent children; to overcome educational disadvantage; to promote integration of the Roma communities), it would appear necessary to build a comprehensive approach to social exclusion implemented in close cooperation of all relevant actors in society; as well as to enhance involvement of the social partners (in particular in the area of promoting employment for vulnerable groups, education, SDF actions) and ensure an active involvement of the poor and excluded themselves (by promoting participatory approach in preparing programs). It will also be necessary to closely monitor and analyse the potential negative impact of changes in the social protection system particularly on the most vulnerable groups, and a comprehensive strategy for prevention and combating homelessness should be set up. More attention should be paid to vulnerable groups such as children and migrants while public awareness should be increased in order to make the wide public understand and accept affirmative actions focused on the multiplied disadvantages faced by the Roma minority.

SLOVENIA

Situation and key trends: In 2003, economic growth decelerated to 2.3%, while the employment rate fell to 62.6% from 63.4% in 2002 and the unemployment rate increased from 6.1% to 6.5%. A gender gap of 9.8 percentage points persists in favour of male employment rate. In 2002, Slovenia's per capita income at purchasing power parity stood at 77% of the EU 25. Since 1997, the average at-risk-of-poverty rate is in decline, being at 10% in 2002. However, regional disparities are considerable, with Eastern Slovenia significantly lagging behind in development.

Strategic approach: With the adoption of the Programme to Combat Poverty and Social Exclusion in 2000, social inclusion was defined and recognised as a government all-inclusive policy priority. This is well reflected in the NAP whose comprehensive strategy focuses on the four EU common objectives in the fight against poverty and social exclusion. Although the key problems are well identified in the NAP, the envisaged measures do not always respond to the challenges and do not cover the broad range of priorities listed in the strategy. A number of objectives are not sufficiently translated into operational measures and quantified targets. In such cases there is a risk of difficulties in implementation, monitoring and evaluation. The NAP rightly refers to the use of Structural funds within the framework of the Single Programming Document and EQUAL Community Initiative Programme. However, the link between the NAP and the ESF could be more precise and clearer.

Key policy measures: Some progress has been made since the signature of the JIM. Considerable changes made or planned with regard to access to health care, education and culture constitute a strong point of the NAP. Promoting e-inclusion is well developed. The NAP is also far-reaching in the area of education especially for the Roma population, where it makes a reference to the new Strategy for education of Roma. In the area of social protection, no major changes in legislation are planned for the future, but a close monitoring of the implementation of previous legislation is foreseen. The NAP has innovative objectives in the area of culture. It is very explicit in the domain of access to leisure activities, but less precise in terms of concrete measures or targets, especially when tackling regional disparities and the prevention of discrimination and other risks of exclusion.

Challenges ahead: Whereas considerable efforts have been made to identify the priorities of the strategy, there is a scope for clearer articulation between the strategy and the operational measures proposed. More concrete responses would be expected to tackle the issue of regional disparities, poverty and exclusion of older people, access to housing, integration of disabled to the labour market, integration of ethnic minorities and people without residence permit (immigrants, the "erased persons") in the society and fighting discrimination.

1. Situation and key trends:

In 2003, economic growth slowed down to 2.3% and it is projected to accelerate to 3.2% in 2004 and 3.6% in 2005. In 2002, Slovenia's per capita income at purchasing power parity stood at 77% of the EU 25 average. The employment rate fell to 62.6% in 2003 from 63.4% in 2002, while the unemployment rate increased to 6.5% from 6.1%. A gender gap of 9.8 percentage points persists in favour of male employment rate. At the same time, the unemployment rate is higher for women (7.1% compared to 6.1% for men). The rate of long-term unemployment is still relatively high (3.4%) and very long term unemployment remains at 2.5%. High unemployment among young people (15.9%), low employment rate of older persons (23.5%), low education level of the unemployed and high share of people with disabilities among them (9.2% of registered unemployed in December 2003) are the major structural problems on the labour market. As a result of their low level of qualifications and because of prejudice of employers, the Roma represent one of the most disadvantaged groups on the labour market.

Since 1997, the level of poverty risk (taking into account income in cash) is in decline and was at 10% in 2002. Without social transfers (pensions included) this level increases to 16%. Around 4.5% of the population is eligible for social assistance, 85% of which are unemployed. The social protection expenditure in percentage of GDP stood at 25.6% in 2001. The Gini coefficient of income inequality is 22 (2002). The most vulnerable groups of the society are the disabled (those who are unemployed, without status, without proper housing etc), the unemployed (especially first job seekers), children, adolescents with developmental difficulties, homeless people, Roma, people with low income, victims of abuse, addicts, persons with mental health problems etc. In these groups women are usually in a worse position than men.

Regional disparities are considerable. Especially Eastern Slovenia is significantly lagging behind in terms of economic development, employment, health and mortality rate.

2. Strategic approach:

The National Programme to Combat Poverty and Social Exclusion already in 2000 developed a comprehensive strategy to fight poverty and social exclusion and paved the way for a successful preparation of the JIM. Several ministries were involved and representatives of the NGO centre, social partners and local authorities joined them in preparation of the JIM in 2003. Due to this extensive consultation process, social inclusion has become an overall national policy. This is now reflected in the NAP, which was prepared taking into consideration even more governmental and civil society aspects than the JIM. The key challenges identified in the NAP are the same as those identified in the JIM: further developing an inclusive labour market and promoting employment as a right and possibility for all; ensuring appropriate education; ensuring suitable living conditions for all; reducing regional differences; improving the provision of services; and ensuring income and means for a decent standard of living. The national strategy focuses on the four EU common objectives in the fight against poverty and social exclusion. Although the key problems are well identified in the NAP, the envisaged measures do not always respond to the challenges and do not cover the comprehensive catalogue of priorities listed in the strategy. A number of objectives of the strategy do not seem to be sufficiently translated into operational measures and quantified targets. Missing elements of the NAP such as timetable, targets, identification of responsibilities and details on financial resources, could especially in such

cases result in difficulties in implementation, monitoring and evaluation. The NAP rightly refers to using Structural funds in the framework of the Single Programming Document and EQUAL Community Initiative Programme, although the link between the NAP and the ESF could be clearer.

3. Key policy measures:

Well defined measures with regard to access to health care, education and culture constitute a strong point of the NAP. Better access to health care for all citizens is planned to be ensured by the reform of the health insurance system and the shortening of long waiting lists. However, a significant number of persons (non citizens) will stay without any health insurance even after the reform. Promoting e-inclusion is well developed. The NAP is also far-reaching in the area of education especially in education of the Roma population, where a reference is made to the Strategy for education of Roma adopted in June 2004. The NAP is innovative in the field of culture and sets among its priority objectives for 2004-2006 to ensure the conditions for special treatment of the cultural rights of ethnic minorities, children and disabled persons as challenged groups, and promoting the development of minority cultures. It is very specific with concrete financial means and targets in access to leisure activities.

Active employment policy is the main instrument for social inclusion related to employment. Target groups and indicators are not specified in detail; however they refer to the NAP Employment where they should be further elaborated. The social protection policies focus on relieving the tax burden for low income persons, reducing the dependence on social transfers, and improving the information systems of the various benefits in order to increase the transparency and prevent abuses. Although the pension system is currently undergoing a gradual reform the NAP does not provide an assessment of its potential impact in terms of social inclusion.

Regional differences are several times referred to as a priority objective but the NAP is not explicit in terms of concrete measures or targets. The NAP points out the severe problem of the lack of housing that especially affects vulnerable groups. Although a number of measures are envisaged, their implementation will depend on actual budget, simplification of procedures and elimination of administrative obstacles. The new Employment Rehabilitation and Employment of Disabled Persons Act aims at equalizing opportunities and facilitating the integration of disabled persons on the labour market. However, some features of the Slovenian regulations for the disabled people seem to create a "disability trap", which needs to be addressed to ensure that all the people with disabilities who feel capable and willing to work have access to the labour market. Measures concerning anti discrimination may not be sufficient to prevent the risk of exclusion.

According to the existing indicators some other groups could be included in the list of the most vulnerable; such as single parent families, older single persons and single households with low or without income. The NAP for example does not specifically take into consideration older women that are at the highest risk of poverty and social exclusion. Immigrants and other persons without residence permit are another group that is most probably facing high risk of poverty and exclusion, but the NAP does not provide information about them. Persons who were erased in 1992 from the register of inhabitants ("the erased") are mentioned only in relation to their access to health insurance. It is unclear whether any other measures of social inclusion are planned for this vulnerable group.

The NAP provides little information on implementation. There is a plan to create a special working group consisting of government, local communities, NGOs and social partners' representatives, which is to monitor the implementation and report to the Government on a yearly basis. However, the methodology for monitoring and evaluation is unclear from the NAP.

Gender perspective: Gender mainstreaming and gender issues are given relatively small weight in the NAP. There are no data on vulnerable groups (people with disabilities, Roma) broken-down by gender. While the NAP recognises the need for reducing both gender pay differentials and gender occupational segregation that influence pay differentials, there is a lack of specific (quantitative) targets or specific policies and measures regarding both areas.

Mobilising all actors: Further progress was made since the JIM, especially in the activation of the state administration to participate in the process of preparing the NAP. Almost all ministries contributed and as a consequence a big step forward regarding health care, education and culture was made. Several NGOs and social partners were involved in the consultation process. . It would be important to ensure public visibility of the NAP and keep the civil society involved in the public debate.

4. Challenges ahead:

Whereas considerable efforts have been made to identify the priorities of the strategy, in many cases a better link is needed between the strategy on one hand and the operational measures on the other. This is particularly valid for the areas where the policy needs to be further developed to achieve the objectives of an overall social inclusion strategy. The planned reform of the regional policy should *tackle the existing regional disparities*. The *housing policy* faces many challenges especially *increasing the provision of social and non-profit accommodation, implementing a new system of subsidising rents for low income tenants, providing adequate housing for the most vulnerable groups and also tackling the problem of Roma settlements*. Access to the labour market is one of the most important elements for social inclusion of *persons with disabilities*. *Promoting their integration in the mainstream labour market* and avoiding a "disability trap" should be pursued. Universal accessibility to health care can be only achieved through *widening the coverage of health insurance* also to people without citizenship without residence permit and homeless. *Tackling poverty and social exclusion of older people, especially women* is an important challenge of the Slovenian ageing society. A concrete strategy is needed to *facilitate integration of ethnic minorities and people without residence permit* (immigrants, the "erased persons") in the society. Last but not least, more should be done to effectively *fight discrimination* as one of the major obstacles to social inclusion.

ANNEXES

ANNEX 1. COMMON OBJECTIVES IN THE IN THE FIGHT AGAINST POVERTY AND SOCIAL EXCLUSION

1. To facilitate participation in employment and access by all to resources, rights, goods and services

1.1. Facilitating participation in employment

In the context of the European employment strategy, and the implementation of the guidelines in particular:

- a) To promote access to stable and quality employment for all women and men who are capable of working, in particular:
 - by putting in place, for those in the most vulnerable groups in society, pathways towards employment and by mobilising training policies to that end;
 - by developing policies to promote the reconciliation of work and family life, including the issue of child- and dependent care;
 - by using the opportunities for integration and employment provided by the social economy.
- b) To prevent the exclusion of people from the world of work by improving employability, through human resource management, organisation of work and life-long learning.

1.2. Facilitating access to resources, rights, goods and services for all

- a) To organise social protection systems in such a way that they help, in particular, to:
 - guarantee that everyone has the resources necessary to live in accordance with human dignity;
 - overcome obstacles to employment by ensuring that the take-up of employment results in increased income and by promoting employability.
- b) To implement policies which aim to provide access for all to decent and sanitary housing, as well as the basic services necessary to live normally having regard to local circumstances (electricity, water, heating etc.).
- c) To put in place policies which aim to provide access for all to healthcare appropriate to their situation, including situations of dependency.
- d) To develop, for the benefit of people at risk of exclusion, services and accompanying measures which will allow them effective access to education, justice and other public and private services, such as culture, sport and leisure.

2. To prevent the risks of exclusion

- a) To exploit fully the potential of the knowledge-based society and of new information and communication technologies and ensure that no-one is excluded, taking particular account of the needs of people with disabilities.

- b) To put in place policies which seek to prevent life crises which can lead to situations of social exclusion, such as indebtedness, exclusion from school and becoming homeless.
- c) To implement action to preserve family solidarity in all its forms.

3. To help the most vulnerable

- a) To promote the social integration of women and men at risk of facing persistent poverty, for example because they have a disability or belong to a group experiencing particular integration problems such as those affecting immigrants.
- b) To move towards the elimination of social exclusion among children and give them every opportunity for social integration.
- c) To develop comprehensive actions in favour of areas marked by exclusion.

These objectives may be pursued by incorporating them in all the other objectives and/or through specific policies or actions.

4. To mobilise all relevant bodies

- a) To promote, according to national practice, the participation and self-expression of people suffering exclusion, in particular in regard to their situation and the policies and measures affecting them.
- b) To mainstream the fight against exclusion into overall policy, in particular:
 - by mobilising the public authorities at national, regional and local level, according to their respective areas of competence;
 - by developing appropriate coordination procedures and structures;
 - by adapting administrative and social services to the needs of people suffering exclusion and ensuring that front-line staff are sensitive to these needs.
- c) To promote dialogue and partnership between all relevant bodies, public and private, for example:
 - by involving the social partners, NGOs and social service providers, according to their respective areas of competence, in the fight against the various forms of exclusion;
 - by encouraging the social responsibility and active engagement of all citizens in the fight against social exclusion;
 - by fostering the social responsibility of business.

ANNEX 2: LAEKEN INDICATORS

Background

In December 2001, the Laeken European Council endorsed a first set of 18 indicators of social exclusion and poverty, organised in a two-level structure of primary indicators – consisting of 10 leading indicators covering the broad fields that have been considered the most important elements in leading to social exclusion – and 8 secondary indicators – intended to support the leading indicators and describe other dimensions of the problem.

After the Laeken European Council, the Indicators Sub-Group has continued working with a view to refining and consolidating the original list of indicators. It highlighted the need to give children a special focus and, to this purpose, to have a standard breakdown by age of all the Laeken indicators, whenever relevant and meaningful (and conditional upon statistical reliability); it redefined the indicator of population living in jobless households and added a new indicator of in-work poverty. The revised list of commonly agreed indicators as approved by the Social Protection Committee in July 2003, together with their definition, is included in the table below. Those indicators that have been re-defined can be identified thanks to the * sign that has been added in the first column. Similarly, new indicators can be identified thanks to the mention "new".

Breakdowns of the commonly agreed indicators by age, gender and other relevant characteristics

As far as possible, *children* and the *elderly population* must be given a special focus within indicators of social exclusion and poverty. In particular, it is recognised that it is especially important not to base the examination of child poverty and social exclusion on one single at-risk-of-poverty indicator. It is therefore recommended to apply a standard breakdown by broad age groups to all the Laeken indicators, wherever relevant and meaningful. In deciding the degree of disaggregation by age, considerations of statistical robustness must also be taken into account.

Similarly, a *gender breakdown* must be applied to all the indicators, always wherever relevant and meaningful. It should be noted that, in the case of income-based indicators, the gender breakdown is based on the assumption of equal sharing of resources within households. Furthermore, in most instances a gender breakdown is only meaningful when applied to the adult population, as there cannot be any normative interpretation of gender differences in, for example, the poverty risk rate for children.

Two columns in the table below indicate when the age and gender breakdowns have been recommended for the analysis of the situation of poverty and social exclusion. Unless otherwise specified, it is recommended to apply a breakdown by broad age groups, mainly distinguishing between children, the working age population and the elderly population.

As for other relevant dimensions along which the indicators should be examined, they are specified in the definitions below. Clearly, for a good understanding of poverty and social exclusion, these dimensions need to be analysed both in terms of incidence measures – i.e., share of the population in each group who are at risk of poverty – and distribution measures – e.g., distribution of the population at risk of poverty by household type. Both types of measures are closely inter-related and, particularly the latter, require accurate information on the composition of the total population by relevant socio-economic characteristics.

Definitions: the primary indicators

NB: The detailed methodology for the calculation of the indicators is available on the Eurostat CIRCA website or from Eurostat on request.

	Indicator	Definition	Age break-down	Gender break-down	Data source
1	At-risk-of poverty rate	Share of persons with an equivalised disposable income below 60% of the national equivalised median income. Equivalised median income is defined as the household's total disposable income divided by its "equivalent size", to take account of the size and composition of the household, and is attributed to each household member.	Yes. Age groups: 0-15; 16 and over; 16-24; 25-49; 50-64; 65+.	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources

	Indicator	Definition	Age break-down	Gender break-down	Data source
1a	Poverty risk by household type	<p>Poverty risk for the total population in the following household types:</p> <p><u>Households with no dependent children:</u></p> <ul style="list-style-type: none"> - Single person, under 65 years old - Single person, 65 years and over - Single women - Single men - Two adults, at least one person 65 years and over - Two adults, both under 65 years - Other households <p><u>Households with dependent children:</u></p> <ul style="list-style-type: none"> - Single parent, 1 or more dependent children - Two adults, one dependent child - Two adults, two dependent children - Two adults, three or more dependent children - Three or more adults with dependent children <p>Dependent children are individuals aged 0 – 15 years and 16 – 24 years if inactive and living with at least one parent.</p>	Already specified in the typology of households.	Already specified in the typology of households.	ECHP/ EU SILC/ National data sources
1b new	Poverty risk by the work intensity of households	<p>Poverty risk for the total population in different work intensity categories and broad household types.</p> <p>The work intensity of the household refers to the number of months that all working age household members have been working during the income reference year as a proportion of the total number of months that could theoretically be worked within the household.</p> <p>Individuals are classified into work intensity categories that range from WI=0 (jobless household) to WI=1 (full work intensity).</p>	No	No	ECHP/ EU SILC/ National data sources

	Indicator	Definition	Age break-down	Gender break-down	Data source
1c*	Poverty risk by most frequent activity status	<p>Poverty risk for the adult population (aged 16 years and over) in the following most frequent activity status groups: employment (broken down by wage and salary employment and self-employment); unemployment; retirement; other inactivity.</p> <p>The most frequent activity status is defined as the status that individuals declare to have occupied for more than half the number of months in the calendar year.</p>	Yes	Yes	ECHP/ EU SILC/ National data sources
1d	Poverty risk by accommodation tenure status	<p>Poverty risk for the total population in the following accommodation tenure categories:</p> <ul style="list-style-type: none"> - Owner-occupied or rent free - Rented 	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
2	At-risk-of-poverty threshold (illustrative values)	<p>The value of the at-risk-of-poverty threshold (60% median national equivalised income) in PPS, Euro and national currency for two illustrative household types:</p> <ul style="list-style-type: none"> - Single person household - Household with 2 adults, two children 	No	No	ECHP/ EU SILC/ National data sources
3	Income quintile ratio (S80/S20)	<p>Ratio of total income received by the 20% of the country's population with the highest income (top quintile) to that received by the 20% of the country's population with the lowest income (lowest quintile).</p> <p>Income must be understood as equivalised disposable income.</p>	No	No	ECHP/ EU SILC/ National data sources
4	Persistent at-risk-of poverty rate	Share of persons with an equivalised disposable income below the at-risk-of-poverty threshold in the current year and in at least two of the preceding three years.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
5	Relative median poverty risk gap	Difference between the median equivalised income of persons below the at-risk-of poverty threshold and the threshold itself, expressed as a percentage of the at-risk-of poverty threshold.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
6	Regional cohesion	<p>Coefficient of variation of employment rates at NUTS (Nomenclature of Territorial Units for Statistics) level 2.</p> <p>Employment rates are calculated as the share of the population (aged 15 years or more) who are in employment (ILO definition).</p>	No	Yes	EU LFS
7	Long term unemployment rate	Total long-term unemployed population (≥ 12 months; ILO definition) as a proportion of total active population aged 15 years or more.	Yes	Yes	EU LFS

	Indicator	Definition	Age break-down	Gender break-down	Data source
8a*	Population living in jobless households: children	Proportion of children (aged 0-17 years) living in jobless households, expressed as a share of all children.	No	No	EU LFS
8b*	Population living in jobless households: prime-age adults	Proportion of all people aged 18-59 years who live in a jobless household as a proportion of all people in the same age group. Students aged 18-24 years who live in households composed solely of students are not counted in neither numerator nor denominator.	No	Yes	EU LFS
9	Early school leavers not in education or training	Share of persons aged 18 to 24 who have only lower secondary education (their highest level of education or training attained is 0, 1 or 2 according to the 1997 International Standard Classification of Education – ISCED 97) and have not received education or training in the four weeks preceding the survey.	No	Yes	EU LFS
10 New	Low reading literacy performance of pupils	Share of 15 years old pupils who are at level 1 or below of the PISA combined reading literacy score	No	Yes	PISA Survey OECD
11	Life expectancy	Number of years a person aged 0, 1 and 60 may be expected to live.	No	Yes	Eurostat demographic stat.
12	Self-defined health status by income level.	Proportion of the population aged 16 years and over in the bottom and top quintile of the equivalised income distribution who classify themselves as in a bad or very bad state of health.	Yes	Yes	ECHP/EU SILC

Definitions: the Secondary Indicators

	Indicator	Definition	Age breakdown	Gender breakdown	Data source
13	Dispersion around the at-risk-of-poverty threshold	Share of persons with an equivalised disposable income below 40%, 50% and 70% of the national equivalised median income.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
14	At-risk-of-poverty rate anchored at a moment in time	In year <i>t</i> , share of persons with an equivalised disposable income below the at-risk-of-poverty threshold in year <i>t-3</i> , uprated by inflation over the three years.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
15	At-risk-of-poverty rate before social cash transfers	Relative at-risk-of-poverty rate where equivalised income is calculated as follows: - excluding all social cash transfers - including retirement and survivors pensions and excluding all other social cash transfers. - including all social cash transfers (= indicator 1) The same at-risk-of-poverty threshold is used for the three statistics, and is set at 60% of the national median equivalised disposable income (after social cash transfers).	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
16	Gini coefficient	Summary measure of the cumulative share of equivalised income accounted for by the cumulative percentages of the number of individuals. Its value ranges from 0% (complete equality) to 100% (complete inequality).	No	No	ECHP/ EU SILC/ National data sources
17	Persistent at-risk-of-poverty rate (50% of median equivalised income)	Share of persons with an equivalised disposable income below 50% of the national median equivalised income in the current year and in at least two of the preceding three years.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources
18 new	In-work poverty risk	Individuals who are classified as employed (distinguishing between wage and salary employment and self-employment) according to the definition of most frequent activity status (indicator 1a) and who are at risk of poverty. This indicator needs to be analysed according to personal, job and household characteristics.	Yes	Yes (applying to people aged 16 years and over).	ECHP/ EU SILC/ National data sources

	Indicator	Definition	Age breakdown	Gender breakdown	Data source
19	Long-term unemployment share	Total long-term unemployed population (≥ 12 months; ILO definition) as a proportion of the total unemployed population aged 15 years and over.	Yes	Yes	EU LFS
20	Very long term unemployment rate	Total very long-term unemployed population (≥ 24 months; ILO definition) as a proportion of total active population aged 15 years and over.	Yes	Yes	EU LFS
21	Persons with low educational attainment	Share of the adult population (aged 25 years and over) whose highest level of education or training is ISCED 0, 1 or 2.	Yes. Age groups: 25-34; 35-44; 45-54; 55-64; 25-64; 65 years and over.	Yes	EU LFS

Data sources for the construction of the common indicators

In order to improve cross-country comparability of the EU commonly agreed indicators, the Laeken European Council agreed upon common definitions as well as common data sources for their calculation.

The *EU Labour Force Survey (EU LFS)* has been explicitly recognised as the data source for the construction of all the employment-related commonly agreed indicators. This survey covers all the 25 EU Member States, plus Candidate and EFTA countries. A detailed description of this survey and the definitions used is presented in the publication *Labour Force Survey – Methods and definitions, 2001* and *Labour Force Survey in central and eastern European countries – Methods and definitions, 2000*.

Income-based indicators are to be calculated on the basis of the *European Community Household Panel (ECHP)* survey³⁵ and, after 2001, its successor, the *EU-SILC (Community statistics on income and living conditions)*³⁶.

Information on the characteristics of the ECHP survey, EU-SILC and availability of data from them can be found in the explanatory notes on the Eurostat website.

The ECHP survey was only conducted amongst EU-15 member states. The EU-SILC is being introduced gradually in the Member States; full coverage of all 25 EU

³⁵ EU-15 mean computed using latest version available of the ECHP user data base: December 2003, Wave 8 (1994-2001). However, data for Denmark and Sweden come from national sources (DK: Law Model database, SE: HEK survey).

³⁶ Regulation no. 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) and associated implementing Commission Regulations.

Member States will be attained in 2006, when all the 10 new Member States will have joined the other Member States. During the transition to EU-SILC, Eurostat is coordinating data collection on the basis of national surveys. So far, three rounds of data collection have been co-ordinated by Eurostat in the EU-10. For the third round of data collection during 2004, the table presents the different sources used:

Country	Source
Cyprus	Family expenditure survey 1997
Czech Republic	Microcensus 2003
Estonia	Household Budget Survey 2002
Hungary ³⁷	Household Budget Survey 2002
Latvia	Household Budget Survey 2002
Lithuania	Household Budget Survey 2002
Malta	Household Budget Survey 2000
Poland	Household Budget Survey 2002
Slovakia	Microcensus 2003
Slovenia	Household Budget Survey 2002

Due to the absence of a common data source for EU-10 and EU-15 countries, results for the new Member States cannot be considered to be fully comparable amongst themselves nor with EU-15 figures.

Another factor that can affect the comparability of the results is the fact that, although 2002 is the income reference year for most of the countries, there are two exceptions: Cyprus (1997) and Malta (2000). For EU-15, the results refer to the income reference year 2000; averages for EU-10 and for EU-25 therefore refer to a mix of reference periods. At the time of drafting this report, data from EU-SILC are not yet available. They are expected to become available shortly, and in consequence the EU-25 (and EU-15) averages presented in this report may change without, however, changing the main thrust of the analysis.

Please note also that discussions are ongoing with the Slovak Institute of Statistics concerning the quality of the data used. Data for Slovakia have therefore to be considered as provisional.

³⁷ Data used in this report for Hungary, based on the CSO Household Budget Survey 2002, differ from the data used in the Hungarian NAP, which are based on TARKI's Monitor surveys. The choice of the HBS 2002 as the data source for the calculation of the indicators of social exclusion and poverty has been validated by the Hungarian Central Statistical Office.

Due to the missing longitudinal dimension in the underlying data sources, persistent risk-of-poverty rates could not be calculated for any EU-10 country.

Even though these various methodological issues need to be kept in mind, the indicators presented in this paper provide valuable comparative information on poverty and social exclusion for new Member States. They are the results of a close cooperation between new Member States' national statistical institutes and Eurostat

Income-based indicators: methodology and limitations

Income definition

For EU-15 Countries, household total disposable income as measured in the ECHP is taken to be all net monetary income received by the household and its members during the income reference year (i.e. the calendar year preceding the survey interview) – namely all income from work (employee wages and self-employment earnings), private income from investment and property, plus all social transfers received directly including old-age pensions, net of any taxes and social contributions paid. However, no account is taken of indirect social transfers, non-cash income, imputed rent for owner-occupied accommodation, loan interest payments and transfer payments to other households. By contrast, with the exception of indirect social transfers, these aspects are included in the EU-SILC definition, although many will only become mandatory from 2007. For the EU10, the information collected in the various national data sources differs in some respects. In order to approximate as closely as possible the EU-SILC income definition, components such as the following were excluded from the total household income: lottery winnings, insurance claim receipts, non-regular gifts (although regular transfers received from other households were included), revenue from sales of property (for example houses or cars). The impact of these adjustments on reported values can sometimes be significant by comparison with the national income definitions used in these countries.

Furthermore, for the EU10, income-in-kind is included in the total income definition, as it is considered to be a more substantial component of the disposable income for these countries than is the case for EU15 Member States (who are not including it during the transition phase), meaning that its exclusion would have significantly underestimated the actual situation. 'Income-in-kind' covers goods produced directly by the household through either a private or a professional activity (e.g. own production of food from farming household or a household whose leisure activity is connected with agriculture; products from hunting or fishing; withdrawals from stocks by trades people, etc.). Services obtained free of charge as part of a professional activity are also classified as 'benefits in kind' (e.g. provision of housing, company vehicle, crèche facilities, free meals at work, etc.). It is worth emphasising that collecting information regarding 'income-in-kind' involves a number of difficulties, due to the different methods of identifying it and estimating 'income-in-kind' values, and due to the different relative importance of this income in the different countries (as well as within countries).

It must be highlighted that self-employment income is acknowledged to be difficult to collect, whatever the data source. And last but not least, it must be kept in mind that the difficulty to capture income from the hidden economy can introduce bias in the income distribution measured through surveys.

Once total household income is collected, the figures are given per “equivalent adult”, in order to reflect differences in household size and composition. In other words, the total household income is divided by its equivalent size using the so-called “modified OECD” equivalence scale. This scale gives a weight of 1.0 to the first adult, 0.5 to any other household member aged 14 and over and 0.3 to each child. The resulting figure is attributed to each member of the household, whether adult or children. The equivalent size of a household that consists of 2 adults and 2 children below the age of 14 is therefore: $1.0+0.5+(2*0.3) = 2.1$.

Time reference period

Surveys can have different income reference periods (e.g. monthly vs. yearly, last 12 months vs. previous calendar year, etc.), which may have an impact inter alia on the value of the data and their comparability between countries. Furthermore, within a country, the income variable may not be fully comparable between sub-samples if the survey is conducted at different periods of the year (i.e. in continuous surveys for which the income reference period is the current one). In this case, the income distribution (and the results in terms of poverty risk) can be biased by the variability of seasonal income components (such as income from agriculture, self-employment, thirteenth and fourteenth month payment).

ANNEX 3: STATISTICAL TABLES

Table 1a. General economic context

	EU	EU-10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Growth rate of GDP at constant prices (1995) - percentage change over previous year												
1990-1995	:	:	:	:	5,3	-11,8	-10,3	:	:	:	-0,6	:
1995-2000	2,7	:	1,5	5,5	3,8	5,4	4,2	4,0	:	5,1	4,3	3,7
2002	1,1	2,4	1,5	7,2	2,1	6,4	6,8	3,5	2,6	1,4	3,3	4,6
2003	0,9	3,6	3,7	5,1	1,9	7,5	9,7	3	-0,3	3,8	2,5	4
2004 f	2,4	4,4	3,8	5,9	3,5	7,5	7,1	3,9	1	5,8	4	4,9
2005 f	2,3	4,5	3,8	6	3,9	6,7	6,4	3,7	1,5	4,9	3,6	4,5
GDP per capita in Purchasing Power Standards (PPS), (EU-25 = 100)												
1995	100	46,6	70	33,9	85,4	29,8	34,1	49,6	:	40,7	68,4	44,5
2000	100	50,1	64,8	41,6	85,8	35,5	38,5	53,5	78,6	45,8	73,3	47,9
2003 f	100	53,3	68,8	48,7	81,3	41	45,8	60,5	75,1	46	76,8	52,1
2004 f	100	54,2	69,8	50,6	81,5	43,2	48	61,6	73,8	47,6	78	53,4
2005 f	100	44,3	70,9	52,7	82,2	45,2	50	62,7	72,9	48,9	79,1	54,6
Productivity per person employed - GDP in PPS per person employed relative to EU-25 (EU-25 = 100)												
1995	100	48	57,8	32,1	67	31,6	31,2	58,5	:	44,2	64,2	46,9
2000	100	53,9	59,8	43,2	78,4	38,6	36,8	61,7	90,9	51	70,5	55,3
2002	100	51,8	61,4	46,7	73,5	40,6	45,5	67,2	86,8	52,2	73,3	59,6
2003 f	100	57,9	62,4	48,6	72,8	41,7	47,8	68,2	89,1	53,1	74,9	59,3
2004 f	100	58,8	63,9	49,6	73	43,5	49,3	69	87,5	55,1	76,1	60,9
2005 f	100	59,7	65,3	51,1	73,6	45,4	51,1	70	87,2	56,5	77,2	62,3
Inflation rate - Annual average rate of change in Harmonized Indices of Consumer Prices (HICPs)												
2000	2,4	:	3,9	3,9	4,9	2,6	0,9	10	3	10,1	8,9	12,2
2002	2,1	:	1,4	3,6	2,8	2	0,4	5,2	2,6	1,9	7,5	3,5
2003	1,9	:	-0,1	1,4	4	2,9	-1,1	4,7	1,9	0,7	5,7	8,5
Public balance - Net borrowing/lending of consolidated general government sector as a percentage of GDP												
2000	0,8	-2,5	-3,7	-0,6	-2,4	-2,8	-2,5	-3	-6,2	-0,7	-3,5	-12,3
2002	-2,3	-4,9	-6,8	1,4	-4,6	-2,7	-1,5	-9,2	-5,9	-3,6	-2,4	-5,7
2003	-2,8	-5,6	-12,6	3,1	-6,4	-1,5	-1,9	-6,2	-9,7	-3,9	-2	-3,7
General government debt - General government consolidated gross debt as a percentage of GDP												
2000	62,9	36,5	18,2	4,7	61,6	12,9	23,8	55,4	56,4	36,8	27,4	49,9
2002	61,6	39,4	28,8	5,3	67,4	14,1	22,4	57,2	62,7	41,1	29,5	43,3
2003	63,3	42,1	37,8	5,3	70,9	14,4	21,6	59,1	71,1	45,4	29,5	42,6

f= forecast

Source : Eurostat - Structural indicators database

	EU	EU 10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Employment growth - Annual percentage change in employed population												
Total												
1998	1,7	:	-1,4	-1,9	1	-0,3	-0,8	1,8	:	2,3	0,1	-0,4
2000	1,4	-1,2	-0,7	-1,5	2,8	-2,9	-3,7	1	2,3	-2,3	3,2	-1,8
2002	0,3	-1,7	0,8	1,3	1,4	2,3	-7,4	0,1	-0,7	-2,2	-0,4	-1,1
2003	0,2	0	-0,6	1,5	0,9	1	2,4	1,3	-1	-1,2	-0,3	2,3
Women												
1998	:	:	:	:	:	:	:	3	:	2,9	:	:
2000	2	-1	-0,7	-1,9	:	-1,2	:	1,1	:	-2,5	:	-0,8
2002	0,9	-1,7	0,3	1,4	:	1,2	-9,6	0,2	4,5	-1,7	-0,2	-1,9
2003	0,7	0.2*	-0,8	1,2	:	0,5	2	2,1	-0,7	-1,1	-0,9	2,3
Men												
1998	:	:	:	:	:	:	:	0,8	:	1,9	:	:
2000	1,1	-1,3	-0,7	-1,1	:	-4,5	:	0,9	:	-2,2	:	-2,7
2002	-0,2	-1,7	1,1	1,1	:	3,3	-5,2	0	-2,8	-2,7	-0,5	-0,3
2003	-0,2	0.0*	-0,4	1,7	:	1,5	2,7	0,7	-0,7	-1,3	0,2	2,3

Source : Eurostat - Structural indicators database

Table 2a. General demographic context

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Total population												
1.1.2003	454560	74201	10203	1356	715,1	2332	3463	10142	397	38219	1995	5379
1.1.2004	456449	74142	10212	1351	731	2319	3446	10117	400	38191	1996	5380

Source : Eurostat - First demographic estimates.

Population growth rates (per 1000 population)

Average annual growth rate 1970-1980

Total increase	:	:	3,9	8,5	:	6,5	8,7	3,7	:	8,0	9,6	8,9
Natural increase	:	:	5,0	3,8	:	2,3	6,8	3,8	8,3	9,7	6,4	10,4
Net migration	:	:	- 1,1	4,7	:	4,2	2,0	-0,1	:	-1,7	3,2	-1,4

Average annual growth rate 1980-1990

Total increase	2,9	4,6	0,4	6,5	11,6	6,1	8,1	-3,2	6,5	7,1	5,2	6,3
Natural increase	2,4	5,1	0,7	3,6	9,5	2,7	5,5	-1,4	7,6	8,0	3,7	7,2
Net migration	0,5	-0,4	-0,2	2,9	2,1	3,4	2,7	-1,9	-1,2	-0,9	1,5	-0,9

Average annual growth rate 1990-2000

Total increase	3,0	0,0	-0,8	-13,9	18,6	-11,5	-5,1	-1,5	9,7	1,6	-0,5	2,1
Natural increase	1,0	0,5	-1,0	-3,3	6,9	-4,4	0,6	-3,2	5,7	2,0	0,2	2,6
Net migration	2,0	-0,6	0,2	-10,6	11,7	-7,2	-5,7	1,7	3,9	-0,4	-0,6	-0,6

Annual growth rate 2003

Total increase	4,1	-0,8	0,8	-4	21,4	-5,3	-4,8	-2,5	6,5	-0,7	0,7	0,2
Natural increase	0,4	-1,3	-1,7	-3,7	3,6	-4,9	-3	-4,1	2,2	-0,4	-1	-0,1
Net migration	3,7	0,5	2,5	-0,3	17,8	-0,3	-1,8	1,5	4,3	-0,4	1,7	0,3

Source : Eurostat - Demographic

Population structure by age (percentage of total), 2003

Total	100	100	100	100	100	100	100	100	100	100	100	100
0-15	16,6	:	15,6	16,6	20,9	16,0	18,3	16,1	:	17,8	15,0	18,0
15-24	:	:	14,1	15,1	15,6	15,1	15,0	13,7	:	16,8	14,0	16,6
25-49	:	:	36,5	34,7	35,7	35,2	35,8	36,1	:	36,1	38,3	37,5
50-64	:	:	19,9	17,8	16,0	17,9	16,2	18,7	:	16,4	18,0	16,3
65-79	:	:	11,2	13,0	9,2	13,1	12,1	12,3	:	10,5	12,1	9,4
80 and over	3,8	:	2,7	2,8	2,6	2,8	2,7	3,1	:	2,2	2,7	2,1

Source : Eurostat - Demographic

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Average number of persons per household												
1998	:	:	2,7	2,6	:	:	:	:	:	:	:	3,1
2003	2.4e	2.7e	2,5	2,6	3,0	2,8	2,9	2,6	3,0	:	2,6	3,1

e = Eurostat estimate

Source : EU Labour Force Survey 2003, Spring results.

Population living in private households by household type, 2003

Single adults, no children, <i>of which:</i>	12	9	10	9	5	8	8	10	5	:	9	6
- Single men	5	3	3	3	2	2	2	3	2	:	3	2
- Single women	7	6	6	5	4	6	6	7	3	:	6	4
- Under 65 years	7	4	5	6	3	4	4	5	2	:	4	2
- 65 years and over	5	5	5	3	2	4	5	5	3	:	4	3
Single parents	4	4	5	5	2	4	4	4	2	:	3	3
2 adults below 65	14	11	13	12	10	9	7	11	7	:	10	7
2 adults, at least one aged 65+, no children	11	9	9	10	9	8	7	9	7	:	9	7
3 or more adults, no children	14	15	14	11	15	16	12	15	21	:	21	18
2 adults, 1 child	11	11	12	14	10	13	11	12	12	:	12	8
2 adults, 2 children	17	18	21	17	17	13	15	17	18	:	17	17
2 adults, 3 or more children	7	6	6	7	14	5	5	8	8	:	4	7
3 or more adults, with children	11	16	10	15	17	24	30	16	20	:	17	27

EU aggregates based on available country data

Source : Eurostat - EU Labour Force Survey 2003, Spring results. Annual averages for DK and FI.

Total fertility rate

1960	2,59	:	2,11	:	3,51	:	2,6	2,02	3,62	2,98	2,18	3,07
1970	2,34	:	1,91	2,16	2,54	2,01	2,4	1,98	2,02	2,2	2,1	2,4
1980	1,88	:	2,1	:	:	1,9	2	1,92	1,99	2,28	2,11	2,32
1990	1,64	:	1,89	2,04	2,42	2,01	2,03	1,87	2,05	2,04	1,46	2,09
2002	1,46	:	1,17	1,37	1,19	1,23	1,24	1,3	1,46	1,25	1,21	1,19
2003	1,48	:	1,18	1,35	1,16	1,29	1,25	1,3	1,41	1,24	1,22	1,17

The total fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue.

Source : Eurostat - Demographic statistics.

Table 3a. General labour market context

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Activity rates (over population aged 15-64)													
1998	T	67,9	66,5	72	72,2	:	69,8	72,1	58,7	:	65,7	68,2	69,3
	M	77,3	73,9	80	79	:	76,4	78,2	66,6	:	72,8	72,6	77,2
	W	58,5	59,4	64	66,4	:	63,9	66,5	51,2	:	58,8	63,6	61,7
2000	T	68,6	66,5	71,3	70,2	69,1	67,2	70,8	60,1	58	65,8	67,5	69,9
	M	77,4	73	79,1	75,6	81,4	72,7	74,5	67,9	80,5	71,7	71,9	76,8
	W	59,8	60,3	63,6	65,3	57,7	62,1	67,3	52,7	35,2	59,9	62,9	63,2
2002	T	69	65,8	70,6	69,3	71,2	68,8	69,6	59,7	58,5	64,6	67,8	69,9
	M	77,4	72,2	78,6	74,6	81,3	74,1	73,6	67,1	80,1	70,6	72,5	76,7
	W	60,7	59,5	62,7	64,4	61,8	63,9	65,8	52,7	36,7	58,7	63	63,2
2003	T	69,3	65,5	70,2	70,1	72,4	69,2	69,9	60,6	58,6	63,9	67,1	70
	M	77,4	71,8	78	75	82,2	74,1	73,5	67,6	80,2	70	72	76,7
	W	61,2	59,4	62,5	65,7	63,3	64,7	66,5	53,9	36,8	58	62,1	63,5

Source : Eurostat - Labour Force survey, annual averages.

Employment rate (over population aged 15-64)													
1998	T	61,2	60	67,3	64,6	:	59,9	62,3	53,7	:	59	62,9	60,6
	M	70,6	67,3	76	69,6	:	65,1	66,2	60,5	:	66,5	67,2	67,8
	W	51,8	52,9	58,7	60,3	:	55,1	58,6	47,2	:	51,7	58,6	53,5
2000	T	62,4	57,4	65	60,4	65,7	57,5	59,1	56,3	54,2	55	62,8	56,8
	M	71,3	63,6	73,2	64,3	78,7	61,5	60,5	63,1	75	61,2	67,2	62,2
	W	53,6	51,4	56,9	56,9	53,5	53,8	57,7	49,7	33,1	48,9	58,4	51,5
2002	T	62,9	55,8	65,4	62	68,6	60,4	59,9	56,2	54,4	51,5	63,4	56,8
	M	71	61,7	73,9	66,5	78,9	64,3	62,7	62,9	74,7	56,9	68,2	62,4
	W	54,7	50,1	57	57,9	59,1	56,8	57,2	49,8	33,9	46,2	58,6	51,4
2003	T	63,0	55,8	64,7	62,9	69,2	61,8	61,1	57	54,2	51,2	62,6	57,7
	M	70,9	61,6	73,1	67,2	78,8	66,1	64	63,5	74,5	56,5	67,4	63,3
	W	55,1	50,2	56,3	59	60,4	57,9	58,4	50,9	33,6	46	57,6	52,2

Source : Eurostat - Labour Force survey, annual averages.

Unemployment rates													
1998	T	9,4	9,5	6,3	9,2	:	14,3	13,2	8,4	:	10,2	7,4	:
	M	8,2	8,5	5	9,9	:	15,1	14,6	9	:	8,5	7,3	:
	W	10,9	10,7	8	8,3	:	13,6	11,7	7,8	:	12,2	7,5	:
2000	T	8,7	13,6	8,6	12,5	5,2	13,7	16,4	6,3	6,8	16,4	6,6	18,7
	M	7,6	12,6	7,3	13,4	3,2	14,4	18,6	6,8	6,5	14,6	6,4	18,9
	W	10,2	14,8	10,3	11,5	7,8	12,9	14,1	5,6	7,4	18,6	6,8	18,5
2002	T	8,8	14,8	7,3	9,5	3,9	12,6	13,5	5,6	7,7	19,8	6,1	18,7
	M	8,1	14,2	5,9	10,1	3	13,6	13,6	6	6,7	19	5,8	18,6
	W	9,8	15,5	9	8,9	4,9	11,4	13,4	5,1	9,8	20,7	6,5	18,9
2003	T	9,1	14,3	7,8	10,2	4,5	10,5	12,7	5,8	8	19,2	6,5	17,5
	M	8,3	13,7	6,1	10,5	3,9	10,3	12,3	6	6,8	18,6	6	17,2
	W	10	15,1	9,8	9,9	5,2	10,7	13,1	5,5	10,7	20	7	17,8

Source : Eurostat - Labour Force survey, annual averages.

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Youth unemployment rates (people aged 15-24)													
1998	T	18,7	19,4	12,8	15,2	:	26,8	25,5	15	:	22,5	17,8	:
	M	17,5	18,6	11,5	16,7	:	27,4	30,1	16,6	:	20,2	16,9	:
	W	20	20,4	14,4	13,1	:	26	18,4	13	:	25,1	18,8	:
2000	T	17,7	28,7	17,8	23,6	11,5	21,4	30,6	12,1	13,7	36,3	16,2	37,1
	M	16,7	28,2	18,5	23	7,1	21,2	32,3	13,1	15,1	34,6	14,9	39,9
	W	18,9	29,3	17	24,5	15,3	21,6	28,3	10,7	12,1	38,2	18	33,9
2002	T	17,9	32,2	16,9	19,3	9,7	23,9	23,8	12	18,3	41,8	15,3	37,6
	M	17,7	31,6	16,6	15,6	9,3	22,4	22	12,6	18,5	40,9	13,8	38,8
	W	18,2	33	17,3	24,8	10	25,8	26,2	11,2	18	42,9	17,4	36,2
2003	T	18,4	32	18,6	23,4	10,7	17,9	26,9	13,5	19,1	41,2	15,7	33,8
	M	18,4	31,1	18,4	19,8	10,4	14	22,8	13,7	17,2	39,9	13,3	35,6
	W	18,5	33,2	18,8	29	11	23,5	32,2	13,1	21,3	42,8	19	31,7

Source : Eurostat - Labour Force survey, annual averages.

Structure of employment by sector

1998	Services	66	52,1	53,5	58,2	67,8	55,8	:	58	62	48,8	:	56,2
	Industry	27,8	33,5	41	33	22,7	25,5	:	34,4	36	32,1	:	36,8
	Agriculture	6,2	14,4	5,5	8,8	9,5	18,7	:	7,6	2	19,2	:	7
2000	Services	67,5	53,9	55,4	59,8	70,2	59,8	53,9	59,5	63,7	50,4	50	59,4
	Industry	26,8	32,6	39,5	33,2	20,7	25,9	26,2	33,9	34,3	30,9	38	35,1
	Agriculture	5,7	13,5	5,1	7	9,1	14,3	19,9	6,6	1,9	18,8	11,9	5,6
2003	Services	69,2	56,3	56,1	61,5	:	60,8	54,1	62,3	:	53	52,3	61,5
	Industry	25,5	31,3	39,4	32,3	:	25,8	28	31,9	:	28,6	36,9	34,1
	Agriculture	5,2	12,4	4,5	6,1	:	13,4	17,8	5,8	:	18,4	10,9	4,4
Annual average growth rate services sector 1998-2003		1,70	0,28	0,38	0,60	:	1,87	-2,99	3,03	:	-0,75	1,40	1,29

* for Lithuania and Slovenia: annual average growth rate services sector 2000-2003

Source : Eurostat - Labour Force survey, annual averages.

Table 4a. Social protection expenditure

Total expenditure, 2001												
	EU	EU-10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
As a % of GDP	27,3	:	19,2	14,3		14,3	15,2	19,8	17,3	22,1	25,5	19,1
PPS per head of pop.	5567	:	2705,9	1308,1	:	1138,6	1318,2	2381,9	2773,9	2135	4058,4	2004,6
Social benefits by group of functions (as a percentage of total social benefits)												
<u>Old age and survivors benefits</u>												
1995	:	:	38,9	:	:	:	:	:	:	:	:	38,1
2001	46,2	:	42,5	42,6	:	56,4	47,5	42,4	53,8	55,2	45,5	38,2
2002	45,7	:	41,6	:	:	:	:	43,0	52,8	:	46,5	38,3
<u>Sickness, health care</u>												
1995	:	:	37,5	:	:	:	:	:	:	:	:	33,0
2001	27,9	:	34,6	31,0	:	19,1	30,0	27,5	25,5	19,2	31,4	35,0
2002	28,1	:	35,5	:	:	:	:	27,8	25,4	:	31,3	34,2
<u>Disability</u>												
1995	:	:	8,2	:	:	:	:	:	:	:	:	6,8
2001	8,2	:	8,5	7,8	:	9,6	8,8	10,3	6,1	13,3	8,7	8,1
2002	8,0	:	8,3	:	:	:	:	10,4	6,4	:	8,5	8,8
<u>Unemployment</u>												
1995	:	:	2,2	:	:	:	:	:	:	:	:	3,5
2001	6,2	:	3,1	1,3	:	3,6	1,9	3,4	6,0	4,3	3,7	3,6
2002	6,5	:	3,3	:	:	:	:	3,0	6,6	:	0,0	0,0
<u>Family and children</u>												
1995	:	:	11,9	:	:	:	:	:	:	:	:	14,0
2001	8,0	:	8,2	14,6	:	10,1	8,3	12,9	6,5	7,8	8,9	8,2
2002	8,1	:	8,0	:	:	:	:	12,5	6,3	:	8,5	8,1
<u>Housing</u>												
1995	:	:	0,0	:	:	:	:	:	:	:	:	0,0
2001	2,0	:	0,6	0,6	:	0,7	1,2	2,5	0,8	0,0	:	0,4
2002	2,1	:	0,6	:	:	:	:	2,3	1,3	:	:	0,4
<u>Social exclusion n.e.c</u>												
1995	:	:	1,3	:	:	:	:	:	:	:	:	4,6
2001	1,5	:	2,7	2,2	:	0,6	2,3	1,0	1,3	0,2	1,8	6,5
2002	1,5	:	2,7	:	:	:	:	1,0	1,2	:	1,9	6,0

p = provisional

Note : The data on social protection expenditure presented here are gross of taxes and social contributions paid on benefits and do not include social benefits provided in the form of tax rebates or tax deductions.

Source : Eurostat - ESSPROS database.

Table 5a. Common indicators of poverty and social exclusion: Labour market

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Long-term unemployment rate by gender, selected years (%)												
1998 Total	4,4	4,4	1,9	4,3	:	7,9	6,7	4,2	:	4,8	3,3	:
Women	5,4	5,3	2,5	4	:	7,5	6,2	3,9	:	6,3	3,3	:
Men	3,7	3,7	1,5	4,4	:	8,3	7,1	4,5	:	3,5	3,3	:
2000 Total	4	6,5	4,2	5,7	1,3	7,9	7,6	3	4,6	7,6	4,1	10,1
Women	4,7	7,4	5,1	4,9	2,4	7,5	6,2	2,5	4,4	9,3	4,1	10,1
Men	3,4	5,7	3,4	6,5	0,5	8,3	9,1	3,4	4,6	6,1	4	10,1
2002 Total	3,9	8,1	3,7	5	0,8	5,7	7,3	2,4	3,3	10,8	3,4	12,2
Women	4,5	8,9	4,5	4,1	1,1	4,8	7,1	2,1	2,5	12,2	3,4	12,6
Men	3,4	7,4	3	5,9	0,5	6,5	7,4	2,7	3,5	9,7	3,4	11,9
2003 Total	4	7,8	3,8	4,6	1,1	4,3	6,1	2,4	3,5	10,7	3,4	11,1
Women	4,5	8,4	5	4,4	1,4	4,6	6,5	2,3	3	11,5	3,6	11,4
Men	3,6	7,3	2,9	4,8	0,8	4,1	5,7	2,5	3,5	10,1	3,3	10,9

Source: Eurostat - Labour Force survey, annual averages.

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Long-term unemployment share by gender, selected years (%)												
1998 Total	46,9	46,7	30,5	46,4	:	55,3	56,6	49,7	:	46,6	44,5	50,7
Women	48,6	49,7	31,3	48,7	:	55,4	59,8	49,6	:	51,8	43,4	53,1
Men	45,2	43,6	29,3	44,3	:	55,3	54,4	49,8	:	40,7	45,6	48,5
2000 Total	45,3	47,9	47,8	45,8	25,2	57,8	48,7	48	65,8	46,1	61,4	53,9
Women	46,5	50,2	49,1	42,7	30,6	58,1	45,9	44,7	56,6	50,2	59,8	54,7
Men	44,2	45,6	46,3	48,3	16,2	57,6	50,6	50,1	69,3	41,6	62,8	53,3
2002 Total	44	54,5	50,2	52,4	21,1	45,3	53,5	43,4	43,9	54,7	55,6	65,1
Women	45,7	57,1	50,4	45,6	23,5	42,3	53,1	40,6	25,7	58,8	52,8	66,7
Men	42,4	52,1	49,9	58,3	18,1	47,6	53,8	45,5	53,4	51	58,3	63,8
2003 Total	44,4	54,6	48,7	45,9	24,3	41,4	48	41,1	42,5	55,9	52,8	65,2
Women	45,5	55,8	50,5	44,3	27,9	42,5	49	41,3	26,6	57,5	51,3	65,7
Men	43,4	53,4	46,4	47,4	20,8	40,3	47,1	40,8	51,3	54,5	54,3	64,7

Source: Eurostat - Labour Force survey, annual averages.

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Very long-term unemployment rate by gender, selected years (%)												
1998 Total	2,7	2,1	0,8	2,6	:	5,4	3,5	2,2	:	1,9	2,5	:
Women	3,2	2,6	1,1	2,4	:	5,1	3,3	2	:	2,7	2,3	:
Men	2,2	1,7	0,6	2,8	:	5,7	3,8	2,4	:	1,2	2,6	:
2000 Total	2,3	3,1	2,1	3,3	0,4	5,2	4,5	1,4	3,1	3,2	2,7	5,6
Women	2,8	3,6	2,6	2,8	0,7	5	3,6	1,2	2,5	4,1	2,6	5,9
Men	8	2,7	1,6	3,8	0,2	5,4	5,4	1,6	3,2	2,4	2,7	5,3
2002 Total	2,2	4	2,3	3,2	0,4	4	4,8	1,1	1,8	4,8	2,2	7,5
Women	2,6	4,5	2,8	2,5	0,4	3	4,5	0,9	1	5,6	2,2	7,8
Men	1,9	3,6	1,9	4	0,3	4,9	5,1	1,3	2,1	4	2,2	7,3
2003 Total	2,3	4	2,3	3,1	0,4	2,5	3,9	1,1	1,9	5,1	2	7,4
Women	2,6	4,5	3	2,6	0,6	2,5	3,9	1,1	1,3	5,7	2	7,7
Men	2	3,7	1,8	3,5	0,3	2,5	3,9	1,2	2	4,6	2,1	7,2

Source: Eurostat - Labour Force survey, annual averages.

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
People living in jobless households: children (0-17 years) and prime-age adults (18-59 years), selected years (%)													
1998	Children	:	:	6,1	8,9	:	10	:	15,6	:	:	3,5	9,3
	Adults, Total	:	:	6,2	8,7	:	14	10,4	15,8	:	:	8,3	9
	Adult women	:	:	7,7	8,9	:	14,5	11,2	17,1	:	:	9	9,9
	Adult men	:	:	4,6	8,5	:	13,4	9,5	14,5	:	:	7,5	8,1
2000	Children	:	:	8	8,6	4,8	13	:	13,5	7,9	:	4	12,5
	Adults, Total	:	:	7,8	9,6	5,6	15	9,2	13,5	7,4	:	9	10,9
	Adult women	:	:	9,5	9,6	7,1	15,4	8,6	14,6	8,8	:	9,6	11,4
	Adult men	:	:	6,1	9,7	3,9	14,6	9,8	12,4	6	:	8,4	10,3
2002	Children	9.8e	:	7,6	10,1	3,9	10.6b	8,4	14,3	7,6	:	3,8	12,1
	Adults, Total	10.2e	12,6	7,3	10,8	5,3	10.5b	9.1b	13	7,2	15,1	8	10,9
	Adult women	11.4e	13,6	9,1	10,9	6,5	10.3b	9.7b	14	8,6	16,1	8,9	11,4
	Adult men	9.0e	11,6	5,6	10,6	3,9	10.7b	8.5b	12	5,8	14,1	7	10,4
2003	Children	9.9e	:	8,4	9	3,4	7,2	6,1	12.6b	8	:	4	11,8
	Adults, Total	10.2e	12,2	7,7	10,9	5,2	8,7	7,4	11.6b	7,9	14,8	8,7	10,1
	Adult women	11.4e	13,2	9,7	10,5	6,1	8,6	7,4	12.2b	9,7	15,9	9,6	10,9
	Adult men	9.0e	11,1	5,8	11,3	4,3	8,9	7,4	10.9b	6,2	13,7	7,8	9,3
2004	Children	9.9p	:	9	9,6	2,6	7,2	6,5	13,2	8,9	:	3,8	12,8
	Adults, Total	10.4p	12,8	8	9,5	5	7,8	8,1	11,9	8,8	15,8	7,5	10,8
	Adult women	11.5p	13,7	9,6	8,7	6,1	8,4	8	12,7	10,8	16,8	8	11,6
	Adult men	9.2p	11,8	6,4	10,2	3,8	7,1	8,3	11,1	6,9	14,8	7	10

Source: Eurostat - Labour Force survey, Spring results (except DK, LU (2003) and FI: annual averages).

Dispersion of regional employment rates¹, selected years (%)

1999	13,4	7,8	5,6	-	-	-	-	9,1	-	4,8	-	8,1
2000	13,4	9,2	5,8	-	-	-	-	9	-	6,9	-	9,1
2002	13,4	11,6	5,6	-	-	-	-	9,4	-	7,3	-	7,3
2003	13	11,6	5,8	-	-	-	-	8,5	-	7,2	-	7,6

1) Coefficient of variation of employment rates across regions at NUTS2 level

Source: Eurostat - Labour Force survey, annual averages.

e = estimate

p = provisional

Table 6a. Common indicators of poverty and social exclusion: The skill dimension of poverty and social exclusion

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Early school leavers not in education or training, by gender, selected years (%)													
1998	Total	:	:	:	12,6	:	:	:	15,9	:	:	:	:
	Women	:	:	:	10,1	:	:	:	15,4	:	:	:	:
	Men	:	:	:	15	:	:	:	16,4	:	:	:	:
2000	Total	17.2p	:	:	14,2	15,1	:	16,7	13,8	54,2	:	:	:
	Women	15.2p	:	:	12.1u	12,8	:	14,9	13,2	56,1	:	:	:
	Men	19.3p	:	:	16,3	18,4	:	18,5	14,3	52,5	:	:	:
2002	Total	16.5p	8,7	5,5	12,6	14	19,5	14.3b	12,2	53,2	7,6	4.8u	5,6
	Women	14.2p	7,1	5,7	9.6u	10,2	12,2	13.4b	11,8	49,7	5,6	3.3u	4,6
	Men	18.7p	10,2	5,3	15,6	18,8	26,7	15.1b	12,5	56,5	9,5	6.2u	6,7
2003	Total	15.9b	7,7	6.0b	11,8	15.1b	18,1	11,8	11.8b	48,2	6,3	4.3u	4.9b
	Women	14.0b	6,4	6.8b	:u	11.0b	13,4	8,9	11.1b	46,8	4,7	2.3u	4.7b
	Men	17.9b	9	5.2b	16,1	20.2b	22,7	14,9	12.4b	49,7	7,8	6.2u	5.2b
2004	Total	15.9p	7.5b	6,1	13,7	18,4	15,6	9.5b	12,6	45.0b	5.7b	4.2u	7,1
	Women	13.6p	5.8b	6,5	:u	14,3	10,7	7.4b	11,4	43.1b	3.7b	2.6u	6,4
	Men	18.1p	9.2b	5,8	20,5	23,3	20,5	11.6b	13,7	46.6b	7.7b	5.8u	7,8

u = data lack reliability due to low sample size / : = not available or unreliable data / b = break / p = provisional

In EE, LV, LT, CY, MT and SI, the high degree of variation of results over time is partly influenced by a low sample size.

In CY, the reference population (denominator) excludes students abroad. In DE (2003 and 2004), participation to personnel interest courses is excluded EU25 based on provisional UK data.

Source: Eurostat, Labour Force Survey - Spring results.

Persons with low educational attainment by age and gender, 2004 (%)

Age	Gender	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
25-34	Total	23,3	9,9	6,4	11,1	18,9	17,4	11,9	16,5	59,5	8,5	9,9	6,5
	Women	22,2	9,4	6,8	7,9u	17,6	14,6	10,0	16,3	61,0	7,7	8,1	6,6
	Men	24,3	10,5	5,9	14,4	20,3	20,2	13,8	16,6	58,0	9,2	11,6	6,4
35-44	Total	28,6	11,2	7,3	4,0u	25,1	7,1	5,0	18,4	77,6	10,7	17,0	8,4
	Women	29,5	12,0	9,8	0,0	28,3	4,7	3,0	20,7	83,8	10,8	17,8	10,5
	Men	27,8	10,5	4,9	6,3u	21,7	9,6	7,2	16,0	71,3	10,6	16,2	6,4
45-54	Total	35,3	18,5	13,5	9,9	42,2	12,6	10,2	24,3	84,7	18,4	26,0	16,4
	Women	38,9	21,3	19,6	7,7u	46,2	9,7	8,1	30,0	87,9	20,0	30,9	20,8
	Men	31,6	15,7	7,3	12,5	38,0	15,9	12,5	18,2	81,6	16,6	21,4	11,8
55-64	Total	46,1	32,2	17,8	21,6	60,3	29,8	31,7	43,7	86,4	33,8	32,2	27,6
	Women	52,2	36,8	25,7	21,4	68,3	26,8	30,2	49,9	89,4	37,0	42,2	36,0
	Men	39,9	26,9	9,1	21,8	52,0	33,8	33,6	36,1	83,0	30,1	21,6	17,6
65+	Total	67,5u	58,3	37,8	43,0u	80,2	53,1u	70,4	72,4u	94,1	60,5	50,7	61,0
	Women	74,3u	65,8	50,2	47,1u	87,3	53,4u	74,9	76,4u	96,9	67,2	62,9	72,1
	Men	58,0u	46,1	18,1	36,1u	71,5	52,5u	61,6	66,2u	90,3	49,5	31,0	42,7
25-64	Total	32,5	17,0	11,0	11,1	34,4	16,0	13,3	24,9	77,0	16,6	20,7	13,4
	Women	34,7	19,0	15,2	9,3	37,4	13,5	11,8	28,8	80,6	17,8	24,0	16,9
	Men	30,3	14,9	6,7	13,2	31,2	18,8	15,0	20,8	73,4	15,3	17,5	9,6

p = provisional

b = break

u = uncertain due to small sample size or high no answer rate

Source: Eurostat, Labour Force Survey - Spring results.

Table 7a. Common indicators of poverty and social exclusion: Health

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SL	SK
Life expectancy by age and gender, selected years (%)													
Life expectancy at birth													
1970	Women	74.4 e	:	73	74,1	:	74,4	74,8	72,1	72,6	73,3	72,4	72,9
	Men	68.0 e	:	66,1	65,5	:	66	66,9	66,3	68,4	66,6	65	66,7
1980	Women	76.8 e	:	73,9	74,1	77	74,2	75,4	72,7	72,7	75,4	75,2	74,3
	Men	69.8 e	:	66,8	64,1	72,3	63,6	65,5	65,5	68,5	66,9	67,4	66,8
1990	Women	78.8 e	:	75,4	74,9	78,6	74,6	76,2	73,7	78,1	76,3	77,4	75,4
	Men	71.7 e	:	67,6	64,7	74,1	64,3	66,4	65,1	73,7	66,7	69,5	66,6
1995	Women	79.7 e	:	76,6	74,5	79,8	73,1	75	74,5	79,5	76,4	77,8	76,3
	Men	72.8 e	:	69,7	61,9	75,3	60,3	63,3	65,3	74,9	67,6	70,3	68,4
2002	Women	81.1 e	:	78,7	77,1	:	76	77,5	76,7	81	78,7	80,5	77,8
	Men	74.8 e	:	72,1	65,3	:	64,8	66,3	68,4	75,9	70,4	72,7	69,9
2003	Women	81.1 e	:	78,5	:	:	76.8 p	77.7 p	:	:	78,9	:	:
	Men	74.8 e	:	72	:	:	65.5 p	66.3 p	:	:	70,5	:	:
Life expectancy at age 1													
1970	Women	:	:	73,3	74,2	:	74,5	:	73,4	73,3	74,5	73	73,8
	Men	:	:	66,7	65,9	:	66,4	:	68,1	69,4	68,2	65,9	67,8
1980	Women	:	:	73,9	74,2	76,8	74,1	75,4	73,2	72,6	75,8	75,2	74,8
	Men	:	:	67,1	64,4	72,4	63,7	65,7	66,2	68,8	67,5	67,5	67,5
1990	Women	:	:	75	74,7	78,4	74,4	75,9	73,7	77,7	76,3	76,9	75,5
	Men	:	:	67,4	64,7	74	64,3	66,2	65,2	73,5	66,9	69,3	66,7
1995	Women	:	:	76,1	74,4	79,4	73,3	74,9	74,2	79	76,3	77,2	76
	Men	:	:	69,3	61,9	75	60,5	63,2	65	74,7	67,6	69,7	68,2
2002	Women	80,4	:	78	76,5	:	75,7	77,1	76,3	80,3	78,2	79,7	77,4
	Men	74,2	:	71,5	64,7	:	64,5	65,8	67,9	75,2	70	72,1	69,4
2003	Women	:	:	:	:	:	:	:	:	:	:	:	:
	Men	:	:	:	:	:	:	:	:	:	:	:	:
Life expectancy at age 60													
1970	Women	19.7 e	:	18	19,4	:	19,9	:	:	:	:	:	18,7
	Men	15.8 e	:	14,1	15,2	:	16,5	:	:	:	:	:	15,7
1980	Women	20.9 e	:	18,2	19,4	:	19,7	20,5	:	:	:	:	19,2
	Men	16.5 e	:	14,3	14,8	:	15,1	16,5	:	:	:	:	15,5
1990	Women	22.1 e	:	19,1	19,5	:	19,6	20,7	:	:	:	:	20
	Men	17.7 e	:	14,6	14,8	:	14,9	16,2	:	:	:	:	15,2
1995	Women	22.8 e	:	20	19,9	22,9	19,7	20,6	:	:	:	:	20
	Men	18.3 e	:	15,9	14,4	20,1	13,8	15,5	:	:	:	:	15,6
2002	Women	23.8 e	:	21,5	21,3	:	20,8	21,7	20,9	23,3	22	23,1	21
	Men	19.6 e	:	17,3	15,4	:	15,2	16,1	16,1	19	17,1	18	16,4
2003	Women	:	:	:	:	:	:	:	:	:	:	:	:
	Men	:	:	:	:	:	:	:	:	:	:	:	:

p Provisional value

e Eurostat estimate

Source : Eurostat - Demographic statistics.

Table 8a. Common indicators of poverty and social exclusion: Income-related indicators

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Overall income distribution measures, 2002*												
S80/S20 quintile share ratio	4,4	4,4	3,4	6,1	4,4	5,5	4,7	3,0	4,6	4,8	3,1	5,4
Gini coefficient	28	29	25	35	29	34	30	24	30	31	22	31
Risk-of-poverty rate by age and gender, 2002*												
Total	15	15	8	18	16	16	17	10	15	17	10	21
0-15 years	19	20	15	18	12	19	20	13	21	23	7	30
16 years +	<i>Total</i>	15	13	7	18	18	16	16	9	13	15	19
	<i>M</i>	13	13	6	17	16	16	16	8	13	16	19
	<i>W</i>	16	13	8	19	20	16	16	9	14	14	19
16-24	<i>Total</i>	19	17	9	21	9	18	19	11	10	21	23
	<i>M</i>	19	17	8	20	9	18	18	10	10	21	24
	<i>W</i>	20	17	10	22	8	18	19	12	10	20	23
25-49	<i>Total</i>	12	15	8	17	9	16	17	9	14	17	21
	<i>M</i>	12	14	7	17	8	16	17	9	13	17	21
	<i>W</i>	14	15	9	18	11	16	16	9	14	17	22
50-64	<i>Total</i>	12	11	5	19	15	17	15	8	12	11	14
	<i>M</i>	12	11	5	20	10	18	15	7	10	13	15
	<i>W</i>	12	10	4	18	20	17	15	8	14	10	13
65+	<i>Total</i>	17	8	4	16	58	10	12	8	20	7	19
	<i>M</i>	14	5	1	7	56	6	6	5	19	4	11
	<i>W</i>	19	10	6	21	60	13	15	10	21	8	24
Dispersion around the risk-of-poverty threshold, 2002*												
40% of median	5	5	1	7	6	5	5	2	3	6	3	13
50% of median	9	9	4	11	10	9	10	5	8	10	6	16
60% of median	15	15	8	18	16	16	17	10	15	17	10	21
70% of median	23	22	16	26	23	26	25	17	23	24	17	27
Relative median risk-of-poverty gap by age and gender, 2002*												
Total	22	22	15	24	24	20	22	17	17	23	19	37
0-15	:	23	15	27	:	20	22	17	20	25	19	40
16-64	<i>Total</i>	24	22	16	28	:	22	23	19	14	23	38
	<i>M</i>	24	23	17	29	:	23	24	18	15	23	37
	<i>W</i>	24	22	15	26	:	21	22	19	14	22	39
65+	<i>Total</i>	17	13	7	10	:	8	13	11	17	14	15
	<i>M</i>	19	13	6	8	:	7	17	10	18	14	20
	<i>W</i>	17	13	8	10	:	8	12	12	17	14	13
Risk-of-poverty threshold (illustrative values in PPS), 2002*												
1 person household	7 442	3 305	4 521	2 183	6 611	2 241	2 317	3 699	7 047	2 781	6 308	3 564
2 adults 2 dep. children	15 630	6 940	9 494	4 585	13 883	4 706	4 867	7 767	14 799	5 839	13 248	7 484

* Actual survey year can vary. Income reference year 2002 except Cyprus: 1997; Malta: 2000; EU-15: 2000. EU-10 and EU averages refer to a mix of reference periods; they are calculated as population-weighted averages of available national values. Data for Slovakia are provisional.

Source: Eurostat - See introduction to the statistical annex

Methodological note: figures in this table come from national surveys for EU-10 countries and, for the EU-15, from the ECHP-UDB, version December 2003. The introduction to this Statistical Annex contains details on the national sources used in each country. At the time of drafting this report, data from EU-SILC are not yet available. They are expected to become available shortly, and in consequence the EU averages presented in this report may change.

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Risk-of-poverty rate by household type, 2002*												
Households without children	13	10	4	19	30	13	15	7	12	10	14	15
Households with children	17	17	11	18	11	18	18	11	.	20	8	25
Single adults, no children, of which:	24	16	13	35	64	21	22	13	25	13	36	27
- Single men	18	21	13	35	54	27	25	13	17	21	31	33
- Single women	26	14	13	35	67	19	20	13	29	10	39	23
- Under 65 years	19	19	16	37	33	26	22	14	24	18	30	30
- 65 years and over	26	13	9	33	83	17	21	13	25	9	40	21
Single parents	34	26	30	35	41	35	30	17	59	24	17	40
2 adults below 65 years, no children	10	9	3	15	11	15	13	5	11	10	11	6
2 adults, at least one aged 65+, no children	15	8	2	7	58	7	9	4	24	8	14	15
3 or more adults, no children	9	8	1	13	10	10	14	5	3	10	5	11
2 adults, 1 child	10	11	7	13	6	14	13	8	14	11	6	22
2 adults, 2 children	13	14	8	15	9	19	16	7	16	16	6	26
2 adults, 3 or more children	27	28	20	20	16	22	27	18	31	33	5	35
3 or more adults, with children	16	16	9	16	6	15	18	10	5	19	8	18

Risk-of-poverty by accommodation tenure status, 2002*

	<i>Incidence</i>											
Total	15	15	8	18	16	16	17	10	15	17	10	21
Owner or rent-free	12	15	.	17	16	14	16	8	29	16	9	.
Tenant	23	19	.	26	18	24	25	17	11	18	20	.
	<i>Distribution</i>											
Total	100	100	100	100	100	100	100	100	100	100	100	100
Owner or rent-free	61	74	.	84	93	67	92	87	61	69	87	.
Tenant	39	26	.	16	7	33	8	13	39	31	13	.

Risk-of-poverty rate anchored at a point in time (1998), 2002*

	12	.	.	12	.	11	19	.	.	.	8	.
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Risk-of-poverty rate before and after transfers by age and gender, 2002*

<i>Before all social transfers</i>												
Total	40	44	39	42	24	43	40	32	30	50	36	43
0-15	33	38	35	32	16	37	34	22	29	44	24	47
16-64	<i>Total</i>	40	38	30	34	17	36	33	24	24	45	37
	<i>M</i>	37	36	27	33	14	35	32	22	21	44	37
	<i>W</i>	43	39	33	35	19	37	34	26	26	31	38
65+	<i>Total</i>	85	85	89	86	81	81	84	84	70	86	79
	<i>M</i>	84	87	92	86	81	81	83	86	65	87	80
	<i>W</i>	87	84	88	86	82	81	85	83	74	85	78
<i>Before social transfers (excluding pensions)</i>												
Total	24	26	21	25	18	24	24	15	20	32	16	28
0-15	32	34	33	29	15	33	30	27	28	37	18	41
16-64	<i>Total</i>	22	25	19	25	12	24	24	12	17	32	26
	<i>M</i>	21	26	18	26	10	24	24	12	16	33	26
	<i>W</i>	23	25	20	25	14	25	24	11	18	31	26
65+	<i>Total</i>	23	16	9	20	59	14	17	7	27	18	16
	<i>M</i>	20	12	6	10	57	9	8	4	23	16	15
	<i>W</i>	25	18	12	26	61	17	23	9	30	26	16

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Source: Eurostat - See introduction to the statistical annex

	EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Risk-of-poverty rate by household type, 2002*												
Households without children	13	10	4	19	30	13	15	7	12	10	14	15
Households with children	17	17	11	18	11	18	18	11	:	20	8	25
Single adults, no children, of which:												
- Single men	24	16	13	35	64	21	22	13	25	13	36	27
- Single women	18	21	13	35	54	27	25	13	17	21	31	33
- Under 65 years	26	14	13	35	67	19	20	13	29	10	39	23
- 65 years and over	19	19	16	37	33	26	22	14	24	18	30	30
Single parents	26	13	9	33	83	17	21	13	25	9	40	21
2 adults below 65 years, no children	34	26	30	35	41	35	30	17	59	24	17	40
2 adults, at least one aged 65+, no children	10	9	3	15	11	15	13	5	11	10	11	6
3 or more adults, no children	15	8	2	7	58	7	9	4	24	8	14	15
2 adults, 1 child	9	8	1	13	10	10	14	5	3	10	5	11
2 adults, 2 children	10	11	7	13	6	14	13	8	14	11	6	22
2 adults, 3 or more children	13	14	8	15	9	19	16	7	16	16	6	26
3 or more adults, with children	27	28	20	20	16	22	27	18	31	33	5	35
	16	16	9	16	6	15	18	10	5	19	8	18
Risk-of-poverty by accommodation tenure status, 2002*												
	<i>Incidence</i>											
Total	15	15	8	18	16	16	17	10	15	17	10	21
Owner or rent-free	12	15	:	17	16	14	16	8	29	16	9	:
Tenant	23	19	:	26	18	24	25	17	11	18	20	:
	<i>Distribution</i>											
Total	100	100	100	100	100	100	100	100	100	100	100	100
Owner or rent-free	61	74	:	84	93	67	92	87	61	69	87	:
Tenant	39	26	:	16	7	33	8	13	39	31	13	:
Risk-of-poverty rate anchored at a point in time (1998), 2002*												
	12	:	:	12	:	11	19	:	:	:	8	:
Risk-of-poverty rate before and after transfers by age and gender, 2002*												
	<i>Before all social transfers</i>											
Total	40	44	39	42	24	43	40	32	30	50	36	43
0-15	33	38	35	32	16	37	34	22	29	44	24	47
16-64	<i>Total</i>	40	38	30	34	17	36	33	24	24	45	37
	<i>M</i>	37	36	27	33	14	35	32	22	21	44	37
	<i>W</i>	43	39	33	35	19	37	34	26	26	46	38
65+	<i>Total</i>	85	85	89	86	81	81	84	84	70	86	79
	<i>M</i>	84	87	92	86	81	81	83	86	65	87	80
	<i>W</i>	87	84	88	86	82	81	85	83	74	85	78
	<i>Before social transfers (excluding pensions)</i>											
Total	24	26	21	25	18	24	24	15	20	32	16	28
0-15	32	34	33	29	15	33	30	27	28	37	18	41
16-64	<i>Total</i>	22	25	19	25	12	24	24	12	17	32	26
	<i>M</i>	21	26	18	26	10	24	24	12	16	33	26
	<i>W</i>	23	25	20	25	14	25	24	11	18	31	26
65+	<i>Total</i>	23	16	9	20	59	14	17	7	27	18	16
	<i>M</i>	20	12	6	10	57	9	8	4	23	16	15
	<i>W</i>	25	18	12	26	61	17	23	9	30	20	16

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Source: Eurostat - See introduction to the statistical annex

		EU	EU10	CZ	EE	CY	LV	LT	HU	MT	PL	SI	SK
Risk-of-poverty rate by most frequent activity status by gender, 2002*													
<i>Incidence</i>													
Employed	<i>Total</i>	7	9	3	9	6	10	13	4	6	12	4	14
	<i>M</i>	8	10	3	8	7	10	13	4	7	13	4	14
	<i>W</i>	7	9	3	10	4	10	12	5	2	10	3	15
<i>Of which:</i> Wage/salary employees	<i>Total</i>	6	7	2	9	5	9	8	4	:	8	3	14
	<i>M</i>	6	8	1	8	7	8	8	5	:	10	4	13
	<i>W</i>	5	6	3	10	4	9	8	3	:	6	3	14
<i>Of which:</i> Self-employed	<i>Total</i>	16	17	7	13	9	22	34	5	:	20	7	24
	<i>M</i>	16	16	7	14	10	21	33	4	:	20	7	24
	<i>W</i>	16	17	6	12	7	23	36	5	:	21	8	26
Non employed	<i>Total</i>	21	17	11	27	33	21	20	13	:	18	17	26
	<i>M</i>	21	18	11	27	35	24	19	13	:	19	16	28
	<i>W</i>	22	17	12	27	32	20	20	13	:	17	19	25
<i>Of which:</i> Unemployed	<i>Total</i>	38	38	36	48	23	45	38	34	52	38	38	47
	<i>M</i>	43	40	39	50	18	46	41	39	58	39	39	49
	<i>W</i>	31	36	34	47	27	43	34	28	33	36	38	45
<i>Of which:</i> Retired	<i>Total</i>	16	9	4	21	62	13	13	9	18	8	15	11
	<i>M</i>	15	8	2	15	60	9	7	8	19	7	12	9
	<i>W</i>	16	10	5	23	64	14	16	10	18	8	17	12
<i>Of which:</i> Other inactive	<i>Total</i>	24	19	13	28	20	23	18	14	18	20	16	29
	<i>M</i>	22	19	11	30	13	24	16	14	11	21	15	29
	<i>W</i>	24	19	15	27	22	22	19	14	19	20	17	28
<i>Distribution</i>													
Employed	<i>Total</i>	27	32	22	26	19	32	43	21	20	37	18	42
	<i>M</i>	20	39	28	29	33	35	51	29	38	44	27	47
	<i>W</i>	13	26	19	24	9	29	37	15	4	30	12	37
<i>Of which:</i> Wage/salary employees	<i>Total</i>	16	19	14	24	14	25	22	18	19	18	14	36
	<i>M</i>	11	23	12	25	23	26	25	24	38	23	19	39
	<i>W</i>	8	15	15	23	7	24	21	12	4	13	10	33
<i>Of which:</i> Self-employed	<i>Total</i>	9	13	8	3	5	7	21	4	0	19	5	6
	<i>M</i>	7	16	16	5	10	9	26	5	1	21	7	8
	<i>W</i>	3	11	3	1	2	5	17	2	0	17	3	4
Non employed	<i>Total</i>	73	68	78	74	81	68	57	79	81	63	82	58
	<i>M</i>	32	61	72	71	67	65	49	71	62	56	73	53
	<i>W</i>	51	74	81	76	91	71	63	85	96	70	88	63
<i>Of which:</i> Unemployed	<i>Total</i>	13	22	32	21	4	25	19	16	14	22	14	26
	<i>M</i>	9	27	41	29	3	34	24	22	25	24	18	30
	<i>W</i>	7	19	26	15	4	18	14	11	4	20	11	22
<i>Of which:</i> Retired	<i>Total</i>	25	17	13	31	46	21	16	33	22	12	41	11
	<i>M</i>	12	12	5	19	53	11	6	27	29	9	31	5
	<i>W</i>	16	21	18	39	42	29	24	39	16	15	47	16
<i>Of which:</i> Other inactive	<i>Total</i>	35	29	32	22	31	22	23	30	45	29	28	22
	<i>M</i>	10	22	25	22	11	19	19	22	7	23	25	18
	<i>W</i>	28	34	37	22	45	25	25	36	77	36	30	26

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