



GREEN PAPER

THE FUTURE OF EUROPEAN SOCIAL POLICY

SUBMISSION TO

DIRECTOR GENERAL DG V

by the

COMBAT POVERTY AGENCY

**THE ORGANISATION WITH STATUTORY RESPONSIBILITY FOR ADVISING
THE GOVERNMENT ON POLICIES FOR COMBATING POVERTY IN IRELAND**

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THE COMBAT POVERTY AGENCY

Status

Under Article 45 of the Constitution of Ireland the State has an obligation "to promote the welfare of the whole people by securing and protecting as effectively as it may a social order in which justice and charity shall inform all the institutions of the national life".

In September 1986 the Government established the Agency under the Combat Poverty Agency Act. Under this Act the Agency has four main functions. These involve the Agency in advising Government on economic and social policy in relation to poverty, supporting and encouraging anti-poverty projects, developing research into the nature and extent of poverty and educating the public about poverty.

The Combat Poverty Agency implements its four main functions through the work of three sections: a projects section which supports a range of innovative programmes, such as EC Poverty Programmes and acts as a national community development resource centre; a research section which commissions and supports a range of research projects on specific issues relating to poverty; and an information section which disseminates information on poverty and undertakes a public education programme in relation to poverty.

The Agency has a Board of experts in the field of poverty, who are appointed by Government. The Director of the Agency is Hugh Frazer.

The Combat Poverty Agency makes regular policy submissions to Government on a range of issues relating to poverty, social exclusion and social policy. In the context of a submission to the Green Paper on European Social Policy the Agency has been actively involved in funding and supporting the EC Poverty Programme in Ireland and has contributed to the debate on the evolution of EC social policy.

Agency Submission

It is from this background that the Agency makes a submission to the Green Paper on the future of European Social Policy. The Agency welcomes the proposal to produce a Green Paper on the future of European Social Policy, which it sees as a necessary and important step towards strengthening the social dimension of the European Commission.

This submission, which focuses on the current socio-political issues in the Community, takes the following form:

Section 1: Briefly outlines the extent of poverty in Ireland, the contribution of national policies and the limitations of local and national action.

Sections 2 to 6:	These sections outline the areas which the Agency believes should be included in an European Green Paper on Social Policy and should form Heads of Bill therein.	
Section 2	Social Exclusion	
Section 3	Social Rights	
Section 4	Minimum Income	
Section 5	Access to Public Services	
Section 6	Priority Categories	
Section 7	Wider Social Policy	
Section 8	Final Comments:	Models of Development Role of non governmental organisations Structures on social policy Structural Funds Monitoring Social Progress

1. POVERTY AND SOCIAL POLICY

1.1 Extent of Poverty

Somewhere between 20% and 30% of the Irish population live in varying degrees of poverty and in 1990 18.2% of the working population were unemployed (Eurostat, Basic Statistics of the Community, 1991). As a consequence many people experience real pain and often lead bleak, restricted and marginalised lives. They suffer more illness and greater anxiety and psychological problems. Inadequate income means that life is a constant struggle to survive and make ends meet. Basic services such as education, health, housing transport, legal services and the arts are often experienced as being inferior and second class and in some cases as degrading and humiliating by the recipient. Underlying this harsh reality is the fact that resources are more unequally distributed than in most other developed countries. Thus the urgency and importance of addressing poverty cannot be overstated. As a country Ireland must intensify its efforts to tackle this injustice. Failure to do so will condemn many people to misery and seriously impede economic and social development for all.

1.2 National Policies

Given the deep-rooted and multi-dimensional nature of poverty the Agency has recommended the introduction of an Anti-Poverty Programme, which should be an essential part of any new programme for economic and social development agreed between National Government and the Social Partners. This would involve actions

such as a further intensification of job creation measures, additional improvements to key public services such as health and education, continued welfare reform, an intensification of reform of the taxation system and the building on existing community development projects and integrated development initiatives in the areas of greatest need.

- 1.3 At national and EC level the single market response towards economic and monetary union has not been conducive to an integrated anti-poverty programme. The approach has been predominantly a free-market one without any real balancing concern for social development. The process has concentrated on enhancing production, on promoting economic efficiency and economies of scale and thus has increased the pace of economic, technological and social change. This has led to greater selectivity in the labour market, increased mobility of labour and capital and the fracturing of established social and economic structures. It is clear that what growth there has been has not "trickled down" to the most disadvantaged areas and to those most affected by poverty and social exclusion. Thus, the all-consuming quest for competitiveness and the ever-growing emphasis on budgetary rigour is putting the social policies of Member States at risk.

1.4 Limitations of National and Local Actions

One of the chief consequences of the single market programme is that the ability of national governments (or local authorities) to respond to the underlying causes of poverty and social exclusion is increasingly constrained. This is especially true for the smaller and weaker economies like Ireland. That is not to say there is not much that can be done at local level and national level. It most certainly does not excuse inaction. It just means that it is much more difficult for national governments to act unilaterally to combat exclusion when there is not a similar commitment across the EC. In particular, it is important to note that because industry and financial markets now operate to a significant extent on an European rather than a national basis it is necessary to look at how they can be regulated at an European level and required to have a concern for a social as well as economic dimension to development. Failure to do this will inevitably lead to increased polarisation between those regions, groups and individuals who benefit from the larger market and those who do not.

- 1.5 Member states who try to impose restrictions unilaterally are likely to suffer. It must thus increasingly be the responsibility of the EC as a whole to ensure that there is a clear balance between the economic and social development in the interests of all citizens. This is the premise on which any Community Social Policy should be based. The specific concerns or Heads of Bill are presented in the following sections.

2. SOCIAL EXCLUSION

2.1 **Extent of Social Exclusion**

While governments are doing many things to address poverty and social exclusion, in many cases the intensity and seriousness of the problem has not been fully appreciated, nor have governments fully understood the extent to which it is now a common problem across Europe. In addition, many governments do not yet seem to be fully aware of the extent to which entrenched poverty can generate negative economic, social, political and cultural outcomes for society. It can lead to pain and misery for many people, to a denial of human rights and dignity, to an increased alienation and exclusion from institutions of society, to a growth in intolerance, prejudice and racism and ultimately to increased social instability and weakening of democratic society.

2.2 **Government Policy**

While the scale of the problems and the underlying causes are related to wider social and economic forces they can also be exacerbated or diminished by the actions of governments. In particular, it is clear that traditional economic assumptions that poverty and social exclusion will be solved by the benefits of economic growth trickling down to those affected is no longer valid. In spite of the growing evidence many governments have been slow to fully understand this and recognise the need for new policies and new approaches.

2.3 Thus a primary purpose to which European Social Policy should be put is to convince governments that poverty and social exclusion represent a key challenge and to encourage them to have the imagination and vision to make tackling it a much higher priority both individually and collectively.

3. SOCIAL RIGHTS

3.1 **How Poverty Imperils Citizens' Rights**

Poverty has been described as a form of conditional or second class citizenship. Far from being limited to inadequate income, poverty usually involves a host of other disadvantages - poor living conditions, lower than average education, lack of confidence, difficulty in participating in one's community, among others. Poverty impedes citizenship in a number of ways. It interferes with the exercise of civil and political rights. A certain level of social and economic resources is necessary to enable people participate actively in the broader life of society. Thus, poverty undermines people's ability to avail of their rights and fulfil the obligations and responsibilities of their citizenship.

3.2 A Social Rights-based Approach

At the core of citizenship is the right to full and adequately supported membership of the community. A rights approach frames the needs of the individual within the context of general economic and social conditions in the society as a whole (and between societies in the case of the European Community). Applying such a framework directs focus to the following three fundamental issues:

- the needs to be served by state provision;
- the means whereby needs are to met;
- the rights of the claimant in regard to the development and delivery of public services.

3.3 Institutionalised Responses to Poverty

The Green Paper should recognise that the promotion of social rights is a public rather than a private responsibility and should be a fundamental task of Government and its agencies. **Thus, EC Social Policy should encourage institutionalised approaches to addressing poverty within a social rights framework.**

3.4 Implementing a Programme of Social Rights and Citizenship

In relation to a social rights framework and a programme of social rights and citizenship the **Green Paper should consider how international covenants, conventions and agreements on human and social rights could be incorporated into EC law.**

3.5 **In this context the Green Paper may wish to consider a redrafting of the Community Charter of Basic Social Rights of Workers to encompass the rights of all people experiencing poverty and social exclusion, many of whom are temporarily or permanently excluded from the labour market.**

4. MINIMUM INCOME

4.1 Adequate Income

Access to an adequate level of income is essential if people are to enjoy a normal lifestyle and to exercise the rights and responsibilities of citizenship. Ensuring that citizens enjoy an adequate income involves consideration of changes in the social welfare system, increases in income from work, reform of the taxation system or through a combination of all of these.

4.2 Structural Changes

Poverty, however, should not be seen as simply a problem for the social welfare system. Rather it is a deep-seated structural feature of the economy and society. Not only the social welfare and taxation systems, but also the education system, manpower and training policies, and industrial policy have crucial roles to play in bringing about the structural changes required to have any major impact on poverty.

4.3 Social Welfare Policy

However, the adequacy of social welfare payments is, in the Agency's view, the single most important consideration for social welfare policy. Social welfare payments must be adequate to enable recipients and their dependants avoid poverty, and participate actively in society.

4.4 Social Insurance

The Agency is of the view that social insurance coverage should be extended to constitute the key elements of the social security system with assistance schemes playing a residual role in catering for those outside the main framework of entitlement. The appropriate strategy is a comprehensive system of social insurance complemented by social assistance. Insurance-based systems, particularly in the context of a closely integrated tax and social welfare system, are an effective mechanism for identifying income need, and of doing so without the intrusion and other disadvantages of means tests. In this context, **the Green Paper should look at "modernisation" of the social insurance system to take account of demographic and labour market changes.**

4.5 Minimum Social Income

The EC Green Paper on Social Policy should address not only issues of social security but also social assistance. In developing ideas on social assistance and a minimum social income it will be necessary for the Green Paper to look at ways of:

- reducing dependence of those living in poverty on a malfunctioning labour market;
- reducing dependence of those not in recognised labour force employment on the earnings of those who are;
- reducing dependence of the unemployed on a welfare service that in effect regulates, monitors and stigmatises them.

4.6 The Green Paper will need to recognise that non-economic as well as economic arguments play a role in the context of a basic minimum income. Thus, the non-economic arguments such as those concerned with liberty, solidarity, or non-divisive require attention.

4.7 Low Pay

The concept of a minimum income is relevant not only in the context of social welfare payments, but also in relation to low pay. Whilst work provides the major escape route out of poverty, this is not always the case, and low pay can affect the living standards of a significant minority of people. Reform of the tax and social welfare systems is necessary to eliminate the poverty traps accompanying low pay. Changes in social attitudes are also necessary, which require long term social education programmes in schools, trade unions and elsewhere.

4.8 Thus the Combat Poverty Agency would encourage the European Commission through the Green Paper on Social Policy to recognise the need for further research in relation to setting standards to address low pay. This should be placed on the agenda of the Social Partners and addressed by both the employers and unions.

5. ACCESS TO PUBLIC SERVICES

5.1 Delivery of Services

The provision of and access to public services is an important aspect of tackling poverty and social inequality. How that access is made available is important. On the one hand the method of their delivery can serve to increase independence and give people control over their own lives, but on the other hand it can produce the opposite effect by encouraging dependency and creating a sense of powerlessness.

5.2 Quality of Life

A second vital consideration is the influence public services have on the quality of life and range of opportunities for those on low incomes. They can either perpetuate divisions and inequalities in society or they can consciously lessen such divisions and create routes out of poverty.

5.3 Access by Minority Groups

It is also important to consider aspects of the contribution some public services make to tackling poverty and to identify ways they might be enhanced in relation to groups at particular risk. However, those living in poverty, including marginalised and minority groups should not be seen as a separate element of society. While they may suffer problems of distinctive kinds, these problems cannot only be solved by special services operating in confined neighbourhoods. All citizens, and all the services on which we depend, are involved in increasing or reducing the exclusion of those living in poverty.

- 5.4 Thus the Green Paper on European Social Policy should recognise that the adequate provision of and universal access to public services is an important aspect of tackling poverty and social inequality.
- 5.5 The Green Paper should also consider the possibility of setting standards and encouraging convergence of national policies on all areas in which poverty and social exclusion may occur or be generated. These areas would include education, training, employment, housing, health, legal services, transport and the arts.
- 5.6 In this context, and recognising that there may be up to three million homeless people in the European Community, the Green Paper should seek to recognise the right of access to housing or shelter for all European citizens.

6. PRIORITY CATEGORIES

- 6.1 There are several significant emerging features of poverty across the EC which should be recognised in the Green Paper on Social Policy. These can be presented as priority categories.

6.2 Long-term Unemployed

Firstly, the increase in the numbers of long-term unemployed and their resulting exclusion from the mainstream economy and society. The Green Paper should recognise that the fundamental factor underlying widespread poverty is the crisis level of unemployment.

6.3 Disadvantaged Urban Communities

Secondly, the growing urban crisis with the concentration of poverty and multiple disadvantage in particular localities which are increasingly cut off from the social and economic mainstream.

6.4 Peripheral Rural Communities

Thirdly, the growing crisis in peripheral rural communities with the dependence on agricultural production and the poor development of basic services and infrastructure.

6.5 Minorities and Migrants

Fourthly, the growing phenomenon of poverty associated with discrimination against minorities and migrants.

6.6 People at Risk of Poverty

Fifthly, because of demographic changes, changing family structures and the weakening of traditional family supports particular groups of people may find themselves in risk of poverty: these include **the homeless, the elderly and lone parents.**

6.7 The Combat Poverty Agency believes that the emergence of these priority categories should be recognised in the Green Paper and consideration of measures to address them should be a specific concern of future EC social policy.

7. WIDER SOCIAL POLICY IN EUROPE

7.1 Mechanisms to Ensure More Effective Redistribution

The Green Paper should provide the basis for discussion on possible mechanisms whereby the benefits of economic growth can be distributed more fairly across Europe. This would include looking at appropriate mechanisms for taxation across Europe and at how the Community can support social programmes such as education, health, and housing, which promote greater integration and social cohesion in the Community. The Green Paper should also examine ways for redistributing employment opportunities such as shorter working time, job sharing, earlier retirement and paid educational leave.

7.2 Social Cohesion

In striving for greater economic and social cohesion through consideration of the need for more redistributive policies it will be important that **social policies address social inequalities and not just regional or spatial inequalities.**

8. FINAL COMMENTS

8.1 Models of Development

In terms of cohesion, that is, of bringing living standards up to the European average, it is important to **identify models of development that address exclusion. In this context it is important that the Green Paper acknowledges the link between economic and social policy and agrees a co-ordinated and co-operative growth strategy** in which public need and balanced development takes precedence over private gain and which involves all players - the social partners, national governments, local and regional authorities and non governmental organisations.

8.2 Role of Non Governmental Organisations

The Green Paper should take the opportunity to recognise non governmental organisations representing those experiencing poverty and social exclusion as Social Partners and the importance of their role in developing and implementing European social policy.

8.3 Structures on Social Policy

The Agency believes that some thought should also be given to structures regarding EC Social Policy. The Green Paper could propose the establishment of a committee of senior representatives from each Member State and from different directorates of the Commission, with a brief to specifically focus on poverty and social exclusion.

8.4 Structural Funds

It is worth noting that whilst the structural funds have made a welcome contribution to the national economy it is, in many cases, the large landowners, the multinational corporations, the leaders of the business sector, the tourists and those who can access education who have benefited. The long-term unemployed, the disabled, the homeless, Travellers, women, small farmers and others who experience exclusion await the "trickle down" or benefit from such special initiatives. Thus, impoverished regions must be enabled to secure a fairer share of Europe's growing prosperity, and the continued willingness of all nations to build a new Europe together depends on their conviction that they will all share their benefits.

8.5 Monitoring Social Progress

Finally, the Combat Poverty Agency sees as important that there be a co-ordinated and integrated approach to effectively tackle poverty. Thus, there will need to be a linking and fusing of the various ingredients that are necessary for an overall anti-poverty programme. A first step could be to require the EC and all government departments and agencies to undertake regular social impact studies to see how their actions affect those living in poverty compared to other sections of the community.