



# Procedure file

| Basic information  |                |
|--|----------------|
| INI - Own-initiative procedure   | 2008/2034(INI) |
| Procedure completed  |                |
| Promoting social inclusion and combating poverty, including child poverty, in the EU |                |
| Subject  |                |
| 4.10 Social policy, social charter and protocol                                      |                |
| 4.10.03 Child protection, children's rights  |                |
| 4.10.05 Social inclusion, poverty, minimum income                                    |                |
| 4.10.10 Social protection, social security   |                |

| Key players                   |  |                                      |            |
|-------------------------------|--|--------------------------------------|------------|
| European Parliament           | Committee responsible  | Rapporteur                           | Appointed  |
|                               | <b>EMPL</b> Employment and Social Affairs                                  |                                      |            |
|                               | Committee for opinion  | Rapporteur for opinion               | Appointed  |
|                               | <b>FEMM</b> Women's Rights and Gender Equality (Associated committee)      |                                      | 29/01/2008 |
|                               |  | PPE-DE <a href="#">ZÁBORSKÁ Anna</a> |            |
| Council of the European Union | Council configuration  | Meeting                              | Date       |
|                               | <a href="#">Employment, Social Policy, Health and Consumer Affairs2855</a> |                                      | 29/02/2008 |
| European Commission           | Commission DG  | Commissioner                         |            |
|                               | <a href="#">Employment, Social Affairs and Inclusion</a>                   | ŠPIDLA Vladimír                      |            |

| Key events |   |   |         |
|------------|---|---|---------|
| 16/10/2007 | Non-legislative basic document published                  | <a href="#">COM(2007)0620</a>   | Summary |
| 21/02/2008 | Committee referral announced in Parliament                |   |         |
| 21/02/2008 | Referral to associated committees announced in Parliament |   |         |
| 29/02/2008 | Debate in Council   | <a href="#">2855</a>  | Summary |
| 10/09/2008 | Vote in committee   |   | Summary |
| 24/09/2008 | Committee report tabled for plenary                       | <a href="#">A6-0364/2008</a>  |         |
| 08/10/2008 | Debate in Parliament                                      |  |         |
| 09/10/2008 | Results of vote in Parliament                             |  |         |
| 09/10/2008 | Decision by Parliament                                    | <a href="#">T6-0467/2008</a>  | Summary |
| 09/10/2008 | End of procedure in Parliament                            |   |         |

| Technical information |                                |
|-----------------------|--------------------------------|
| Procedure reference   | 2008/2034(INI)                 |
| Procedure type        | INI - Own-initiative procedure |

|                            |   |
|----------------------------|---|
| Procedure subtype          | Strategic initiative                                  |
| Legal basis                | Rules of Procedure EP 54-p4; Rules of Procedure EP 54 |
| Stage reached in procedure | Procedure completed                                   |
| Committee dossier          | EMPL/6/59426  |

## Documentation gateway

|   |      |                               |            |    |         |
|---|------|-------------------------------|------------|----|---------|
| Non-legislative basic document                      |      | <a href="#">COM(2007)0620</a> | 17/10/2007 | EC | Summary |
| Committee draft report                              |      | <a href="#">PE402.880</a>     | 10/04/2008 | EP |         |
| Amendments tabled in committee                      |      | <a href="#">PE405.833</a>     | 19/05/2008 | EP |         |
| Committee opinion                                   | FEMM | <a href="#">PE405.968</a>     | 17/06/2008 | EP |         |
| Committee report tabled for plenary, single reading |      | <a href="#">A6-0364/2008</a>  | 24/09/2008 | EP |         |
| Text adopted by Parliament, single reading          |      | <a href="#">T6-0467/2008</a>  | 09/10/2008 | EP | Summary |
| Commission response to text adopted in plenary      |      | <a href="#">SP(2008)6975</a>  | 30/01/2009 | EC |         |

## Promoting social inclusion and combating poverty, including child poverty, in the EU

**PURPOSE:** to identify ways in modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market.

**BACKGROUND:** this Commission communication states that growth and employment are rising and unemployment is falling across Europe. However, Europe needs to do more to fully achieve the objective set by EU leaders at Lisbon in 2000, of making a 'decisive impact on the eradication of poverty'. 16% of Europe's population is at risk of financial poverty, one in five lives in sub-standard housing, 10% live in households where nobody works and the proportion of early school leavers is over 15%.

In order to help Member States mobilise those who can work and provide adequate support to those who cannot, the Commission has proposed a holistic strategy that can be termed active inclusion. It combines income support at a level sufficient for people to have a dignified life with a link to the labour market through job opportunities or vocational training and through better access to enabling social services. Active inclusion in this sense is fully complementary to the 'flexicurity' approach, while targeting those at the margins of the labour market. It shapes an 'active welfare state' by providing personalised pathways towards employment and ensuring that those who cannot work can live in dignity and contribute as much as possible to society.

Once in employment, job retention should be promoted to avoid a "revolving door" situation: the process of social reintegration does not end at the employers' doors. And employment is not always a guarantee against poverty: 8% of workers in the EU are at risk of poverty, so promoting quality in work is also important.

Following a public consultation carried out in spring 2006, the Commission is proposing to deepen the Open Method of Coordination in this area through the adoption of a set of common principles. These principles would guide implementation of the three strands of active inclusion (minimum income, active labour market measures and social services) and their subsequent monitoring and evaluation, while fully respecting the different situations and needs of the Member States.

**CONTENT:** in order to promote the identification and adoption of the common principles and to detail the elements of the active inclusion strategy, the Commission intends to issue a **Recommendation**, which would constitute the basis for Council conclusions and a European Parliament resolution.

The common principles for the three strands will be developed along the lines described below:

- Income support sufficient to avoid social exclusion: the main elements concern in particular: i) the recognition of the basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity; ii) making the recognition of this right subject to general principles including active availability for work or for vocational training for those whose age, health and family situation permits such active availability or, where appropriate, subject to economic and social integration measures in the case of other persons; iii) the implementation of this right according to practical guidelines, in particular that the definition of the amounts of resources considered sufficient to cover essential needs with regard to respect for human dignity should refer to appropriate indicators, such as, for example, statistical data on the average disposable income, household consumption, the legal minimum wage, or the level of prices. Arrangements should be established for periodic review of these amounts, based on these indicators, in order that needs continue to be covered.
- Link to the labour market: the common principles will stress the importance of breaking down barriers to the labour market with active and preventive labour market measures, including early identification of needs, job search assistance, guidance and training as part of personalised action plans. In order to make work pay for job seekers, it is also necessary to continue reviewing the incentives and disincentives resulting from tax and benefit systems, including the management and conditionality of benefits, while ensuring adequate levels of social protection. To support the inclusion of disadvantaged people, relevant policies on the demand side of the labour market include the expansion of the social economy, the development of new sources of jobs in response to collective needs, financial incentives for employers to hire, antidiscrimination law and labour law.

- Link to better access to quality services: the common principles will focus on the two concepts identified as crucial in the OMC and the ongoing dialogue with civil society organisations, i.e. i) accessibility of services, comprising both availability (including spatial and physical accessibility) and affordability; ii) quality of services, comprising: user involvement; monitoring, performance evaluation and sharing of best practice; investment in human capital; working conditions; framework for equality both in recruitment policies and in service provision; coordination and integration of services; and adequate physical infrastructure, especially in relation to social housing. All services of general interest, including network industries such as transport and public utilities as well as financial services, play an important role in ensuring social and territorial cohesion. Universal access to essential services should be guaranteed, and the Commission is committed to promoting this across all its policies. Nevertheless, from the active inclusion perspective, the common principles will focus on social services of general interest. Apart from statutory and complementary social security schemes and health services, social services of general interest include other essential services provided directly to the person, which play a preventive and socially cohesive role, facilitate social inclusion and safeguard fundamental rights. They include: i) assistance for persons faced by personal challenges or crises (such as unemployment, over-indebtedness, drug addiction or family breakdown); ii) activities to ensure that the persons concerned are able to completely reintegrate into society and into the labour market (such as rehabilitation, language training for immigrants, occupational training and reintegration) and to ensure access to affordable child care; iii) activities to integrate persons with long-term health or disability problems; iv) social housing.

A supporting EU framework: the implementation of the common principles will be supported, at EU level, by a systematic monitoring and evaluation exercise and by other initiatives or instruments complementing the efforts of Member States. The Commission will examine with the social partners how they might further develop autonomous initiatives to enhance the synergies with the other policy strands and actors in the active inclusion approach, such as public authorities - including those most active in the field, i.e. often regional and local authorities - service providers and NGOs.

EU financial instruments: the Commission will encourage use of the provisions of the new ESF regulation to support active inclusion measures, namely: a) developing and testing integrated pathways to active social and economic inclusion; b) mainstreaming innovative integration approaches that have a clear advantage over current practices; and c) disseminating and transferring good practice in promoting social inclusion across all Member States. The Commission will therefore support, including with the resources available in the framework of the PROGRESS programme, the establishment of a Network of Local Observatories, in partnership with EU networks of local authorities, service providers and NGOs, to monitor and promote best practices, especially in relation to access to quality services.

## Promoting social inclusion and combating poverty, including child poverty, in the EU

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The Council held a policy debate in preparation for the Spring European Council on the issue of child poverty.

Recognising that 19 million children in the EU live at risk of poverty, the Council believes that equal opportunities for all must be ensured, and that an increase in efforts to improve the educational level of each child is required, in order to break the transmission of poverty and exclusion to the next generation. The Council notes that the best-performing Member States target the most disadvantaged children within a broader universal approach. Efforts to tackle poverty of children and overall will gain leverage from an evidence-based diagnosis of the main causes of poverty and exclusion in each Member State. In this context, national quantified objectives can be instrumental in making a decisive impact on the eradication of poverty. This can be further strengthened by regular monitoring of the impact and effectiveness of policies and, where needed, by a reinforcement of statistical capacity.

The Council believes that sustained efforts will be required in the Member States to improve this situation, during, and beyond, the next cycle of the Lisbon strategy.

## Promoting social inclusion and combating poverty, including child poverty, in the EU

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The Committee on Employment and Social Affairs adopted an own-initiative report by Gabriele ZIMMER (GUE/NGL, DE) on promoting social inclusion and combating poverty, including child poverty, in the EU.

A more holistic approach to active social inclusion: Members welcome the Commission's approach to active social inclusion which must enable people to live with dignity and participate in society and the labour market. This approach must also make a decisive impact on the eradication of poverty and social exclusion, both for those in employment (the "working poor") and for those not in paid employment.

While agreeing with the main proposals of the Commission in relation to income support sufficient to prevent social exclusion, keeping a link to inclusive labour markets, better access to quality services at an affordable price (or services of general economic interest), as well as gender mainstreaming and anti-discrimination, they consider that a more holistic approach to active social inclusion is required.

Guaranteeing sufficient income to ensure a dignified life for all: once again, Members call upon Member States to define minimum income schemes for social inclusion. They agree with the Commission that social assistance in most Member States is already below a level which makes poverty a risk and insist that the central objective of income support schemes must be to lift people out of poverty and enable them to live in dignity. To better define this level of minimum revenue in the Union, the Commission is called upon to provide a detailed report on whether welfare provision in the Member States (e.g. minimum income schemes, unemployment, invalidity and survivors' benefits, statutory and supplementary pension schemes) provide for incomes above the Union's at-risk-of poverty threshold of 60% of national median equalised income. In particular, they want it to establish a common method of calculating the minimum subsistence amount and the cost of living (a basket of goods and services) in order to ensure comparable measurements of the poverty line in the Union. They state that adequate minimum income schemes are a fundamental prerequisite for a European Union based on social justice and equal opportunities for all. They therefore call on the Member States to ensure that an adequate minimum income is provided for periods out of work or in between jobs. In addition, they call on the Council to agree an EU target for minimum wages (statutory, collective agreements at national, regional or sectoral level) to provide for remuneration of at least 60% of the relevant (national, sectoral, etc.) average wage for all Union citizens. The Council is also called upon to agree an EU target for minimum wages to provide for remuneration of at least 60% of the relevant (national, sectoral, etc.) average wage. Members point out that, statistically speaking, the risk of falling into severe poverty is greater for women than for men and that appropriate gender-related policies are called for. Furthermore, they consider that Member States should provide targeted additional benefits for people with disabilities or chronic diseases, single parents, or households with many children. The situation of self-employed people living below the poverty line also needs to be addressed.

Eradicating child poverty: of all the forms of poverty, child poverty has to be the most serious. For this reason, Members call on the EU institutions, the Member States and organised civil society associations to address its eradication by means of a holistic approach. They urge the Member States to reduce child poverty by 50% by 2012 and to allocate sufficient resources in order to achieve this goal. In this regard, they propose a battery of measures: recognising that children are citizens and independent holders of rights, their rights to vital resources (housing, food but also emotional, social and educational needs), as well as that of their parents so that the latter do not abandon them, their access to services and opportunities that are necessary to enhance their wellbeing, specific help for disabled children, children's right to participate in society (social, recreational, sporting and cultural life), aid to large families and for single parents to facilitate their entry into or return to the labour market, recognition of the role of the family, particular attention to be given to street children and those who are exposed to human trafficking, and, lastly, the promotion of family reunification. Special assistance is also called for to combat prostitution, child drug addiction and child trafficking. The Commission is also urged to take into consideration the social exclusion of children in the context of immigration and disability, as well as all forms of maltreatment and forms of abuse to which they can fall victim.

Employment policies for socially inclusive labour markets: while agreeing with the Commission that having a job is the best way to avoid poverty and social exclusion, MEPs stress, nevertheless, that 8% of workers in the Union are at risk of poverty. They also point out that 20 million people in the Union, most of them women, are affected by in-work poverty (i.e. 6% of the total population and 36% of the working population). To combat this and to enable such people to live in dignity, MEPs consider that, for active inclusion in the labour market, the most disadvantaged groups need specific measures such as: i) support for personal development, through education, training, lifelong learning, ii) maximum access to information to secure stable, highly skilled employment, iii) support to foster employment and the ability to remain in the job market, iv) ensuring the cessation of work by persons of retirement age is monitored in the interests of releasing posts. They favour, in particular, policies to make work more financially attractive than unemployment by fighting against the employment trap phenomenon. This work, however, should permit the worker to earn a decent living and live in dignity. The Member States are also urged to reduce fiscal pressure not only on lower income earners but also on average income earners, so as to prevent workers from being caught in a low-wage trap. Other recommendations include promoting the social inclusion of young people, older people and immigrants and introducing measures to combat undeclared work, forced child labour and the abusive exploitation of workers, including illegal ones.

Providing quality services and guaranteeing access for vulnerable and disadvantaged groups: MEPs stress the importance of statutory and complementary social security schemes, health services and social services of general interest in poverty prevention. MEPs believe that access to goods and services should be the right of every EU citizen. They encourage Member States to consider social default tariffs for vulnerable groups (e.g. in the fields of energy and public transport) and also to enhance universal service obligations (e.g. in the telecommunications and postal services sector). They also call on the Council to agree an EU-wide commitment to end street homelessness by 2015 and for the development by Member States of integrated policies to ensure access to affordable quality housing for all. They urge the Member States to devise winter emergency plans as part of a wider homelessness strategy. Further social measures are envisaged such as maintaining national subsidies for specific services such as dinner money, free teaching materials and school buses, and for essential leisure and out-of-school educational opportunities, as well as assistance with childcare costs. For elderly people, specific measures should be drawn up, in particular in relation to mental health. Assistance would also be needed to combat alcohol and drug abuse and domestic violence.

Improving policy coordination and the involvement of all relevant stakeholders: Members support the Commission's view that any policy dealing with social exclusion must involve the disadvantaged people themselves. A uniform series of measures needs to be introduced at European level with a view to preventing and penalising abuses of any kind of minorities, people with disabilities and senior citizens, in the context of concrete actions for the across-the-board reduction of the vulnerability of those social groups, in particular by applying the Community legislation in force. MEPs also call on the Council and the Commission to give their explicit commitment to a Community strategy to eradicate poverty and promote social inclusion. They encourage the Member States to take effective measures to ensure that 90% of children across the Union can benefit from childcare facilities from birth until mandatory school age and that a sufficient level of care provision is set in place for other dependent persons by 2015. Lastly, Members consider that the launch, next year, of European Year for Combating Poverty and Social Exclusion should be the occasion to deploy a wide variety of awareness initiatives in this field.

## Promoting social inclusion and combating poverty, including child poverty, in the EU

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The European Parliament adopted by 540 votes to 57, with 32 abstentions a resolution on promoting social inclusion and combating poverty, including child poverty, in the EU.

The own-initiative report had been tabled for consideration in plenary by Gabriele ZIMMER (GUE/NGL, DE) on behalf of the Committee on Employment and Social Affairs.

Parliament recalls that a sizable part of the Union's population remains socially excluded, since one in five live in sub-standard housing and each day about 1.8 million people seek accommodation in specialist shelters for homeless, 10% live in households where nobody works, long-term unemployment approaching 4%, 31 million workers or 15% are earning extremely low wages, 8% of workers or 17 million experience income poverty despite employment, the proportion of early school leavers is over 15% and the digital divide still persists (44% of the EU population lack any internet or computer skills).

In response to these alarming facts, the European Parliament has adopted this resolution which concentrates on the following:

A more holistic approach to active social inclusion: Parliament welcomes the Commission's approach to active social inclusion which must enable people to live with dignity and participate in society and the labour market. This approach must also make a decisive impact on the eradication of poverty and social exclusion, both for those in employment (the "working poor") and for those not in paid employment.

While agreeing with the main proposals of the Commission in relation to income support sufficient to prevent social exclusion, keeping a link to inclusive labour markets, the Parliament calls for a more holistic approach to active inclusion should also include a special focus on the eradication of child poverty.

Guaranteeing sufficient income to ensure a dignified life for all: once again, Parliament calls upon Member States to define minimum income schemes for social inclusion. It agrees with the Commission that social assistance in most Member States is already below a level which makes poverty a risk and insists that the central objective of income support schemes must be to lift people out of poverty and enable them to live in dignity. To better define this level of minimum revenue in the Union, the Commission is called upon to provide a detailed report on whether welfare provision in the Member States (e.g. minimum income schemes, unemployment, invalidity and survivors' benefits, statutory and supplementary pension schemes) provide for incomes above the Union's at-risk-of poverty threshold of 60% of national median equalised

income. In particular, MEPs want it to establish a common method of calculating the minimum subsistence amount and the cost of living (a basket of goods and services) in order to ensure comparable measurements of the poverty line in the Union. They state that adequate minimum income schemes are a fundamental prerequisite for a European Union based on social justice and equal opportunities for all. They therefore call on the Member States to ensure that an adequate minimum income is provided for periods out of work or in between jobs. The Council is called upon to agree an EU target for minimum income schemes and contributory replacement income schemes of providing income support of at least 60% of national median equalised income and, further, to agree a timetable for achieving this target in all Member States. MEPs point out that, statistically speaking, the risk of falling into severe poverty is greater for women than for men and that appropriate gender-related policies are called for. Furthermore, they consider that Member States should provide targeted additional benefits for people with disabilities or chronic diseases, single parents, or households with many children. The situation of self-employed people living below the poverty line also needs to be addressed.

Eradicating child poverty: of all the forms of poverty, child poverty has to be the most serious. For this reason, the Parliament calls on the EU institutions, the Member States and organised civil society associations to address its eradication by means of a holistic approach. It urges the Member States to reduce child poverty by 50% by 2012 and to allocate sufficient resources in order to achieve this goal. In this regard, it proposes a battery of measures: recognising that children are citizens and independent holders of rights, their rights to vital resources (housing, food but also emotional, social and educational needs), as well as that of their parents so that the latter do not abandon them, their access to services and opportunities that are necessary to enhance their wellbeing, specific help for disabled children, children's right to participate in society (social, recreational, sporting and cultural life), aid to large families and for single parents to facilitate their entry into or return to the labour market, recognition of the role of the family, particular attention to be given to street children and those who are exposed to human trafficking, and, lastly, the promotion of family reunification. Special assistance is also called for to combat prostitution, child drug addiction and child trafficking. The Commission is also urged to take into consideration the social exclusion of children in the context of immigration and disability, as well as all forms of maltreatment and forms of abuse to which they can fall victim.

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- I. support for personal development, through education, training, lifelong learning,
- II. maximum access to information to secure stable, highly skilled employment,
- III. support to foster employment and the ability to remain in the job market,
- IV. ensuring the cessation of work by persons of retirement age is monitored in the interests of releasing posts.

Parliament favours, in particular, policies to make work more financially attractive than unemployment by fighting against the employment trap phenomenon. This work, however, should permit the worker to earn a decent living and live in dignity. The Member States are also urged to reduce fiscal pressure not only on lower income earners but also on average income earners, so as to prevent workers from being caught in a low-wage trap. Other recommendations include promoting the social inclusion of young people, older people and immigrants and introducing measures to combat undeclared work, forced child labour and the abusive exploitation of workers, including illegal ones.

Providing quality services and guaranteeing access for vulnerable and disadvantaged groups: Parliament stresses the importance of statutory and complementary social security schemes, health services and social services of general interest in poverty prevention. It believes that access to goods and services should be the right of every EU citizen. It encourages Member States to consider social default tariffs for vulnerable groups (e.g. in the fields of energy and public transport) and also to enhance universal service obligations (e.g. in the telecommunications and postal services sector). MEPs also call on the Council to agree an EU-wide commitment to end street homelessness by 2015 and for the development by Member States of integrated policies to ensure access to affordable quality housing for all. They urge the Member States to devise winter emergency plans as part of a wider homelessness strategy. Further social measures are envisaged such as maintaining national subsidies for specific services such as dinner money, free teaching materials and school buses, and for essential leisure and out-of-school educational opportunities, as well as assistance with childcare costs. For elderly people, specific measures should be drawn up, in particular in relation to mental health. Assistance would also be needed to combat alcohol and drug abuse and domestic violence.

Improving policy coordination and the involvement of all relevant stakeholders: Parliament supports the Commission's view that any policy dealing with social exclusion must involve the disadvantaged people themselves. A uniform series of measures needs to be introduced at European level with a view to preventing and penalising abuses of any kind of minorities, people with disabilities and senior citizens, in the context of concrete actions for the across-the-board reduction of the vulnerability of those social groups, in particular by applying the Community legislation in force. Parliament also calls on the Council and the Commission to reinvigorate a clear strategic focus on the eradication of poverty and the promotion of social inclusion in the context of the Social Agenda 2008 to 2012. It calls for a more explicit commitment in the next cycle of the Open Method of Coordination in the fields of Social Protection and Social Inclusion, to a dynamic and effective Community strategy that would set meaningful targets and lead to the creation of effective instruments and to monitoring focused on fighting poverty, social exclusion and inequality.

Parliament also calls on the Council and the Commission to give their explicit commitment to a Community strategy to eradicate poverty and promote social inclusion. It encourages the Member States to take effective measures to ensure that 90% of children across the Union can benefit from childcare facilities from birth until mandatory school age and that a sufficient level of care provision is set in place for other dependent persons by 2015.

Lastly, MEPs consider that the launch, next year, of European Year for Combating Poverty and Social Exclusion should be the occasion to deploy a wide variety of awareness initiatives in this field.