



“Feeding in” and “feeding out”: The extent of synergies between growth and jobs policies and social inclusion policies across the EU

Key lessons

Synthesis Report

Independent overview based on the 2007 second semester national reports of national independent experts on social inclusion

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List of Acronyms

EU	European Union
EU-15	The 15 EU Member States before the May 2004 enlargement
EU-SILC	Community Statistics on Income and Living Conditions
ESF	European Social Fund
IRNRP	Implementation Report of the National Reform Programme for Growth and Jobs
NAP/inclusion	National Action Plan for social inclusion
NGO	Non Governmental Organisation
NRSSPSI	National Report on Strategies for Social Protection and Social Inclusion
OMC	Open Method of Coordination (for social protection and social inclusion)
PROGRESS	Community Programme for Employment and Social Solidarity
SPSI	Social Protection and Social Inclusion

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Preface

The concepts of *feeding in* and *feeding out* were developed in the context of the refocusing of the Lisbon process on growth and jobs and the revision of the EU Social Protection and Social Inclusion Process's objectives in 2005. Early in 2005 "Growth and Jobs" was put centre stage in the refocused Lisbon Strategy, with a view to improving delivery on the ground of policies expected to have the greatest impact. At the same time it was emphasised that "*making growth and jobs the immediate target goes hand in hand with promoting social or environmental objectives.*"¹ At their 2005 Spring European Council, EU Heads of State and Governments clarified the hierarchy of objectives by stressing that strengthening growth and employment was "*making for social cohesion*".

The European Commission's Communication of December 2005 "Working together, working better", presented the framework for "streamlining" the work on social inclusion, pensions and healthcare and long-term care, to form an integrated process². It sought, further, to explain how the new "Partnership for Growth and Jobs" should interact with the corresponding policy efforts and the separate reporting under the Open Method of Coordination for Social Protection and Social Inclusion (OMC). In particular, the overarching objectives of the OMC emphasised the need for "effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion, and with the EU's Sustainable Development Strategy". Reflecting the European Council's vision of "growth and employment making for social cohesion", policies within the refocused Lisbon agenda would contribute to social cohesion and inclusion. Thus, the OMC should parallel and interact closely with the "Partnership for Growth and Jobs" – "feeding in" to growth and employment objectives while growth and employment programmes should "feed out" to advance social cohesion goals.

The EU Council of Ministers in March 2006 established as an overarching objective of the OMC to promote "*effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion...*".

The 2007 Spring European Council highlighted the importance of the social dimension of the EU. In particular, it stressed that in order to ensure the continuing support of the Union's citizens for European integration "*the common social objectives of Member States should be better taken into account within the Lisbon agenda*". The request of the Spring European Council strongly underlined the need - across the board - to strengthen the assessment of how social policies can contribute to more jobs and growth ("feeding in") as well as of how the objectives of jobs and growth can serve social cohesion ("feeding out").

In 2005 Member States prepared their 2005-8 National Reform Programmes for Growth and Jobs (NRPs). Last year the members of the European Commission's Network of Independent Experts on Social Inclusion prepared a country report assessing the extent to which *feeding in* and *feeding out* were reflected in the 2006 Implementation Reports of these Programmes (IRNRPs).³ The Network

¹ European Commission (2005), "Working together for growth and jobs: A new start for the Lisbon Strategy", Communication from the Commission, COM(2005) 24 final, Brussels.

² European Commission (2005), "Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union", Communication from the Commission, COM(2005) 706 final, Brussels.

³ The reports prepared by the independent experts are intended to support the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission in its task of assessing independently the

Core Team then prepared an independent overview drawing out core lessons across the European Union.⁴

In October 2007, Member States submitted their 2007 IRNRPs in which they had been invited to focus on actions taken with respect to the Recommendations formulated to each Member State (with a few exceptions) in the conclusions to the Country Profiles annexed to the December 2006 Annual Progress Report⁵. This year the independent experts have each prepared an assessment of each Member State's 2007 IRNRP from a *feeding in* and *feeding out* perspective.⁶ The present report is an independent overview of the main findings and conclusions that the Network Core Team has drawn from these 27 assessment reports.

It should be noted that in this report, where the experience in one or more individual Member States is highlighted, this is either because the independent national experts have emphasised the particular point or because we think they represent a good illustration of the issue under discussion. Consequently, the fact that a particular Member State is mentioned does not necessarily mean that the point being made does not apply to other Member States. In producing their reports experts cite various different sources and reports in support of their analysis. These have not been included in this report. Readers wishing to follow up the original source should go to the individual experts' reports which are available on the *Peer Review and Assessment in Social Inclusion* web site (see above).

implementation of the Social Inclusion Process. The Network consists of independent experts from each of the 27 Member States as well as from Croatia and Turkey.

For more information on the Network members and reporting activities: <http://www.peer-review-social-inclusion.net/policy-assessment-activities>.

And for more information on the overall project "Peer Review and Assessment in Social Inclusion", see: <http://www.peer-review-social-inclusion.net/>.

⁴ See: <http://www.peer-review-social-inclusion.net/policy-assessment-activities/reports/first-semester-2007/> for the 2006 individual expert's reports on feeding in and feeding out and for the related Synthesis Report.

⁵ See: http://ec.europa.eu/growthandjobs/european-dimension/200612-national-annexes/index_en.htm

⁶ It should be noted that all the Network experts also prepared annexes to their reports outlining major recent trends and policy developments in their Member State. These are not covered in this Synthesis Report but can be read in the experts' reports available on the website (see above, footnote 4).

1. Key Findings and Main Conclusions

1.1 Key findings

The overall finding of this independent overview of the national reports drafted by the 27 European Commission's independent experts on social inclusion, is that the 2007 Implementation Reports of the National Reform Programmes (IRNRPs) have demonstrated some improvements in strengthening linkages between the EU Partnership for Growth and Jobs and the EU Social Protection and Social Inclusion Process. However, this is only true for some Member States and the approach taken varies very widely from country to country, reflecting in part very different starting points and priorities. In most Member States IRNRPs still fall far short of the March 2006 Lisbon European Council's call for "*effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion.*" However, the experts' reports do provide considerable evidence of the potential for and importance of reinforcing synergies between social policies and economic and employment policies. We have identified fifteen key findings:

1. In a small group of Member States, some improvements in the linkages between growth and jobs policies, on the one hand, and social protection and social inclusion (SPSI) policies, on the other hand are evident.
2. However, in most Member States "explicit" linkages between the National Reform Programmes on growth and jobs (and subsequent implementation reports) and SPSI policies remain very limited or non-existent. On the other hand, some "implicit" linkages can be identified in a significant number of countries.
3. There is some evidence of a growing awareness in a number of Member States that social inclusion policies are an important element in achieving and sustaining the growth and jobs objectives. However, the contribution that social policies can make to achieving growth and jobs objectives is given only limited attention in most IRNRPs.
4. There is a lack of rigorous analysis in many countries of the impacts (both positive and negative) that growth and jobs policies are having on social inclusion. This is often linked to too simple an assumption that economic growth and more jobs, important though they are, will be sufficient on their own to ensure greater social inclusion.
5. In spite of the limitations of many IRNRPs from a social inclusion perspective, across the totality of 27 independent experts' reports there is considerable evidence of the potential and importance of economic and employment policies and social policies being mutually reinforcing.
6. Progress is being made in many Member States in ensuring the long-term financial sustainability of social protection systems but this is often not balanced with sufficient attention being given to their adequacy and accessibility.
7. Linkages between the NRP and SPSI processes are most evident in the area of employment policies and considerable progress is being made in some countries in reaching groups facing particular difficulties. Active inclusion policies which successfully combine employment, income support and social services play an important role in this regard. EU Structural Funds play a key role in many countries in supporting inclusive employment policies.

8. In some Member States a concern with increasing financial incentives to take up work is not combined with giving sufficient attention to ensuring that income from work (including possible in-work benefits) is sufficient to keep people out of poverty or that those unable to work are receiving an adequate income.
9. There are a growing number of interesting examples of a balanced approach to flexicurity which have positive economic and social inclusion outcomes. However, too often flexicurity policies seem to over-emphasise flexibility at the expense of security.
10. There are many interesting policies to promote active ageing and to extend the participation of older people in the labour force as well as to develop sustainable pension systems. Positive progress is being made in this area in many Member States.
11. In spite of the EU emphasis on child poverty during 2007 significant attention is given in only a few IRNRPs to the contribution that economic and employment policies can make to reducing child poverty and improving their well-being, or how social protection and social inclusion policies for children can contribute to sustaining economic growth and employment in the future.
12. Weaknesses in linkages between the NRP and SPSI processes often reflect weaknesses in national governance arrangements for improving connections between economic, employment and social policies, and for mainstreaming social protection and social inclusion goals in economic and employment policy making.
13. The participation of those experiencing poverty and social exclusion and the organisations that work with them lags behind in the NRP process when compared to developments in recent years in the SPSI process.
14. Gender equality and the gender dimension of policies are not given sufficient attention by most Member States. However, there is considerable evidence in a few countries that an effective gender dimension can help to reinforce the synergies between the two processes.
15. The important contribution that can be made to the achievement of social protection, social inclusion, growth and jobs goals by housing and health policies remains underdeveloped in most reports.

1.2 Main conclusions

In the course of preparing this Synthesis Report we have identified many different and valuable lessons on *feeding in* and *feeding out*. On the basis of these we have distilled the following ten main conclusions which we hope will be of assistance to those responsible at EU and country levels for the further development of mutually reinforcing links between the EU Social Protection and Social Inclusion Process and the Partnership for Growth and Jobs. These are as follows:

1. In their 2008-2010 National Reports on Strategies for Social Protection and Social Inclusion (NRSSPSIs), Member States need to give more systematic consideration than heretofore as to which measures in their reports will contribute to economic growth and jobs as well as to greater social protection and social inclusion and in what ways. For this, rigorous policy impact assessments will be needed. This should help to address the need for much greater clarity as to how social protection and social inclusion measures can contribute to economic growth and jobs.

2. In their 2008-2010 National Reform Programmes (NRPs), Member States should specifically identify what they see as the potential contribution that their various economic and employment policies make to improving social protection and social inclusion. They should also provide a clear overall assessment of the contribution that social protection and social inclusion policies are already making, or could potentially make, to the achievement of their economic growth and jobs goals. This is essential if Member States are to move beyond the still very common assumption that economic growth and more jobs automatically translate into greater social protection and social inclusion, and are to opt for a more proactive and less passive approach that cuts across all the policy domains. This will involve ensuring specific assessments of each relevant policy to assess in practice whether the impact on social protection and social inclusion is positive or negative.
3. More rigorous and systematic assessments and reporting of the impact of economic and employment policies on social protection and social inclusion at national and sub-national levels are needed, and there is scope for mutual learning in this complex area. It should be noted that this conclusion is in line with the emphasis on the need for social impact assessments in the recently published European Commission's proposal for the 2008-2010 *Employment Guidelines*.⁷
4. Many Member States need to give more attention to improving governance arrangements so as to enhance mutual interactions between economic and employment policies, on the one hand, and social policies, on the other hand, and to strengthen efforts to promote social inclusion. In particular:
 - many Member States have not yet established arrangements for mainstreaming social protection and social inclusion goals in economic and employment policy making processes and/or for improving coordination and joined up government to ensure synergies between economic, employment and social policies. Close links need to be developed, at all the appropriate policy levels, between those responsible for the NRP and NRSSPSI processes;
 - training and opportunities for the exchange of learning for officials involved in the NRP and NRSSPSI processes, including in relation to policy monitoring and impact assessments, should be promoted so as to assist Member States in strengthening links between the two processes. In this regard, the 2007-2013 *Community Programme for Employment and Social Solidarity (PROGRESS)*⁸, which has been established to support financially the implementation of the EU objectives in the fields of employment and social affairs, should be used to the full to encourage the exchange of learning and good practice on *feeding in* and *feeding out* including through studies, exchange projects and peer reviews;
 - many Member States need to give more attention to involving NGOs as well as people experiencing poverty and social exclusion in the Partnership on Growth and Jobs and in this regard could usefully benefit from the good practice developed under the SPSI process.
5. It would be very helpful if the Commission could document and disseminate examples of good practice in using EU Structural Funds to contribute to *feeding in* and *feeding out*, in order to assist Member States in fully utilising the possibilities of using the Funds to promote social inclusion.

⁷ In the proposed Employment Guidelines "Member States are also encouraged to monitor the social impact of reforms and define their own commitments and targets, for which they should take these into account, as well as the country specific recommendations agreed at EU level." [see European Commission (2007), *Integrated Guidelines for Growth and Jobs (2008-2010)*, COM (2007) XXX – PART V, Brussels]

The Commission proposal can be downloaded from: http://ec.europa.eu/growthandjobs/pdf/european-dimension-200712-annual-progress-report/200712-annual-report-integrated-guidelines_en.pdf

⁸ For more information on PROGRESS, see: http://ec.europa.eu/employment_social/progress/index_en.htm

6. In line with EU discussions and agreements on these issues, it is important that when addressing *active inclusion* policies in their next (2008-2010) round of NRPs and NRSSPSIs Member States aim at combining in a balanced way the integration in the labour markets (for those for whom work is an option) with socially adequate income support as well as quality, accessible and effective social services.
7. It is also essential that the next NRPs and NRSSPSIs reflect a balanced approach to *flexicurity*, which involves “the deliberate combination of flexible and reliable contractual arrangements, comprehensive life-long learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems”⁹.
8. Ensuring a strong focus on gender equality and gender mainstreaming will be another important challenge for the next NRPs and NRSSPSIs.
9. The next round (2008-2010) of NRSSPSIs and NRPs should more systematically identify mutually reinforcing actions which will better tackle child poverty and social exclusion.
10. Finally, with a view to implementing effective and mutual interactions between the social, employment and growth objectives, it would be useful if, in their 2008-2010 NRPs and NRSSPSIs, Member States could report on how modernising of their social protection systems is expected to ensure both the financial sustainability of these systems and income adequacy for all.

⁹ Council Conclusions, 5-6 December 2007.

2. Overview of the Implementation Reports of the National Reform Programmes for Growth and Jobs (IRNRPs) from a Social Inclusion Perspective

2.1 Introduction

As outlined in the Preface to this report the 2007 Spring European Council emphasised the need for increased synergies between the Partnership for Growth and Jobs and the OMC. If this is the case, then the 2007 IRNRP should reflect both an increased awareness of the impact that countries' inclusive social policies (could) have on achieving the EU's growth and jobs goals, and an increased emphasis on the contribution that their growth and jobs policies (could) make to achieving greater social inclusion. Thus the first objective of this report is to assess the extent to which the independent experts' reports on Member States' IRNRPs identify an enhanced linkage between the NRP and SPSI processes which leads to enhanced synergies between economic, employment and social policies. The second objective of this assessment is to identify evidence and examples of mutual synergies between growth, jobs and social policies (whether or not this is explicitly linked to the two processes) and also barriers to achieving such synergies. This should then assist Member States to further strengthen mutual interaction between growth and jobs goals and social protection and social inclusion objectives in future.

It should be noted that, as the experts' reports cover such a wide and diverse range of issues and policies, rather than try and cover everything it has been decided to concentrate most attention on those areas where links with the growth and jobs agenda are most evident or most in need of further development. In most cases in their report the experts focus just on the policies that are described in the IRNRPs; however, in doing so, several experts have pointed out that there are sometimes other policies in their country that are relevant to feeding in and feeding out but which are not mentioned in the IRNRPs.

It should also be noted that, while this report tries to distinguish between *feeding in* and *feeding out* effects, it is not always easy to do so. Indeed, it is clear from the experts' reports that in practice there is sometimes some confusion as to exactly what is *feeding in* and what is *feeding out*. Thus it is sometimes easier to identify mutually reinforcing links between growth and jobs policies and social policies than to decide which is *feeding in* and which is *feeding out*. In reality some policies could equally well be described as both *feeding in* and *feeding out*. Education is a good example of where confusion can arise. A country may pursue changes and improvements in its education and training systems so as to increase skill levels to better meet the needs of a modern economy and to increase the available labour force. However, as a result of these reforms people who are at risk of poverty and exclusion, because of low skills leading to unemployment or very low paid and insecure jobs, may become socially included. This can then be seen as a *feeding out* effect. On the other hand, the motivation for educational developments may start from a concern to enable those who are vulnerable and at risk of poverty and social exclusion to gain the confidence and skills to enable them to participate fully in society and in particular in the labour market. They are then more likely to gain decent employment and to make fewer demands on social protection systems, and so contribute more to achieving employment and economic development goals. This could be construed then as being a *feeding in* effect.¹⁰

¹⁰ In considering the contribution of education to *feeding in* and *feeding out* it is important to note that as well as the OMC on Social Protection and Social Inclusion there is also an Education and Training OMC which aims to contribute the achievement of the overall Lisbon goals. The "Education and Training 2010" OMC consists of a set of agreed objectives

From this one can conclude that *feeding in* and *feeding out* are not ends in themselves nor indeed precise concepts. They should rather be viewed as tools to help us identify mutually reinforcing actions between growth and jobs policies and social policies. That is the approach that has been adopted by the national experts in their reports, and by the Network Core Team in the present report.

It should also be noted that in drafting this synthesis report it has not always been possible to identify whether the policies outlined in the IRNRPs and reported on by experts are new or existing policies.

2.2 Some overall improvement but links between the National Reform Programmes and the Social Protection and Social Inclusion processes are often not explicit

The links between the IRNRP and the OMC on social protection and social inclusion vary greatly across Member States. A few Member States demonstrate in their IRNRP that they have developed or are developing quite explicit links between the two processes. A larger number of countries do not identify any or only a few explicit links in their IRNRP but there are reasonably extensive implicit links or at least shared goals between the two processes. Then there are a number of Member States where social inclusion does not play a very significant role in the IRNRP even if some implicit links can be identified. Indeed a few countries give little or no attention to social inclusion issues in their IRNRP from either a *feeding in* or *feeding out* perspective.

Positive progress

In several Member States such as Austria, Finland, Ireland, Italy, Luxembourg, Portugal, the Netherlands, Romania and Sweden the experts are quite positive and see real, if qualified, progress being made. For instance, the Irish expert comments that “there appears to me to be real progress in terms of the extent to which social inclusion-related issues are integrated into this year’s report (as compared with that of last year). This is not just a surface phenomenon – there is depth of integration here as well and real reason to believe that economic growth and social cohesion are seen to be complementary in Ireland.” She does not yet see tackling social exclusion as being one of the core objectives of the NRP and it is still difficult to talk about strong synergies between the processes; but there is more coordinated planning and a “growing interface between economic policy and social policy”. The Austrian expert comments that the IRNRP recognises the linkages between social security and economic developments. For example, referring to the programme of the new government in Austria (which has been in place since January 2007), investments in research and development, infrastructure, education and social security are identified as vital areas to secure and increase future welfare; in this context, the IRNRP stresses that – with a new government – social policy has moved more centre-stage in its reform programme. However, the expert also comments that “even though there is recognition of the relationship between the economy and interventions to enhance social inclusion, this is mainly identified in the first chapter of the report (strategic overview). The upcoming chapters, which provide an overview of selected measures as part of the reform process, hardly refer to their likely impact on feeding in and feeding out. Nor does the IRNRP include concrete targets or target indicators to measure the success of the reform process in terms of feeding in and feeding out.” The Luxembourg experts stress that a concern with the social dimension continues to be central to the policy pursued by the

and a ten year work programme. In this context, three major goals are to be achieved by 2010 for the benefit of the citizens and the EU as a whole: a) to improve the quality and effectiveness of EU education and training systems; b) to ensure that these systems are accessible to all; and c) to open up education and training to the wider world. More details can be found on the Commission web-site at http://ec.europa.eu/education/policies/2010/et_2010_en.html

authorities. They point out that the IRNRP emphasises that “competition is not an end in itself. It is only an instrument at the service of a long-term objective: the well-being of citizens; the capacity of a nation to increase in a sustainable way the standard of living of its inhabitants and to provide them with a high level of employment and social cohesion while preserving the environment.”

The Swedish expert declares that the “government is using a very clear-cut ‘feeding in – feeding out’ reasoning, referring to the Lisbon agenda, when arguing in favour of their policy: social policy changes are designed to contribute to more jobs, growth and a sustainable economic development at the same time as more jobs are argued to facilitate social cohesion. Exclusion is, from the government’s point of view, by definition the same thing as not being employed. The government’s main goal is therefore to increase the employment rate.”

The Finnish expert comments that “The Finnish IRNRP seems to be a manifold policy report referring to the actions taken in relation to the implementation of the (refocused) Lisbon agenda. Still, both feeding out and feeding in considerations are coincidental and need to be examined “between the lines”. Some clear strengths and weaknesses can be addressed on the first hand. A positive aspect is that the policies connected to entrepreneurship and employment include clear links with social cohesion. Also the structured approach to flexicurity stands out. The issues connected to employment policies include various feeding-out considerations.” The Dutch experts conclude that “The 2007 IRNRP gives clear references to social inclusion issues, including the reference to an intermediate message – in the form of a letter – to the Commission about the NSR on Social Protection and Social Inclusion. This is a clear sign that the Dutch government wants to stress the coherence between its plans for Growth and Jobs within the (refocused) Lisbon Agenda and the plans within the social agenda. This means more attention for feeding out / feeding in between the two policy agendas.” The Italian expert notes that social cohesion has increased in importance in the NRP and comments that “several positive aspects emerge within an overall guiding principle. This overarching principle can be summed up as ‘more growth is not possible without more social equity and cohesion’.” However, he feels that a clearer elaboration of expected results and better integration of policies is needed. He notes that “apart from generic assumptions, the IRNRP does not provide any analysis of the “feeding in / feeding out” process. Nevertheless, the proposed measures have potentials for feeding in (e.g. solidarity and family policies can positively impact on women’s activity and employment rates while contributing to local development) and feeding out (e.g. tax relief, monetary support to low income families, associated with employment and education policies, can positively impact on lessening poverty risks).” The Portuguese expert notes that “The report identifies crucial improvements in areas related to the sustainability of the Social Security System, to education and qualification and to the restructuring of the health system. These achievements send a clear political sign of the engagement in addressing some fundamental challenges that had been delayed for too long.” However, she also notes an imbalance in the overall approach, with “more detail and relevance given to the challenges arising from concerns over financial sustainability, monitoring and budgetary control and significant less detail on relevant information that allows us to assess the impact of the measures in terms of social inclusion and social cohesion challenges.”

Some implicit links

In several countries experts identify implicit links between growth and jobs and social inclusion policies but find that these are more implicit than explicit. For instance, the Estonian expert considers that the emphasis on social inclusion has increased. However, she points out that the links between social inclusion, growth and jobs goals are implicit rather than explicit. She concludes that in the Estonian IRNRP “the goals and activities are not explicitly related to social cohesion/ inclusion, although many activities conduce to social cohesion/ inclusion. IRNRP includes measures and activities in several

policy areas (education, incl. life-long learning, active inclusion, re-conciliation of work and family life, active ageing, improving the health status of the population etc.) promoting both economic growth and social cohesion, but it does not mention the promotion of social cohesion.” Cyprus is rather similar with the expert concluding “that while the OMC objectives are not explicitly linked with IRNRP policies in official documents many policies and measures included in the IRNRP meet these objectives.” Similarly the Maltese expert comments that the Maltese IRNRP “is primarily written within an economic perspective and the link between economic objectives and social inclusion policies is not specific” but notes that “despite the primarily economic focus of the IRNRP there are many instances where it is obvious that the inclusion policy is the background of many developments and initiatives that the report describes”. He concludes that “As such, the feeding in and feeding out dynamic in respect of social inclusion and social protection is heavily present, even if not always explicit.”

Very limited implicit or explicit links

Several experts are much more critical. For instance, the Hungarian expert comments that “the Implementation Report on the National Reform Programmes (IRNRP) makes no reference to the National Reports on Strategies for Social Protection and Social Inclusion (NRSSPSIs); in fact the concepts of social exclusion and social inclusion do not appear even once in this report.” Similarly the Czech expert comments that “the explicit link between the National Reform Programme and the OMC (Social Inclusion agenda) is weak. The Implementation report on the NRP neither explicitly mentions nor reflects the social inclusion perspective. No evidence of how the process and strategy of social inclusion might be affected by the measures of the NRP or what social impacts might emerge from these measures is provided”. Similarly the Polish expert notes that “Although there is an account in the IRNRP of the impact of certain fields of the national (refocused) Lisbon Strategy on OMC, the relations between the economic and the social strategy have not been presented clearly and consequently. The presentation of measures described in the IRNRP is one-sided and insufficient consideration has been given to the need for balancing the economic and social dimensions. No reference has been made in the 2007 IRNRP to the social inclusion process.” However, both the Czech and Polish experts and also several others note either implicit references to the EU Social Protection and Social Inclusion Process or correspondence between some objectives and measures of the NRP and the SPSI Process. This could indicate a growing awareness of the impact which the SPSI Process has on economic development and advances in employment. The Greek expert is also critical, stating that the 2007 IRNRP makes no reference to the SPSI process and to the Greek NRSSPSI. Similarly, he adds, “there is an absence of references in a consistent way with regard to the actions taken in improving governance in the social inclusion policy area in Greece.” The Bulgarian experts are also quite negative. They conclude that the Bulgarian IRNRP “pays very little attention to social inclusion. The term social inclusion itself is not used anywhere in the report. The term social integration is used only once in the report when describing a programme for disabled people. The report in general assumes that economic growth improves the living conditions of everybody and implies that it also promotes social integration and social cohesion. We did not find in the report any direct suggestions that social inclusion may promote employment and economic growth though the report does describe the most important programmes targeted at vulnerable groups.”

Parallel more than integrated development

Where the social dimension is covered there is often a lack of coherence between economic and social objectives, with social protection and social inclusion policies, on the one hand, and growth and jobs policies, on the other hand, working more in parallel than in an integrated fashion. A common approach of Member States seems to be to focus on a fairly traditional growth and employment nexus with rather limited references to social inclusion. This is then supplemented with - to a greater or lesser extent depending on the country - the addition of, as the Belgium expert puts it, a series of heterogeneous

measures aimed at safeguarding the social protection and social inclusion objectives. The assumption seems to be very often that economic growth will enable positive social inclusion policies to be implemented. For instance, the Maltese expert points out that the Maltese IRNRP “recalls the successes that Malta is having in developing the economy and, in consequence, implies that this makes it easier for social inclusivist policies to be implemented.”

Lack of critical analysis

A common failing identified by the experts is a lack of in depth analysis. Thus it is often not clear whether progress in relation to social inclusion is the result of specific policy effort or more likely the result of the general economic upswing that is noted in many countries. For instance, the Czech expert comments that no analysis is currently available of the impact of the implemented measures on wage flexibility and/or on working time flexibility and employment. Data shows that unemployment has decreased but this is due to several factors, above all the fast economic growth and job creation.

In general there is a lack of critical assessment in the IRNRPs of the impact on social inclusion of most policies, suggesting that for many countries it remains a secondary concern. Indeed the overall impression is that in most Member States social inclusion is still not much reflected in the IRNRPs because it is neither a priority nor an explicit concern of the growth and jobs process. As the Bulgarian experts comment “In general our view is that current policies highly prioritise economic growth, and fiscal and monetary stability, while social cohesion is placed low in the list of priorities. Issues of efficiency are raised with regard to all budgetary spheres, while issues of equity are rarely pointed out.”

Social inclusion most evident in relation to employment

In so far as social inclusion does feature in the reports this is more often the case in relation to “feeding out” than to “feeding in”. This is most frequently in the context of efforts to increase employment rates and reduce unemployment levels. The French expert’s comments in this regard are fairly typical: “Whereas the report puts a strong focus on social issues linked to work and employment, the aspects more specifically linked to the fight against poverty and social exclusion seem only modest. The main messages of the 2007 Joint Report on social protection and social inclusion covered themes such as child poverty, the need for employment policies that do not aggravate the situation of people furthest from the labour market, the concern to reduce health costs while improving people’s health. The impact of health and pensions systems reforms aimed at improving their sustainability, modernisation and also their adequacy to meet the needs of most vulnerable people. These themes are only weakly covered in the 2007 IRNRP“. The Irish expert’s comment that the main way in which the IRNRP will positively impact on social inclusion is through the employment activation and education measures is also fairly typical, as are the comments from the UK experts that “Chapter 4 (on employment) is the only one that cites social inclusion aims as relevant”.

Overall, in spite of the lack of an explicit focus on feeding in and feeding out in many of the IRNRPs, there is sufficient evidence across the 27 experts’ reports to show the potential and importance of developing stronger links between the NRP and SPSI processes.

2.3 Addressing the Lisbon recommendations and “points to watch”

It is clear that in most cases Member States have addressed the recommendations and “points to watch” that were contained in the December 2006 Annual Progress Report. Indeed some countries have addressed these thoroughly, for example the UK experts use the word “assiduously”. Similarly, the

Spanish expert notes that in relation to the key weaknesses identified for Spain “the implementation report pays increased attention to each of these challenges and provides details on the measures taken and advances made in each area.” However, many experts comment that the approach is somewhat descriptive and fails to assess the impact of actions taken and often appears as a grouping of the measures that relate to a particular recommendation or “point to watch” rather than the development of any very coherent new approach. For instance, the Czech expert comments that “in general, the Czech IRNRP provides some relevant information to most recommendations and areas to watch. Sometimes it is descriptive rather than analytical and the assessment of trends in policies and their impact is not convincing. This is typically the case when different specific activities/projects are reported in terms of expenditure, number of projects, and number of participants, without any reference to broader context (i.e. total or previous expenditure on the specific activity or other similar activities, and/or contribution in terms of the proportion of affected population of total population etc.).”

3. Feeding Out

3.1 Introduction

3.1.1 *Some increased evidence of feeding out*

Several experts' reports provide evidence of an increase in "feeding out". In other words, there is some evidence that progress on the Lisbon goals of greater economic growth and more and better jobs is contributing to greater social cohesion. For instance, the Dutch experts comment that "The NRP explicitly mentions that the current economic boost offers a lot of possibilities for people in a weak position on the labour market to find a job. And that this is helping to increase the degree of participation and strengthen social cohesion." The German experts point out that labour market reforms have made an important contribution to the relatively employment-intensive course of the current economic upswing. However, they caution that this apparent feeding out effect is not entirely free from problems for a number of reasons. For instance, the Hartz Laws have aggravated the pressure on wages and extended temporary employment. In the case of Cyprus the expert concludes that there are several examples in the IRNRP of measures combining growth with social cohesion objectives and crossing several policy areas such as education, gender inequality, reconciliation of work and family life, active ageing, active inclusion, health status improvements, more quality jobs etc. The Luxembourg experts stress that social cohesion goals are now integrated into economic policies.

3.1.2 *In several IRNRPs feeding out is often only implicit*

Quite often experts point out that though many measures in IRNRPs contribute to promoting greater social inclusion, this is not the main rationale or emphasis for those measures. A typical comment in this regard is that made by the Danish experts who state that "the overall impression from reading the IRNRP is that many initiatives indeed feed out to social inclusion and social cohesion because they influence material, social and cultural barriers to inclusion and participation in society. Gainful employment is a primary entrance to social interaction and it is also the most effective measure to avoid poverty. Seen in this light, initiatives which aim at increasing the employment rates certainly influence processes of social inclusion, but it is noteworthy, that this dimension is left almost completely unattended in the Danish implementation report."

What seems to be quite common is an assumption or underlying belief that economic growth combined with low taxation and flexible labour market will generate jobs and employment and – if the existing disincentives to work are removed from the social system – unemployment, as well as poverty and social exclusion, would decline. In other words the emphasis is more often on how creating an economic and employment environment provides the means to support social policy objectives than on an explicit and rigorous monitoring of specific growth and jobs policies to ensure that they are benefiting as many people as possible and thus contributing to greater social inclusion. Where progress, particularly on job creation, is noted the extent to which this is the result of the Lisbon growth and jobs process taking on board a stronger focus on social inclusion goals is questionable. More often than not greater social cohesion seems to be a spin off of more buoyant economic growth and increases in employment then the result of a particular focus on social inclusion. Such a relatively narrow approach to *feeding out* is evident in Slovenia where the expert comments that "in the concrete policies and measures, the social cohesion dimension is still neglected. The main achievements presented in the IRNRP are in the areas of economic growth and higher employment, and in this context social inclusion is understood primarily as inclusion of the unemployed and financial social assistance recipients in the employment (through

activation and increased conditionality in access to social transfers), which also results in more sustainable (in financial terms) social protection system. The impact of policies in different areas (especially economic measures, measures for increasing job flexibility, measures for raising the employment rate, changes in the social protection system and eligibility to social transfers on the situation of most vulnerable groups) are rarely considered.”

3.1.3 Some IRNRPs lack a feeding out perspective

In some Member States, notably Czech Republic, France, Greece, Hungary, Latvia and Spain the experts consider that little or no attention is given in the IRNRP to feeding out. As the Latvian expert comments “Policy measures and policy descriptions are not considered from the “feeding out” perspective. Until now the economic growth of Latvia has not directly promoted social cohesion.” The French expert typically comments that “the French IRNRP is very focused on employment and economic growth and gives little attention to policies that could contribute to feeding out. Housing, economic integration and more generally the measures to struggle against poverty could have been better taken into account in this report”. Likewise the Czech expert comments “we do not observe any efforts concerning the objective to promote both social cohesion and economic growth as interlinked and mutually supportive objectives”. Similarly the Spanish experts comment that “in the Spanish 2007 IRNRP there are no explicit examples of policies that promote feeding out. A review of the IRNRP indicates that the feeding out process has not filtered through into more general economic and social Spanish policy-making.” The Greek situation seems very similar, with the Greek expert concluding that “the Government appears to assume that the various growth and employment policies pursued would lead automatically to improved social cohesion. Yet, thus far, these expectations have not come true, given that the various growth and employment policies, by and large, are not underpinned by adequate provisions for the most vulnerable groups, let alone by modern and active social protection systems in order to deliver social progress.”

Also, the fact that some policies, such as some make work pay policies, which are seen as contributing to growth and jobs can also have negative social inclusion for some groups is often not sufficiently taken into account by Member States. For example, the Belgian experts comment that “The EU Employment Guidelines, developed around the turn of the millennium, urged Member States to “review and, where appropriate, reform their benefit and tax systems to reduce poverty traps, and provide incentives for unemployed or inactive people to seek and take up work”. Although Belgium has opted for a moderate version of this policy approach, prioritising tax cuts on (low) wages over benefit cuts, it cannot be denied that this approach has involved (a) restrictions on the benefit increases which were necessary to lift jobless individuals out of poverty, (b) tighter eligibility conditions and more sanctions pushing a number of benefits claimants into poverty, (c) the proliferation of precarious jobs in the context of activation programmes.” The Swedish expert likewise comments that “the main weakness in the government’s reporting is that almost nothing is said about those who for various reasons cannot find an entrance to the labour market, cannot return to work because of serious health impairment, and those who cannot manage a full time work. There is an obvious risk that the current policy will lead to increased exclusion and poverty among those who are standing furthest away from the labour market. This problem is a blind spot in both the NRP and the IRNRP.”

The Danish experts make a similar point when they point out that attempts to put more pressure on immigrants and recipients of social assistance to increase their incentives to work “contain elements which may lead to further exclusion of specific groups, if they do not find gainful employment. The Danish IRNRP, however, does not reflect much on neither positive nor negative feeding out consequences of employment and growth policies.” Rather similarly the French expert notes that “if the

analysis of the IRNRP in terms of feeding in and feeding out is an interesting pedagogical exercise; it may leave aside some elements that could work in the opposite direction. For instance, instruments and measures such as out of pocket medical payments, certain types of tax relief, an increased pressure on job seekers and salaried workers, the fight against illegal immigration... can worsen the living conditions of the poorest.”

3.1.4 Importance of European Union Structural Funds

One thing that is striking overall in relation to “feeding out” is how often examples of social measures are the result of EU Structural Funds support. For instance, the German experts highlight the importance of the European Social Fund for German labour and social policies. The Greek expert points out that programmes enabling members of vulnerable groups to participate in job creation programmes for the unemployed are programmes being financed under the Operational Programme “Employment and Vocational Training” and the 13 Regional Operational Programmes. The contribution of the Structural Funds appears particularly critical in this regard in many of the newer Member States.

3.2 Employment and feeding out

3.2.1 Overview

Evidence of feeding out is generally most evident in relation to employment policies. For instance, the UK experts note that the employment strategy is the main element of feeding out in the UK. However, the fact that there has been some progress does not necessarily mean that much in depth consideration is being given to the link between economic growth and social cohesion. Similarly the Swedish expert highlights the key role of employment in the Swedish IRNRP when he writes that “the line of thought that guides the government’s policy and the IRNRP is fairly easy to follow. Not being employed is, from the government’s point of view, the same as being excluded. The magnitude of exclusion (*utanförskap*) therefore equals the share of the adult population up to the age of 65 that are out of work.” Likewise the Dutch experts note that particularly in the area of employment policy “concrete initiatives are taken to improve the income and social position of all the groups with a weak labour market position. It seems though that the demands of the labour market (in function of economic growth) are more steering than the social and economic needs at the supply side. Social effects of economic and employment policies are almost not explicitly mentioned, although they are present as we demonstrated.” The Spanish experts emphasise that in the Spanish NRP the whole of Pillar 6 (labour market and social dialogue) as well as some of the measures of Pillar 3 (increasing and enhancing human capital) are explicitly linked to social cohesion and share some objectives with the social protection and social inclusion strategy. However, they also point out that “there is only one explicit mention to social exclusion in the context of the introduction of the Law on insertion firms that is presently being debated in the Parliament and another to those with difficulties in the labour market with regard to training measures.”

The German experts warn against assuming that improvements in employment are necessarily a consequence of feeding out. They point out that “the job creation in the economic upswing is owed not so much to the aggravated regulations within the framework of promoting and demanding, but rather to structural changes which have become effective independently of the Agenda 2010. This would mean in turn that the successes reported by the Federal Government do not constitute a direct feeding out effect of the labour policies of the last five years.”

Five aspects of the links between social inclusion and employment policies stand out from the experts' reports: flexicurity, adequate income from work, targeting job creation at vulnerable groups, older workers and active ageing, and reconciliation of work and family life.

3.2.2 Flexicurity

It is clear from the experts' reports that a growing number of Member States focus on the potential of flexicurity and believe that a coherent flexicurity policy can contribute to (further) improving the labour market, and that this is to the benefit of those who are outsiders. Finland provides an interesting example of a country trying to create greater adaptability of labour markets based on flexicurity. The Finnish expert points out that "special attention is directed to several aspects of social cohesion e.g. the IRNRP points out a high-level tripartite working group to create Finnish flexicurity and rising the minimum wages to prevent poverty and social exclusion".

In Denmark the experts point to the development of a balanced approach to flexicurity (see Box 1).

Box 1

A balanced approach to flexicurity in Denmark

Flexicurity is a central part of the Danish labour market policy. The Danish flexicurity model is characterised by 1) a high level of numerical flexibility with a low level of employment protection, 2) a relatively generous tax financed social security system in case of unemployment, and 3) active labour market policies which aim at upgrading the skills of unemployed people that are unable to return directly to a new job (Hansen, 2007).

In the IRNRP, flexicurity is mentioned as an important element to maintain in the future. It is also emphasised that "an essential prerequisite for a major and active labour market effort is financing through taxes" (see annex 7, guideline 19). Moreover, flexicurity is linked to a wide degree of autonomy of the social partners of the labour market and the establishment of collective agreements between the employees and enterprises.

Flexicurity is a central and integrated element in the Danish welfare state. The model of flexicurity in Denmark links up to social inclusion and cohesion, because it ensures resources to counteract exclusion of unemployed people. Moreover, flexicurity ensures that resources are channelled to active measures, which are meant to improve the re-integration of unemployed people in gainful employment. The Danish approach to flexicurity certainly feeds out to social inclusion.

Danish Independent Experts on Social Inclusion

The Italian expert identifies the Welfare Protocol as a first milestone for flexicurity in Italy, since it deals with social security and labour policies in a more integrated way than in previous years. The Protocol includes key measures of reform focused on: the pension system; unemployment and social benefits ("shock absorbing" system); employment typologies (apprenticeship, fixed-term contracts, part-time contracts, staff leasing contracts etc.); employment services; employment incentives. Moreover, close attention is focused on women and young people.

The Spanish experts also point to efforts to foster a balanced approach. For instance, they consider that the social pact signed in 2004 and its reforms of concrete areas of the labour market and social protection is having a positive effect in promoting flexibility and security in the labour market and has contributed to a small but steady reduction of fixed-term employment but that the rate for women continues to be much higher. Also, during 2007, further legislation aimed at promoting labour market integration has been approved. The new statute for self-employed workers entitles them to improved disability benefits as well as benefits in case of business default; among other things, it also allows them to hire direct family members.

The Austrian expert highlights the balanced approach to flexicurity described in the Austrian IRNRP. (see Box 2)

Box 2

A balanced approach to flexicurity in Austria

A balanced approach to flexicurity ensures that flexibility and social security reinforce each other. In the 2007 Austrian IRNRP, the concept of flexicurity is dealt with at some length. The report states that “Austria sets an example for “flexicurity””, suggesting that the country is a pioneer and/or provides best practice regarding this policy. Several measures that either have been implemented already or are subject to implementation are discussed in this context. They include (i) an agreement of the social partners in terms of a new flexible working time package; (ii) the implementation of a higher level of social protection for atypical workers (e.g. freelancers) and self-employed persons (including the – voluntary – inclusion of the self-employed in the unemployment insurance scheme); (iii) stricter regulations concerning the reasonability of employment (which demands more geographical mobility from jobseekers); (iv) the reform and enhancement of training leave for employees; (v) amendments concerning an increase of the flexibility of working time schemes; and (vi) collective agreements for temporary work agencies. Many (though not all) of these programmes demand (much) more flexibility of the employees, while at the same time increasing protection and security particularly for atypical and self-employed workers.

Austrian Independent Expert on Social Inclusion

However, in many Member States the effective development of flexicurity seems less clear cut. For instance, the Belgian experts point out that the Belgian report “remains very vague as to what the content of such flexicurity policy should be and how this would benefit the group of outsiders. The lack of elaboration on this topic is a weakness of the report.” Several experts raise concerns that in practice “flexicurity” is imbalanced with more emphasis on flexibility than security and that this can have negative consequences in terms of social exclusion. For instance, the Slovenian expert, in commenting on the adoption of a flexicurity approach in Slovenia, notes that “its main weakness is the insufficient attention paid to social security and potential in-work poverty of persons performing flexible jobs, while the scope of flexible and precarious jobs is increasing. This deepens the segmentation between more stable jobs performed on open-ended contracts and flexible forms of work.”

Initiatives highlighted by the Czech expert are fairly typical of developments in several countries. In the Czech Republic a number of new measures are considered to be proposed by the government into the Labour Code to increase flexibility. For instance: the notice period to terminate a labour contract should be shorter - one month instead of two - both for employees and employers (with compensation for an increased severance pay), a system of quality vocational training should be implemented together with an increased conditionality of social benefits (obligation to undergo training), and milder rules should govern employment of foreigners.

The German experts highlight clearly the emphasis on flexibility rather than on security that is evident in many Member States. They note that although there has been a range of measures that are “supposed to make a contribution to the ‘flexibilisation’ of labour in Germany in the final analysis, the social security systems are still based on the assumption of the existence of a normal employment relationship. This was modified by the introduction of *unemployment benefits II*, because this benefit is also granted to persons who have not been in gainful employment. The same applies to basic security in SGB XII (“Sozialgesetzbuch XII”, i.e. Book XII of the Social Code). But notwithstanding the question whether SGB XII has in fact been adequately designed, the financial benefits in the other social security systems – with the exception of nursing care – remain closely attached to the principle of equivalence in the end. This means that only a person who has been in a good job over a sufficiently long period can expect to

receive reasonably good benefits in lieu of wages. Insofar, 'flexicurity' means 'flexibility' rather than 'security' in Germany at the moment!"

The UK experts comment that "the report identifies flexibility and openness, rather than social protection and inclusion, as key to growth and jobs, and only gives space to the contribution of policies in this area in chapter 4. Whilst it claims that the UK's policies are contributing to 'flexicurity', this (contested) concept is not discussed, and the tensions between its twin goals of flexibility and security are therefore not explored. Arguably the UK emphasises flexibility rather than security".

Some Member States, such as Bulgaria, do not, in the opinion of experts, address issues such as flexicurity and active inclusion in their IRNRP

3.2.3 Ensuring an adequate income from work

There is considerable emphasis in many Member States' IRNRPs on ensuring higher employment rates. Most experts agree that this is important as it safeguards more people against poverty and social exclusion, it generates the resources that can guarantee the adequacy and sustainability of social protection systems and it reduces demands on social protection systems thus further enhancing their sustainability. However, too often Member States tend to assume these beneficial outcomes. Some experts point to a lack of analysis as to whether increased employment is providing incomes that are adequate to lift people out of poverty. The Polish expert is one of several who criticise the failure of their country to address the issue of adequate income from work. Similarly the Maltese expert points out that the notion of 'adequate income' is not directly addressed in the IRNRP. Through the new fiscal measures, net income has improved for all workers, but the notion of 'adequacy' is nowhere referred to. Likewise the Lithuanian experts conclude that "ensuring an adequate income from work is not properly addressed in the IRNRP."

As the Belgian experts point out there are three key questions to ask if one is concerned about the feeding out effects of increased employment. These are: first, are the new jobs also for the low-skilled and for those furthest away from the labour market? Secondly, can these jobs be called decent in terms of quality and remuneration? Thirdly, are there economic gains for all groups, including the poor?

A recurring concern is that several Member States put an emphasis on "making work pay" so as to increase the take up of employment without giving enough attention to assuring an adequate income from work. As the Belgian experts point out, "All too often, 'making work pay' has been the key argument to keep benefits down (or indeed, cut them back) and to activate job seekers into precarious jobs. No wonder, when efforts are concentrated on boosting effective labour supply – at given levels of labour demand - employment rises but wages, contract terms and labour conditions tend to deteriorate. The rise of 'working poverty' and the Americanisation of European labour markets (including, to some extent, the Belgian labour market) must be largely attributed to this approach." (see Box 3)

Certainly there are quite a few experts who highlight problems of low pay. The UK experts comment that "there is very little discussion about the extension of conditionality, the viability of incomes in employment and the need to improve in-work incomes." The German experts highlight concerns that the Agenda 2010 "clearly increased the pressure on the unemployed to accept a job at just about all conditions of employment. As a consequence, the low wage sector is extended particularly in the field of

simple services (partially also at the expense of full-fledged employment relations), while at the same time the number of people who cannot live off their work (*working poor*) is growing.”

However, some experts note real efforts in their country to engage with the issue of low pay and to ensure an adequate income from work. For instance, the Irish expert comments that ensuring an adequate income from work is the strongest aspect of feeding out in the Irish NRP and has received increased attention in the last year and considers that this will be of benefit for those in low-paying jobs. The Finnish expert concludes that “the concerns on employment policies for adequate income from work are adequately reflected in the Finnish IRNRP. The topic is approached from various perspectives highlighting tax and benefit systems as well as wage formation”. The Austrian expert highlights the emphasis in the Austrian IRNRP not just on full employment but also on the pursuit of quality jobs which involves “fair salaries, job security, equal pay for men and women, health protection and prevention of accidents in the workplace, reconciliation of work and family life and a sufficient range of jobs”.

Box 3

Limitations of making work pay and activation measures

Whereas the positive effect of “making work pay” and activation measures for some particular groups (such as single parents, part-time workers, older workers or minimum income recipients) cannot be denied, their macro-economic employment effect is less obvious and their impact on social inclusion is highly questionable. Even though some disadvantaged groups of job seekers may see their employment opportunities improve, the quality and sustainability of their jobs is often doubtful. Using a dynamic simulation model, based on the observed employment and income dynamics of households in the 1990s, we conclude that even on the individual level the anti-poverty impact of activation programmes in Belgium is bound to be short-lived. And in a comparative study of 13 EU countries in the 1990s, we even find adverse effects on social inclusion on the macro-level: paradoxically, the more a country spends on active labour market measures, the more people move into poverty and the fewer move out of it. Without generalising our conclusions to any kind of active labour market policy, we just want to question the simplistic argument that ‘jobs are the best weapon against poverty’.

Making work pay and activation have considerable adverse side-effects, which tend to be underestimated: downward pressure on wages and contract terms, low-quality and precarious activation programmes, substitution and crowding out effects, exclusion through sanctions etc. In order to avoid such effects, it is necessary (a) to boost the demand for low-skilled jobs rather than the supply of low-skilled labour, (b) to invest in the employability (skills, health, family-related services, mobility etc.) of disadvantaged groups, and (c) to carefully monitor the poverty impact of eligibility conditions and sanctions.

Belgian Independent Experts on Social Inclusion

The range of measures to ensure an adequate income from work covers areas such as minimum wage legislation, reducing tax rates and social insurance contributions for the low paid, providing in-work benefits and reducing the prevalence of fixed-term contracts and precarious jobs. The following are some of the interesting measures which are highlighted by experts:

- in France, guaranteed earned income includes more and more often a profit-sharing scheme aimed at making compatible, during a limited period of time, the preservation of a social minimum income and an income from work. This mechanism has been widened by the Law dated 21 August 2007 on work, employment and purchasing power (“travail, emploi et pouvoir d’achat” or “TEPA”) which is putting in place, on an experimental basis, an active solidarity income (“Revenu de Solidarité Active” or “RSA”) that durably supplements the income of low-paid workers”;
- also in France, personal services, which have developed significantly since the 2005 social cohesion plan, provide a good example of measures that, at the same time, offer new jobs (mainly to low-skilled persons) and contribute to boosting the services sector of the economy;

- in the Czech Republic only 70% of earnings are considered when determining subsistence minimum entitlements;
- in Ireland there has been a more progressive slant to tax changes and attention to both benefit disincentives and the level of the minimum wage;
- in Luxembourg the guaranteed minimum income (the “Revenu Minimum Garanti” or “RMG”) is linked with activation measures which have been intensified in recent years;
- in Malta adjustments have been made to the social security contribution paid by part-time employees to make jobs more attractive to the low-skilled and vulnerable groups, for whom such employment is their main job;
- in Finland there has been an emphasis on developing taxation and the measures to increase the incentive effects of social security including reducing labour taxation, focusing cuts in income taxes on lower and middle income brackets so as to support low-productivity jobs and thus decrease the traditionally high unemployment rate of people with low education;
- in Spain, the government has implemented measures such as increasing the minimum wage up to € 600 / month in 2008 and the lowest pensions by 26% between 2004 and 2008 (thereby reducing the gap with the EU-15 average);
- also in Spain the Agreement for Improved Growth and Employment has resulted in a small reduction in fixed-term employment, particularly of youth. Social policies such as the Strategic Plan for Citizenship and Integration (PECI), the Equality Act and the Dependency Act promote better living and employment conditions for immigrants, women carers and disabled people;
- in Italy the reduction of fixed-term labour contracts and precariousness in the labour market is addressed in: a lower labour-related taxation (2% in favour of employees and 3% in favour of enterprises); a closer attention to the South and Centre-North divide as well as to employed women; benefits in public and private sectors to transform fixed-term labour contracts in open-ended contracts, as well as other measures for workers involved in restructuring processes;
- in Austria the social partners recently agreed to grant part-time employees who work overtime a 25% supplement to their wages. This enhances cost equality between full-time and part-time employees. Another important improvement is the recent agreement of the social partners to implement a minimum (gross) wage at the level of € 1,000 per month for all employees covered by collective agreements. Also in terms of supplying temporary workers (*Arbeitnehmerüberlassung*), the social partners agreed on minimum wage levels and minimum expenditures for training for these workers, which will help decrease the gap between the rights and security of “ordinary workers” and supplied temporary workers;
- in Portugal adequate income from work is partially addressed by the Agreement on the Fixation and Evolution of the Minimum Monthly Guaranteed Remuneration (RMMG) which was signed by the Government and the social partners and which is seen by the expert as a positive development in this area;
- in Sweden the government continues to rely on collective agreements between employers and trade unions to ensure that work provides acceptable working conditions and an acceptable wage. For example, Sweden has no minimum wage legislation, minimum wages are instead secured via collective bargaining. An important aspect of this system is that the unions in practice have the ability to enforce collective agreements even though workers in a particular

workplace are not members of any union (companies that refuse to sign the agreement can be blockaded by the unions, which effectively means that they will run out of business if they do not comply).

3.2.4 Targeting job creation at vulnerable groups

In several countries (e.g., Austria, Cyprus, Denmark, Finland, Germany, Portugal, Romania, Spain, Sweden and the UK), experts consider that there has been some progress in targeting vulnerable groups. For instance, the Cypriot expert comments that several aspects covered in the IRNRP have a positive impact on achieving social inclusion objectives by supporting vulnerable groups. He produces an interesting table showing which vulnerable groups benefit from employment measures (see Box 4).

Box 4						
Groups in Cyprus benefiting from employment measures						
(Source: Cypriot Independent Expert on Social Inclusion)						
Employment Challenges and Policy Priorities	Vulnerable Groups					
	Older persons	Women	Young people	Single parents	Disabled	Un-employed
1. Maintain high rates of increase of labour supply						
a. Increase of female participation	√	√		√	√	√
b. Promotion of gender equality	√	√		√	√	√
c. Promotion of active ageing	√	√				
d. Build employment pathways for young people			√			
e. Build employment pathways for the unemployed	√	√	√	√	√	√
2. Increase labour market flexibility						
a. Modernisation of the Public Employment Service	√	√	√	√	√	√
b. Promotion of flexible forms of employment	√	√	√	√		√
c. On-going assessment of the labour market needs			√			√
d. Promotion of the adaptability of workers and enterprises	√	√	√	√		
3. Orderly management of foreign workers issues	√	√		√		
4. Further development of human capital						
a. Improvement of quality/flexibility of the educational system			√			
b. Increase of opportunities for university studies			√			
c. Continuous upgrading of skills to labour market needs		√	√	√		√
d. Development of a comprehensive life-long learning strategy	√	√	√	√	√	√
5. Enhance the conditions of social cohesion						
a. Adequate standard of living for vulnerable groups	√	√	√	√	√	√
b. Affordable access to education and health services	√	√	√	√	√	√

The Danish experts comment that “one of the major strengths, which are reported upon, is the varied initiatives to increase labour market integration of vulnerable groups. Senior citizens, disabled people, non-educated young unemployment benefit recipients, and immigrants and ethnic minorities are all targeted with specific measures to facilitate their engagement in gainful employment. These initiatives combine the aim of increasing the labour supply to avoid recruitment problems and ensuring growth, while also improving opportunities for participation and integration of groups who are currently on the margins of the labour market.” The Spanish experts note that the IRNRP includes several measures that target job creation for vulnerable groups. In Germany the Federal Government has made combating long-term unemployment one of its focal points. At the centre of its efforts stands the integration of low-skilled workers and especially all young people without secondary school qualifications. The Austrian expert notes that “the IRNRP includes several measures that have allowed for an active inclusion of a variety of different risk groups into the labour market, including women, older people, youth, the disabled, the long-term unemployed or foreign workers. Some of the initiatives mentioned (e.g. measures to integrate unemployed youth into the labour market) have been quite successful, evidenced by low (and in most instances decreasing) unemployment rates with regard to various risk groups”. The Swedish expert points out that “In the IRNRP the government presents its policy aimed at facilitating employment among vulnerable groups. The groups they are talking about are immigrants, the young and long-term unemployed and long-term recipients of sickness benefit including early retired. The main tool used to achieve this goal is the so called ‘new start jobs’. The government is also arguing for an improved rehabilitation back to work for people that because of health reasons have been pushed out from the labour market.” The Portuguese expert notes that the IRNRP presents useful information regarding the implementation of measures directly contributing to addressing the challenge of inserting groups further away from the labour market. Some of these are highlighted in Box 5.

Box 5

Supporting the insertion of groups further away from the labour market in Portugal

- New Opportunities Programme (addressed both at young people and adults): it has clearly exceeded its initial targets and the figures presented show the achievements reached both in terms of young people involved in Professional Training (over 150,000 in 2006) and of the adult population who has been involved in professional training under the System for Recognition, Validation and Certification of Competences (100,000 adults certified at the level of basic education). It will be important to assess the impact of the enlargement of the RVCC processes to the secondary level since it is essential that the system is able to generalise the secondary level as the minimum threshold of qualification which will enable to qualify Portuguese active population and to push them closer to the European average;
- INSERJOVEM Programme (addressed at young unemployed people): it has involved in 2006 around 45,000 young people and in 2007 (up to April) a total of 27,269 young people; it would be useful to have indicators on the kind of response given (education, training, employment) in order to assess the actual impact of this measure;
- Dynamisation of education offer in the secondary education: the enlargement and reinforcement of professional courses is given as an example of a measure that may have an important impact on employment opportunities. The impact of these measures may, in our opinion, be wider than this. The offer of different alternatives to students and their families at this level may contribute to reducing school drop out and to enlarging the scope of choices which is an important factor for promoting citizenship. Recent figures show that school failure in the secondary level dropped from 33% to 25% between 2004/2005 and 2006/2007. Although the figures are still high, the Minister highlighted that the drop represents “an historic reduction, since for the first time we are below 30% which was a kind of fatality.”¹¹

¹¹ In http://dn.sapo.pt/2007/10/30/sociedade/insucesso_secundario_caiu_32_para_25.html

- Intervention programme for unemployed immigrants: the figures show that 6,400 people were involved in this programme in 2006, but the report provides no other assessment of the implementation of this programme or its impact. The figure does not tell us how these people were involved, what actions were taken, what impact they had and other essential assessment elements;
- Intervention programmes for specific unemployed publics, including young first job seekers and long-term unemployed: the information available shows a significant growth in the number of beneficiaries between 2005 and 2006, but once again no information is available regarding qualitative results.

Portuguese Independent Expert on Social Inclusion

On the other hand, in many Member States experts note that while progress is being made much more is needed. A typical comment is that made by the Czech expert when he says that integration of disadvantaged groups into the labour market improved slightly thanks to the advantageous economic environment and to the somewhat increasing scope of active labour market policies attributable to projects financed under the European Social Fund (ESF). However, the targeting of labour market training to disadvantaged groups is still rather weak. Similarly the Polish expert comments that the measures envisaged in the area of employment policy take more account than hitherto of the needs of people exposed to a high unemployment risk or far from the labour market. However, the range of these measures as concerns the groups furthest from the labour market is insufficient and their effectiveness needs to be improved. Likewise the Spanish experts consider that “Despite progress towards a more flexible and secure labour market, more efforts are required to promote the integration of immigrants, the reconciliation of family and work life and the incorporation of women to the workforce as these three issues are strongly interlinked and require more targeted approaches and decided efforts.”

The employment-related policies and initiatives which are highlighted by the experts and which have a *feeding out* effect cover areas such as developing more tailored and effective employment services, improving education and training to make them more relevant to the labour market, increasing access to life-long learning, introducing more flexible and family friendly working conditions, better identification and targeting at local level of vulnerable groups, sensitising employers to the potential of at risk groups, and subsidising jobs for some groups. The following give a flavour of just some of the examples which are noted by experts:

- the Czech Republic, Finland, Poland and Slovenia are reforming public employment services (see Box 6);
- Romania is improving the access of vulnerable groups to the labour market by improving the quality of employment services and participation in active employment measures, adjusting active employment measures to individual needs, and bringing the education and training system closer to labour market demands;
- Romania is directing special support to young people (aged 15-24), older workers (55-64), rural residents, Roma, and people with disabilities to help them enter the labour market and maintain their jobs;
- Ireland is giving attention to the activation and participation of groups outside the workforce in a significant life-long learning programme, which covers such matters as literacy and numeracy, second chance education, addressing access barriers and early school leavers;
- Malta is targeting unemployed youth through skills profiling to establish their training needs and to match them better to job vacancies;

- Germany has developed a special programme of "Introductory Training for Young People"; a scheme of wage cost allowances for long-term unemployed young people without vocational qualifications ("qualification grant") is to be introduced; and an add-on wage model, "employment promotion benefits", is being developed under which jobs can be promoted by means of a grant of up to 75% of the wage costs limited initially to 24 months and subsequently unlimited;
- Malta is developing a range of measures to increase female participation in the labour force such as tax credits for women returning to work, revision of income tax bands; change in the computation system of social security contributions for part-time employment; family-friendly measures; and childcare centres;
- Spain has taken a positive step through the approval of the legislative project that will regulate the framework for so-called insertion firms (see above, Section 3.2.1). There has also been a follow-up on measures implemented in 2006 that target youth, own account workers and fixed term workers;
- in Denmark initiatives for vulnerable groups include active social policy measures which aim at handling social problems beyond unemployment. A specific programme, The Joint Responsibility II, focuses on helping the most vulnerable groups out of isolation and increasing their possibilities of gaining attachment to the labour market;
- in Luxembourg, persons benefiting from activation measures also often receive social inclusion support from NGOs (e.g. housing, therapeutic and psychosocial guidance);
- Italy has promoted the creation of small and micro-enterprises to promote economic renewal and regeneration with an expected positive impact on social and cultural inclusion;
- Portugal has developed consultancy and training for small and medium firms in the areas of management and organisation which is a positive initiative given the low level of qualification among SME managers and even resistance to engage in training;
- Portugal has given special attention to non-declared employment, which has led to concrete progress; the Portuguese expert suggests that special attention should also be paid to all the other forms of precarious labour which have been increasing. The New Opportunities Initiative regarding the qualification of adults and young people has also had good achievements;
- Lithuania has increased opportunities for people who find it most difficult to find employment: the infrastructure of services provided for them was expanded and the availability of services was increased. The Law on Social Enterprises was revised; it has widened the circle of persons that can be employed in social enterprises and made the rules covering working conditions in those enterprises more specific;
- Slovakia has developed better and more active involvement of regional and local self-government, employers and their unions, NGOs and voluntary organisations in offering advice/counselling services, and in motivating and sustaining the long-term and young unemployed to enter the labour market. Progress has also been made in the legislative framework to encourage the employment of disadvantaged groups by reintegration enterprises and social enterprises;

- the UK has made progress in relation to employment provided by enterprises to ethnic minorities and women. Efforts have also been made to tackle employers' attitudes to disabled people. Localised employment strategies such as the City Strategy have also been developed.

Box 6

Developing Finnish employment services

A comprehensive contribution to the job creation targeted to low skilled and vulnerable groups is the development process of employment services. The new "job search centres" ("työvoimanpalvelukeskus" in Finnish) combining employment office services, municipal social services and social insurance services in a centralised manner and further developing of e-services have all aspired to support the vulnerable groups. Especially, the creation of a functioning interval labour market ("välityömarkkinat" in Finnish) has been a recent trend to build a system of low threshold to employment for all jobseekers. As stated in the Finnish IRNRP, "the interval labour market provides job opportunities beyond employment and the open labour market for those with difficulties in finding a placement in the open labour market or in education".

Finnish Independent Expert on Social Inclusion

Migrant workers

The weak labour market attachment of many migrants is highlighted by experts in several countries (e.g. Belgium, Cyprus, Spain). However, particular efforts to address this problem are not always evident. For instance, the expert for Cyprus comments that "immigrants in Cyprus are low paid, live in poorly equipped accommodation, and face discrimination and uncertainties created by the lack of a comprehensive immigration policy". In some cases, such as France, Ireland and Spain, the experts note that increased attention is being paid to this issue. For instance, in Spain the experts note that "The PECL includes objectives to promote employment of immigrants, a group of workers that has increased drastically in recent years and contributed to economic development." The Irish expert comments that the measures on integrating migrants and the emergence of this as a policy domain in its own right is an important step towards greater social inclusion. This can be for the positive reason of trying to avoid stigmatisation by having targeted measures. However, general programmes to assist those who are excluded run the risk of missing some of the most excluded migrant workers and some Member States give this issue very little attention. For instance, the Slovenian expert comments that "while it is clear that the Slovenian economy (especially in some sectors) strongly depends on foreign workers and that this situation will continue in the future, this issue is completely neglected in the IRNRP, both from the view of their position on the labour market (the working conditions, the type of jobs they perform) and even more from the social and integration view (the conditions they live in while working in Slovenia, the rights and possibilities they have)."

A range of different initiatives to try and target this group are mentioned by experts. For example:

- The Flemish employment services, in Belgium, have just launched a pilot project that involves home visits to unemployed migrants. The goal of this project is to reach the difficult-to-reach group of low-skilled unemployed migrants and to offer them information about their services. The project was kicked off in Antwerp and will subsequently be introduced in other large cities with a significant migrant population.
- In France the struggle against discrimination in employment is being given more importance since the 30 December 2004 Law that set up the High Authority for the fight against discrimination and in favour of equality ("Haute Autorité de Lutte contre les Discriminations et pour l'Égalité" or "HALDE").

- In Denmark mentorship programmes for immigrants as well as for young unemployment benefit recipients have been developed which provide individually based support that may potentially help individuals to overcome various barriers to enter the job market.

Lone Parents

Particular attention is given by several Member States to increasing the participation of lone parents in the labour force. For instance, the UK is developing more personalised services, private provision, more in-work support and increased conditionality, particularly for lone parents. Ireland is extending active labour market preventive measures to lone parents among other groups; it is also setting up a High Level Activation Group to progress the activation of lone parents, those with disabilities and other potential client groups.

The Dutch experts highlight an interesting initiative using tax incentives to increase participation of lone parents amongst others (see Box 7)

Box 7

Use of tax incentives in the Netherlands

Measures to increase employment among vulnerable groups are aimed at minorities, people who are partially able to work and recipients of social assistance benefit. The 2007 IRNRP summarises its efforts in this saying that "It is important to provide these groups with financial incentives, training and other assistance".

As to the financial incentives, this consists essentially of a tax measure to fight against the so-called inactivity trap. According to the estimates of the Ministry of Social Affairs and Employment these measures will make only substantial difference for single parents accepting a job (8% increase of income) and for the partner re-entering the labour market gaining at least 120% of the minimum wage (3% increase of income) (p. 50). One could thus expect that one of the most at risk of poverty groups in the Netherlands, single parent households, will improve their position the next couple of years. This is then to be considered as a positive feeding out effect of the NRP.

Dutch Independent Experts on Social Inclusion

Disabled people

Another group quite frequently mentioned by Member States is disabled people. For instance, the Polish expert highlights that in Poland the status of disabled people on the labour market has become even more difficult, despite general improvement of the labour market situation. In 2006 only 12.6% of disabled [persons aged 15 and more] held jobs, compared with 13.7% in 2003. One shortcoming of the current system for supporting the employment of the disabled is the absence of effective tie-up of the disability pensions system with the system of vocational rehabilitation and employment policies targeted at the disabled, which significantly reduces the potential impact of these policies.

The French expert draws attention to the 11 February 2005 Law, which reinforces the obligation for employers to employ disabled workers and which creates departmental houses for disabled persons that provide facilities where disabled persons can be received and can benefit from an interface between them and the employment services. In Denmark the experts highlight the development of the "flex-job" programme aimed at increasing labour market participation among groups with limited working capacity. In Slovenia the expert highlights the positive results of a quota system for the employment of disabled persons (since 2006, when it was introduced) – in terms of raising the number of employed disabled people.

Young unemployed people

Several experts highlight efforts to integrate young unemployed people at high risk of social exclusion into the labour market. Romania is an interesting example in this regard. (see Box 8)

Box 8

Tackling Youth Unemployment in Romania

Short- and medium-term actions to promote youth access on the labour market include:

- facilitating the transition from school to work, by reorganising / readapting and extending information and advisory centres for youth on career guidance (i.e. opportunities and risks on the job market);
- promoting apprenticeships as an alternative for young people with poor education and no qualifications;
- strengthening links between education and professional training by encouraging mixed partnerships;
- developing non-formal education/training alternatives to support individual initiatives;
- implementing existing legal provisions to boost employment of young people (lower unemployment insurance contributions, wage subsidies, recruitment premiums, vocational retraining schemes, loan facilities for students to start a business);
- focusing on the situation of young people with former special protection history through special socio-occupational integration programme.

Romanian Independent Expert on Social Inclusion

The Slovenian expert also notes progress in this regard (see Box 9) although she also highlights persisting problems in relation to gender differences in youth unemployment, and the type of jobs young people get.

Box 9

Tackling Youth Unemployment in Slovenia

In the area of integration of young people into the labour market some progress has been made in the last year, that also reflects in the decrease of the youth unemployment rate. Besides the already existing and strengthened employment policy programmes (orientation and counselling, programmes of intensive job-search, education and training programmes, etc.) and a strong focus on poorly educated young unemployed persons and their motivation and re-integration to education or training, recently the focus is also on unemployed graduates of tertiary education whose numbers have been increasing since 1999, but have finally decreased somewhat in 2006. In 2006 a new measure for stimulating the employment of young unemployed people was introduced offering the employers who hire an unemployed first-time job seeker (aged under 26 whose education is in excess supply) or a person aged under 28 who has been unemployed for over 24 months a reimbursement of social security contributions for this person. The new measure has been assessed by ESS as contributing effectively to a drop in the number of young persons registered as unemployed for over 6 months. Programmes aimed at young poorly educated unemployed persons can also be assessed as effective (especially from the view of re-integration of those young people back to education and training to achieve a qualification level and improve their employability), as the shares of poorly educated young people among unemployed are decreasing.

Slovenian Independent Expert on Social Inclusion

3.2.5 Older workers and active ageing

Several experts highlight an enhanced focus on raising the labour market participation of older workers with a view to increasing employment rates, increasing the sustainability of pension systems and raising future levels of pensions to lift people out of poverty. For instance, the Belgian experts point out that most of the measures to improve the labour market participation of older workers were introduced by the Generation Pact, which has been gradually implemented. The Czech expert points to the preparation of a new Active ageing strategy. The Polish expert highlights reforms aimed at ensuring long-term financial viability of the old-age pensions system by limiting access to early retirement and increasing the employment activity of older productive age people.

Several experts highlight the limitations of single measures on their own to raise the employment of older workers. For example, the Polish expert points out that “achieving this objective requires a cross sector, integrated policy, including access to life-long learning and active labour market policies (ALMP) measures. Yet the document fails to recognise the link between the policy of restricting access to early retirement and the policy of employment and life-long learning.” Experts generally stress the need for a mix of different approaches.

The types of measures identified by experts include restricting eligibility to early retirement, providing financial incentives to work longer, encouraging employers to hire and/or retain older workers, and promoting skills training and life-long learning opportunities. The following are some of the specific examples cited by experts:

- activation measures and increased monitoring of the job search behaviour of the older unemployed in Belgium;
- efforts to raise awareness among employers and to encourage them to establish programmes for older workers and properly invest in this group of employees such as the Training and Employment Exposure Scheme in Cyprus that aims to promote among employers the fact that employees aged 40 and over can give very efficient and productive work, and to value the concept that ‘experience pays’;
- financial incentives for employers to retain their older workers (through a reduction of employer’s social contributions for older workers);
- measures to upgrade the skills of older workers and link them better to employment and training services in Malta;
- raising the legislative age of retirement in the Czech Republic;
- removing restrictions on working pensioners and increasing the possibility to combine part of pension with work (e.g. Denmark, Czech Republic and Malta);
- introducing a Bridging Pensions Act in Poland which calls for gradual phasing out of access to early retirement, leading to complete elimination of such options in 25 years’ time;
- introducing financial incentives for continuing to work in the Netherlands and discouraging early retirement: a participation bonus and means-tested contribution from the early retired, and measures for accompanying older unemployed people and those on incapacity for work benefits;

- introducing "Initiative 50 plus" in Germany which is intended to promote employability and the initiative "New Quality of Work" (INQA) which aims to develop new models for working conditions tailored to the needs of older people;
- offering individuals over fifty-five years of age who lose their right to unemployment benefit a "senior job" in their municipality till the age of retirement in Denmark;
- amending public service legislation in Estonia to remove provisions releasing officials from public service once they turn 65; this will significantly expand working opportunities for older people;
- paying special attention in Estonia to the target group of older individuals when developing initiatives to improve individual qualifications so as to improve their professional competency;
- changing the rules governing the housing supplement for pensioners in Sweden to further prolong working life by making it more worthwhile to work and to improve the financial situation of the worst-off pensioners. The change means that everyone who is in gainful employment and eligible for the housing supplement will be allowed to keep a larger share of this supplement when earned income rises.

3.2.6 Reconciliation of work and family life

Several experts comment on improvements that have been made in relation to reconciliation of work and family life and how this *feeds* out to contribute to greater social inclusion. For instance, the Polish expert comments that "a significant new departure under the NRP, linking the issues of increasing employment with efforts to ensure social inclusion, is represented by the announced actions conducive to reconciling work with family responsibilities. Increasing the employment of women could contribute to reducing the high poverty risk among children. The present cultural and structural barriers to the employment of women raising small children lead to their withdrawal from the labour market, prolonged economic inactivity and unemployment once the children get older".

Examples of the types of measures that are highlighted by experts include:

- raising parental benefit in the Czech Republic in 2006 and providing more choice in the combination of the level and duration of provision of the parental benefit since 2007;
- extending paid and unpaid maternity leaves in Ireland;
- improving child care provision and assisting parents with their childcare costs in Ireland;
- ensuring significant increase in child care provision in the UK though more attention needs to be given to quality and costs;
- adopting regulations in Poland regarding tele-work, which allow parents taking care of children to work from home;
- including proposals regarding facilities for combining employment with family obligations in the 2007 Family Policy Programme in Poland;
- extending family-friendly measures in the public sector in Malta and giving national insurance credits to parents who leave the labour market to care for children;
- launching 'Family-Friendly Enterprise' action (co-financed by Equal funds) in Slovenia in order to stimulate the employers to support employees (especially young parents) in balancing work (career) and family life (e.g. through flexible working time schedules and similar).

3.3 Financial sustainability and feeding out

3.3.1 Fiscal consolidation and modernising social protection systems

Many experts identify quite a strong emphasis in their country's IRNRP on fiscal consolidation, which is often linked to reforms of social protection and to the objective of ensuring long-term sustainability of systems. However, several experts (e.g. Czech and Polish) draw attention to an imbalance between macroeconomic goals such as long-term financial sustainability and cutting budget deficits and social objectives such as the adequacy of benefits. Similarly the UK experts comment that concerns over adequacy in social protection systems are not given equal importance with the sustainability of public finances. Likewise the Belgian experts warn that a sound financial basis for the welfare state in the future, while essential, does not guarantee that future welfare is fairly distributed.

The Lithuanian experts note that "The prevailing approach in Lithuania to competitiveness is characterised by focusing on decreasing costs. Competitiveness is less related to increasing quality of production, strengthening qualification of the work force and improving quality of work places, which results in overlooking questions of increasing social inclusion. For example, in Lithuania's energy policy a lot of attention is given to measures for assuring reliability of energy; there is too little discussion on consequences of implementation of these measures to consumers, how it will change consumer expenses for energy."

The Maltese expert notes that social protection systems, including both health and social security, are positively covered by the provisions of the NRP. In its various sections, the NRP demonstrates a concern that more is allowed or provided for families to be able to live a better life. The Finnish expert notes that "Concerning the social security reform the goal of promoting the incentive to work, reducing poverty and ensuring adequate basic security in all life situations, are clearly mentioned in the Finnish IRNRP. These issues are approached mainly in relation to the functioning of the labour market."

The Portuguese expert comments positively that the need to implement the reform of the Pensions System is an explicit concern of the Portuguese IRNRP. She notes that the report presents the main changes arising from the new Social Security Base Law which have been introduced in order to reinforce the structural coherence of the system, and to ensure its social, economic and financial sustainability. She sees these as positive expected impacts and notes that the fact that there was a Reform Agreement signed with Social Partners regarding the new Law is a clear sign of the urgency to introduce these changes.

The Spanish experts comment that "the impact of social protection systems is not being systematically assessed. This is perhaps clearest in the case of children where the impact of benefits does not have a large impact on reducing the percentage at risk of poverty."

In Slovakia the expert notes that fiscal discipline is the ruling principle for every adaptation of the social protection system. Up-rating of pensions, social support benefits and social needs benefits pursue the policy of increases in line with inflation. The rise in living costs has not been examined in the process of setting the benefits/pensions amounts since the separation of the minimum subsistence institution from the material need benefits (2002) and pensions system (2004). There are only a few studies on living conditions in spite of the recently launched EU-SILC instrument.

3.3.2 Addressing the impact of fiscal policies

Several experts highlight efforts to reduce the fiscal pressure on income from labour. Interesting examples are highlighted by, amongst other, the Belgian and Polish experts. The Belgian experts comment that Belgium is continuing to work on a further reduction of the fiscal pressure on labour and that these efforts are beginning to pay off. In a European perspective, the reduction of the fiscal pressure on labour is largest in Belgium. The estimate is that the fiscal pressure on labour will have decreased by 1.45% in 2007 compared to 1999. Since fiscal pressure is most problematic for persons with low incomes, measures have been predominantly targeted towards this group and towards young and older employees in particular. For young people aged 19-29 with low incomes, 240 million euros have been set aside to reduce social contribution payments. Most of these measures imply a reduction of social contributions for both employers and employees.

The Polish expert highlights the importance of reducing the tax wedge as a way of reducing the scale of social risks faced by the most vulnerable groups, such as low-skilled or long-term unemployed persons. She points out that “this measure is very relevant for Poland due to a combination of high unemployment among low-skilled people and relatively high tax wedge, which create a barrier to employment of these people. Reducing the tax wedge may be also considered as a measure for increasing the supply of labour of low-skilled people and increasing their net wages. All these measures lead to reducing poverty among families with unemployed members, as well as among the working poor. The government reduced social insurance contributions by 3 percentage points in 2007. The target set in the IRNRP is to reduce the contributions by 7 percentage points (from 13 to 6 percent), starting in 2008.”

The Maltese expert notes that “Malta has always been sensitive to the weakest cohorts in society. Reform measures have focused not only on the goals but also on the means, the sensitivities and the implications. Tax reforms have not been pursued at all costs for purely competitiveness-needs. The approach adopted is more of a continuous evolution, characterised by incremental developments, no shock tactics, balancing the pros and cons in a manner that the wider society is least negatively affected”.

In many countries the focus is on developing a sustainable fiscal policy to foster economic growth and job creation. However, as the Finnish expert among many notes, “the aspects connecting fiscal policies to social cohesion remain weak”. Some experts note rather negative trends in fiscal policy in relation to social inclusion. For instance, the Bulgarian experts comment that “fiscal policies in Bulgaria are targeted at the promotion of economic growth. Fiscal policies are less and less oriented towards redistribution and social cohesion. The culmination of this process will be the introduction of a flat tax rate, which in itself is not a cohesive policy.”

3.3.3 Addressing territorial differences and regional gaps

In several countries experts note progress in addressing regional disparities. For instance, in the Czech Republic a new legislation (Act on Social Services) now obliges regional authorities to elaborate Regional plans on the development of social services which help coordinate some of the social inclusion policies at central, regional and local level. In France, the expert considers that “the gap between regions and between territories has been correctly assessed. A recent publication by the National Statistical Institute INSEE of the differences in poverty rates and inequality measures between the various departments emphasises the significance of those gaps.” He also notes that the French IRNRP

insists on the importance of the connections between social and territorial cohesion. In Finland measures are introduced to promote the regional mobility of labour such as the raising of compensation for travelling expenses, extending the maximum duration of travel allowance paid in the form of labour market support and a support to help to cover the costs of relocating. Also at local level in Finland territorial differences are being addressed and the municipal service system is being developed with a focus on both guaranteeing quality services to everyone in all regions and arranging the service structure in a cost-effective manner.

In Germany the experts highlight efforts to address the problems of structurally weak regions and to gradually equalise the strong East-West divide. They particularly highlight the role being played by EU Structural Funds and the strong feeding out effects that these are having (see Box 10)

Box 10

Feeding out Effects of EU Structural Fund Expenditures in Germany

The measures listed individually aim very strongly at a feeding out effect:

- support of workers and enterprises in their effort to adapt to changing economic conditions;
- improvement of access to employment and participation in working life;
- promotion of the qualifications and abilities of people, and improvement of the systems aiming at general education and vocational training;
- promotion of partnerships between the actors (such as employers, trade unions and non-governmental organisations) for the purpose of reforms in the areas of employment and integration into the labour market;
- increased efforts at the social integration of disadvantaged people and the combating of discrimination on the labour market.

German Independent Experts on Social Inclusion

In Italy the expert notes that attention is focused in the IRNRP on the development of the South of Italy through, for instance, infrastructure policies, measures to fight against illegal conditions, assessment of the basic conditions for social development and support for entrepreneurial activities and employment. He also stresses that tax relief for labour costs has been directed towards the South (higher for women employees), and a large share (82%) of the European Structural Funds and the National Fund for under-utilised areas has been allocated to the Southern regions in the 2007-13 period.

3.3.4 Liberalisation of services

Some experts raise concerns about the effect of policies to increase competition in the utilities markets. For instance, the Belgian experts point to the impact of liberalisation of energy leading to an increase in energy prices and note that this has particularly serious consequences for low-income families. The Polish expert reports predictions that freeing electric energy tariffs in Poland will result in higher energy prices, which will reflect negatively on the situation of poorer households, in particular those supporting themselves with social benefits and allowances. The German experts comment that “the liberalisation of the postal services is yet more evidence that liberalising – often pushed at the instigation of the competition policy of the European Union – leads to an extension of wages which are no longer securing subsistence.”

4. Feeding In

4.1 Contribution of the Social Protection and Social Inclusion Process to the Growth and Jobs Agenda

A small number of experts identify explicit links between the IRNRPs and the NRSSPSIs. However, most experts do not consider that the contribution of the Social Protection and Social Inclusion Process to achieving the goals of the NRPs has been taken explicitly into account and the SPSI challenges posed to Member States in the 2007 Joint Report on Social Protection and Social Inclusion are only very infrequently acknowledged across the IRNRPs. However, many experts do notice some implicit links or some common approaches between the two processes and some awareness of how policies to promote social inclusion can also contribute (*feed in*) to the achievement of growth and jobs objectives, particularly in the area of education.

4.1.1 Some explicit links

The countries where experts most identify links between the processes are Austria, Ireland, Netherlands, Portugal, Romania and Slovakia. For instance, the Irish expert comments that “this year the core links with the Social Protection and Social Inclusion Process are made more explicit in the IRNRP and the National Action Plan for Social Inclusion is written much more explicitly into the IRNRP. I therefore draw the conclusion that, as compared with last year, social inclusion is more integrated as a consideration in this year’s report. In particular: a) more of the report is oriented to topics and issues relevant to social inclusion (although not always explicitly framed from that perspective); b) there is more concern in what one might call the conventional economic policy issues about groups lacking in social cohesion (for example in sections 4.4 and 4.5 the less-advantaged sector of the population feature quite strongly). It would appear that the existence of a worked-out and legitimated national policy on social inclusion this time around (as in the National Action Plan for Social Inclusion which was produced in February this year...) has enabled/compelled greater account to be taken of social inclusion.” Likewise the Portuguese expert notes that “the link with the Social Protection and Social Inclusion Strategy is explicitly referred to in the Report, namely through an explicit reference to the importance of the NAP/inclusion respective measures.” She also notes that the Portuguese IRNRP provides explicit references to all the challenges identified for Portugal in the 2007 Joint Report, although the information provided varies considerably in terms of the ability to adequately respond to those challenges.

The Romanian expert comments that Romania’s OMC on social inclusion and social protection interacts closely with the Partnership for Growth and Jobs. She notes that “In terms of promoting social inclusion a wide range of active social policies have been elaborated and mainstreamed, such as facilitating access to employment for all, reconciling family and work responsibilities which would consequently lead to increased employment for women, investment in education which enhances the chances to get access to a job, investing in children, active policy support for disadvantaged groups such as people with disabilities, policies to increase job retention and career prospects of low-paid workers and so on.” The Slovak expert notes that “links to the EU Social Protection and Social Inclusion Process and the 2007 Joint Report’s challenges (e.g. child poverty, integration of minorities) are explicitly made in the section on social inclusion. For instance, “the increase in financial aid to persons in material need, in parallel with the growth of living costs in low-income households and overall inflation rates, as well as the state social support benefits for children and families” is reported as being the fulfilment of efforts “to provide adequate resources for everyone and to protect those who cannot increase their income by

their own efforts” and “the interest in preventing exclusion and poverty reproduction between generations.”

The Austrian expert sees that the clearest evidence of feeding in is that the social security system is defined as a productive force (*Produktivkraft*) that might contribute to growth and employment. She points out that the IRNRP refers to a recent supplement to the Austrian NRSSPSI which “places a new focus on the following areas in particular: minimum social income, increased involvement of disabled persons, cushioning cases of social hardship induced by the pension reform of 2003 and 2004 and provision for persons in need for care”. The report goes on that the “other focus areas of the 2006-2008 NRSSPSI will be retained, in particular fighting poverty and social exclusion of children and young people, as well as actively integrating those at the margins of the labour market”. The Dutch experts note that there are references to the NRSSPSI and there is a clear intention that the two processes should complement each other. However, they comment that “there is no further detailed description of how this complementarity is put into practice”.

4.1.2 *Implicit links*

Several experts see elements of the NRSSPSI reflected in the IRNRP though explicit cross references are not made. For instance, the Danish experts find that there are no explicit references to the EU Social Protection and Social Inclusion Process in the IRNRP. However, they also note that “although there are no explicit linkages, many of the objectives of the OMC are recurring in the IRNRP.” Likewise they find that “there are no explicit references in the IRNRP to the 2007 Joint Report challenges. However, the IRNRP still contains relatively specific policy responses to most of the challenges. In this sense, one might well say that the Joint Report challenges have been fed into the IRNRP, despite the lack of explicit linkages.”

The Finnish expert notes that “the link with measures and policies under the EU Social Protection and Social Inclusion Process is not made explicit in the report.” Likewise the Spanish experts comment that the Spanish IRNRP “makes no explicit mention of the Social Protection and Social Inclusion Process. Educational measures included in the implementation report clearly strive to improve the general conditions of the population and share the objective of reducing early school leavers, which is in line, but not explicitly linked in the IRNRP, with the Social Protection and Social Inclusion Process. Furthermore, active inclusion policies for vulnerable groups such as immigrants, some groups of women and young people are recommendations within the Social Inclusion Report that are partly being addressed within the implementation of the NRP. The report also mentions the positive effect the National Strategic Childhood and Adolescence Plan is having on coordination of childhood policies and the increased visibility gained by the Childhood Observatory as mentioned in the IRNRP.” However, the experts conclude that overall the feeding in process within the Spanish IRNRP is still very limited.

The Estonian expert concludes that “there are no explicit references to the challenges identified for Estonia in the 2007 Joint Report on social protection and social inclusion in the IRNRP. However, in essence some of these SPSI challenges have been taken into consideration, e.g. active labour market and supporting social measures, increasing the labour market flexibility, ensuring the sufficient resources to guarantee overall adequacy of pensions, improving health status through promotion and prevention strategies, etc.” Likewise the Latvian expert notes that IRNRP fails to reveal explicitly links with the Social Protection and Social Inclusion Process. However, she does note that “the consistency of the NRP strategy with the NRSSPSI in part ensures the complementarity of planned activities in

terms of target groups or the area of activity/ objective. In their turn, activities for reducing social exclusion partially overlap in both documents.”

The Lithuanian experts clearly highlight the difficulty of assessing the extent of feeding in when they comment that “it is complicated to demonstrate how social inclusion policies contribute to the Growth and Jobs since the levels of relative poverty and social inclusion are increasing. In the mode of social integrationist discourse the effectiveness of social inclusion policies in line with the (refocused) Lisbon objectives could be reinterpreted as the contribution of social policy to the development of human resources. For example, additional social workers introduced for the assistance to families at risk in some cases could break the vicious cycle of societal reproduction. On the other hand there are developments that indicate the lack of feeding in. Increasing emigration, decreasing lifespan and increasing death rate, poor situation of the children demonstrate the lack of effective social policy.” After analysing the IRNRP, they have agreed that there is considerable overlap between the IRNRP and the NRSSPSI. However, they consider that “the competitive ability in the IRNRP is conceptualised as the seeking after profit and public policy activities in the field of social economy is simply pasted from NRSSPSI if to quote the expression and approach identified by the French expert.”

In Italy the expert considers that the IRNRP has limited links with the SPSI process, while confirming the main objectives related to: poverty reduction; fostering social justice; reducing regional disparities; promoting social inclusion of immigrant persons; improving social protection and care for not-self-sufficient persons. Rather similarly the Luxembourg experts conclude that “the 2007 IRNRP does not make any explicit reference to the OMC process. Nor does it explicitly emphasise the challenges that had been identified for Luxembourg in the 2007 Joint Report on social protection and social inclusion. The interaction between the NRP and NRSSPSI processes is not addressed. However, the challenges identified for Luxembourg in the 2007 Joint Report are implicitly taken into account in policy efforts”. They point out that so far, social policy has not been used in Luxembourg as a driving force of economic growth. And they conclude by stating that “it is possible that such a modelling could be developed further in the next rounds, when the analysis of competitiveness indicators and social health indicators will have progressed.”

Similarly the Czech expert concludes that “the link between the NRP and the OMC (Social Inclusion Agenda) is weak. Measures to promote human capital in all segments of the labour force are generally the most promising instruments encouraging economic growth in the long-term. However, emphasis on this aspect is rather weak in the 2007 IRNRP, in terms of the recognition of these policies’ relevance not only for economic growth but also for active inclusion, active ageing, gender equality, the pursuit of quality jobs, and flexicurity.” On the other hand the Czech expert, like many other experts, points to overlaps between the NRSSPSI and the IRNRP when he says that “both these documents are interlinked at least in two respects: they overlap in terms of the overall strategy – i.e. to reform the pension system and achieve sustainability in the long run, to promote work incentives and labour market participation in general, to support equal access to education and life-long learning. It then follows that there is also an overlap in terms of some measures proposed in these documents. Consequently, some of the challenges mentioned above are also implicitly present in the IRNRP.” Likewise the Finnish expert comments that “there are no explicit references to the challenges identified for each country in the 2007 Joint Report on social protection and social inclusion.” However, she goes on to note that “there are references to the same issues that were mentioned in the 2007 Joint Report.”

The Slovenian expert comments that “there are no explicit links with the EU Social Protection and Social Inclusion Policy in the IRNRP.” However, she does highlight developments in some areas such as the education and training of poorly educated unemployed people. She also highlights developments in housing policy as an example of good practice of *feeding in*. (see Box 11)

Box 11

Housing for Young Families in Slovenia

Within housing policy measures, a new type of rent subsidy was introduced for young families that have no other housing option but to rent an apartment in an open housing market (where rents are high). This subsidy is intended especially for young families with children where at least one of the parents recently graduated from tertiary education is not yet regularly employed and does not have enough funds to more permanently solve their housing problem, but could not rent a non-profit apartment (which are scarce). As such it can be given as an example of good practice of feeding in, since it is intended as a temporary support to young highly educated parents who have just entered the labour market and are often in a precarious employment situation and with scarce financial resources.

Slovenian Independent Expert on Social Inclusion

4.1.3 Lack of links

In a number of cases experts are quite critical about the lack of links. For instance, the German experts comment that “the link with measures and policies under the EU Social Protection and Social Inclusion Process is not made clear in the report. Nor are there any explicit references to the challenges identified for each country in the 2007 Joint Report on social protection and social inclusion to be found in the IRNRP. Any concrete examples of feeding in that can be highlighted as examples of good practice are missing as well.” Rather similarly the Polish expert comments that “the IRNRP does not relate directly to the EU Social Protection and Social Inclusion Process. It also makes no reference to the challenges of the 2007 Joint Report. Still, the IRNRP includes many implicit references to the process of social inclusion in Poland, which could indicate a growing awareness of the impact which the inclusion process has on economic development and advances in employment.” The UK experts note that “there is a general lack of reference in the 2007 IRNRP to social priorities, and a failure to integrate the Lisbon (or other) social goals into its frame of reference. There is no ongoing machinery, as far as is known, to coordinate the OMC and Partnership for Growth and Jobs objectives, and debate about them tends to happen in different parts of government and with different stakeholders’ involvement.” Similarly, in Sweden the expert concludes that “there are basically no discussions (in the INRP) that link the growth and job efforts with the EU agenda on social protection and social inclusion”. The Greek expert comments that “there are no explicit references to the challenges identified for Greece in the 2007 Joint Report on social protection and social inclusion.”

4.2 Education, training and life-long learning

Education, training and life-long learning feature widely in the IRNRPs and the connection between *feeding in* and education is particularly well described by the Belgian experts (see Box 12).

The Belgian experts also highlight many interesting individual initiatives in Belgium. However, they conclude that “despite genuine efforts to make education more fair and effective for socially excluded groups, the NRP lacks an integrated, strategic view on the ‘education – inclusion – growth nexus’. It seems to strongly underestimate the power of education and life-long learning (LLL) in promoting sustainable social inclusion and simultaneously boosting economic performance. The narrow focus on R&D and ICT indeed entails a serious risk of fuelling the dualisation of society. What is needed instead,

is a full chapter on education and LLL covering all stages of the life cycle and examining systematically the policies required to upgrade the capabilities of the population, beginning with the most excluded groups.”

Box 12

Education and training: a key dimension of feeding in

Investments in education and training of socially excluded groups are probably the most straightforward case of feeding-in. In any event, it is the area where research has most extensively demonstrated beneficial effects, not only for the individual (in terms of sustainable, long-term inclusion and self-sufficiency), but also for society at large. The (indirect) ‘social benefits’ of education are enormous: Psacharopoulos, in a recent report for the European Commission (DG EAC), concludes from a thorough review of the literature that a (social) benefit / cost ratio of 3:1 is probably a fair average estimate (Psacharopoulos, 2007). This figure only captures the returns that have been quantified and that can be expressed in monetary terms. Investing in the education of disadvantaged young people generates additional tax and social security receipts in adulthood, a longer and more healthy life expectancy, savings on health, welfare and security expenditures, a more democratic functioning of society, better chances for their own future offspring etc.

Cunha et al. (2006) moreover suggest, on the basis of another survey of the literature, that (a) the profitability of investments in education is highest during early childhood, and (b) that it is higher (during that period) among the most disadvantaged (compared to average) children.

In concrete terms, this means that every euro invested in the education of disadvantaged groups yields an average (discounted!) return of three euros, a profitability which outscores most commercial investments. Education of disadvantaged youth is definitely an engine of welfare and growth. The question that arises is whether Belgian inclusion policies have integrated this message and do translate it into practice.

Belgian Independent Experts on Social Exclusion

The Irish expert notes a very strong focus in the NRP on life-long learning and activation programmes, as constituting a considerable strength and as being notable in the context of greater social cohesion; she also stresses how growth-related objectives intersect with those on social cohesion. The Finnish expert notes that “various examples are mentioned concerning the growth-enhancing and pro-social cohesion education policies, e.g. the functioning of the adult education system as the key to the promotion of the occupational mobility of labour, the overall education policy as a key factor for boosting effective employment policy and hence growth and structural policy, and the performance-based funding system for vocational education to encourage measures that lead to the rapid employment of graduates or their placement in further education programmes.” The Maltese expert highlights Malta’s emphasis on promoting human development as being essential not only to promote economic development but also to tackle social exclusion. The Austrian expert comments that education policy (including measures to enable and enhance life-long learning) is one of several policy areas that have been identified as being simultaneously growth enhancing and pro-social cohesion. The Slovenian expert notes that “a positive development is the recognition of the importance of life-long learning for the inclusion of the most vulnerable into the society. The Government recognised the need to introduce new measures for those with low educational attainment; it also improved access to scholarships and insured more financial resources for scholarships”. As the UK experts comment, emphasis on skills and life-long learning has an economic rationale and can help people to escape poverty. However, not all Member States address the impact of educational issues on social exclusion. For instance, the Latvian expert comments that “there is only a minimal link between needs of the social exclusion groups of the population, problems in the area of education and measures described in the Report.”

The Dutch experts highlight education as one of the examples of good practice in relation to feeding in (see Box 13).

Box 13

The fight against early school leaving in the Netherlands

Children who drop out of school have no starting qualifications for entering the labour market and are as a result preconditioned for poverty and social exclusion. The Dutch government takes this problem very seriously and has set the target to diminish the number of drop-outs from 71,000 in 2002 to 35,000 in 2012.. Several organisations, such as schools, corporations, municipalities and centres for youth will work together in achieving this goal. Especially municipalities play a large role in this since young adults until the age of 27 will no longer have a right to social benefits. They either will have to work or go to school. It will be a challenge for the coming years whether the municipalities will succeed in their youth policies, so that hopefully less than 35,000 young people in 2012 will drop out. Since the new Dutch Cabinet has a Programme Minister for Youth and Family, we expect that the issue of early school leaving will remain high on the political agenda.

Dutch Independent Experts on Social Inclusion

The following are a selection of some of the other interesting education and training policies that experts consider contribute to *feeding in*:

- actively promoting the participation of immigrant children in kindergarten in Belgium;
- reducing maximum class sizes in Austria;
- emphasising a back to basics policy in Sweden with, in primary school, more effort being made to give all children basic skills in reading, writing and mathematics. Marks are to be given earlier (6th grade instead of 8th) and the government also has an ambition to improve teachers' position (demanding more formal skills and paying them better);
- extending compulsory education to 16 years of age in Italy together with a more coherent policy framework for schooling autonomy and coordination, integrating immigrants, providing environmental training, establishing professional standards and competence certification, developing adult education, assessing education quality, and reducing early school leaving (vocational guidance mechanisms and stages involved nearly 500,000 students);
- taking initiatives to reduce early school leavers in Malta;
- making substantial progress in addressing underachievement in education and training (raising attainment in schools and basic skills for adults) in the UK;
- taking measures to combat intergenerational transmission of poverty by raising skills levels and offering an alternative to early school leavers and by introducing in October 2006 a voluntary guidance service for young people [the "service volontaire d'orientation" (SVO)] in Luxembourg;
- introducing various support measures in the field of life-long learning and increasing student allowances in Austria;
- introducing a Critical Neighbourhoods Programme in Portugal whose activities, while not directly addressing education issues, involve intervention in the area of education and directly include children at high risk, living in areas where education issues are one of the main dimensions to tackle and improve;

- enhancing the quality of technical and vocational education in Belgium through a closer collaboration with private companies, including more and better apprenticeship and internship opportunities;
- working to modernise vocational education in Poland: adjusted classification of trades and training curricula, introduction of modular training programmes, and introduction of an up-to-date system of exams certifying vocational qualifications (including a supplement describing the process of learning and acquired competencies). Particularly important to social inclusion policy will be the planned setting up of a national network of examination centres, which are to provide exams both for school graduates and for persons wishing to certify their vocational qualifications acquired outside the formal school system;
- certifying the acquired experience (“validation des acquis de l’expérience” or “VAE”) in France, which allows workers to receive a qualifying certificate based on the skills they have acquired during their professional life.

4.3 Active Inclusion

There is clearly a (slowly) growing recognition of the importance of active inclusion policies seeking to create synergies between policies which support adaptation to the labour market, policies which ensure an adequate income and policies which promote access to high quality social services. For instance, the Polish expert considers that there are “particularly evident links” between the NRP and NRSSPSI processes in the area of labour market policy (see Box 14).

Box 14

Active inclusion of persons in a difficult situation on the labour market:

Links between NRP and NRSSPSI processes in Poland

The implicit references to the NAP/Inclusion concern the changes made to the regulation governing the employment of disabled persons, as stipulated in the NAP/Inclusion. The action areas of the IRNRP linked directly to the implementation of the NAP/Inclusion in the field of active inclusion also include the following programmes:

- ‘active forms of counteracting social exclusion’, to support and promote development of networks of ‘social economy’ entities, such as social integration centres and clubs, initiative of municipality/rural commune authorities organising socially beneficial work projects and programmes;
- support for Development of Social Cooperatives, aimed at evolving, within the NGO sector, of institutions called social cooperatives support centres, providing consultancy and advisory services plus supplementary funding to persons setting up social cooperatives.

A significant area of common action of the employment policy and social inclusion are the measures for reconciling family obligations with employment. The IRNRP presumes the elaboration of the measures in this field by December 2007. The activities in this field were already announced in the NAP/Inclusion.

Polish Independent Experts on Social Inclusion

However, many experts emphasise that in their country’s IRNRP there is a lack of analysis of the contribution that active inclusion policies can make to increased economic and employment growth. For instance, the UK experts note that there is very little on active inclusion in the UK IRNRP. The Estonian expert notes that “unfortunately it has not been mentioned in the IRNRP whether and how much the positive changes in the labour market (increase in number of employed persons and decrease of unemployed persons, a sharp decrease in youth unemployment, a decrease in unemployment among non-Estonians, etc.) has been influenced by SPSI policies and activities; only the impact of fast economic growth and favourable economic situation has been underlined.”

The Danish experts assess the extent to which the concept of Active Inclusion has 'fed in' to the IRNRP. They conclude that "attention is primarily given to measures aimed at creating an inclusive labour market. The issue of minimum income schemes is really not treated in the IRNRP, neither with regard to labour income nor income support. The IRNRP does, however, mention that the social benefits will increase by 0.6 per cent. In relation to access to quality social services, such as counselling, healthcare, child-care etc., these issues are not treated specifically in relation to vulnerable groups." The Italian expert notes that "a more defined attention to active inclusion would have made it possible to identify elements for a holistic strategy. The latter should be based on:

- 1) income support sufficient to avoid social exclusion;
- 2) links to the labour market;
- 3) better access to quality services (EC, 2006).

It appears evident that more should be done to have these three dimensions as key terms of reference in the elaboration of the NRP."

4.4 Gender equality

The contribution that greater gender equality can make to promoting social inclusion has been well established in the EU Social Protection and Social Inclusion Process. At the same time improvements in gender equality can be very important in increasing economic productivity and ensuring more and better jobs. However, while considerable attention is given to increasing female participation in the labour force through reconciling work and family life (see above, Section 3.2.6), overall socially inclusive policies to promote gender equality are not highlighted very extensively in IRNRPs. The UK experts typically highlight this, pointing out that there is no mention of gender equality in the UK IRNRP. Similarly, the Maltese expert points out that "the IRNRP does not make extensive references to achievements in gender equality, and this can be said to be somewhat of a disservice to the extensive work being done in this area". The Portuguese expert comments that "another missing dimension of the promotion of social cohesion within the report regards the issue of gender equality. The gender dimension and its impact on social cohesion and on sustainable and equitable growth is also absent." The Polish expert points out that "one of the factors leading to the gender wage gap is the lack of true partnership in the family in sharing household and employment responsibilities, which translates into poorer chances for women in the labour market. For that reason, promoting partnership in families should be an important element in any policy for reconciling work and family responsibilities, which would permit women to earn a more adequate income from work. The IRNRP calls for implementing the initiative to facilitate the reconciliation of job and family duties. However, the "Family Policy 2007-2014" document, referred to in the IRNRP as the grounds for comprehensive efforts in the area of family policy, fails to give due recognition to this policy aspect."

The Dutch experts point out that in the Netherlands, as in many other countries, there is considerable focus on increasing the participation of women in the labour force. However this does not necessarily lead to greater equality. They consider that "it is not very reassuring that the Dutch government only takes measures related to the labour market participation of women. The assumption is that when preconditions to work are optimised, the rest will follow as a matter of course." Similarly the German experts comment that "questions of gender equality do not play an independent role in the IRNRP submitted by the Federal Government. They are mentioned in the report rather implicitly, for example within the context of education, vocational promotion or the improvement of the compatibility of family and work."

However, there are some interesting developments noted by experts. For example, the French expert highlights “a tripartite agreement on ‘professional and wage equality between men and women’. He also draws attention to the obligation for professional branches (23 March 2006 Law) to negotiate measures for eradicating gender pay gaps before 31 December 2010. Four sectoral agreements have already been signed; they concern temporary work, banks, mutual credit and the steel industry.” The Austrian expert reports on a budget reform implemented in 2006, in which the national, regional and local governments have decided to implement “gender budgeting”.

4.5 Child poverty

The coverage of child poverty across the reports is quite limited and indirect. In view of the importance given to this issue by the European Council and the EU Council of Ministers and because of the resulting priority given to it in the EU Social Protection and Social Inclusion Process throughout 2007, it is surprising that it did not receive more systematic attention in the IRNRPs, particularly given the strong links between employment of parents and lifting children out of poverty. Several experts particularly note its absence. For instance, the Finnish expert comments that “the child poverty aspect has not been raised in the Finnish IRNRP”. The Greek expert notes that the IRNRP “does not make any reference on the issue of stopping the transmission of poverty among generations. Child poverty still remains a challenge of low priority in the Greek social policy agenda.” The Swedish expert comments that in Sweden “with the exception of education, the situation of children is hardly addressed at all in the IRNRP. This may be because the assumption is that getting parents into work is the main priority.”

However, several experts do highlight important feeding in elements in relation to children. For instance, the UK experts comment that concrete examples of ‘feeding in’ which could be seen as examples of good practice include the government’s strategy to tackle child poverty – especially the intergenerational transmission of poverty. The government often highlights the long-term nature of its aspirations to eliminate child poverty within a generation, and is particularly concerned about the evidence about intergenerational transmission and (lack of) social mobility. However, amongst other criticisms they point out that “the report itself does not make much of the contribution of an assault on child poverty to the creation of higher economic growth and more employment.”

The Dutch experts note that in relation to children and youth, the Dutch IRNRP refers to the European Youth Pact of the European Council, to child poverty being an EU policy priority in 2007 and to the Alliance for Families. It underlines the importance of the introduction of a Programme Ministry for Youth and Family under the new Dutch government. And the experts conclude that “in its policy measures for youth unemployment, the Cabinet put most emphasis on school drop out and the transition from school to work”.

The Portuguese expert notes that in March 2007 the Minister presented the new strategy for the active inclusion of the Social Insertion Income beneficiaries, in order to fulfil the NAP/inclusion target of ensuring that by 2008 90% of the families benefiting from the measure also benefit from an insertion programme. According to the Ministry’s data only 49% of the 107,000 families covered by the Programme have insertion agreements. The expert notes that this new strategy has an interesting potential given the need for a better performance of the insertion component of the measure and the impact it may have on directly contributing to more growth and social cohesion.

The Italian expert comments that “positive impacts are expected from policies against child poverty and measures already mentioned and those examined in the second part of this assessment report.” He highlights a range of these as an example of good practice in *feeding in* (see section 4.6 below, Box 16).

Quite often coverage of policies that relate to child poverty (e.g. policies to increase female participation in the labour market, policies to tackle educational disadvantage, policies to support lone parents, child care policies) is present in reports but not in a very detailed or systematic way. For instance, the Irish expert comments that “child poverty does not appear very explicitly but it is addressed in the measures relating to child income support for example and in the direct and indirect measures being taken towards greater activation and the provision of targeted childcare.”

4.6 Examples of good practice

Even though feeding in is not systematically developed in the IRNRPs, the experts do highlight a number of interesting examples. Several of these are outlined below.

The Finnish expert suggests that a concrete example of a good practice of feeding in could be the guidance system which will be created for workers and their families in order to promote work-based immigration. This is based on the overall aim in Finnish migration policy to take into account not only labour demand but also the varied background of immigrants and existing international obligations. This procedure is planned to be piloted in the ESF programme between 2007 and 2013.

The Irish expert particularly highlights three areas where real progress has been made in relation to feeding in (see Box 15).

Box 15

Some notable developments in Ireland in relation to ‘feeding in’

- The setting up of a High Level Group to progress the activation of groups such as lone parents and disabled people. The history here is of a series of measures being taken in the last years but of a ‘softly softly’ approach being followed by government, especially in regard to the activation of lone parents.
- The setting up of a new programme, included under the social protection measures, to promote the participation through early engagement of those of working age not in employment – this, announced in last year’s NRP, has now been activated (although no details are made available other than the budget (€50 million)). The early intervention aspect is stressed and one could also assume that it is intended as a more intensive and tailored form of preparation for employment for a range of groups in receipt of welfare benefits. Among other things, this reflects a gradual change in the nature of social welfare services in Ireland from a sole focus on financial transfers to a more social service-oriented perspective.
- A much more substantial reporting on immigration policy. Looking at the diversity of measures reported on under this heading, it is clear that there is considerable action underway in Ireland in this domain. Notable developments here include the designation of integration of migrants as a specific domain of policy with a minister of state appointed in June 2007, the setting up of a cross-Departmental Group earlier this year to review existing integration policy and the plan to set up of a Task Force on Integration in 2008, the setting up of a specific fund for immigrant integration in 2006 (to the value of some €5 million). All of this suggests that: a) migration is in the process of becoming a domain of policy in Ireland, b) specific focus is being given to integration, c) the view of migration as more or less a matter for economic policy is being superseded by an approach that recognises it as a challenge for social policy also. This is a very positive development, not least because migration was one of the weaknesses of the last NRP report. In addition, the treatment of migration in the NRP goes some way towards responding to one of the challenges identified in the 2007 Joint Report - to continue to promote active inclusion in the context of migration. This is an area that could be taken as an example of good practice.

Irish Independent Expert on Social Inclusion

In Spain the experts consider that “one of the most important policies in places to promote the integration of migrants is the Strategic Plan for Citizenship and Integration (PECI). The PECI aims to become a key element in driving integration forward and takes on a holistic approach as recommended by the European Commission. The PECI drives towards social cohesion and acts *as a key element in governing the process of mutual adaptation of immigrants and the autochthonous population because, through balanced interventions on the part of both public powers and civil society, it aims to contribute to a two-way process by fostering social, economic, cultural and institutional development that is advanced, plural and lasting for all residents in Spain.* However, the PECI has been devised as an independent strategic plan and it does not include any references to the National Action Plan for Social Inclusion (NAP/inclusion). Overall, the development and implementation of the PECI is a valid example on how social inclusion policies can contribute to better living conditions, however, it is important to stress that this plan is in the initial steps of implementation and no specific results have been made available yet.”

The Dutch experts highlight a number of good practices in relation to feeding in about the accessibility of health services and about school drop-out of youngsters.

The Italian expert provides a number of interesting examples of feeding in practice (see Box 16)

Box 16 Feeding In in Italy (Source: Italian Independent Expert on Social Inclusion)	
<i>Contribution to lessen child poverty (main measures)</i>	<i>Contribution to growth and jobs</i>
Increased resources devoted to national funds for: households and gender-oriented policies, social policies (including promotion of childhood and adolescence opportunities and rights), health services, rights and equal opportunities policies, not-self-sufficient persons, disabled persons, youth policies. A plan for socio-educational services dedicated to children (including nurseries) and early childhood services (e.g. “springtime classrooms” for those aged 0-3). Fiscal mechanisms and family allowances devoted to low income and large families. A national plan for social housing. National plans and funds for sustainable development, transportation, energy saving, water-soil-waste management, etc.	Increase in women activity and employment rates. Increase in local development initiatives and GDP, especially in the Southern regions. Increase in job quality and employment oriented towards clean technologies and eco-efficient use of available resources. Capacity building of new generations. Restoration and renewal of available resources for life of future generations.
<i>Contribution to integrate immigrants (main measures)</i>	<i>Contribution to growth and jobs</i>
National funds for social inclusion and immigration and asylum rights. Reform of the current legal framework to improve accessibility to civil and social rights while fighting illegality, black market and hidden economy. Local and national plans to favour integration of ethnic minorities (e.g. Roma, Sinti and Travellers). Financial resources devoted to integration of foreign minors in schools.	Increase in national labour forces. Increase in new human resources to lessen demographic decline and ageing. Increase in national development and in contribution to the GDP. Increase in regional development, especially in the Northern and Central regions.

The Bulgarian experts conclude that “there are very few arguments in the report illustrating the other direction of mutually reinforcing policies, i.e. the ways in which social inclusion policies can feed in the growth agenda.” However, they do note an interesting positive example of good practice (see Box 17).

Box 17

Bulgarian Active Labour Market Initiative (BALMI)

One of the good examples of how social investment promotes growth has been the second component of the project SIEP (Social Investment and Employment Promotion) funded by a World Bank Loan. The second component of the project called BALMI (Bulgarian Active Labour Market Initiative) is targeted on training of the unemployed and has displayed very high gross placement rates – more than 40% for off-the-job training and more than 90% for on-the-job training. Apart from training, the initiative also supported Local Economic Development Planning Studies, which were contracted to small companies and NGOs and seem to have generated a true participatory planning process. Part of the success of the BALMI lies with:

- a good targeting resulting from a thorough poverty mapping exercise at the planning stage, avoiding direct reference to minority groups although they have become the main clients of the programme but through spatial and social mapping revealing clusters of poverty;
- a large stakeholder involvement, including involvement of social partners;
- an understanding of the multiple types of and causes for unemployment and poverty.

Bulgarian Independent Experts on Social Inclusion

The good practice presented by the Swedish government concerns cooperation between, mainly, municipalities in Sörmland (south of Stockholm). The aim is to combine forces in order to work for an integrated Lisbon strategy. The focus is clearly on economic growth and employment. The only part of the practice that deals with inclusion is a project that aims to match available jobs with the long-term unemployed people identified by the Swedish Social Insurance Administration. People guaranteed employment will be given support in the form of programmes and measures so that they are able to fill one of the job openings that have been identified. This part of the project can be seen as an example of the government's overall strategy to prevent long-term or permanent exits from the labour force.

The Polish expert considers that the programme for setting up social dwellings provides another good example of links between the IRNRP and the social inclusion process. "Providing social dwellings is treated as an element of the effort to improve geographic mobility of employees and improving the housing situation in Poland. Such positioning of the programme clearly points to a relation between the (refocused) Lisbon process and the process of social inclusion."

5. Governance

5.1 Monitoring and assessing the impact of policies

Many experts consider that monitoring the impact of growth and jobs policies on social inclusion remains rather limited. For instance, the Finnish experts point out that “the IRNRP does not take a stand on ensuring that greater growth and more jobs contribute towards the objectives of the OMC. The assessment of desired/expected outcome for each policy measure is not described in the report. There are no examples of systematic use of impact assessments or poverty-proofing and/or similar tools.” The Portuguese expert points to a lack of impact assessment information and an imbalance in the information provided regarding areas that are more directly related to social inclusion. In some cases, the report could have profited from existing available information regarding monitoring and evaluation reports. The Greek experts emphasise that “there is a profound lack of a coherent monitoring system to monitor progress of implementation of related measures and to evaluate their impact on poverty.”

However, some experts do highlight some positive developments. This is for instance the case in Denmark, which has decided to implement a more systematic “outcome-oriented approach” to policy (see Box 18). This is also the case in the UK, where the experts highlight the clear focus on targets, indicators and performance measurement. Similarly, the Czech expert notes that “the use of indicators in the NRP and NRSSPSI and related supportive statistical documents has brought substantial progress in the monitoring of policies and their context since it has obliged and mobilised the competent national bodies to provide new packages of information. Similarly, the implementation of EU-SILC has facilitated great progress in the monitoring of poverty and social exclusion. This also helps develop research in this field.” The Irish expert notes that “as regards monitoring and evaluation or other measures to assess outcomes, monitoring has been institutionalised by the social partnership process. There are also the poverty impact assessment tools, into which effort has been invested to roll them out across departments and units and at local level. However, these have not been centrally integrated into the economic planning process.”

Box 18

Towards a more systematic “outcome-oriented approach” to policy in Denmark

Integration and social policies are areas where monitoring and assessment of impact of policies still lack in precision and needs further development. However, the Ministry of Social Affairs has created a task force for improving an outcome-oriented approach to all legislation and policy initiatives. The task force has worked to improve the extent to which legislation has clear and measurable outcome goals, but has also worked to support evidence-based research on what works for whom.

Danish Independent Expert on Social Inclusion

The Spanish experts are optimistic about the potential impact of a recently set up Evaluation Agency (see Box 19).

Box 19**Spanish Evaluation Agency established**

The creation of an Evaluation Agency is a major development in the modernisation process of the State. The new Evaluation Agency will be in charge of evaluating the results of public policies and the quality of services. This organism will contribute to a better knowledge of the effects of public policies and promote a culture of evaluation within the Spanish State. This represents an important step forward in the State's commitment to improve on the efficiency and effectiveness of policies in the medium term increasing transparency and equity of the impact of policies and government expenditures. This agency represents a good entry point for mainstreaming social inclusion and social protection as well as other transversal issues such as gender across the policy processes in Spain.

Spanish Independent Experts on Social Inclusion

5.2 Involvement of stakeholders

In many countries the involvement of stakeholders is still quite limited. Social partners are more frequently involved but, unlike in the SPSI process, where “good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy” is one of the overarching objectives, the involvement of NGOs and people experiencing poverty and social exclusion is still very weak. For instance, the Spanish experts comment that “although the social partners are very much involved in negotiating and implementing many of the reforms mentioned in the NRP, other social agents are not mentioned in the report.” Similarly the Dutch experts comment that “an imbalance between the NRP and the NRSSPSI remains, in that NGOs, the voluntary sector and organisations of people experiencing poverty and social exclusion are not heard in the framework of the NRP.” Likewise the Slovak expert notes that “involvement of stakeholders is one of the weakest links in the Slovak chain of the OMC in social inclusion. On the basis of strong tripartite tradition, social partners are regularly involved in the legislative and policy making process. However, organisations/associations that are closer to most disadvantaged groups do not have their say in the policy-making process.” Rather similarly the UK experts comment that “there is also less sustained involvement of people with direct experience of poverty in the growth and employment agenda than there is in the social protection and inclusion area, despite its centrality to their lives.” The German experts actually consider that the situation has deteriorated since the introduction of streamlining and the days of the NAP/inclusion. They comment that it is “extremely problematical that the voices of those groups of the population that are most strongly affected by poverty and social exclusion cannot make themselves heard in this democratic debate. The preparation of the IRNRP also suffers from this deficiency. The current report was drawn up under the guidance of the Federal Ministry of Economics. The *Länder* as well as the trade associations, the trade unions and the leading associations of the local authorities were integrated into the process. But for the area of social inclusion, central independent actors like the voluntary welfare institutions and/or the initiatives of groups of affected persons are left out.” The Greek expert notes that “genuine consultation in Greece is profoundly missing. Consultation and cooperation with stakeholders in general and, in particular, with the Social Partners remains at low levels”. The Slovenian expert notes that ministries are obliged to involve the stakeholders that have voiced an interest in the preparation of respective regulations. However she comments that “this is often only formal participation and that how much the voice of a certain stakeholder is taken into account depends on its relative (political) strength. Arguments of non-governmental and professional organisations are often not heard or not accepted, but the Unions are taken much more seriously (including the social dialogue performed at the Economic and Social Council that discusses all proposed regulatory acts and documents in the economic, employment and social areas).”

However, some encouraging progress is also noted by experts. For instance, the role of stakeholders has been reinforced in Finland (see Box 20). In Spain the experts note that an important aspect that has been highlighted is the involvement in the implementation and reporting of regional, provincial and local governments or their representatives. A similar development is evident in the Netherlands as well. The Dutch experts comment that “intensive consultation with the Association of Dutch Municipalities has been organised. The concerns of municipalities are more taken into account than in former plans. Social partners also have had good possibilities to bring their concerns to the fore. Their advice is separately reported.” Furthermore the new Cabinet has also organised a “Participation Summit” in which it came to agreements with social partners and local authorities on employment and participation policies. Likewise the Danish experts comment that “traditions in Denmark mostly facilitate the involvement of stakeholders in consultations and development of new laws etc. The partners of the labour market, local authorities, the council of disabled and others, are continuously asked and given opportunities to present their views on developments and reforms in social and labour market policies.” The UK experts point to the Child Poverty Accord, a forum for central and local government to discuss their respective contributions to the strategy to tackle child poverty. There have also been joint ministerial groups for the Westminster and devolved governments to discuss other poverty issues. The Luxembourg experts note the extensive arrangements for involving stakeholders in the preparation and monitoring of the social and NRP processes as well as the broad cooperation between the executive and legislative powers and the social partners. They conclude that “the rigorous and multilateral nature of Luxembourg’s approach to attaining the objectives of the Lisbon Strategy is exemplary and certainly a good practice worth highlighting”.

A frequent concern amongst experts in relation to the involvement of stakeholders is the lack of real in depth dialogue. This is put well by the UK experts when commenting on the fairly systematic development of stakeholders’ involvement in the social protection and inclusion agenda in the UK and noting that the IRNRP argues that specific policies are consulted on rigorously. The experts point out that “this is not the same as participating in a dialogue with stakeholders about relative priorities between policies, or about overarching goals which should shape the choices of policies to be followed.”

Box 20

Involvement of stakeholders in Finland

As a part of other governance mechanisms the Cabinet of Finland made a principal decision (8th March 2007) to secure the position of NGOs and increasingly enable their participation in the decision-making processes in ministries. The principal decision states, for instance, that the opportunities to participate need to be developed in a manner that allows the central offices of large NGOs to consult their member associations in preparation of giving feedback statements to the ministries. To achieve this goal the participation of associations in preparation committees will be strengthened and the associations will be heard at such an early stage that allows the consultation of member associations also. Indeed, these procedures are in place to ensure on their part an effective and mutual interaction between the Lisbon objectives of greater economic growth, more and better jobs and greater social cohesion.

Finnish Independent Expert on Social Inclusion

Progress is also noted by the Austrian expert, particularly in relation to the involvement of NGOs. NGOs were invited in June 2007 for the first time to discuss the implementation process of the NRP process. At this meeting, ideas and proposals made by NGOs were discussed. Possible further, joint steps were also discussed. According to the IRNRP, a continuous input is envisaged and the administration currently prepares “Standards of Public Participation”.

The Romanian expert comments that “Mobilising all stakeholders is more and more seen as a scope and a means towards reaching the social inclusion and social protection objectives.” She concludes that “the participation of civil society structures in the decision-making process at all levels is improved though needing further support and encouragement and especially training/practice for exercising the rights and responsibilities related to citizen participation.”

Finally, Estonia provides yet another example of improvements in involving stakeholders (see Box 21).

Box 21

Involving stakeholders in Estonia

An important governance mechanism has been the systematic involvement of various stakeholders in the whole cycle of policy-making:

- the preparation of reports on the coordination of the implementation and application of the IRNRP is the responsibility of an inter-ministerial working group (with representatives from the Ministry of Education and Research, Ministry of Justice, Ministry of Environment, Ministry of Economic Affairs and Communications, State Chancellery, Ministry of Finance, Ministry of Internal Affairs, Ministry of Social Affairs, Ministry of Foreign Affairs, Bank of Estonia), and the responsibility for various parts of the IRNRP is divided between ministries;
- the inter-ministry working group is convened by the Secretary of State and directed by the Strategy Director of the State Chancellery;
- members of the working group and other partners (representatives of social partners, interest groups, experts from universities and scientific research establishments) contributed to the IRNRP via working group meetings, by submitting electronic and/or written proposals;
- prior to submitting the IRNRP to the government, a joint seminar was held with the representatives of ministries and other partners;
- after the seminar, the final draft of the IRNRP was submitted to the partners for consultation;
- to ensure integrity of the data presented in the IRNRP, prior to approval from the government, the IRNRP was submitted to an official coordination round;
- prior to submission to the government for approval, the IRNRP was amended in accordance with the results of the seminar and official proposals and comments by ministries and partners.

Estonian Independent Expert on Social Inclusion

5.3 Coordination and joining up of economic, employment and social policies

In many Member States there seems to be a lack of formal linkages between those responsible for the growth and jobs process and those coordinating the SPSI process. For instance, the Greek expert, while noting some individual social inclusion efforts, sees no evidence that these measures are underpinned by a mainstreaming approach, let alone by a comprehensive policy and strategy. Measures appear fragmented and, thus, they are lacking synergy and close interaction between themselves. Overall it appears to him that promoting social inclusion has not as yet become a cross-Government priority in Greece. The Portuguese expert notes that one of the weaknesses of the Portuguese IRNRP is “the lack of relevant information on social inclusion policies. It is not clear how the social inclusion challenges are being addressed from the contents of the IRNRP, and these gaps may also result from what seems to be a lack of coordination between the NRP and the NAP/inclusion” She also attributes imbalances between the growth and jobs and the social inclusion dimensions as being “related to a lack of communication and cooperation between central administration bodies and certainly from a lack of dialogue and articulation with the local levels of governance. Contributions from all these different stakeholders – provided they are given the necessary conditions to contribute – would certainly enhance a more complete implementation analysis of the NRP.” The Czech expert notes that separate special inter-ministerial bodies have been established for the preparation of the IRNRP and the

NRSSPSI. However, he points out that both bodies work in fact independently and he concludes that “these circumstances do not ensure a strong link between the agendas.”

Slightly more positively several other experts, such as the Spanish experts, note that coordination and joining up of economic, employment and social policies are still weak at the moment but continue to evolve in the right direction. Rather similarly the Polish expert concludes that “compared with the 2006 IRNRP, the 2007 one notes a degree of progress in joining up economic, employment and social policies. Such coordination is bolstered by the employment and social inclusion programmes co-financed by ESF. Concern is raised by evident lack of coordination in many areas. This holds in particular for reforms of social protection systems, the thrust of which could endanger attainment of objectives in the area of social inclusion. In reforms of social protection systems, an imbalance can be seen between the macroeconomic goals, such as long-term financial stability, and the social objectives, such as adequacy of benefits.”

It is also worth noting that in some cases joined up government is more evident for specific policy areas than for economic, employment and social policies more generally. For instance, the Dutch experts note that a few examples of “joined-up” policies can be found in the Childcare Act, the employment and educational policies for young people, and the employment policies for minorities. The Slovenian expert notes that “the only example of ‘joined up’ policies is in the activation of recipients of financial social assistance (and the unemployed receiving unemployment benefits) – this is at the same time a target in social policy and in employment (economic) policy. For this purpose the databases of Centres for Social Work and Employment Offices were linked up to ensure efficient implementation of activation and accurate information on claimants of different social transfers.”