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Research Paper no. 6/02

**Is a supranational strategy for social
inclusion possible?**

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Research Papers from the Department of Social Sciences, Roskilde University, Denmark.

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Abstract

Social policy at the supranational EU-level has come more in focus in recent years. With the development of the open method of coordination also to be used in the area of social inclusion it becomes central to the understanding of the European development to grasp these changes, and, to analyze whether this can be seen as a move towards convergences in social policy approach. The paper analyze the concept of social exclusion, but first and foremost in relation to the formulating in embryo of a supranational social policy in this field – especially witnessed by the national plans for social inclusion and the dilemma between supranational wishes for a European social policy and nation states willingness to transform powers to the supranational level.

Key-words: EU, open-method of coordination, social policy, social exclusion, indicators

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1. Introduction

In recent years, we have been witnessing a growing interest in social policy at the supranational level, and, also a growing awareness of the opportunities for the EU to be part of the process of creating a "European Social Model". This can be seen in the National Action Plans concerning employment, and, recently in the NAP'sincl (National Action Plans for Social Inclusion).

This paper will analyse this development and, as part of the analysis, discuss new ways of measuring social inclusion/exclusion, including the renewed interest in establishing social indicators at the supranational level. It will also include a discussion on the linkages between supranational decision making and developments in the national welfare states.

The paper will also discuss how these changes can be seen as part of a process moving from harmonisation to a `soft law´ approach. Furthermore, also if and how this process can, be seen as a first step towards the development of a more `hard-law´ approach as agreed elements from the soft-law gradually might be integrated into new treaties. The discussion includes considering whether the developments at the supranational level can be seen as the steering mechanism for developments at national local levels, or, to put it another way, as an arbitrator for the national social polity development. At the same time decisions at the supranational level can be used as a scapegoat by politicians in order to avoid high electoral costs when changing national priorities.

It will, in addition, include a debate on the first plans for social inclusion and the commission's response to them. By using this as an example, it will discuss the open method of co-ordination, and if and how this can be seen as a new impetus for supranational decision making.

The paper deliberately avoids a link to the debate on globalisation and its impact on, and possible need for, a supranational social policy. Moreover, specific elements in the national policies for social inclusion will not be dealt with. This doesn't imply that I underestimate the "immense pressures on and formidable challenges" on the national welfare states from globalisation (Kersbergen, 2000). Further, it would be wrong not to assume that the "Status of national welfare states is affected by the process of European integration" (Kuhnle, 1999).

A channel for change at the national level, implicitly or explicitly, is the changes at the supranational level impact on national decision making. This might be due to:

- 1) positive integration
- 2) negative integration
- 3) long-term integration factors (social dumping, harmonization of tax-system, development of the EMU (Kuhnle, 1999).

This viewpoint can be interpreted as an extension of the arguments suggesting that the EU system is a central player in relation to national welfare state policy. The commission is seen as the central actor trying to impose centralised standards and regulation, and, directly influencing the way in which national welfare state policies can be developed, despite its formal, relative weakness, and

limited abilities it has to make binding regulations in this area (Leibfried and Pierson, 1995)¹.

In which, if any, of these ways the NAP's influence on national policy will be discussed, although the main emphasis is on a discussion on the development of a supranational policy in this area.

Studies of European integration have taken a broad variety of approaches and many theoretical stands, from comparative politics, comparative social policy, comparative industrial relations, comparative political economy to more traditional approaches stemming from Ricardo's emphasis on gains of trade by the use of comparative advantages². Many of these approaches originate stem from underlying theoretical concepts within one discipline where the supranational or transnational economical and political development has raised new issues and new lines of enquiry.

Molle (2001) highlights the various economic approaches by distinguishing between cost-benefit, optimal decision-making, institutional economics and business economics, and combines them with four aspects: Theoretical foundations, deepening, widening and accelerator. Looking at the supranational development in this way implies a graduation between different stages in developing co-operation between different entities. In this respect, the EU, today, can be seen as having reached the stage where network economics and interest groups can be understood as central elements in its future development.

Another way of looking at it can be to see the European Union as "an experiment in redefining governance, so as to stimulate different ways of adjusting public and private actors relationships" (Wallace and Young, 1997). This approach, despite being in line with that for the private companies, can, at least to a certain extent, be expanded to include the discussion on whether or not there is a development, though in embryo, of a supranational social policy. The supranational levels contribution especially is in relation to, and, with the purpose of transplanting national policy making to at least a coordinated developments at the supranational level given the new challenges due to the transformation of nation states in the globalized or at least regional world.

Scharpf (2000) takes his starting point in new-institutionalism, and emphasises the need to use both institutional and policy perspectives. In the institutional perspective both the consequences institutions may have for actors and the creation of institutional arrangements (the genesis) might have are included in the analysis. In the policy perspective he distinguishes between the problem and interaction oriented perspectives. This is shown in figure 1.

¹ Change in the EU-treaty since 1995 has not changed this position

² See also the growing literature on the European Union, for example, Wallace and Young (1997), Artis and Lee (1997), Pierson (1996), Scharpf (2000).

Figure 1: Institutional and policy perspective		Institutional Perspective	
		Genetic	Consequences
Policy perspective	Problem oriented	Functionalist	Structuralist
	Interaction oriented	Strategic interaction actors	Institution impact and consequences for actors interaction

Source: Based upon Scharpf, 2000

Scharpf prefers to analyse the EU development from the perspective of how actors' interaction has an impact on decision making, treating institutions as one element influencing the decision-makers.

Here, this approach will be combined and linked with the view of institutions as more direct players in themselves, i.e. how the supranational level intends to or expects to use the development of policies in relation to social inclusion. By organising the analysis in this way and by relating it to welfare state analysis, it is possible to combine insights from different perspectives in relation to the development of social policy on the supranational level.

The term supranational can be understood as " a cumulative pattern of accommodation in which the participants refrain from unconditionally vetoing proposals" (Haas, 1964), but this is a highly elite oriented approach (Kluth, 1998). In this analysis 'supranational' will mainly refer to decisions taken by the Councils of Ministers or suggestions by the Commission. By using this approach, it is possible to include both direct and indirect decisions, which in the longer run might develop into changes in the treaty or binding directives. It will also enable the analysis to cope with the dual development and reflection between decisions at national and local levels, and, its interaction with the supranational level. This reflects the conflicting perspectives of nation states and the EU, and, how the actors have the option of choosing between different roads to influence and impact decision making.

The paper begins with a debate about the open method of co-ordination, which will be followed by a discussion on social inclusion and methods for measuring social inclusion - or to a certain degree poverty and exclusion. Then the first round of reports for National Plans for Social Inclusion incorporating the commission's response will be presented and discussed. Finally, some conclusions will be offered, which will also include a reference to the national action plan in relation to employment, cf. also Greve, 2001.

2. The open method of co-ordination - a new way of decision-making

There are different approaches to decision making at the supranational level. Sharpf (2001) distinguish between the following six different institutional

approaches: Institutional mode, intergovernmental mode, supranational/hierarchical mode, joint-decision mode, open co-ordination, mutual adjustment.

The open co-ordination method is the most central in relation to strategies concerning social inclusion. The question is, whether this type of decision making can be effective in solving supranational problems even if it has to be able to break the risk of deadlock which are attached to majority decision making.(Sharpf, 2001).

Until now, the open method of co-ordination has especially been used in areas where the competencies of the EU historically have been relatively weak, and, where attempts to harmonize policy at the supranational level and change the division of competencies where not successful.

It can be argued that the open method of co-ordination is not a new method, but has its roots in the 1958 treaty where the member states agreed to co-ordinate their economic policies (Hodson and Maher, 2001). The development of and debate concerning strategies to combat unemployment in the seventies can also be understood in this way. Whether one can say that the subsidiarity principle is an example of this is open to question. However, as long as the principle of subsidiarity is understood as trying to delegate as many decisions as possible to the lowest level, the supranational level will mainly be acting as an entity responsible for dissemination of information and discussion.

The open method of co-ordination can be seen as part of the soft-law approach, which includes recommendation, benchmarking, communications, opinion etc. (De la Porte, 1999). Even by its name - soft-law - the limited ability to steer the development of policy making at the national level is clearly indicated.

The open method of co-ordination can be described as a four stages process (Casas and Pochet, 2001):

- A) Fixing guidelines
- B) Establishing indicators
- C) Translating guidelines into national and regional practice
- D) Monitoring, evaluation, and comparison as mutual learning process.

These were also the elements, which the Portuguese presidency (Council of the European Union, 2000) emphasised. The Lisbon Council and Feira Council under the Portuguese presidency where the first to establish the method in more detail, and, to use it in different areas (Information Society, Research Policy, Entrepreneurial Policy, Social Policy and Enterprise Policy). In Stockholm, education policy, enlargement and pension reform where added (Hodson and Maher, 2001). Since spring 2000, all council meetings have endorsed this soft method of co-ordination as a good measure, and a new way of making policy in the EU.

Despite this it can be questioned whether the open method of co-ordination, by being able to set up a reference or common understanding, will also be able to develop an ability to move from soft-law to hard-law, i.e. whether the open method can be assumed to be a transitional mechanism. This would enable the

supranational level to have, in the field of social policy, a more central role, which, for example, could imply the harmonization of approaches.

The development of soft-law can in one way be ascribed to the problems of defining and influencing national decisions at the supranational level, in another way it can be presumed to be a predecessor for a more hard-law approach. It can in this way be used to develop co-ordination mechanisms, but there can also be "grounds for expecting this to be a typical mode in future EU policy-making as an alternative to the formal reassignment of policy powers from the national to EU-level" (Wallace and Wallace, 2000).

3. Social In- and Exclusion

The EU's reasons for interaction, in relation to social exclusion, can be seen from the arguments that the community itself could add to knowledge and policies in order to combat social exclusion. Historically, a line from EU's poverty programmes through debate on social exclusion to social inclusion can be found. Another argument has been that a high degree of poverty and social exclusion could imply a threat to the economic growth (Atkinson and Davoudi, 2000). Presumably this means that if too many people are socially excluded it would both imply a higher level of public expenditure, and increase the risk of bottlenecks at the labour market.

Poverty and social exclusion are areas where the distribution of competences is such that this is the competence of the member states and not the European Union (COM(2000) 79 final, Communication from the commission building an inclusive Europe). This also implies a pressure on the EU to ensure that they can add extra value to national actions otherwise the legitimacy of the EU's actions would be reduced.

Juridically, action relating to social exclusion is dealt with as part of article 137.2 which states that the council may adopt "initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences in order to combat social exclusion". An important aspect of combating social exclusion is to define and agree on what social inclusion is.

This concept has been very difficult to define in a form which could be agreed by all. This has implied that "there has been a tendency to use poverty as a proxy for social exclusion, thereby undermining the multi-dimensional nature of exclusion, in particular its emphasis on social and cultural relations" (Atkinson and Davoudi, 2000).

Another way of defining it can be found in the Second Annual Report from the then EU observatory on social exclusion (Room, 1992³) which defined "social

³ The questionmark is due to that in the report no publication year is written, but the contents and foreword indicates that it must be either 1992 or late 1991.

exclusion in relation, first of all, to social rights". Further, the report analysed social rights in the following areas "employment, housing, health care, etc." and "how effectively national policies enable citizens to secure these rights; and what are the barriers and processes by which people are excluded from these rights". This implies a reliance on especially the concept of citizenship as developed by Marshall, but at the same time, it implies an emphasis on traditional social indicators.

A core issue for the supranational strategy might therefore be, in the years to come, a clear and comprehensive definition of social inclusion, and knowledge of policies which most successfully combat social exclusion. This also implies a need for solid indicators, cf. the next section. In the EU context, measurement as an issue was presented to the Stockholm Summit in the autumn of 2001. The elements described were:

- Distribution of Income (income quintile ratio)
- Poverty rate before and after social transfers
- Persistence of poverty
- Jobless Households
- Regional Cohesion
- Early school-leavers not in further education and training
- Long-term unemployment rate

These indicators have a clear and distinct overlap with employment strategy, and it seems to confirm the EU's soft strategy approach of recent years. But it also stress the broad agenda in these areas, which implies that it can be part of the EU strategy to involve broader areas within the EU areas of competencies. Still, they are vague and not clear targets which are set in these areas.

Examples of indicators in relation to social exclusion which do not grasp only the economic, but also broader criteria (NAPS Ireland, 2001) can be found in the Irish report which included:

Employment, Health, Education, Housing, Rural Poverty, Urban Disadvantage, Income Children, Older People and Women.

In the report to the councils meeting in Laeken, December 2001 (Council of the European Union, 2001), there was a split between primary indicators and secondary indicators (18 in total) which were agreed, but which did not include anything on housing. The report further stated that special emphasis should be placed on outcome, i.e. not resources spent on social inclusion. It was also made clear that the definition of the primary and secondary indicators would be harmonised at the EU-level, whereas this would not be the case with national decided indicators, which member states can choose to have in their national action plans.

Another way of defining and discussing indicators could have been to focus more on the processes which could lead to and create social exclusion, whether it be in the family, economic area, institutional, territorial or more cultural and symbolic area (Commission, 1998). A broader approach could imply placing a greater emphasis on non-monetary indicators. This raises new issues which are difficult to tackle at the supranational level - and even more difficult when, and

if, trying to be aware of the measurement problems especially related to non-monetary indicators.

Consequently we still have a long way to go in the definition and clear presentation of the concept of social inclusion, but one way of doing so is to define and describe social indicators in practice.

4. Indicators for social inclusion

It can be debated which indicators best describe and be able to capture different welfare state regimes ability to integrate people into society. Further, it might be difficult if these indicators should be of use in making comparisons between different welfare states. This can be seen in the many reports and discussions concerning the issue, but also in the way that the issue has changed over time from being related to poverty, social exclusion, and, most recently, to social inclusion.

All these measures, to a certain degree, revolve around the issue of who has and who does not have access to certain resources in a society. These resources can be understood and measured in different ways, i.e. including monetary as well as non-monetary resources.

In the first draft joint report on social inclusion (Commission, 2001) it is, in addition to a presentation of the scope and intentions with the NAP'sincl, also stated that "we are still a long way from achieving a common approach to social indicators". This is especially the case if and when policy outcome should be compared, and the identification of good practice should be envisaged.

In an annex to the above-mentioned report from the commission a list of indicators used in the report is shown. 12 indicators are included⁴:

1. Index of income inequality (S80/S20) (p)
2. Gini-coefficient (s)
3. Relative poverty (in different divisions age, gender, activity, household type) (p)
4. Dispersion around poverty threshold (s)
5. Relative poverty at different time (60 % of median in 1995, 1996 and 1997) (s)
6. Relative poverty before transfers (s)
7. Persistence of relative poverty (p)
8. Regional cohesion (measured by variation in employment rates between regions) (p)
9. Long-term unemployment rate (> 12 months % of total active population) (p)
10. Long-term unemployment share (> 12 months % of total unemployed population) (s)
11. Very-long term unemployment rate (>24 months) (s)

⁴ In bracket is indicated whether this is a primary indicator (p) og secondary indicator (s) as defined by the Council of the European Union (2001).

12. Early school leavers not in education or training. (p)

One interesting aspect in this relation is that they are very traditional. They do, for example, not in any way reflect the individuals feeling of belonging to a given society or not. They all, with one exception, relate to economic and labour market aspects. Participation in the labour market is the core issue in this way of understanding social inclusion. Another interesting aspect is, that despite the fact, that one would expect the commission to be informed on the workings of the councils committees, these indicators miss four of the main indicators suggested by the European Council of Ministers in November, 2001 (Median low income gap, people living in jobless households, life expectancy at birth, self-perceived health status). Besides also two of those secondary indicators (persistence of low income based on 50 % of median income, and persons with low educational attainment) are not used.

At the same time, many of the data reflect the variety and problem of comparing and having new data available for comparison. Most of the data shown in the report are based on the European household panel for 1995 - 1997. Others (from 8 and down are based on the labour force survey).

Table1: Comparison of EU countries on the 12 indicators of social inclusion.

Indicator	First	Second	Third	Fourth	Fifth
1	Denmark	Finland	Sweden	Austria	Netherlands
2	Denmark	Sweden	Finland	Austria	Netherlands
3	Denmark	Finland	Sweden	Austria	Netherlands
4	Denmark	Finland	Sweden	Austria	Netherlands
5	Denmark	Finland	Sweden	Austria	Netherlands
6	Netherlands	Germany	Spain	Denmark	Portugal
7	Denmark	Netherland	Austria	Belgium	Germany
8	Netherland	Austria	Sweden	Germany	Finland
9	Luxembourg	Netherland	Denmark	Sweden	UK
10	Denmark	Sweden	Luxembourg	Austria	UK
11	Sweden	Luxembourg	Denmark	Netherland	Austria
12	UK	Sweden	Finland	Denmark	Belgium

Source. Based upon Commissions draft report on social inclusion, 2001. In some areas data for all EU-member states does not exist, and, in some areas the differences are very small implying that a ranking might be difficult.

In table 1, the five best scores on the 12 dimensions are shown. By best score is understood the lowest degree of the indicator in all 12 aspects, i.e. for example the lowest degree of inequality, poverty, unemployment. In general it is the total score which are used in cases where more specified data are available⁵, and, it is in line with the general recommendation from EU, the 60 % of the median income which is used when comparing poverty levels.

It seems from this way of ranking countries indicators on how they are coping with social inclusion that in general the Nordic countries, Austria and the Netherlands are placed highest. This is to some extent not unexpected given these countries, having more universal welfare states, normally high emphasis on equality compared to the continental and liberal welfare states (Greve, 1998).

⁵ This could be gender, age, various types of households etc, or various levels of poverty.

It needs to be questioned whether the use of this kind of indicator is circular in the sense that a country doing well on one parameter will also do well on another. For example, low levels of unemployment tend to be related to a lower degree of inequality in several countries. Despite that, the 6th indicator (relative poverty before transfers) suggests a variation in the outcome of the distribution of resources before the welfare state intervenes. Indirectly, this indicator compared with the others implies a possibility for the welfare state to alter the outcome of market processes.

A broader picture could have been emerging if other elements, such as, housing, health, urban/rural dimension were included, which it is, for example, in the Irish NAP'sincl (Naps Ireland, 2001)

In a report to a conference in Antwerp, September 2001 organized by the Belgian Presidency Atkinson et. al. pointed out⁶ that certain principles should be guiding work with social indicators. The main elements, which should be included, are: capture central issues, clear interpretation, robust statistically, measurable in comparative way, should not be open for manipulation, be influenced by change in policy, measurement should not be too difficult. Further they should be balanced across different dimensions, be consistent and each has a proportionate impact and they should be transparent.

These many principles will it, given the actual availability of data, be difficult to achieve. These data problems are common, and naturally, this is a core issue in relation to the making of comparisons between EU-member states.

Non-monetary indicators have been on the agenda for many years, especially in relation to the issues of social indicators. Developments of social indicators started in the sixties, but since the beginning of eighties have had little impact on international comparison and development of indicators. A recent report (Degryse et Pochet,2001) which focussed especially on social exclusion has many elements which are not included in the common set of indicators. The complete list takes up 11 pages indicating that it might be difficult to find a simple solution, and that description of indicators for social inclusion is a demanding task. In the list many of the traditional economic indicators are included, as are indicators describing the households' availability of and access to different goods. This, for example, includes questions on: amenities - would like but cannot afford, housing and neighbourhood (including crime), ability to communicate in official language of the country, health and welfare, cultural and psychological features, social contacts with others, identity, cognitive and behavioural abilities, mental health (including depression). It is clear that measuring these kinds of indicators becomes even more difficult, especially across countries.

Historically, the development of social indicators began in the sixties. The development was based upon a wish to try to include non-monetary elements in debates concerning the welfare state, and, the belief that a high level of economic

⁶ It is forthcoming as a book, and, before that it is not possible to quote from the report without written permission. Many of the elements can although also be found in Council of the European Union (2001).

well-being would not be sufficient to measure a country's ability to cope with and ensure a decent living standard. Furthermore, it was thought that economic growth would not in itself guarantee better living conditions.

At the OECD level, after the start of the work on social indicators in the beginning of the seventies, a list of 33 indicators was published in the early eighties (OECD, 1982). This was followed up by a report in 1986 (OECD, 1986), but since then the OECD has not - before now - been actively involved in collecting and dissemination of data in relation to social indicators.

The renewed interest in social indicators can imply that a more common definition of social inclusion/exclusion also occurs, but presumably more attention will be paid to ensuring that these indicators will indicate over time a possibility of development of methods and possibilities for benchmarking each countries performance. In this light, the development of NAP's inclusive also has to be judged.

5. First round of NAP's inclusive - contents and lessons

As mentioned earlier with the decision on NAP'incls every second year - and with a decision that the commission should synthesize the national reports, and, by use of information and dissemination of good practice it was obvious that a new instrument was created. This can especially be seen as a new instrument in the area of soft-decision making. NAP'incls can at the same time be looked upon as a natural continuation of the process with the national action plans for employment (Greve, 2001).

The developments of these types of instruments can be interpreted in various ways.

They can on the one hand be interpreted as "warm air" as they are not binding, have no legal impact and are for the time being not coupled to any economic incentive structures. This implies that each member-state can (and this has to a certain degree been the case) write a positive report with all the initiatives and actions already taken, and, with a description of all the positive aspects of the activities in each country avoid discussing the real problems of inclusion. The countries can also be said to have an opportunity to just write a story of how good and positive their own system is. Interpreted in this way the plans do not add anything new to the reduction of poverty and social exclusion. It only adds an increased number of pages describing national social policy without any specific references to or movement towards a more specific European Model - as the commission for example would prefer it to look like (Commission, 2001). At the same time, it can be interpreted as a continuation of the subsidiarity principle, as the implementation of policies can and have to be done in each individual country and the EU's influence is reduced to commenting on the plans and support of exchange of good examples.

On the other hand, it can be argued that as social exclusion, integration and thereby, although indirectly, the reduction of poverty have entered the agenda it will be possible to discuss and analyze social and economic policies which have

an impact on poverty. Especially, the ability by the development of NAPS'incl for the commission to make comments, be agenda setting in the area and the option of development of programs in all member-states in the area can be attributed to a development which has as impact that there might be spill-over effects on national policy-making from the supranational level. The creation of plans can also stimulate decisions in the area in several member states, and, as the commission hopes will have a stimulating effect of creating an understanding of a European Social Model.

The plans including the commission's comments to the first round exist but whether they will have an impact is still to be seen. It may be that, also in this area, the plans can be used by member-states as scapegoats for unpopular decisions. For example, that the member states reduce social and economic support to certain middle income groups by using the argument that the reductions are necessary in order to fulfil an ambition at the European level for reaching goals in relation to social inclusion. On the other hand, the plans might be the first stepping stone in the development of a more focussed and clear strategy in order to cope with the vulnerable in several societies, and, this can be a stepping stone for further development of a more specified European social policy strategy.

On the European level, it remains that there is a high number of people living in poverty. In the first report on NAPS'incl (Commission, 2001) it is shown that in 1997 18 % in EU were living under the defined poverty line (60 % of the median-income). This percentage is equal to more than sixty million people. Roughly half of these can be considered living permanently in poverty as they have been living in these conditions for more than three years.

The factors which are mentioned as having a high impact on the number of socially excluded people are - not surprisingly in welfare state analysis: unemployment, homelessness, low-quality jobs, ethnic background and risk of racial discrimination, poor health, poor qualifications and early school leaving, gender, age, disability, drug abuse and alcoholism, divorce.

In a press-release at the publishing of the report in October, 2001 the Commissioner for Employment and Social Affairs stated that "This report is an important step because it shows that the EU has the political will to act not only in the economic field but also against poverty and social exclusion"⁷. On the other hand, as the following will indicate, only a very limited and precise development of a coherent set of strategies were accomplished. The expected ability to agree on a set of "commonly agreed indicators on social inclusion is expected before the end of the year" has it been possible to fulfil by a report from the permanent representatives committee to the council of ministers of social and employment policy. The Laeken summit in December, 2001 did not make any further progress with respect to this area, but mainly noted (Presidency, conclusions page 8) that there were established a set of common indicators and that there is a need for further statistical improvements. More importantly, it was

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From http://europa.eu.int/comm/employment_social/news/2001/oct/i01_1395:en.html

agreed that in the future a spring seminar on social affairs should be held. This can then be a stepping stone for making decisions, but it might also be added that the vaguer decisions taken in Laeken are an indication that the more soft-method approach to decision-making has its problems and that it takes time to find solutions.

In the first report on NAP'sincl, eight core challenges are identified. They build upon well developed areas such as social policy including inclusive labour market, guaranteeing adequate income, reducing educational disadvantages, equal access to social and high quality social services, good housing conditions.

An analysis of the plans indicates (Commission, 2001) that the more traditional welfare state typologies are only partially reflected in the first round of NAPS'incls. This might be due to the fact that the first round's reports are vaguer and less binding indicating that a need for emphasising more traditional approach to welfare state policies do not need to be included in the plans.

Four objectives are specifically analysed as they have been set out as objectives for the work on social inclusion:

Objective 1: To facilitate participation in employment and access by all to resources, rights, goods and services

Objective 2: To prevent the risks of exclusion

Objective 3: To help the most vulnerable

Objective 4: To mobilise all relevant bodies

These four objectives will not be analysed, however it should be mentioned that by building on four objectives a clear parallel to the employment guidelines can be found, although the objectives in NAPsincl's are less precise and less clear in the goals to be achieved within a certain time limit. It is also clear that many of the individual countries responses are vague, and, for example, prevention is not really approached in a coherent structure and with an emphasis on real prevention, but with a higher degree of emphasis on how to cope with problems, such as homelessness, when first they have been observed.

The plans indicate some relation to traditional welfare states' clustering. In the more universal welfare states (typically the Nordic ones), the plans emphasize to a greater extent than in the others, a broader coverage of social services, a higher effectiveness in the use of resources, and better access to social security as instruments in the reduction of social exclusion in Europe.

In the more liberal models and approaches, for example UK, higher emphasis is placed on targeting and the creation of opportunities for the individual citizen. In the more continental models, emphasis is to a higher degree on the compensation for lack of opportunities.

The commissions evaluation of the first round is that the national plans use a vague rhetoric and not very strong criticism of national plans - as was also the case for the round concerning the national plan for employment (Greve, 2001). The criticisms are not clearly presented, but despite this, one can see that the commission finds that four different kinds of NAPS'inclusive which can be witnessed:

- A) Comprehensive analysis and a holistic and strategic approach (Denmark, France and Netherlands)
- B) Solid underpinned diagnosis with emphasis on challenges and risks (Portugal, Finland, Sweden and UK)
- C) Elements of a national strategy (Belgium, Germany, Spain, Italy and Eire)
- D) A snapshot analysis (Greece, Luxembourg and Austria)

In this way of systematizing the approach, there is no relation to traditional welfare state models, and, there is not a clear connection between approaches to welfare and these plans. Despite this there seems to be at least some connection between spending on social policy and the degree of poverty. The highest spending and fewest in poverty is in the Nordic countries in contrast with Southern Europe and in between countries in central Europe. This can therefore seem to indicate that these plans are still in the introductory phase, and therefore only in a more limited sense can be used as an evaluation of the degree in which the countries take reduction of social exclusion and the level of poverty seriously.

Development of the plans - including the work with indicators - gives however a better possibility to do and for doing comparative welfare state analysis.

An example in relation to making plans, and also the risk for member states to be exposed by the commissions report, can be found in the report of the Council of the European Union (2001) where Spain, followed by Portugal, Italy and Greece, finds that imputed rent should be included when calculating the number of people living in poverty. The argument being that with many homes owned by people, use of and including of imputed rent would reduce the number of people living of poverty in these countries, and, by this making them less exposed for criticism. In this way, the plans have an impact in highlighting and setting the scene for the discussion.

6. Concluding remarks

The broad area included indicates both strengths and weaknesses in the plans. Many elements included can imply that all can agree, but at the same time, the precise contents of the analysis are not clear. The risk of loosing ground as not being binding and clear and concise, but at the same time if being very precise and clear - a risk of being not accepted and legitimate by the member states. The commission needs to be clear about this balance. If trying to integrate to many elements in the open method of coordination and the new different action plans, there will be a high risk of both making the plans more vague, and, at the same time that member states will not comply with the plans, or do feel that they comply due to the many different elements integrated in the analysis.

In addition, it still has to be seen whether the open-method of coordination is the first step towards more binding solutions which can be included in the treaty when a sufficient number of countries have agreed on a topic or that convergence will be the forerunner for acceptance of more binding solutions. In this way, it becomes an interesting issue whether the open-method of coordination is a weakening or strengthening of the commission's position. The commission has a role to play in synthesising the information, but at the same

time it is the council of ministers' prerogative to accept or reject further developments in areas using the open-method of cooperation.

Finally, one has to be aware that the development of a strategy on social inclusion has raised new issues, and, has been an important element in setting the agenda for at debate in all member states on the issue. At the supranational level by this type of steering mechanism thus indirectly have an impact on national decisions and discussions.Literature

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