



Assessment of the extent of synergies between growth and jobs policies and social inclusion policies across the EU as evidenced by the 2008-2010 National Reform Programmes: Key lessons

Synthesis Report

Overview based on the national reports prepared by the EU Network of national independent experts on social inclusion

Disclaimer: This report reflects the views of its authors and these are not necessarily those of either the European Commission or the Member States. The original language of the report is English.

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LIST OF ACRONYMS

ALMP	Active Labour Market Policies
EU	European Union
EU-10	The 10 “new” EU Member States, who joined the EU in May 2004 (CY, CZ, EE, HU, LT, LV, MT, PL, SI, SK)
EU-15	The 15 “old” EU Member States, before the May 2004 Enlargement (AT, BE, DE, DK, ES, FI, FR, EL, IE, IT, LU, NL, PT, SE, UK)
EU-25	The 25 EU Member States before the January 2007 enlargement
EU-27	All 27 EU Member States
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
JIM	Joint memorandum on social inclusion
NAP/inclusion	National Action Plan for social inclusion
NCT	Network Core Team
NGO	Non Governmental Organisation
NRP	National Reform Programmes for Growth and Jobs
NSDS	National Sustainable Development Strategy
NSRSPSI	National Strategy Report on Social Protection and Social Inclusion
OMC	Open Method of Coordination (for social protection and social inclusion)
PROGRESS	Community Programme for Employment and Social Solidarity
SDS	Sustainable Development Strategy
SME	Small and medium size enterprise
SPC	EU Social Protection Committee
SPSI	Social Protection and Social Inclusion

COUNTRIES' ABBREVIATIONS

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
IT	Italy
CY	Republic of Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	The Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	The United Kingdom

PREFACE

In 2005-2006, the concepts of *feeding in* and *feeding out* were developed in the context of the refocusing of the Lisbon Strategy on growth and jobs and the revision of the objectives of the EU Open Method of Coordination for Social Protection and Social Inclusion (hereafter “OMC”). 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 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/inclusion 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...”. In the light of this, in the guidance note for the 2008-2010 National Strategy Reports on Social Protection and Social Inclusion (NSRSPSIs) which they had to submit to the European Commission in September 2008, Member States were asked to describe how they will ensure that social inclusion policies, pension reform, and healthcare and long-term care, on the one hand, and the Partnership for Growth and Jobs, on the other hand, mutually reinforce each other.

In particular, they were asked to identify:

- first, the way social inclusion policies, pension reform, healthcare and long-term care will help enhance delivery on growth and jobs; and
- second, how the Partnership for Growth and Jobs will contribute to delivering on the objective of greater social cohesion/inclusion, improve adequacy and sustainability of pensions, and positively influence the accessibility, quality and sustainability of the provision of healthcare and long-term care as well as health itself.

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.

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 and inclusion ("feeding out").

The importance of ensuring, under the Lisbon Strategy, that there is a mutually reinforcing feedback between economic, employment and social policies ("feeding-in" and "feeding-out") was reaffirmed by EU Heads of State and Governments in their Spring 2008 meeting, when they stressed in their Conclusions "*the importance of the social dimension of the EU as an integral part of the Lisbon Strategy*" and when they urged Member States "*to take concrete action to improve policy consistency and coordination of economic, employment and social policies in order to enhance social cohesion*". There is currently an *EU Task Force on the interaction of Economic, Employment and Social Policies under the Lisbon Strategy* working on this matter.

In 2006 and 2007, the members of the EU Network of Independent Experts on Social Inclusion have prepared country reports assessing the extent to which *feeding in* and *feeding out* were reflected in the 2006 and 2007 Implementation Reports of Member States' 2005-2008 National Reform Programmes for Growth and Jobs (IRNRPs).³ The Network Core Team (NCT) then prepared its overview on the basis of these experts' assessments drawing out core lessons across the European Union.⁴

In October 2008, Member States submitted their 2008-2010 NRPs which included a report on the implementation of the previous NRP. Thus this year the independent experts have each prepared an assessment of each Member State's 2008-2010 NRP from a *feeding in* and *feeding out* perspective.⁵ The present report is an overview of the main findings and conclusions that the NCT has drawn from these 27 assessment reports.

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 implementation of the Social Inclusion Process. The Network consists of independent experts from each of the 27 Member States as well as from Croatia, the Former Yugoslav Republic of Macedonia and Turkey. As from 2009, it will normally be extended to cover Serbia.

For more information on the Network members and reporting activities: <http://www.peer-review-social-inclusion.eu/network-of-independent-experts>.

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

⁴ See: <http://www.peer-review-social-inclusion.eu/network-of-independent-experts/reports/second-semester-2006> for the 2006 individual expert's reports on feeding in and feeding out and for the related Synthesis Report.

See: <http://www.peer-review-social-inclusion.eu/network-of-independent-experts/reports/second-semester-2007> for the 2007 individual expert's reports on feeding in and feeding out and for the related Synthesis Report.

⁵ For the purposes of this report, **feeding in** refers to the contribution that Member States' social inclusion policies and programmes are making to achieving the EU's growth and jobs goals whereas **feeding out** refers to the contribution that growth and jobs policies are making to achieving social cohesion/inclusion objectives. It is recognised that sometimes it is not easy to distinguish between *feeding in* and *feeding out* effects, and that it is sometimes easier to identify mutually reinforcing links between growth and jobs policies and social policies. In reality, some policies could equally well be described as both *feeding in* and *feeding out*. In any case, it should be emphasised that *feeding in* and *feeding out* are not ends in themselves nor indeed precise concepts. They should rather be viewed as tools to help the identification of mutually reinforcing actions between growth and jobs policies and social policies.

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 country is mentioned does not necessarily mean that the point being made does not apply to other countries. 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 on Social Protection and Social Inclusion and Assessment in Social Inclusion* web site (see above).

1. KEY FINDINGS, CONCLUSIONS AND SUGGESTIONS

1.1 Key findings

The overall finding of this independent overview of the national reports drafted by the EU Network of independent experts on social inclusion is that the 2008-2010 National Reform Programmes (NRPs) have demonstrated some strengthening of the linkages between the EU Partnership for Growth and Jobs and the EU Social OMC. However, this is only true for some Member States and in most cases the progress made is quite modest.

The 2007 and 2008 Spring European Councils 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 and inclusion ("feeding out"). However, in most countries the NRPs still fall far short of this goal. The assessment of *feeding in* and *feeding out* remains quite limited and is not an important priority in most cases. In spite of this, the experts' reports do provide considerable evidence of the potential for and importance of reinforcing synergies between social policies and economic and employment policies.

1.1.1 Implementation of 2005-2008 NRPs

Several experts (e.g. AT, ES, FR, IE, PT, SE, SK) note some positive, if modest, developments in *feeding in* and/or *feeding out* during the implementation of the 2005-2008 NRPs in the period since the 2007 IRNRPs. However, this is often more implicit than explicit. It is often in the area of employment. There are also a few Member States (e.g. BE, DK, LU) where experts consider that there may not have been an increase in effort but where they believe that explicit, or, more commonly, implicit *feeding in* and/or *feeding out* has been maintained. There are also a number of experts (e.g. CY, DE, EE, FI, IT, MT, RO, SI) who note some slight steps forward since the 2007 IRNRP. In some cases the impact of these cannot be assessed and some are balanced by other negative developments. However, there remain many experts who are very negative in their assessments and consider that the links between economic growth, employment and social inclusion policies are largely lacking.

A major weakness highlighted by many experts is the lack of assessment of the impact of policies in general and their social impact in particular. This is in spite of the fact that the need to strengthen the interaction between the Social OMC and the NRPs was stressed in the July 2008 *Council Decision on guidelines for the employment policies of the Member States*.⁶ The Guidelines stress that, in taking action, Member States should ensure good governance of employment and social policies and ensure that the positive developments in the fields of economics, labour and social affairs are mutually reinforcing. They are urged to establish a broad partnership for change by fully involving parliamentary bodies and stakeholders, including those

⁶ The Guidelines note that "Determined action is needed to strengthen and reinforce social inclusion, fight poverty – especially child poverty –, prevent exclusion from the labour market, support integration in employment of people at a disadvantage, and to reduce regional disparities in terms of employment, unemployment and labour productivity, especially in regions lagging behind. Strengthened interaction is needed with the Open Method of Coordination in Social Protection and Social Inclusion".

at regional and local levels and civil society organisations. Member States are specifically encouraged to monitor the social impact of reforms.⁷ There are only a few countries (e.g. IE, LU, LV, NL, PT, RO, SK) where experts report that there is increased recognition over the past year of the need to make progress in efforts to assess the impact of policies. Even when Member States do identify examples of *feeding in* and *feeding out* that they consider merit highlighting, they are too often unsupported by impact assessments. However, some experts do commend examples of good practice, even though these often are not supported by impact assessments.

1.1.2 Overall assessment of the social dimension of 2008-2010 NRPs

It is disappointing that in only a very small number of Member States (e.g. CY, ES, PT, SK) do experts consider that more attention is given to overall strengthening of the social dimension of the NRP in the new round of reports. In a few countries (e.g. BE, DE, EE, IE, LU, SE), experts detect, if not a real strengthening, at least a certain consolidation of the social dimension. Also, in some instances (e.g. AT, BG, DK, FI, FR, HU, SI, UK) experts note no overall focus on the social dimension but some strengthening in very specific areas. However, the majority of experts are even more negative about the overall strengthening of the social dimension in the NRPs and some even note a weakening. Evidence of a strengthening of the social dimension occurs more frequently in relation to *feeding out* than to *feeding in*.

There is only very limited evidence of the NRP being used to put in place measures to address the potential impact of the economic and financial crisis on people at risk of poverty and social exclusion. This may in part have been because the NRPs were drafted during a period when the extent of the economic and financial crisis was only beginning to become evident. However, most experts consider that this aspect could already have received more attention than it did, particularly given that the guidance note for the preparation of the NRPs referred to “a backdrop of a slowdown of the economy, higher oil and commodity prices, and ongoing turbulence on financial markets”⁸.

In only a few cases (e.g. ES, FI, IE, LU, NL, PT, UK) do experts detect some (often slight) strengthening of links between the NRPs and the NSRSPSIs. Even when this is the case, it is often just linked to one aspect, most often employment or education and training. Some experts (e.g. CY, DK, FR, MT, RO) comment that, while the connection between the NRP and NSRSPSI is not made explicit there is in fact a coherence between the documents. However, most experts (e.g. BG, CZ, DE, EE, EL, HU, IT, LT, LV, PL, SE, SI) see very limited or no connection between the two documents.

One thing that is striking is that the countries that use the NSRSPSI process in a fairly strategic manner (e.g. BE, CY, ES, LU, PT, RO) and not just as a reporting exercise are among the small group of Member States where mutually reinforcing linkages between the NSRSPSI and the NRP are more evident.

⁷ See Council of the European Union, *Council Decision on guidelines for the employment policies of the Member States*, Brussels, 2008. This can be found at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:198:0047:0054:EN:PDF>

⁸ European Commission Secretariat General, *The next cycle of the Lisbon strategy for growth and jobs (2008-2010): next steps*.

1.1.3 *Employment measures and feeding out in the 2008-2010 NRPs*

Undoubtedly, employability and access to employment are the areas where the aim to promote greater social inclusion is most evident. In several Member States, experts note real efforts to target specific disadvantaged groups. On the other hand, several experts feel that the targeting of measures towards some vulnerable groups is insufficiently comprehensive.

Many countries are concerned to increase access to employment and the employability of more vulnerable groups such as jobless households, working poor, lone parents, people with a disability and immigrants and ethnic minorities. However, the experts provide rather limited evidence of job creation which is specifically aimed at creating jobs for them. Only a few highlight examples in this respect.

In Member States where there is an emphasis on *feeding out*, one would expect measures to promote greater flexibility in the labour market to be balanced by measures to ensure security, thus helping people to avoid the risk of falling into poverty and social exclusion. However, the approach to flexicurity remains uneven across countries. In many, the emphasis on flexibility seems to far outweigh the emphasis on security. In others, the development is at an early stage. However, there are a significant number of Member States (e.g. AT, BE, CY, EE, ES, FI, DK, HU, IE, LT, PL, SI, SK) where the experts highlight some more successful efforts to achieve a balanced approach.

The problem of in-work poverty is considered only to a limited extent and in only some instances do experts highlight measures which will ensure that moving into employment will lift people out of poverty and social exclusion. Several experts note that the issue is addressed, but often only partially.

Several experts highlight the attention that is given in the NRPs to the reconciliation of work and family life and how this *feeds out* to increase social inclusion. Other experts point to important developments in relation to the reconciliation of work and family life which were not reported on in their country's NRP.

One of the strongest, though mainly implicit, examples of feeding-out in the NRP is the relevance given to active ageing. However, it should be noted that several experts, while noting the intention to increase active ageing measures, feel that measures are insufficient.

1.1.4 *Economic growth, financial sustainability and feeding out*

Overall, the extent to which the 2008-2010 NRP takes into account the impact of measures to promote economic growth and financial sustainability on promoting greater social protection, social cohesion and social inclusion seems rather limited. In only relatively few cases (e.g. CY, ES, FR, LU, LV, PT, RO, SE) do experts consider that the impact of "fiscal consolidation" (i.e., the policy aimed at reducing government deficits and debt accumulation) on the modernisation of social protection systems and on their ability to ensure greater social cohesion/ inclusion has been taken into consideration. Where experts do note some feeding out this is often implicit. On the other hand, many experts (e.g. AT, CZ, DE, DK, EL, FI, IE, IT, LT, MT, NL, PL, SI, SK) think that very little consideration has been given in the NRP to the feeding out impacts of fiscal consolidation.

It also seems that the impact of changes in fiscal policies on social inclusion is rarely taken into account in the NRPs. Only a few experts (e.g. BE, HU, RO) consider that efforts made to address territorial differences and regional gaps have taken into account their impact on social inclusion. A few experts, while noting that their country's NRP does not address regional differences to any significant extent, highlight some individual measures. However, many others note the lack of attention to regional disparities (e.g. EE, ES, FI, FR, IE, UK) or the failure to consider the social inclusion impact of measures (EL).

In a few cases (e.g. AT, BE, ES), experts note that the social impact of the liberalisation of services including energy utilities has to some extent been taken into account and measures have been or are being put in place to address any negative consequences. However, in many cases attention given to the liberalisation of services is not sufficiently linked to social inclusion issues.

In a few cases (e.g. PT, PL), experts suggest that measures to increase access to the Internet give attention to ensuring the access of those experiencing poverty and social exclusion. However, many experts find that a discussion about "e-exclusion" is missing.

Most experts do not consider that measures to promote financial inclusion give sufficient consideration to ensuring that people at risk of poverty and social exclusion have access to bank accounts and banking services, access to credits, etc. Nor do they consider that sufficient attention is given to problems of indebtedness. However, several experts point out that important initiatives have been taken in their countries to tackle indebtedness even though this is not reflected in the NRPs.

A few experts note that measures to improve access to housing give attention to ensuring the access of those experiencing poverty and social exclusion, though this is often quite limited. However, more often experts note that access to housing is ignored even though housing is one critical area that needs special attention when talking about the provision of integrated support not only for social inclusion but also for active inclusion.

1.1.5 *Feeding in*

Very few experts consider that the contribution of social inclusion policies to economic and employment goals (i.e. *feeding in*) is fairly systematically and comprehensively taken into account in the NRPs. However, several experts do highlight particular areas where it is manifest and often identify implicit examples of *feeding in*. It is noteworthy that attention is given to *feeding in* more frequently in the NSRSPSIs than in the NRPs. In other words, maybe not very surprisingly, those responsible for social inclusion policies seem more often to be aware that social inclusion policies can help to achieve economic and employment objectives than is the case for those responsible for economic and employment policies. The experts who most clearly identify a *feeding in* approach are from Belgium, Slovakia and Sweden. Somewhat more frequently, experts note a sort of unplanned or implicit *feeding in*. In other words, even if there is not a conscious emphasis on *feeding in* there may be significant common approaches between the NSRSPSI and NRP. Several experts comment that, while there is limited evidence of *feeding in* being consciously taken into account, in the NRPs there is a greater awareness of the potential for *feeding in* found in the NSRSPSIs. Those experts who identify partial feeding in from the

NSRSPSI to the NRP are the Danish, Finnish and French experts. Many experts find that *feeding in* is either only at a very general or superficial level or that there is very little evidence of implicit or explicit *feeding in*.

An area where one would expect to find *feeding in* featuring strongly in the NRP is active inclusion. However, the EU active inclusion agenda of combining in a balanced way inclusive labour market, adequate minimum income and access to supporting services is only taken into account in some NRPs. This is most often linked to a focus on increasing labour market participation, which is the area in which mutual strengthening between the NSRSPSIs and the NRPs is more frequently evident. Only a minority of experts (e.g. DE, EE, FI, HU, IE, LV, LU) highlight an active inclusion approach in the NRPs. In some cases, while active inclusion is not referred to in the NRP, the three pillars are covered, if not in an integrated way. More frequently, experts highlight instances of social inclusion measures aimed to assist disadvantaged or vulnerable groups which contribute to wider employment objectives.

Many experts consider that the area of education, training and lifelong learning has significant potential for *feeding in* effects. However, in many cases this is not made apparent in the NRPs as the education policies proposed have only been assessed for their contribution to growth and jobs objectives and not for their social inclusion benefits. In spite of this lack of an explicit *feeding in* focus, in many cases the NRPs' proposed education measures have an implicit *feeding in* effect.

There are several countries (e.g. BE, BG, DE, ES, FI, LV, NL, PL, PT, RO, SK, SI, SE, UK) where experts emphasise a clear implicit or explicit *feeding in* dimension in the education and training measures put forward in the NRP. On the other hand, several other experts note that though there may be significant education measures in the NRP, their social inclusion impact is not considered.

Promoting gender equality is an important element in efforts to promote greater social inclusion. However, very few experts find evidence that the impact that this also has on growth and jobs objectives is taken into account in the NRPs. As in so many other areas, there seems to be a greater awareness of the interconnections in the NSRSPSIs than in the NRPs. Even where the relevance of gender equality for economic growth is acknowledged, the social inclusion dimension is often not highlighted.

Overall, the impact that anti-discrimination measures promoting greater social inclusion can have on growth and jobs objectives is only occasionally considered in the NRPs. Once again, the potential *feeding in* value of measures is often better considered in the NSRSPSIs than in the NRPs. There are, however, a few experts (e.g. DE, IE, NL) who highlight very clear and explicit *feeding in* though more frequently experts express concern at the lack of *feeding in* in relation to anti-discrimination issues.

Given that the issue of child and family poverty and social exclusion is a priority issue for most Member States, one would expect to find in their NSRSPSIs many instances of measures to promote the social inclusion of children *feeding in* to the NRPs' growth and jobs agenda. The reality is quite different. Most experts detect very little evidence in the NRP of attention being given to this aspect, even though several NSRSPSIs stress the contribution of measures also to economic and employment growth. However, there are a few experts (e.g. DE, HU) who note more positive synergies in this area.

Most experts conclude that the potential of the social economy to create employment for people furthest from the labour market is not taken into account in the NRPs. However, a few experts (e.g. EE, FI, LU, PL) are more positive.

1.1.6 Governance

In most Member States, little attention is given to designing governance arrangements in ways which will strengthen the social dimension and the contribution of the NRP to greater social cohesion/inclusion. In only a small number of cases has the preparation of the 2008-2010 NRP and NSRSPSI been effectively coordinated. Indeed, several experts comment on the lack of detailed information on governance arrangements.

Few Member States have satisfactory arrangements in place to monitor and assess the impact of economic and employment policies on social inclusion and social protection and social inclusion (SPSI) policies on economic and employment growth. Indeed in many Member States there appears to be little interest in this issue. There are, however, some countries (e.g. BE, DE, ES, FI, FR, IE, LU, RO, UK) where experts consider that more significant monitoring and assessment arrangements are in place or are being developed. These could thus provide a starting point for an exchange of learning and good practice at EU level.

Overall, from a social inclusion perspective, the extent and depth of involvement of those experiencing poverty and social exclusion and the organisations that represent them in the design, implementation and monitoring and evaluation of the NRP is very disappointing. It is particularly striking that many experts comment that these people and organisations are much less frequently or more superficially involved in the NRP than the NSRSPSI. The majority of experts are very critical of the lack of involvement of stakeholders. There are however occasional instances of good practice that are in place or are being developed which could provide a basis for exchanging good practice in this area (e.g. FR, IT, LU).

In many Member States, the arrangements for the coordination and joining up of economic, employment and social policies in general and the NRP and NSRSPSI in particular are weak. Furthermore, the reports often lack information on this issue. This seems to reflect both the low political priority being given to social inclusion in many countries and a lack of understanding of the potential for mutual reinforcement between social inclusion policies and economic and employment policies. In some cases, the linkages are seen as a rather token exercise to meet European Commission demands. Only a few experts (e.g. EE, ES, FI, LU, RO) are more positive in their assessment.

1.2 Conclusions and suggestions

Our analysis in this Synthesis Report reinforces the key findings and related recommendations we had already formulated in a previous Synthesis Report on the persisting need to strengthen the Social OMC process and its interconnections with the EU objectives on growth and jobs.⁹ There continues to be a wide discrepancy between Member States' formal commitment to reinforce the social dimension when developing and implementing their NRPs and what they do in practice.¹⁰ In the light of this, we have identified ten main conclusions and suggestions which are complementary to our earlier report. These are as follows:

1. In view of the continuing disappointing level of attention given to the mutually reinforcing potential of social policies and economic and employment policies in the NRPs, an essential prerequisite to ensure that *feeding in* and *feeding out* becomes a more central policy concern is that the European Commission and Member States in future agree to give as high a priority and effort to achieving social cohesion and inclusion objectives as to economic and employment objectives.
2. In view of the greater, but still insufficient, awareness of *feeding in* and *feeding out* in the NSRSPSs than in the NRPs, the guidelines for future NRPs would need to be strengthened to require Member States to explicitly reflect, assess and report on *feeding in* and *feeding out* effects.
3. The contribution that social inclusion policies can make to achieving economic and employment goals and the contribution economic and employment policies can make to achieving social cohesion and inclusion goals ought to be put at the heart of efforts to address the current economic and financial crisis at EU and national levels.
4. The current limited emphasis in the NRPs on the 3-pillar EU approach to active inclusion (combining in a balanced way inclusive labour markets, adequate minimum income and access to supporting services is only taken into account in some NRPs) and the contribution that such an approach could make to *feeding in* emphasises the need for a very active follow up to and monitoring of Member States' implementation of the recently agreed recommendation in this field. In addition, when reporting on the implementation of their NRPs Member States should be asked to indicate how they use the active inclusion tool to reinforce the achievement of their economic and employment goals.

⁹ In our May 2008 Synthesis Report on *Building a stronger EU Social Inclusion Process*, we highlighted that particular attention should be paid to the "Lisbon architecture post 2010 so as to ensure that the Social Cohesion objective is put at the core of the EU's post 2010 Strategy, at the same level as the EU objectives of Growth and Jobs, and that the timing of the different processes are synchronised." We therefore suggested that "this could be achieved for instance through a set of commonly agreed overarching Sustainable Development objectives covering these three major objectives together with environmental objectives. Member States could then be required to report formally on the arrangements they have put in place to coordinate and synchronise the Social Protection and Social Inclusion Process and the other EU processes and to assess regularly the contribution that the four different strands are making to the achievement of each others' objectives (i.e. enhanced *feeding in* and *feeding out* between all four strands)". See H. Frazer and E. Marlier, p. 4: http://ec.europa.eu/employment_social/spsi/docs/social_inclusion/experts_reports/synthesis1_2008_en.pdf.

¹⁰ See, for instance, the aforementioned July 2008 *Council Decision on guidelines for the employment policies of the Member States*.

5. Given the importance of fighting child poverty and social exclusion and the very limited attention given to it in the NRPs, countries and the European Commission could usefully prepare a guidance note on all the ways in which economic and employment policies could reinforce strategies to best tackle it and also on how strategies to promote the social inclusion of children can help achieve the EU's economic and employment objectives. This should make full use of the expertise gathered at EU level during the 2007 thematic year on child poverty and of the evidence available from the 2008-2010 NRPs and NSRSPSIs and this could then provide the basis for a specific recommendation on how to maximise *feeding in* and *feeding out* in any future Commission recommendation on promoting child well-being.
6. In view of the serious lack of use of social impact assessments in most NRPs (and NSRSPSIs), and drawing on the existing good practice, the European Commission could usefully develop guidelines to assist Member States in the development of effective procedures in this area. Without such assessments, it is not possible for *feeding in* and *feeding out* to become a concrete and meaningful reality; and it is also not possible to truly mainstream the social cohesion and inclusion objectives in all relevant EU and Member States' policies (see 7 below).
7. Given the very low priority accorded to social inclusion issues in many NRPs, the Commission and Member States could reinforce their efforts to promote the mainstreaming of social cohesion and inclusion objectives across all relevant policy domains at national and sub-national levels. In this regard, efforts might be made to build on previous pilot work on monitoring mainstreaming undertaken as part of the social inclusion process and to agree a systematic basis for monitoring and evaluating Member States' progress in this regard.
8. Given the weak coordination arrangements between the NSRSPSIs and the NRPs in most Member States, those countries who have not already done so could be encouraged to establish effective and consistent arrangements covering the preparation, implementation and monitoring of both processes. Mutual learning has an important potential role to play in this field.
9. Drawing on the existing good practice in relation to the consultation and participation of stakeholders in many NSRSPSIs, the Commission and Member States could consider drawing up clear guidelines in this area. These could then be used as a basis for encouraging and monitoring Member States' performance in this respect in their NRPs where the involvement of stakeholders, especially those experiencing poverty and social exclusion and the organisations that represent them, is still very weak.
10. Given the growing number of positive examples of *feeding in* and *feeding out* identified by Member States in their NSRSPSIs and NRPs, and by experts in their assessment reports, the Commission could usefully document such examples and use them as a basis for the exchange of learning and good practice and so foster and encourage greater efforts by Member States lagging behind in this area.

2. OVERALL ASSESSMENT OF THE IMPLEMENTATION OF THE 2005-2008 NRPs DURING THE PAST YEAR

2.1 Some evidence of increased *feeding in* and *feeding out* since 2007

2.1.1 Some fairly positive progress

Several experts (e.g. AT, ES, FR, IE, PT, SE, SK) note some positive, if modest, increases in *feeding in* and/or *feeding out* during the implementation of the 2005-2008 National Reform Programmes for Growth and Jobs (NRPs) in the period since last year's Implementation Reports (IRNRPs), though this is sometimes more implicit than explicit. Much of this evidence is in the area of employment. Positive examples include the following:

- The Austrian experts highlight measures in which there are interactions with social inclusion policy “even if these are not discussed explicitly”. These include measures such as an increase of expenditures for education, efforts to curb the high inflation rate which particularly impacts on disadvantaged groups, bringing forward pensions increases, the reduction and – for low-income earners – the abolishment of contributions to unemployment insurance, flexibilisation of the Austrian childcare allowance which has enhanced incentives for mothers to re-enter the labour market earlier, the introduction of an education guarantee for young people up until the age of 18 which mainly refers to apprentices and thus directly affects unemployment rates of young people, education improvements aimed especially at disadvantaged children and young people, particularly those with a migration background (such as language promotion), an increase of the long-term care allowance benefit and the introduction of financial support in case of 24-hour-care for the elderly, a minimum wage which ought to be implemented up until 2009 within all contracts covered by collective agreements.
- The French expert highlights positive developments in *feeding out* in higher educational and vocational training, strengthening measures to encourage a return to work and support to small and medium size enterprises (SMEs), and housing and building more homes. As regards *feeding in*, he considers that less progress has been made on key elements such as access to jobs for poorest people, inclusion of young people, and increasing the number of social homes.
- The Irish expert notes that “there are real efforts being made to effect inclusion into the labour market with evidence of programmes being both reviewed and altered in light of their relative achievements. It can also be said that Ireland is in the process of recognising that integration of the most excluded into the labour market is a process which must be needs-based and contain clear pathways. Such an approach remains a minority perspective among the different measures in place however. Among other positive developments, that have occurred over time rather than in the last year, is the rolling out of activation-oriented programmes in the income support (‘social welfare’ as it is called) and employment and training domains.”

- The Portuguese expert highlights that the “increased potential of *feeding out* (but not *feeding in*) is present in the NRP but is not addressed or explored as such, namely because the link with the Social Inclusion Strategy is not actually taken on board”.
- The Spanish expert is very positive, commenting that “The 2008 Progress Report on the NRP in Spain gives evidence of a significant overall advance with respect to the former report in relation not only to the social dimension of economic growth but also, and chiefly, to the achievement of greater synergies between the NRP and the NAP/inclusion. Indeed, the NRP not only gives explicit recognition to the social dimension in two of its pillars (enhanced human capital; labour market and social dialogue), but also forges a link between, and even integrates, part of its objectives with those of the recently approved NAP/inclusion 2008-2010 (see Box 2.1).

Box 2.1: Some positive developments in Spain¹¹

An analysis of the “**explicit social dimension**” in 2007 brings to the fore the progress made from the perspective of *feeding in*. One only has to consider four social policies set in train in 2007, namely: Male and Female Equality Act 3/2007, the Self-Employed Worker’s Statute Act 20/2007, the Measures regarding Social Security Act 40/2007, and the Social Insertion Companies Act 44/2007. From the perspective of *feeding out*, 2007 has seen progress in the generation of employment (over 600,000 new jobs), even if the rhythm slowed in the second half of the year at the first signs of international economic crisis. With respect to social cohesion, notable advances include the improvement of minimum pensions and the application of the Dependency Act.

As for the “**implicit social dimension**” from the perspective of *feeding in*, advances include the efforts at coordination between the public administrations and such action plans as: the Global Action Strategy for Employment for the Disabled 2008-2012 and the Strategic Plan for Citizenship and Integration 2007-2010 (which has to do with immigration). From the perspective of *feeding out*, implicit contributions to the social dimension have been made by the Research and Development and Innovation (R+D+I) policies, which extend the information society throughout Spain and the very climate of budgetary and financial stability which currently represent important assets for offsetting the economic crisis.

To sum up, **a double added value is worth highlighting from the 2008 Progress Report**. On the one hand, there is the higher profile and greater weight the report gives to social policies, above all to those concerning educational reform, vocational training, improved pensions, social protection for dependency and support for immigrant integration, all of which means that, in addition to their social impact, the Progress Report attaches due value to the economic productivity of social policies. On the other hand, the report highlights results in terms of welfare and cohesion that have been achieved by policies for growth, above all in employment. That said, there could have been more overt reference to inequalities and poverty, especially in view of the importance given to cutting the school drop-out rate and the still high rate of temporary job contracts.

- The Swedish expert states that “the primary goal, stressed by the government over and over again, is therefore to increase the employment rate and decrease unemployment (...). On the ‘carrot side’, we find in-work tax credit, which means that income from work is taxed lower than incomes from other sources, including transfers (that generally are taxed in Sweden).

¹¹ All examples highlighted in boxes in the text are taken from the national experts’ reports.

(...) On the 'stick side', we find a series of measures that limit replacement rates and accessibility to unemployment insurance, sickness insurance and early retirement. (...) In the short run, the government policy has been successful and is hence a good example of a policy that has *feeding in* (more people are working and contributing to economic growth) and also *feeding out* (labour market inclusion)."

2.1.2 Maintaining previous positive efforts

According to the experts, there are also a few Member States (e.g. BE, DK, LU) where there may not have been an increase in effort but where explicit, or, more commonly, implicit *feeding in* and/or *feeding out* has been maintained. Belgium is a good example. The experts comment that "generally speaking, the social dimension in the employment and growth strategy has not been strengthened since the last IRNRP". However, they consider that "there is some proof of continued efforts regarding *feeding-in* and *feeding-out*. (...) Regarding *feeding out*, we identified the Belgian policy strategy, in previous reports, as an 'active welfare state strategy' with a primacy of financial and activation measures. In general, this strategy has not changed, and efforts have been increased. Regarding feeding in the strengthening of the social security system has been effectively pursued through increases in the basic amount of the guaranteed income of older people and the minimum old-age and subsistence pensions and a slight shift towards a stronger awareness of the long-term effects of improved education (in terms of social stratification and segregation)." Denmark is a similar example with the experts concluding that "similar to the 2007 IRNRP, the 2008 NRP does, at an overarching level, include explicit as well as implicit references to *feeding in* and *feeding out*. As in last year's implementation report, there is a strong focus on meeting the challenge of increasing labour supply. Although initiatives aimed at increasing employment, for example through vocational training programs, potentially feed out into social cohesion, this effect is at no point stated as a policy objective. Rather, the focus, in terms of objectives and desired effects, lies on increased job supply and economic growth. Hence, evidence of explicit *feeding out* has not become more frequent in the 2008 NRP when compared to the 2007 IRNRP."

2.1.3 Making some limited steps forward

A number of experts (e.g. CY, DE, EE, FI, IT, MT, RO, SI) note some slight steps forward since the 2007 IRNRP. However, in some cases the impact of these cannot be assessed and some are balanced by other negative developments. For instance:

- The Cypriot experts conclude that "the policies and programmes proposed in the 2005-2008 NRP contribute to the social OMC's objectives. The effects also run in the opposite direction, i.e. OMC objectives contribute to greater growth and more jobs. Thus, the policies and measures proposed in the 2005-2008 NRP appear to be linked to the OMC objectives. However, their precise impact cannot be assessed because no specific outcomes and, in particular, quantitative targets are set."
- The Estonian expert highlights that there is "some evidence of mutually reinforcing feedback between economic, employment and social policies (*feeding in* and *feeding out*), but no special attention to show that has been paid in the 2008-2011 NRP. There is no reference to the policies for social protection and social inclusion or clear reference to the social dimension in the 2008-2011 NRP."

- The Maltese expert notes that “most of the measures with a social inclusion dimension have been by and large implemented, but the deliverables have not been uniform. With respect to some of them, the process led to the creation of work-groups which are still meeting and reports are expected. In others, the outcomes have been positive, either directly or indirectly to address social exclusion issues.”
- The Romanian expert notes that “generally, the measures contained in the IRNRP answer the country specific recommendations and a certain degree of awareness exists when talking about the social dimension of policies though, this is more implicitly rather than explicitly stated”.
- The Slovenian expert notes that “there have been some changes made in respect to a strengthening of the social dimension, but they are not supported with the assessment of actual impact. Changes are mostly reduced to some of the social groups: young and older people and people with disability.” However, she also comments that “there is nothing written on poverty and social exclusion. Apart from the commitment to improve employment possibilities of some of the groups (with greater flexibility, life long learning etc.), there are no other social dimensions in the document.”

2.1.4 Lack of progress

However, other experts (e.g. BG, CZ, EL, LT, LV, PL) remain negative in their assessments. For example, the Bulgarian experts note some slight signs of adopting and operationalising the concepts of *feeding in* and *feeding out* “have now disappeared”. The Greek experts note that “the NRP clearly lacks any reference to the *feeding in* and *feeding out* effects of the policies pursued over the period 2005-2008”. The Polish expert comments that “the assessment of implementation of the 2005-2008 NRP lacks a broader social perspective. (...) The 2007 IRNRP pays little heed to recommendations of the 2007 Spring European Council, which stressed that “*the common social objectives of Member States should be better taken into account within the Lisbon agenda*”. Some progress in accommodating the social inclusion perspective is to be seen in the reform of the labour market institutions; however, the links between economic growth, employment and social inclusion policies are lacking.”

2.2 Limited assessment of the actual impact of policies

A major weakness highlighted by many experts is the lack of assessment of the impact of policies in general and in relation to their social impact in particular. A few examples will illustrate this point. The Estonian expert writes that “no attention is paid to the assessment of the impact of policies and programmes”, the Finnish expert that there are no “explicit references to the assessments of the actual impact of policies and programmes”, the Greek experts that “none of these developments are being accompanied by an impact assessment, especially from a social inclusion perspective”, the Maltese expert that “in respect of no measure (...) was there any impact assessment made” and the Dutch experts that “an overall view on the social impact ambition of the NRP is missing, as well as a social impact assessment”.

In a few countries (e.g. IE, LU, LV, NL, PT, RO, SK), experts report increased recognition over the past year of the need to make progress in efforts to assess the impact of policies. For instance:

- The Irish expert notes that in the social inclusion domain, the NRP makes reference to a number of reviews, especially in relation to the active inclusion provisions and the National Skills Strategy. Specific details are not always given on the nature of these reviews however and so it is difficult to establish the extent to which they take the form of impact assessment. That said, there is attention being given to implementation and in some areas anyway (viz the National Skills Strategy) the need to review progress towards or indeed put in place a plan for implementation has been recognised.
- In Luxembourg, the experts comment that the monitoring process of the reforms seems to be well installed with the existence of the Luxembourg's Observatory of Competitiveness, where among 10 categories of indicator classes, social cohesion constitutes one category with 6 indicators of which developments are measured.
- The Latvian expert reports on the initiative of the Ministry of Economy in commissioning an independent assessment in 2007: the "Assessment of the Progress in Implementing the Latvia National Lisbon Programme". However, she points out that this assessment is not directed towards the analysis of the social dimension (the *feeding in* and *feeding out* aspects), but describes more the actual situation and provides recommendations within the frame of the areas of the activity of the NRP.
- The Dutch experts, while commenting that overall there are few recent impact assessments of employment policy measures, highlight one they consider outstanding. This is Hämäläinen and Tuomola's (2006) rather comprehensive study on the long run employment effects of active labour market measures started at different stages of unemployment spell. The measures under scrutiny were vocational and preparatory labour market training, employment subsidies in the private and in the public sector, and apprenticeship training.
- The Portuguese expert indicates that a good example of an increased effort to assess the impact of programmes also relevant from a social inclusion perspective is the external evaluation made on users of the National Network of Continued Integrated Care. In this specific case, the NRP reports on some interesting evaluation results arising from this external evaluation made of the programme which gives some insight on the positive impact of this specific service on the population targeted by this initiative (people who after hospitalisation continue to require a continuity of in-patient treatment in non-hospital units).
- The Romanian expert, while emphasising that the policy impact assessment is still at an early development stage in Romania (mostly limited to specific/individual project evaluation), considers that nevertheless, there is more and more political concern to improve impact assessment procedures. During 2007-2008, a training of 120 specialists within ministries focused on impact analysis / evaluation techniques and on reducing the administrative costs.
- In Slovakia, the expert reports that in May 2008, the government approved *the unified methodology for the assessment of the impacts of legislative measures* on public finances, employment and the business environment, social situation of inhabitants (households' income and expenditure, social exclusion, equality of opportunities, gender equality), environment and information society. The assessment methodology has now been in testing operation in order to detect and revise possible shortcomings. However, she expresses concern that the methodology covers all aspects of social exclusion (access to resources, services and legal protection) by one single indicator.

2.3 Few examples of *feeding in* or *feeding out* supported by impact assessments

Many experts (e.g. CZ, DK, EE, EL, FR, IT, LV, SI) are very critical of the lack of examples of *feeding in* and *feeding out* supported by impact assessments that they consider merit highlighting. Three examples are typical. The Czech expert says that he “does not find any good examples of *feeding in* or *feeding out* supported by impact assessments”. However, he cautions that “this does not mean that there are no positive developments in the field of social inclusion in the country”. The Danish experts declare that they have “not been able to identify any evidence of *feeding in* and *feeding out* and can, therefore, not present any initiatives whose success is supported by impact assessments”. Similarly, the Latvian expert comments that “unfortunately, the Report fails to present any concrete examples of *feeding in* or *feeding out* that can be highlighted as examples of good practice”.

However, various experts do commend examples of good practice, even though these often are not supported by impact assessments. Examples include the following:

- In France, examples of *feeding out* are the incentives for the development of SMEs and the extent to which the construction of new homes (social housing) reduces poverty. Examples of *feeding in* include child care services and activities encouraging occupational inclusion.
- In Germany, examples highlighted are: first, the implementation of a new law increasing the provision of childcare facilities; secondly, a planned concerted scheme of the federal government and the federal states to promote qualification which will offer young people more educational opportunities and life-long learning with no respect to their social background; thirdly, the reform of the long-term care insurance; fourthly, a new integrated energy strategy which as well as promoting energy-saving could reduce energy costs and so reduce the burden for socially disadvantaged people caused by high energy prices and pollution could be reduced; and fifthly, health care reform which obliges all private and compulsory health insurances to assure all persons as well as obliging all persons to take out insurance. However, the German experts stress that all these examples are too recent to make an impact (except possibly the first one).
- In Ireland, the Lone Parents Voluntary Initiative is taking up the challenge of getting lone parents in large numbers into employment, which involves overcoming entrenched behaviour patterns, strong normative support for traditional motherhood and a relative absence of the necessary supports. This is a pilot programme to test approaches and identify barriers to employment experienced by lone mothers. It has the twin merits of being experimental and setting up an experience and research-based learning opportunity.
- In Luxembourg, experts emphasise the interesting example of the impact assessment conducted on the ground of the law on work incapacity.
- In the Netherlands, two examples are highlighted: first, the so-called “learn-work-service centres” or “HRM service centres” in the province of North-Brabant which use tools to evaluate existing competencies (even without diploma’s) and which focus on lower skilled people to motivate them for training and education; and, secondly, the comprehensive approach (*sluitende aanpak*) for young school leavers which the four biggest cities (Amsterdam, Rotterdam, The Hague, Utrecht) have developed in order to limit the number of unqualified youth. Unemployed qualified youth are linked to an employer, while unqualified school leavers are closely accompanied to education, training or work. However, the results

and outcomes of these initiatives are not described in the NRP, most probably because they are rather recent and not yet assessed.

- In the Slovak Republic, the expert also stresses two examples. First, free pre-school education for children in kindergarten is now provided one year in advance of the compulsory school attendance for all children. Moreover, pre-school upbringing is now free for all years for children whose parents are in material need. At the same time, kindergartens were advanced from the category of school facilities to the category of schools which provide pre-primary education. Secondly, the amendment of the Act on employment services further expands many-sided support (travel expenses, costs of kindergartens, meals, increased benefits, etc) of jobseekers participating on education programmes. However, again these are new developments that have not been evaluated.

3. ASSESSMENT OF THE 2008-2010 NRPs FROM THE PERSPECTIVE OF SOCIAL INCLUSION

3.1 Overall assessment of the social dimension

3.1.1 *Very limited overall progress*

In only a very small number of Member States (e.g. CY, ES, PT, SK) do experts consider that more attention is given to overall strengthening of the social dimension of the 2008-2010 NRPs compared with the previous (2005-2008) round. Amongst the most positive is the Spanish expert who considers that “the social dimension emerged reinforced in the 2008 Progress Report as well as in the update for the next two years” and that, “from the perspective of social inclusion, the NRP’s contribution to social cohesion deserves a relatively positive assessment”. The Portuguese expert is also quite positive saying that “overall, there is a stronger attention to the importance of the social dimension in the presentation of the plans to address the recommendations and points to watch. This increased awareness is visible in the concern to explicitly take into consideration the challenges directly related to addressing the “fight against the factors that threaten social cohesion”; it is more implicitly present in some specific areas, namely those related to the improvement of the level of qualifications, and employment.” However, like many other experts, she considers that “the *feeding in* and *feeding out* perspective is not really taken on board in the document, although there are several areas where the measures proposed could have been a good ground for this exercise (e.g. employment protection, increased access to social services and equipment). There is still an underlying difficulty to make the link between growth, jobs and social inclusion objectives. In spite of the increased awareness that the NRP should be concerned with strengthening the social dimension of the Lisbon Strategy, the way to operationalise this concern into a *feeding in* and *feeding out* analysis has not yet been achieved.” The Cypriot experts consider that “the measures adopted increase awareness of *feeding in* and *feeding out*, albeit most of them do so implicitly”. The Slovak expert concludes that “one can trace increasing awareness of *feeding in* and *feeding out* processes. The belief that social policy in general should contribute to economic growth has been widely accepted.”

In a few countries (e.g. BE, DE, EE, IE, LU, SE) experts detect, if not a real strengthening, at least a certain consolidation of the social dimension. For instance, the Irish expert comments that “this year’s report while not showing an increased integration of social and economic issues does continue the approach of recent years, especially last year’s IRNRP, in moving towards a closer relationship between economic and social policy. Among the areas relevant to social inclusion on which one can see continued progress in this report are: integrating those furthest from the labour market, childcare provision in general and as regards targeting it on the low income sectors, integration of immigrants, improving the skills’ situation of workers on low incomes as well as older workers and lifelong learning. Few if any of these are the subject of new initiatives – what the NRP does is mainly report on and continue to roll out existing initiatives.” Likewise, the Luxembourg experts consider that there is no explicit or implicit intention of strengthening the social awareness of *feeding in* and *feeding out* rather the “envisaged measures are a continuation of former policy measures. The fact that the social dimension is kept in a relative balance in the old and in the new programme is confirmed when looking at the “*feeding out*” and “*feeding in*” effects more in detail.” Similarly, the Belgian experts comment that “there is a social dimension to the strategy as well. Social benefits should remain adequate so as to guarantee a life in accordance with human dignity (i.e. not in poverty). In recent years, many social benefits have been raised (e.g. minimum pensions, invalidity benefits, child allowances), both singularly and

structurally. Especially the structural interventions are interesting since they (automatically) link the level of the benefits to the standard of living.” However, they conclude that “all in all, compared to the previous NRP, no genuine strengthening of the social dimension can be observed. Synergies between the NRP and the NSRSPSI certainly exist, but remain rather superficial. Feeding-in and feeding-out aspects are more implicit than explicit.” The German and Estonian experts also tend to emphasise more the implicit emphasis on the social dimension. The German experts comment that “all in all the 2008-2010 NRP assumes feeding-out effects much more in a general and abstract way than the 2008-2010 NSRSPSI does. These effects are seen more in an “implicit” way: An enhanced framework leads to a higher economic growth, more employment, and equal opportunities. Reciprocally the 2008-2010 NRP assumes also a feeding-in effect because global systems like the social security institution always have an impact on economic growth and employment, too.” The Estonian expert notes that “the social dimension has strengthened, but as before, social cohesion is not included in the stated goal of the policies and there is no reference to the strategies for social protection and social inclusion either. Terms such as ‘social cohesion’, ‘social inclusion’, ‘social impact’ etc. are not mentioned. It should be underlined that the awareness of ‘feeding in’ and ‘feeding out’ is not explicit; at the same time, the objectives and measures of the 2008-2011 NRP address well the Commission’s 2008 recommendations.” The Swedish expert comments that there is an “unambiguous and explicit (but not using the exact terminology) feeding in and feeding out perspective. Referring to the Lisbon agenda they design a policy that contributes to more jobs, growth and a sustainable economic development at the same time as labour market inclusion is supposed to increase social cohesion and guarantee the financing of a comprehensive welfare policy, high quality education and research. This perspective has not been strengthened or given more attention compared with earlier reports; it has remained just as strong.”

In other instances (e.g. AT, BG, DK, FI, FR, HU, SI, UK) experts note no overall focus on the social dimension but some strengthening in very specific areas. For instance, the Austrian expert comments that “social dimensions are only considered with regard to two of the measures mentioned within the NRP: improving childcare (to increase female employment) and modernising the educational system (among others to integrate and reintegrate disadvantaged population groups)”. Likewise, the French expert notes that “the links between feeding in and feeding out are stronger and more explicit when they apply to work and less evident when they apply to the poorest sections of the community or those who have no prospects of employment”. Similarly, the Finnish expert suggests that “it makes more sense to speak about employment policy that has mutually reinforcing impact on growth and jobs as well as social inclusion, rather than feeding in or feeding out of particular policies. The employment policies discussed are mostly the same, yet explanations on social dimensions are in fact even more detailed in the NRP than in the NSRSPSI. In sum, the social dimension is explicitly present through actions promoting higher employment rate or increasing capacities of the labour force, but less so otherwise.” The Bulgarian experts consider that “the updated NRP provides very few examples on feeding in and feeding out. In general, the report displays also little concern of the social dimension and very low awareness of feeding in and feeding out.” The UK experts comment that the NRP tends to present the UK’s market-led strategies and does not do justice to its welfare policies for social justice. The Danish experts note “a relatively high level of awareness of *feeding in* and *feeding out*, as these concepts are explicitly demonstrated in the report” with *feeding in* being particularly present in the chapter on “Denmark as knowledge and innovation society” (education), whereas *feeding out* is primarily seen in the report’s chapter on employment and labour market policy. However, they feel that “a systematic approach to *feeding in* and *feeding out* can still not be said to be consistent throughout the NRP report” and consider that “the NRP lacks attention to the social dimension, as the report does not address this aspect in almost any of the policy areas,

except in relation to the employment effort for special target groups. Implicitly some policies will include this aspect, as e.g. education is proven to reduce the risk of poverty.” The Slovenian expert considers that “it is difficult to assess increased awareness of feeding in and feeding out for different reasons. New measures were designed in the fields of job creation and education; attention is paid to young and older people, to people with disability and to Roma people. But there is no recognition of poverty and social exclusion, housing needs of disadvantaged groups are ignored, introduction of flexibility is not supported with measures that will prevent the risks of people in precarious employment.”

A large number of experts are even more negative about the overall strengthening of the social dimension in the NRPs and some even note a weakening. For instance, the Czech expert observes “no progress in strengthening the social dimension nor evidence of feeding in and feeding out in the NRP 2008-2010 compared to the implementation report from 2007 or to the NRP 2005-2008. Instead, the social dimension is slipping away from the NRP. This is apparent in the emphasis of the NRP 2008-2010, which is put solely on economic growth, labour productivity and jobs, while assuming social exclusion to be due to the individual defects of the excluded.” The Greek experts comment that “overall, it may be said that no action can be identified of a move towards establishing mutually reinforcing links between economic growth and social policies. It seems therefore that the ‘feeding in and feeding out’ approach has not been taken on board in the wide range of measures, institutional arrangements and policy reforms undergoing or planned in various policy areas under the Greek revised NRP.” The Polish expert is also negative, commenting that “although the NRP 2008-2011 recognises the social dimension as an important factor of the economic growth, attention given to the social inclusion process is very limited. There was no recognition of social inclusion policy as an important factor of employment and growth and jobs policies.” The Maltese expert considers that “social inclusion is not a direct and specific concern of the Malta NRP 2008-2010”. The Latvian expert comments that “the significant changes in NRP 2008-2010 in comparison with NRP 2005-2008 characterising the strengthening of the social dimension have not taken place – neither from the point of the context of policies implemented at the national level nor from the point of the coordination of the role of the involved policies. The relations between the economic and the social strategy have not been presented clearly and consequently.” The Lithuanian experts note that “the 2008-2010 NRP does not reveal social dimension explicitly. This statement could be documented by the fact that the concepts of *social inclusion*, *feeding in* and *feeding out* were not used in the 2008-2010 NRP. The 2008-2010 NRP does not have any reference to the 2008-2010 NSRSPSI. But at the same time the 2008-2010 NRP includes the developments that directly influence social issues; therefore, there are reasons to claim about the implicit social dimension of the 2008-2010 NRP.” Interestingly, they conclude that the lack of a strong social dimension in the NRP is ultimately a matter of ideology, writing that “the liberal ideology and residual welfare system assigns the highest weight to the market economy and the lowest to the state. It means that the achievements in the area of the social dimension are subordinated to the rise of the market economy.”

3.1.2 *Little account taken of economic and financial crisis*

There is only very limited evidence of the NRP being used to put in place measures to address the potential impact on people at risk of poverty and social exclusion of the slowdown of the economy, higher oil and commodity prices, and ongoing turbulence on financial markets. Most experts consider that this aspect is neglected. For instance, the Polish expert comments that “the problems presented by the recent economic slowdown are overlooked. The NRP was formulated

on the assumption of continuing the high economic growth which Poland has experienced in the past three years.” Likewise, the Czech expert considers that “the new document does not reflect the social risks, which are associated with the current ‘social reform’ aimed at stabilising public finance and supporting competitiveness and job creation, combined with the coming financial and economic crisis”. The Latvian expert notes that the NRP “does not plan any specific measures for social exclusion risk groups to address the negative impact of the slowdown of the economy, higher oil and commodity prices, and the ongoing turbulence on financial markets”. The Lithuanian experts comment that the “2008-2010 NRP is mostly based on the economic and financial situation that was in place before the decline of the economy, before high inflation and before the increased public budget deficit and unemployment. (...) The 2008-2010 NRP does not provide assurance to protect people at risk of poverty and in social exclusion.” The Slovak expert notes that “the NRP does not include clear messages on how to tackle the potential problems emerging from the slow down of the economy or turbulence on the financial markets which could increase the vulnerability of people at risk of poverty and social exclusion”. The Bulgarian experts note that the report reveals an “awareness about the coming economic crisis”. However, they consider that it adopts too calm a perspective on its likely impact and suggest that there is a need to update plans and that “some emergency interventions may be necessary to prevent those furthest from the labour market from falling into even deeper poverty”. The Swedish expert, while noting that the issue is discussed, concludes that “there is basically no adjustment of the NRP in relation to the bleak economic forecast”. The Danish expert notes that “the NRP does address the slowdown of the economy and ongoing turbulence on financial markets as a concern, but the impact on people at risk of poverty and social exclusion is however not dealt with”. The Greek experts conclude that “no measures have been specified to deal with the potential impact of the current and on-going economic and financial international crisis on the most vulnerable population groups”. The Italian expert considers that “the recently adopted ‘social card’ (aimed at reducing food, energy and gas costs for the poorest) appears to be a weak instrument compared with emerging problems (e.g. slowdown of the economy, higher oil and commodity prices, and ongoing turbulence in the financial markets). Unfortunately, the NRP does not foresee other significant measures to prevent the probable impacts of these economic problems on people at risk of poverty and social exclusion.” The Hungarian expert comments that “although Hungary submitted the NRP well beyond the deadline as the document was refined in the light of the crisis, the fact that the crisis is most probably going to have a serious impact on social inclusion issues is not reflected in the refined document. The terms poverty and social inclusion appear only once in the whole document, which indicates that social inclusion is only a very peripheral issue. Strengthening the social dimension does not seem to be a priority.”

More positively the Slovenian expert notes that “there are measures to address the potential impact of the slowdown of the economy. Given the rise in the general price level, in particular of food and fuels, measures were adopted in early 2008 with a view to mitigating the consequences of price growth for people with the lowest income.”

3.1.3 Often rather weak links with NSRSPSI

In only a few cases (e.g. ES, FI, IE, LU, NL, PT, UK) do experts detect any (often slight) strengthening of links between the NRPs and the NSRSPSIs. Even when this is the case it is often just linked to one aspect, most often employment. Spain and Finland (see Box 3.1) are the most clear-cut cases. The Spanish expert comments that “a reading and analysis of the NAP/inclusion 2008-2010 and the 2008 NRP Progress Report bring out the relatively clear links between social policies regarding access to employment and education on the one hand, and

growth and social cohesion on the other (...). At least, those links are brought into much closer focus than they were in the 2007 Progress Report.” The Irish expert highlights that “the NRP is most active on and in tune with the second objective of the NSRSPSI – access to quality work and learning opportunities. Integration of migrants also receives some attention (this was one of the points to watch raised in relation to the 2007 IRNRP).” However, she considers that “there could be much greater integration of two of the NSRSPSI priority areas: child poverty and access to quality services. The former is hardly mentioned and the latter, especially if understood to refer to housing services, health services, local neighbourhood services and so forth, receives very little attention.” As the Portuguese expert points out, even where there is an articulation between the dimensions and measures inscribed in the NRP and the NSRSPSI it can be difficult to actually assess whether there has in fact been an actual strengthening of the links between the NRP and the NSRSPSI process and what links are in fact created between the two strategies and how they feed into each other, particularly regarding the implementation of the measures proposed. She notes that “in areas such as education there is a consistency between the measures included in both plans. However, in others, such as the ones regarding the NAP/inclusion priority 3 (“overcoming discriminations by re-enforcing the integration of people with disability, immigrants and ethnic minorities”), there seems to have been rather different perspectives on the groups identified as vulnerable by the two documents (e.g. ethnic minorities).” Rather similarly, the UK experts note that “it is stated that the NSRSPSI is prepared in coordination with the NRP. The Social Policy Task-Force (a grouping of NGOs which work on the NAP) was again invited to attend the seminar held to discuss the NRP, and the Department for Work and Pensions was one of the departments hosting this”. However, they conclude that “apart from the employment chapter the reports still seem to be separate”.

Box 3.1: Strong links between NRP and NSRSPSI in Finland

The links between the NRP and the social protection and social inclusion (SPSI) Process are strong. Both are fully integrated into the national policy making and they draw from the most central government policies. Both also refer to the same most important ongoing reforms. The explanations on social dimensions of policies supporting employment are even more detailed in the NRP than in the NSRSPSI.

Some experts (e.g. CY, DK, FR, MT, RO) comment that, while the connection between the NRP and NSRSPSI is not made explicit, there is in fact a coherence between the documents. For instance, the French expert considers that “the NRP and the NSRSPSI draw on the same ideological, political and administrative sources. There is, therefore, significant coherence between the two documents which focus on the marketplace, business, work and controlling public spending to favour economic growth.” However, he considers that the NRP “gives little consideration to the specific aspect of the NSRSPSI relating to poverty outside access to work. The report does not mention the major measure which featured prominently in the various NAPs/inclusion, namely inclusion by economic activity, which has helped a large number of young people in difficulty.” Likewise, the Romanian expert comments that “the IRNRP does not make specific reference to the NSRSPSI, though most policies to address active inclusion of disadvantaged groups are reiterated. The NRP places emphasis on employment and lifelong learning opportunities for the vulnerable groups identified by the NSRSPSI active inclusion measures whilst both in the IRNRP and NSRSPSI detailed measures to help those that cannot work are quite absent.” The Danish expert notes that “there is little evidence of a strengthening of the links between the NRP and the NSRSPSI” but does note that there “exist thematic overlaps between the two documents, for example many of the initiatives related to employment recur in both reports”. The Cypriot experts note that “although the links with the social OMC are not explicitly indicated, the 2008-2010 NRP contains many measures addressing social inclusion,

e.g. addressing age related expenditure, reform of the health care system and lifelong learning) and the priority 'investing in people and modernising labour markets and enhancing social cohesion' under the employment challenges." The Maltese expert comments that "indirectly the NRP provides for links with between social protection through some of the measures envisaged in the programme".

Most experts (e.g. BG, CZ, DE, EE, EL, HU, IT, LT, LV, PL, SE, SI) see very limited or no connection between the two documents. For instance, the German experts comment that "no close connection is established. The NSRSPSIs are made by the Federal Ministry for Labour and Social Affairs, the NRPs by the Ministry of Economics. The 2008-2010 NRP acts (in an implicit way) on the assumption of feeding-out, while the 2008-2010 NSRSPSI more strongly assumes feeding-in effects." The Polish expert comments that the "NRP makes no direct references to NSRSPSI. The links between the two documents are mainly of formal nature, without indicating any synergies." The Czech expert considers that "there is almost no synergy between the NSRSPSI 2008-2010 and NRP 2008-2010 (this is evident in the absence of references to the social inclusion strand found in the NRP). The only implicit links are the similar declared priorities of the government, which organise the objectives and measures adopted in the two documents. Governance mechanisms aimed at strengthening the synergy between the NRP and the social inclusion strand in the NSRSPSI are feeble." Indeed, he considers that "the synergy between the NRP and the social inclusion process is vanishing" even if "both documents are underpinned with similar principles and assumptions". The Greek experts conclude that "it would not be an exaggeration to say that there exists a mutual reluctance by both processes to acknowledge the role of each other".

3.2 Feeding out

3.2.1 *Employment and feeding out*

3.2.1.1 *Targeting and activating the most disadvantaged*

Undoubtedly measures to increase access to employment and enhance employability is the area where the aim to promote greater social inclusion is most evident. In several Member States, experts note real efforts to target specific disadvantaged groups. For instance, in Austria the expert notes that "measures targeted to specific groups include employment measures for elderly workers, women, youth, and persons with disabilities or health problems." In the Netherlands, the experts highlight that one of the main targets of government is to help 200,000 people with a weak position on the labour market finding a job. This measure will cover 75,000 social assistance benefit claimants and 25,000 people without a benefit, or being long-term unemployed or on disability pension. They conclude that "in so far as this creates more economic independency for vulnerable groups, this is a clear example of feeding out".

Similarly, the Irish expert mentions that "the targeting of activation and participation will be increased" (see Box 3.2). She also quotes a recent EAPN Ireland document which she considers provides a helpful guide to the "basic pillars of a successful activation policy: quality jobs, the elimination of poverty traps, accessible education and training, family friendly flexible work, elimination of discrimination, recognition of caring responsibilities, recognition of ill-health, appropriate supports and services and instant access to relevant information." The Portuguese expert provides another example of efforts to target the unemployed and also the immigrant population (see Box 3.3).

Box 3.2: Irish measures to target specific groups

1. The long-term unemployed, the unemployed aged between 16 and 24 years, people who have completed the Preventive Process but remain unemployed and those furthest from the labour market including certain women workers and people with disabilities are targeted for support.
2. The Social and Economic Participation Programme (also included in the NSRSPSI) extends activation measures to all people of working age who are in receipt of welfare benefits, with reference made specifically to lone parents and people on illness payments.
3. The NRP also announces the creation of a new Activation and Family Support programme (which notably the NSRSPSI contained no mention of, even though it was set up in January 2008) which provides funding for holistic, needs-oriented programmes to assist individuals and families to enhance their employability through education, training and personal development opportunities and to improve their quality of life. It is a good example of rationalisation of existing provision, constituting an amalgamation of the existing Family Services project and the Special Projects funding. The NRP states that a review of the programme is currently underway and is expected to be completed in January 2009.
4. The ETW (Expanding the Workforce) programme is a very broad-ranging support process providing needs based, multi-step support that sets out a pathway for women back into employment.

Box 3.3: Targeting the immigrant population in Portugal

The immigrant population is another group which is given a specific attention in the NRP measures regarding job creation, namely through the continuity given to the Intervention Programme for Unemployed Immigrants. Other actions specifically addressed at the immigrant population are also included such as the active and specific support at local centres (UNIVAS), the recognition of certification, vocational training programmes and awareness raising campaigns. Given the particularly vulnerable situation of the immigrant population in terms of the pattern of their integration in the Portuguese labour market, it is important to ensure continuity of these measures. It would also be crucial to address the issue of the particular vulnerability of this group of workers to illegal work, given its very negative impact.

Other interesting examples of initiatives to increase access to employment and the employability of vulnerable groups (even if the NRP does not always spell out the social inclusion consequences of this approach) include the following:

- The Austrian expert highlights efforts to increase employment of women (e.g. making it easier for women to enter non-traditional jobs, improving reconciliation of care work and employment and flexibilisation of childcare allowance), disadvantaged young people (e.g. education guarantee up until the age of 18) and people with disabilities or health problems. However, she stresses that the situation of people with a migration background is ignored in the NRP.
- The Danish experts highlight the policy campaign “*A new Chance for Everyone*” as a good example of feeding *out* in relation to employment. They consider that the surprisingly great effect it had on employment rates for immigrants and their descendants, although the campaign was not exclusively aimed at ethnic minorities, could be the basis of exchange of learning. They conclude that “by implying a special effort for social assistance and starting allowances for recipients who have been unemployed for at least one year, the campaign succeeded in reaching many of the unemployed immigrants and descendants and thereby helped to promote social inclusion for these disadvantaged groups”.

- The Finnish expert highlights the contribution made by *Government employment service centres* (39 centres operating in 2008) which have been established to enhance employment services for the hard to employ and form a cross-administrative network. The employment office, municipality social services and the Social Insurance Institution provide special services at the same operating location to the long-term unemployed and to those who need multi-professional support. He also notes that “since the beginning of 2006, *the activity of the labour market support* was enhanced so that the conditionality of support increases as the period of unemployment lengthens and the unemployed are offered services more intensively. At the same time, labour market support funding was reformed so that support during unemployment is shared equally between the State and the municipalities (previously entirely funded by the State), with the aim of creating employment incentives for local government.
- The Finnish expert also highlights specific measures to promote youth employment by the social guarantee for young people, launched in 2005, and the educational administration’s education guarantee which has paved the way to further education. Early intervention and an enhanced service process are central to the social guarantee. A specific job seeking plan is prepared for each unemployed job seeker under 25 years of age within three months of their becoming unemployed. The plan agrees on the service to be offered to the young, namely they are promised that they will be offered employment service job application training, a job or training place (training or vocational education), a work placement, on-the-job training, preparatory training for working life, a start-up grant or wage-subsidised work. In addition, they can be offered services related to assessing their working capacity or state of health.
- The Hungarian expert mentions as an explicit example of feeding out the government plans to address the employment decline by using budgetary means: the objective of the “Pathway to Work” programme is to quadruple the number of persons who participate in public purpose jobs instead of living on social benefits. However, she warns that “the adequacy of this measure is highly debated and not supported by the majority of social policy professionals”.
- The UK experts highlight that “a clear emphasis of the UK’s employment strategy is the increasing conditionality imposed on those out of work, both the unemployed and increasingly those in other groups (including lone parents, who will be expected to actively seek work when their children are younger; and incapacity benefits claimants, many of whom will have to make moves towards work as a condition of benefit under the new employment and support allowance). This will be reinforced for long-term claimants by the use of private contractors, who will be paid by results”. However, they comment that there is evidence that benefit sanctions seem to have a negligible impact on labour market behaviour, at least for lone parents.
- The Lithuanian experts highlight the Law on Support for Employment, even though it is not included into the 2008-2010 NRP, as it names a number of groups of vulnerable people: the disabled; persons who have completed vocational rehabilitation programmes; persons taking up their first employment according to the acquired speciality or occupation; long-term unemployed; persons over 50 years of age who are able to work; pregnant women; persons who have been released from places of imprisonment; persons whose unemployment period is at least 2 years from the date of registration with a local labour exchange office; persons addicted to drugs, psychotropic or other psychoactive substances, who have completed psycho-social and/or vocational rehabilitation programmes; and victims of trafficking in human beings.

- The Luxembourg experts highlight a specific measure aiming at boosting the social economy sector as well as a new measure called “to improve the integrated assistance of disabled workers” and suggest that this could offer the basis for an exchange of good practices in relation to the concern of raising the employment level of older people.
- The Slovak expert highlights the introduction of the bill on the integration of severely disabled persons into society providing them with assistance giving them “equal opportunities as non-disabled citizens” and also highlights the intention to prepare a new methodology of preventive work with children from risky environment.
- The Swedish expert notes that the government tries to target vulnerable groups by lowering pay roll taxes for young people (youth unemployment is high in Sweden), immigrants, long-term sick and people with disabilities. He indicates that Sweden has also introduced a system that will give newly arrived immigrants more instant access to the regular labour market. All these initiatives are good from a social inclusion perspective but they all build on the assumption that there is a demand for labour force. There is an obvious risk that these measures are less effective in a situation of increasing unemployment.
- The Bulgarian experts note that the 2008-2010 NRP promises a specialised study and analysis of the possibilities to intervene among long-term jobless and that this study is expected to help improve the targeting of initiatives under the National Action Plan on employment and the Human Resource Development Operational Programme. A review of the programmes for young people is also envisaged.
- The Cypriot experts note many measures in the 2008-2010 NRP promoting access to employment which also promote greater social inclusion, e.g. closer cooperation with local authorities and social partners in promoting the employment of inactive women and other vulnerable groups, higher minimum wage, reform of the tax-benefits system to encourage entry into the labour market, programmes to increase gender equality, incentives to private employers to employ disabled people and a newly introduced quota system for the recruitment of persons with disabilities in the public sector.
- The Latvian expert considers that the establishment of subsidised work places planned within the frame of active employment policies should be assessed positively in the context of promoting employment for the most vulnerable groups. However, she warns that these measures do not provide any medium-term or long-term solution of the problem because after the expiry of the public support the employer does not have the obligation to retain the subsidised work place.
- The Estonian expert highlights that the 2008-2011 NRP provides several measures to increase access to employment and enhance employability, which considerably promote greater social inclusion, although this has not been mentioned directly as a target. She comments, however, that the main objective of all these measures is to increase competitiveness and economic growth. (see Box 3.4)

Box 3.4: Estonian employment measures for vulnerable groups

The 2008-2011 NRP contains measures to bring more vulnerable groups (e.g. jobless households, working poor, lone parents, people with a disability, non-Estonians) to the labour market:

- broaden the range of active labour market measures for inactive people and disabled persons;
- develop measures to support national labour market services (such as social rehabilitation, career-related psychological counselling, job clubs) and implement them for risk groups (e.g. young people, long-term unemployed, etc.) of the unemployed and job-seekers;
- formulate a mechanism to compensate for additional work-related expenditure (incl. transport) and implement it for disabled people (working allowance);
- create a disability-related information and aid centre;
- create and develop counselling centres for people with special needs and those close to them;
- reform the rehabilitation system for disabled people to encourage employment;
- develop an integrated care system, creating a solid network of nursing homes and formulating social services, incl. day centres, child day-care and nursing care, in order to enable working-age people with caring responsibilities to enter the labour market;
- increase the competitiveness of non-Estonians by ameliorating their language skills (Estonian language lessons, Estonian language lessons integrated within vocational in-service training and re-education, labour force exchange programmes, etc.);
- conduct a political analysis to prepare the reform of the system of social, employment and health care services (active and passive labour market measures, rehabilitation services, social security measures, health insurance, etc.), and allowances and benefits that encourage employment.

However, several experts feel that the targeting of measures towards some vulnerable groups is insufficiently comprehensive. For instance, the Polish expert notes that the “NRP does not define a comprehensive employment strategy, in particular addressing persons from the social groups at risk of poverty and exclusion. The NRP focuses solely on employment activity of older people and youth, omitting provisions to address the sizeable group of unemployed and inactive persons facing particular difficulties, such as disabled persons, low qualified and low skilled persons, the long-term unemployed, etc. This holds particularly for disabled persons, the exceptionally low employment share of whom is the consequence of the still lacking comprehensive approach to the activation of disabled persons including education and life-long learning, early medical rehabilitation, and of other barriers.” The Belgian experts comment that “the NRP’s commitments targeted at more vulnerable groups such as jobless households, working poor, lone parents, people with a disability and ethnic minorities remain rather vague. Job creation for these groups remains necessary as a precondition for durable integration in society.” The Italian expert comments that “the NRP does not specify job creation measures for vulnerable groups (e.g. jobless households, working poor, single parents, people with disabilities, ethnic minorities). Some measures do, however, concern women and young people.”

3.2.1.2 *Job creation*

Many Member States are concerned to increase access to employment and the employability of more vulnerable groups such as jobless households, working poor, lone parents, people with a disability and immigrants and ethnic minorities. However, the experts provide rather limited evidence of job creation which is specifically aimed at creating jobs for them. The comments of the Irish, German and Latvian experts are fairly typical in this regard. The Irish expert comments

that “the measures to promote job creation are not as such targeted on the more vulnerable groups. A supply side approach prevails and the underlying logic of the policy approach followed in Ireland continues to assume that the main benefits of job creation will ‘trickle down’, especially if those most marginalised from the labour market are ‘assisted’ to become economically active.” The German experts comment that “it is also doubtful whether the economic upswing is really promoting a job creation targeted at more vulnerable groups (...). For example, there is a new research on the job situation of younger people. It shows clearly that the more obstacles a person individually combines, the less are the chances for him/her to be successfully integrated into the labour market.” Likewise, the Latvian expert comments that “social exclusion groups such as jobless households, working poor, lone parents or people with a disability will gain little from the creation of new workplaces upon the implementation of the NRP programme”.

There are, however, a few examples of targeted job creation highlighted by the experts:

- The Spanish expert points out a major strategy for the creation of employment for the disabled (above all disabled women), particularly for those with cognitive difficulties and in particular a new Strategic Employment Plan for this group, approved in September 2008. He also points out that the Roma people, the vast majority of whom are street-sellers, have been targeted for attention since the State Council of the Roma People was set up. Through the Self-Employed Workers’ Statute, the government has made a priority of the integration of gypsy street-sellers into the social security system as self-employed workers.
- The Lithuanian experts mention that the Law of the Republic of Lithuania on Social Enterprises has provided better opportunities for setting up social enterprises and has created financial incentives for employers offering jobs for vulnerable people.
- The Finnish expert describes how “since 2004, *social enterprises* could be granted a wage subsidy for the employment of people with disabilities as well as the long-term unemployed for a longer time than other companies. At the end of 2007, there were 148 social enterprises, double the previous year’s number, and they employed around 750 people. The development of *the interval labour market* is an employment and social policy project to create work opportunities for individuals who, for various reasons, are difficult to place on the open market. Work opportunities are offered particularly by associations, training and social service foundations, workshops and other organisations, such as social enterprises”.
- The Romanian expert notes that job creation efforts mainly focus on subsidising costs for those employers who hire people from vulnerable groups, mostly young unemployed and older workers. However, she comments that the policy to subsidise jobs for vulnerable groups has not proved its viability at least in the case of youth who prefer to go abroad for better paid jobs rather than stay and work for the minimum wage.

3.2.1.3 Flexicurity

In Member States where there is an emphasis on *feeding out*, one would expect measures to promote greater flexibility in the labour market to be balanced by measures to ensure security, thus helping people to avoid the risk of falling into poverty and social exclusion. However, the approach to flexicurity remains uneven across countries. In many, the emphasis on flexibility seems to far outweigh the emphasis on security. In others, the development is at an early stage. For instance, the French expert notes that “although the modernisation of the labour market is well underway, it appears that flexibility takes priority over the desire for security, and the

segmentation of the labour market with a high proportion of part-time jobs remains a problem for which the low income benefit may not provide a solution.” He goes on to say that “France is embarking on the road to flexicurity in a way that is somewhat hesitant and unbalanced. The future reform of occupational training should compensate for these weaknesses to some extent.” The German experts note that “flexicurity is mainly seen as an instrument to break up labour market restrictions but not to enhance the principles of the social security system. So, in a lot of cases flexicurity in Germany leads to lower incomes and lower claims on social transfers” while the UK experts consider that “the NRP emphasises the flexibility side of flexicurity, with a focus on market openness and competition” and that “the implications for social inclusion are not spelt out”. Similarly, in the Czech Republic the expert comments that “unlike the previous NRP, the NRP 2008-2010 pays more attention to the policies of flexicurity; however, not much has been done in this field up to now. Similarly, the new policy responses are not thorough or comprehensive. Instead, they are focused solely on the objective of improving economic incentives. (...) While strong emphasis is put on flexibility, the elements of security (such as the option of turning temporary contracts into permanent contracts, and the right to labour market training) are missing in the proposals.” The Maltese expert comments that “there is no mention of balancing job security with specific measures to ensure social inclusion. The underlying assumption appears to be that access to work and employability are the best guarantees to avoid poverty. But these ideas are only latent in the Malta NRP.” The Romanian expert notes that “the four policy components (of flexicurity) – flexibility of the labour law, lifelong learning policies, active labour market policies and social security system – are rather at a ‘descriptive’ stage and need to be further developed in an integrated manner”. The Swedish expert notes measures that “lead to a more flexible labour market but not necessarily a more secure labour market. What we see is flexibility via the ‘stick’.”

However, there are a significant number of Member States (e.g. AT, BE, CY, EE, ES, FI, DK, HU, IE, LT, PL, SI, SK) where the experts highlight some more successful efforts to achieve a balanced approach. For instance:

- The Danish experts consider that “there is, to a wide degree, a balance between measures to promote greater flexibility and measures to ensure security and avoid the risk of falling into poverty and social exclusion”. The Danish flexicurity model is characterised by: 1) a high level of “external numerical flexibility” with a low level of employment protection¹², 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.
- The Austrian expert considers that “the section on flexicurity is maybe the one that includes social dimensions most explicitly” (see Box 3.5).
- The Hungarian expert comments that “flexicurity is described in line with the four pillars” and notes that “some measures quoted in connection with flexicurity target the most excluded groups (the Roma, people with disabilities, disadvantaged people from the most disadvantaged regions)”.

¹² By “external numerical flexibility”, the Danish experts mean a flexibility “indicated by a high level of worker flows in and out of employment and unemployment; the high degree of numerical flexibility is made possible by a low level of employment protection, allowing employers to freely adapt the workforce to changing economic conditions”.

- The Irish expert notes that the approach to flexicurity does have a strong social exclusion focus and that Ireland's "approach to flexicurity policy centres around achieving a balanced mix of policies on employment rights, welfare benefits, income tax and training/upskilling. The NRP shows a recognition of the significance of both active labour market programmes and also tax and social welfare provisions as part of a forward-thinking strategy on employability."

Box 3.5: Austria's flexicurity package

It includes, for example, social security measures for the new self-employed, as well as a 'modernisation' of conditions for the unemployed in terms of accepting a job. Measures with a clear social dimension are also mentioned with regard to the four components of the flexicurity strategy. Among these four components, specific measures focus on disadvantaged people in terms of social inclusion (e.g. a dropout strategy, the education strategy up until the age of 18). An important measure is also the possibility for dropouts to conclude compulsory education (*Hauptschulabschluss*), without, however, further discussing the potential feeding out aspects of this measure. Instruments concerning a modern system of social security as part of the flexicurity perspective, include, among others, the introduction of a minimum wage up until 2009 and the introduction of the means-tested minimum income scheme (*bedarfsorientierte Mindestsicherung*), which is, however, subject to implementation through a new government.

- The Spanish expert notes that while "the full articulation of employment flexibility with security still needs time for a variety of reasons (...), measures such as partial retirement and the flexible, two-way transit between unemployment and receipt of benefits are examples of the growing application of flexicurity".
- The Cypriot experts comment that "the 2008-2010 NRP also tries to balance flexibility with security in employment by combining measures assisting persons at high risk of poverty with measures making work pay; and by promoting health and safety at work".
- The Finnish expert considers that "measures to promote greater flexibility are balanced by unemployment security (reform ongoing) and an active labour policy. The objective is that employees who lose their jobs are employed again quickly (from job to job). The Ministry of Employment and the Economy and labour market organisations are currently cooperating in developing change security. The ongoing social security reform will probably increase the incentivising dimension of unemployment security. Combined with an effective active labour policy it is aimed to prevent structural unemployment."
- The Polish expert highlights that "the main aim of NRP measures designed to modernise the social protection system is to extend the period of employment of older workers and to prevent their early withdrawal from the labour market. The measures cover limitation of access to early retirement and activation programmes for older workers. The balance between social protection restriction and activation measures seems to be preserved, and the strategy can be a good example of flexicurity approach."
- The Lithuanian experts note that "the 2008-2010 NRP mentions the balance between security and flexibility in the labour market. Implementation of certain measures related to better combination of employment security and more flexible (flexicurity) working arrangements has started. Social partners have become more numerous and active in this process."

- The Estonian expert emphasises that “owing to the modernisation of the active labour market policy in 2006, Estonia has developed high-quality labour market services for unemployed people (six new active labour market measures and updating the principles of providing them) and social guarantees and security of workers are improved (unemployment insurance benefits), whereas development of the flexibility of the labour market has not been so successful. The measures to promote greater flexibility are balanced by measures to ensure security and avoid the risk of falling into poverty and social exclusion.”
- The Slovenian expert stresses that “the concept of flexicurity in Slovenia is based on flexible contractual employment relations, active employment policy, life-long learning system and modern social security system”.
- The Belgian experts note that the ‘service voucher’ system and the job search monitoring are highlighted as examples of feeding-out: “the NRP describes the voucher system as an example of the successful combination of flexibility and security. The job search monitoring is said to have successfully integrated unemployed people in the labour market.” However, they caution that in their view “their actual impact is rather questionable: both policies contribute both to integration and precarisation of the workers and/or unemployed”.
- The Slovak expert notes that the NRP states that the development of a national system of flexicurity will form “the supporting pillar of the employment policy of the Slovak Republic”. She comments that “preparing activities will include analyses of internal (forms of flexible working time) and external (possibility to find another job) flexibility. It is important to note that according to the NRP both types of flexibility could contribute to the reconciliation of family and working life. Internal flexibility as a possibility to adjust working time is expected to help persons to combine work and family life. External flexibility will also cover the situation of persons working in alternative contracts (contracted self-employed) who are burdened by higher social security payments. Regarding this, the NRP puts forward the willingness to create a socially adequate, motivating and financially sustainable social security system. This commitment could be viewed as a support for the “security side” of the concept of flexicurity.”

3.2.1.4 Adequate income from work

The problem of in-work poverty is considered only to a limited extent and in only some instances do experts highlight measures which will ensure that moving into employment will lift people out of poverty and social exclusion. In some cases, such as Belgium and Estonia, the experts point out that it is not covered in the NRP because in-work poverty is not a major problem in their countries. However, others are more critical of the lack of coverage of the issue. For instance, the Lithuanian experts highlight that “in-work poverty is caused by low minimum wage, increasing taxation of low wages and low child allowances” but in spite of this “the 2008-2010 NRP does not provide any measures to change the situation”. The Polish expert notes that “even though Poland is an EU country with a high share of working poor, the NRP does not propose any direct measures to improve the situation in this area. Policy to date, including the policy defined in the latest NAP/inclusion, does not identify the working poor as a policy target group.” Similarly, the Greek experts comment that “in spite of the fact that in-work poverty remains at very high levels, no measures have been planned to improve this situation”. The Slovak expert highlights efforts to stimulate employment by addressing the position of people with low wages through the introduction of the *employee tax credit*. She considers that “the intended decreasing of tax burden should make low-earning jobs more attractive for unemployed persons” though she warns that “it

is too early to talk about any contribution of this measure to employment growth and “feeding out” effect on social inclusion as it has not yet been initiated and sufficiently analysed”.

Several experts note that the issue is addressed, but often only partially. For instance:

- The Portuguese expert comments that “the issue of adequate income from work (...) is only partially addressed by the continuity of what was agreed by the Social Partners regarding the reinforced progressive increase of the Minimum Monthly Guaranteed Remuneration (national minimum salary). This issue is particularly relevant at a time when there are worrying evidences that this reference salary which should be understood as a “reference stop mark” to gain distance from and not as an adequate level of income from work is gaining importance”.
- The German experts note that the problem of in-work poverty is tackled in the 2008-2010 NRP “but it is not a predominant topic”. They draw attention to “the *Arbeitnehmer-entsendegesetz* (Law concerning the posting of employees abroad) which was leading to some appointments on minimum wages in specific branches. But this is not an overall concept. In terms of feeding in and feeding out this will be a problem, because in Germany one can find that the low-wage labour market expands”.
- The UK experts emphasise that “just getting into work is sometimes seen as providing an adequate income. ‘In-work poverty’ is not a straightforward idea, since poverty is usually measured on the basis of net weekly income for a household and wages are gross, hourly and individual. However, there is still a problem in this area in the UK. The government has introduced the return to work credit (£40 per week tax-free for a year for certain groups returning to work of 16 hours per week or more on low pay). A further in-work credit is now being introduced.”
- The Romanian expert points out that “in Romania the level of the minimum wage only provides a basic safety net against poverty and indebtedness and many workers earning the minimum salary have to rely on additional benefits (financial aid to cover heating costs during the winter, complementary family allowances). In addition, the difference in the living standards between employees earning the minimum salary and those living on social / unemployment benefits is not significant and some still prefer dependency on social aid to getting employment.”
- The Irish expert notes that “the extent to which the combination of wages, tax exemptions and in-work and family benefits ensures that people moving into employment are also moving out of poverty is a big issue in relation to the NRP (and also the NSRSPSI).” However, she concludes that “while the NRP plans to make withdrawal of benefits less severe, neither it nor Budget 2009 addresses these issues in fundamental ways”.
- The Dutch experts highlight that a few financial incentives for both employees and employers will be created or made available more easily in order to make work pay (income related negative taxation) or to make work less expensive (salary cost subsidies). Also the possibilities for municipalities to stimulate the unemployed to experience working while keeping the social assistance benefit (in so-called participation places) will be enlarged and from 2009 on a measure to include training and allow extra financial bonuses will be implemented.

- The Czech expert, although pointing out that in-work poverty is not addressed explicitly in the 2008-2010 NRP, highlights a range of measures which are intended to ensure adequate income from work. These consist of “reducing taxation and social contributions (cutting sickness insurance contributions, imposing ceilings on social insurance, and other measures). Positive incentives have been provided since 2007 for the low-income unemployed in the form of bonuses, and some new incentives will be provided starting in 2009 for those welfare claimants willing to participate in public works programmes.”

3.2.1.5 *Reconciliation of work and family life*

Several experts highlight the attention that is given in the NRPs to the reconciliation of work and family life and how this *feeds out* to increase social inclusion. However, quite often they suggest that efforts need to be strengthened. For instance, the Greek experts conclude that “in spite of the good intentions expressed and the emphasis placed, the effort to promote the reconciliation of work and family life in Greece relies on various ‘social policy related’ measures, which are rather fragmented and are not underpinned by a comprehensive policy approach”.

The following are some interesting examples cited by experts:

- In Belgium, in order to reconcile family life and work, the authorities have already developed a set of measures such as time credit, parental leave and day-care. The NRP states that efforts in these areas will be continued. From a social inclusion perspective, especially day-care provision is interesting. The NAP/inclusion explicitly links the expansion of day-care provision as a means of combating child poverty. It would facilitate the labour market participation of jobless households with children and especially lone parents. However, the Belgian experts warn that “this is no guarantee for success since the lack of child care is not the only obstacle on the way to employment. Nonetheless, the expansion of child care services combined with a targeted approach may generate considerable feeding-out effects.”
- In Portugal in the field of reconciliation of work and family life, the NRP explicitly refers to the changes introduced by the Social Security reform, namely regarding the replacement of the former maternity, paternity and adoption leave by a parental leave and the enlargement of these benefits to independent workers.
- In the Netherlands, a clear example of feeding out are the measures taken (under the heading of child care) to further develop community schools and pre-school education. These initiatives should increase chances and social inclusion of the most vulnerable groups. Another example is the Task-Force Part-time Plus targeted at the 1.5 million women with a part-time contract up to 25 hours a week. Part of this population consists of lone parents (mostly women) with children. Family friendly policies include increasing flexibility of working time (and place), with more influence of the individual employee, and also more flexibility of opening hours of private and public services. These are measures with potential for increasing the labour market participation of lone parents with children, who form an important part of social assistance benefit claimants.
- In Poland, the measures specified in the NRP for reconciling work with family responsibilities are reflected in a recently adopted Act which provides for the gradual extension of maternal leave (up to 26 weeks, with possibility of partially combining with half-time employment) and the introduction of paternal leave (up to 2 weeks), possibilities for employers to fund plant crèches and kindergartens, reductions in social contributions for the enterprises employing

parents returning from maternal and child-rearing leaves, increases in pensions' contributions paid for the persons on child-rearing leave.

- The Spanish NRP contains one or two references to the importance of reconciling family and personal life with work as a factor which makes women with family responsibilities “employable”; reconciliation has also been extended to men with the introduction of paternity leave.
- In Germany, the reconciliation of work and family life is mainly reduced to the improvement of the day-care facilities for children under the age of three. Other measures have been added, like the programme Erfolgsfaktor Familie (literally: “success factor family”). The aim of this programme is to make working conditions more compatible with family life. However, the experts comment that “it can still be seen that there are gender specific gaps in the working and earning conditions” and conclude that the measures are not sufficient to close the gap.
- In the Czech Republic, the option has been provided of three levels of parental benefit: benefits increase with shorter utilisation. The pro-family package (which is now only in an embryonic stage) focuses on the possibilities for reconciling work and family by making more flexible opening hours for day-care, by providing support for mutual parental aid in childcare, and by enhancing the role of private care (as entrepreneurial activity). However, the expert comments critically that “the Czech Republic explicitly refuses (in contrast to the recommendations of the EC) to support institutional child care for children below 3 years, which almost disappeared during the nineties”.
- In Hungary, measures providing reductions of contributions for employers and ensuring the opportunity of full-time employment while receiving childcare allowances (after the child has reached the age of 1) are in place. The availability of child care services are to be improved, but significant changes cannot be achieved in the short run.
- In Latvia, a very positive development is the inclusion into the NRP of measures to stimulate the construction of kindergartens, taking into consideration the topicality of this problem in Latvia, though the expert points out that the accessibility of these services for families with low and even medium incomes remains an issue.
- In Slovenia, measures include ensuring more places in kindergartens and continuation with the project “Family friendly enterprise” leading to choices of more flexible employment and also more flexible job arrangement.
- In Lithuania, during the last year the amount of social insurance maternity (paternity) leave has been increased and the period of paying thereof has been prolonged. However, the experts report that these measures are not sufficient to achieve the strategic aim to reconcile work and family life.
- In Sweden, there is a long tradition when it comes to reconciling work and family life, and the policy has been changed only marginally. Parents have the right to 450 days of paid parental leave, day-care is provided to all children from one year of age and after school care is offered to all children. Spouses are individually taxed.

- In Luxembourg, promoting the reconciliation of work and family life from the perspective of greater social inclusion is envisaged in particular under a new measure concerning the introduction of a 'service voucher' for children aged 0-12 years but implicitly also under a measure regarding the extension of the after-school childcare offers. However, how far these measures will be targeted more specifically on low income households is not specified.
- In Cyprus, measures include the Grants-in-Aid Scheme to non-profit voluntary organisations to develop family support services, a scheme for the promotion and improvement of care services for children and other dependents, a study on long-term home-care services provided to older persons and several projects conducted under EQUAL ('Open Doors', 'Pandora' and 'New Routes for Women Employment').

Interestingly, several experts comment on the lack of a specific discussion on the reconciliation of work and family life but go on to highlight important developments in their country. For instance:

- The Irish expert notes that "among the recommendations of the recent OECD Economic Survey (2008) relevant to maintaining economic growth were increased out-of-school-hours care, more measures to help lone parents participate in the labour market as well as a sharpening of incentives for second earners to work full time. Each of these is on the policy agenda in Ireland – and especially the first two."
- The Romanian expert comments that the new Labour Code introduces regulations for atypical forms of work for the first time. The new forms of employment contract regulated by the Code include temporary agency work, part-time employment, employment on fixed-term contracts and home-based work. However, she comments that "the impact these measures have on reconciliation of work and family life is still to be seen".
- The Danish experts note that though not described in the NRP, "the results from the collective agreements show that reconciliation of work and family life has been a priority in the collective negotiations; a government Commission has also looked into the matter".
- The UK experts note that the government has introduced a range of policies in this area, though these are not described in any detail in the NRP.

Some experts such as the French just note that the NRP "pays little attention to measures for reconciling work and family life".

3.2.1.6 *Older workers and active ageing*

The Belgian experts' comment that "one of the strongest, though mainly implicit examples of feeding-out in the NRP is the relevance given to active ageing"; it is reflected in many experts' assessment of active ageing in the NRPs even if the social dimension of measures is not always fully developed or discussed. They stress that "ensuring employment until the legal age of retirement not only enhances overall employment and safeguards the sustainability of the social security system in the long run, but it also enhances the social protection level of pensions". The Polish expert makes an equally strong argument that "measures to promote active employment for the 50+ persons can serve as a good example of synergies between macro-economic policy, employment policy and social inclusion. The NPR combines the limitation of the access to early retirement with the activation policy for older workers." (see Box 3.6)

Box 3.6: Active ageing in Poland

The sweeping cut-down of entitlements to early retirement and the implementation of a programme to bolster employment of 50+ persons will reflect positively on macro-economic stability and employment and will reinforce the economic growth. On the other hand, these policies will bring positive effects on the social adequacy and financial stability of the old-age pension system. Particularly, while the amount of the old-age benefits in the reformed social insurance system depends on the amount of accumulated capital of social contributions, it will have a positive effect on the social protection of elderly.

The measures to promote active ageing highlighted by the experts include the following:

- In Spain, the Social Security Act of 2007 legislates for active ageing and the post-retirement prolongation of the working life as a means of guaranteeing funding for the pension system and exploiting human resources to the full.
- In Denmark, measures to promote the employment of older workers consist of a wage subsidy scheme with employment in private companies for persons who are over 55 years old along with a scheme that enables older people that lost the right to unemployment benefits to get a municipal senior job.
- In France, companies are strongly urged to increase jobs for older workers as they are unwilling to take on people over 55 or even 50 years old.
- In Ireland, there is the extension of the Preventive Process to workers aged between 55 and 64 years together with the elimination of the Pre-Retirement Allowance (which effectively incentivised early exit from the labour market by older workers); there is also an effort to promote a cultural change of mindset among both employers and employees to encourage and support older workers to remain in employment.
- In Portugal, it is foreseen to support the entrance into the labour market of older workers through the granting of social security reductions or exemptions.
- In Germany, the government is following the strategy to increase the age of retirement.
- In the Czech Republic, it is now possible to combine a partial pension and part-time work, which allows for increases in full pension. Emphasis is also being put on life-long learning though progress on implementing the Strategy of Life-long Learning is slow.
- In Lithuania, because of the rather low retirement pensions, older people have an incentive to remain in the labour market first, in order to earn wages as the supplementary income to retirement pension and, secondly, because full pensions are paid together with wages without any restrictions. So, all measures to increase jobs or growth of economy, increase space for older people to get jobs and they use this opportunity.
- In the Netherlands, one of the measures to increase the participation rate of 50+ workers is targeted at employers, giving them a social contribution reduction when hiring 50+ unemployed people or keeping 62+ workers in the company. This measure will be focused more than in the past on the low skilled, which gives it even more clearly a feeding out perspective. Also the possibilities for people to continue working after the official retirement age will be enlarged.

- In Estonia, in order to increase access to employment and promote greater social inclusion of older workers, it is envisaged to include the elderly in the target group benefiting from labour market training normally only offered to unemployed people.
- In Cyprus, measures addressing employment among older persons (e.g. increase of the retirement age, promoting the self-employment of older persons etc) also promote social inclusion and the experts highlight as a good example of feeding out the expansion and improvement of care services for children as well as for the elderly, the disabled and other dependants.
- In Italy, a recent measure (Law no 133/2008) revokes the limits to combined incomes from pensions and wages. This measure can be an incentive to extend work life after retirement.
- In Luxembourg, under a measure related to the “continuous adaptation of the social security system”, a think tank on active ageing is announced.

However it should be noted that several experts, while noting the intention to increase active ageing, feel that the measures taken so far are insufficient. For instance, the Romanian expert suggests that “more specific and targeted programmes would be needed to ensure policy effectiveness”. The Greek experts consider that in spite of a range of initiatives “the active ageing challenge still lacks a comprehensive strategy and the development of an integrated policy”. Several experts, such as the Austrian and Belgian ones, highlight the failure to sufficiently address gender differences in the coverage of active ageing. Some experts also warn that the economic crisis is likely to reduce the possibilities for older people to find jobs.

3.2.1.7 SMEs

The majority of experts stress that promoting SMEs features strongly in the NRPs but then go on to stress that little or no consideration is given to the contribution of SMEs to creating employment for those distant from the labour market. In spite of this, several experts stress the potential and importance of SMEs in this regard. For instance, the German experts suggest that “it is quite reasonable to argue that they make a significant contribution to the integration of these groups of people” and the Czech expert highlights that “implicitly, support for SMEs and self-employment represents a good opportunity for those distant from the labour market, since they are often discriminated against by employers”. The Hungarian expert also stresses that SMEs are encouraged to create employment for those distant from the labour market.

A few experts give examples of the contribution SMEs can make to promoting social inclusion. These include the following:

- Insertion companies and special job centres for the disabled. (ES)
- Some small scale income generating projects for vulnerable groups (Roma / rural communities), which have proved successful and could benefit from coordinated support thus contributing to social progress and economic development. (RO)
- When investments are implemented in (most) disadvantaged micro-regions, they may be granted a higher rate of funding, or contractors of EU-funded investments must, as a requirement, employ a minimum 10% of work force registered as job seekers at regional employment centres. Also, in the most disadvantaged micro-regions an additional contribution

allowance is to be introduced to complement the currently available contribution allowances in order to increase labour demand, which – in the case of increasing the number of employees – grants full tax exemption for a period of 3 years for employers employing persons living in the most disadvantaged micro-regions and receiving regular social benefits, being long-term unemployed, or having only low-level school qualifications. (HU)

- SMEs come under the regulation of the Law on Support for Employment according to which SMEs could be supported for the employment of the persons additionally supported in the labour market. (LT)

3.2.2 *Economic growth, financial sustainability and feeding out*

Overall, the extent to which the 2008-2010 NRP takes into account the impact of measures to promote economic growth and financial sustainability on promoting greater social protection, social cohesion and social inclusion seems rather limited.

3.2.2.1 *Fiscal consolidation*

In only relatively few cases (e.g. CY, ES, FR, LU, LV, PT, RO, SE) do experts consider that the impact of “fiscal consolidation” (i.e., the policy aimed at reducing government deficits and debt accumulation) on the modernisation of social protection systems and on their ability to ensure greater social cohesion/inclusion has been taken into consideration. However, this can sometimes be balanced by actions that weaken *feeding out*. For instance, the French expert considers that *feeding out* is evident as “the NRP proposes embarking on a fairer redistribution of the products of growth (employees’ profit sharing, opening negotiations on low pay, raising the very low levels of pensions in particular in rural areas). Feeding out also includes measures to improve access to care facilities, take account of dependency for old age or handicap and combat poverty. However, it is not certain that reducing the scope of certain services (teaching for example), the measures to control health expenditure, increasing the minimum social benefits linked to returning to work are not going in the opposite direction of a “feeding out” policy.” The Spanish expert notes that “the budgetary stability of the last few years together with the state’s and the social security current account surpluses have been key factors in the improvement of social benefits”. The Portuguese expert comments that “the NRP restates the importance of the impact of the consolidation of public finances and its sustainability on the long-term in order to ensure the sustainability of public policies. This concern is obviously crucial for ensuring a continued and sustainable access to social protection, health and education opportunities among others. Therefore, this continued effort and the recognition that this “fiscal consolidation” aims at ensuring public policies is a very positive orientation of the NRP.” The Cypriot experts note that “the 2008-2010 NRP appears to take into account the impact of measures promoting economic growth and financial sustainability on social protection/cohesion/inclusion. The ceilings placed on certain public expenditure items to decrease fiscal debt do not affect social inclusion targets and the measures taken to combat poverty and social exclusion are expected to continue. In addition, new fiscal measures are introduced to strengthen the economic foundations of social policy. For instance, in the macro-economic challenges there is the Priority Policy of ‘Reforming and reinforcing pension, social insurance and health care systems to ensure that they are viable, socially adequate and accessible’.” The Latvian expert notes that “the decision not to reduce the current social benefit amounts should be mentioned as a positive aspect in the social cohesion aspect, when assessing government implemented measures for reducing the budgetary deficit”.

Where experts do note some feeding out this is often implicit. For instance, the Romanian expert notes that measures to increase the sustainability of the public finances, to improve efficiency in administering the budget revenues and to ensure tax collection “are intended to secure the social insurance / pension funds” and that measures to increase the system transparency “are intended to be of benefit for all including the socially excluded” but they “are not explicitly mentioned as potential beneficiaries”.

Many experts (e.g. AT, CZ, DE, DK, EL, FI, IE, IT, LT, MT, NL, PL, SI, SK) think that very little consideration has been given in the NRP to the feeding out impacts of fiscal consolidation. The comments of the Austrian expert are fairly typical when she says that “references to feeding out aspects in the Chapters on growth and financial sustainability are more than meagre – and do not hold what is promised at the beginning of the NRP”. While noting that a large proportion of low-income earners do not pay tax and there is a commitment that persons earning the national minimum wage should remain outside of the tax net, the Irish expert considers that “the extent to which economic growth is envisaged to increase the resources of those on the lowest incomes and reduce income inequalities is limited. At best economic and fiscal policy seeks to maintain the relative position of low income earners.” The German experts, while noting that the consolidation of public finances should have top priority, comment that the 2008–2010 NRP does not take into account their impacts on social inclusion whereas the 2008–2010 NSRSPSI does. They note that “within the labour market policy and the unemployment insurance one can find that the reduction of costs obviously leads to an insufficient number of measures for qualifying and (advanced) training”. The Polish expert considers that the “NRP makes no explicit reference to the impact of the modernisation of the social protection system to the area of poverty. The list of reforms in this area covers old-age and the disability insurance system. (...) Contrary to the policies in the old-age pensions’ area, the announced changes in the disability pensions will reduce the social protection of the disabled persons and increase the poverty risk among families of disabled persons.” Likewise, the Czech expert comments that the “the strategy as a whole is not concerned with social cohesion and social inclusion” and goes on to highlight some very negative consequences in terms of social inclusion. He suggests that “*modernisation* of social protection is understood rather as rolling back the welfare state. Although declarations about shifts towards more ‘active’ expenditure appear in the NRP, in fact these expenditures have not increased, and universities for example are facing decreasing government contributions per student since 2006 (with the same prospects for 2009), as well as a decreasing share of expenditures on tertiary education in GDP. The reforms mainly cut entitlements to social assistance and unemployment benefits, decreased the scope of solidarity within social insurance schemes (including plans of opting-out), and aim to restrict government expenditures in education and health care.” In the same vein, the Lithuanian experts comment that “fiscal policy aimed at reducing government deficits is orientated exclusively on expenditures of public budget and have not any measures on the revenue side. That means further restriction of development of social protection and health services, further poor financing of education. Implementation of foreseen measures can even increase social inclusion, because of more availability of fiscal resources for social inclusion policy financing.” The Dutch experts comment that “the sections on macro-economic and micro-economic policies do (almost) not refer at all to their potential social inclusion impacts. On one point only a link is (implicitly) made between macro-economic policies and social inclusion, i.e. the impact of inflation on the purchasing power of different income categories.” The Slovak expert comments that the reflection about the impact of fiscal consolidation “has not taken into account the situation of people at risk of poverty and social exclusion in the NRP, and it is not considered in the context of modernisation of social protection system”.

3.2.2.2 *Fiscal policies*

It also seems that the impact of any changes in fiscal policies on social inclusion is rarely taken into account in the NRP. For instance, the Greek experts comment that “evidence suggests that public fiscal policies and, in particular, taxation policy have failed thus far to act as a mechanism for redistribution in favour of the vulnerable groups. And no changes are planned that would take into account their impact on social inclusion.” Likewise, the Irish expert states that one “can see little direct evidence in the report that changes in fiscal policies have taken their impact on social inclusion into account and in fact one could argue that the decision to impose a general income levy in the recent Budget (of 1% on incomes up to €100,000 and 2% on incomes above that threshold) even if it did exclude those on minimum wage is not a progressive measure. Among other things, it will have the effect of bringing some low-income earners into the tax system, thereby countering stated policy to keep them outside taxation.” The Portuguese expert considers that an analysis of the impact of fiscal policies on social inclusion is “not present in the NRP document” and that “this is particularly worrying looking at the Portuguese context of recent years where the levels of salaries and pensions have grown very slightly (if at all) and the fiscal burden has been increasing”. The UK experts note that “there is no systematic coverage of tax changes in the NRP; but some recent changes have worsened inequality”.

Slightly more positively, the Belgian experts note the efforts to reduce fiscal pressure on labour which “target the population in general as well as low-income families in particular”. However, they warn that “fiscal policies such as tax reductions or exemptions cannot achieve this objective in isolation from other policies”. Also the Swedish expert comments that “changes in fiscal policies have been designed to make work pay. The so called in-work-tax-deduction reform is explicitly put in place to increase the incentives to work.” However, he goes on to warn that this “also means that the gap between those who work and those who do not work increases which might increase social exclusion.” The Luxembourg experts comment that “changes in fiscal policies are explicitly said to be supportive to low income households”. Interestingly, the Cypriot experts are generally more positive than other experts about the social inclusion impact of fiscal measures (see Box 3.7).

Box 3.7: Fiscal measures promoting social inclusion in Cyprus

Tax-benefit measures, described in the section on the employment challenges of the report, also promote labour supply, in particular among female and old age population, so as to raise potential output. Another fiscal measure promoting employment while serving to combat social exclusion is the rise of the tax free income to a level around the average per capita income in Cyprus! This measure is unique among EU countries and research shows that it has a higher positive effect on labour market participation than other measures (in-work benefits) with similar fiscal cost. The 2008-2010 NRP also includes fiscal measures impacting on rural economic growth, thereby helping to raise the quality of life in areas of high poverty concentration. Among these measures are: (i) the expansion of broadband network coverage in rural areas; (ii) the Priority Policy ‘Enhancement of the Production Base of Disadvantaged Areas’ to encourage small scale traditional handicraft activities and agro-tourism; and (iii) the improvement of road transport infrastructure (the Nicosia-Palechory and Limassol- Platres roads).

3.2.2.3 *Territorial differences*

Only a few experts (e.g. BE, HU, RO) consider that efforts made to address territorial differences and regional gaps have taken into account their impact on social inclusion. Belgian experts note that “in order to combat regional disparities, the regional employment offices will strengthen their cooperation even further. This may have a positive influence on social inclusion. Measures are, in fact, aiming at reducing regional gaps through literacy programmes, language courses, increased mobility, etc.” The Romanian expert highlights that “policies to reduce territorial differences and regional gaps are given special attention in the NRP. Improving infrastructure (mainly transport and communication including informatics technology) is certainly going to increase access of the excluded groups to goods and services (health, education, employment, justice) and reduce disparities between rural and urban areas, though the policy links and their social effects are not mentioned.” The Hungarian expert comments that “the efforts addressing territorial differences, which are among the greatest in the EU, systematically mention the increased targeting of the disadvantaged population segments in those regions, but primarily from an employment perspective”.

A few experts, while noting that the NRP does not address regional differences to any significant extent, highlight some individual measures. For instance, the Czech expert notes that “measures like investment stimuli and programmes for regions affected by unemployment are distributed disproportionately, and active labour market measures are channelled preferentially to particular regions. Regional disparities have decreased significantly in recent years thanks to these measures and to economic growth.” The Polish expert highlights “the reform of the educational, which accommodates the need for levelling out the differences in educational opportunities for rural and small town children”. The Portuguese expert notices that there are “some specific initiatives aimed at disseminating digital inclusion access points and experimental science centres (Rede de Centros Ciência Viva)”.

Many others note the lack of attention to regional disparities (e.g. EE, ES, FI, FR, IE, UK) or the failure to consider the social inclusion impact of measures (EL). For instance the UK experts note that while there are a few examples of initiatives from regional development agencies “in general there is not much emphasis on territorial differences and regional gaps or their relationship with social inclusion issues”. The Greek experts comment that “the planned structural interventions in the domain of regional cohesion aim mainly at the economic development of local areas, while the social cohesion goal seems not to be a direct objective of these interventions”.

3.2.2.4 *Liberalisation of services*

In some cases (e.g. AT, BE, ES), experts note that the social impact of the liberalisation of services including energy utilities has to some extent been taken into account and measures have been or are being put in place to address negative consequences. For instance, the Austrian expert notes that “economic policy tries to combat inflation at its roots and to diminish the negative consequences of high inflation for groups that are particularly disadvantaged”. In this regard, various examples are highlighted by experts:

- In Austria, the (old) government decided not to valorise contributions for administrative costs in 2008 (*Gebührenstopp*), and to allow for a raise of housing rents only on the basis of the average inflation rate for 2007 (rather than the much higher rate for December 2007). An introduction of price monitoring concerning energy and food costs, as well as measures to enhance competition in these areas have also been introduced. Likewise, the reduction of unemployment contributions for people on low earnings enhances their disposable income.
- In Belgium, the social tariff for gas and electricity has been expanded, while more automatic assignment mechanisms have been introduced. The coverage of the Social Fuel Oil Fund has been expanded, its access has been facilitated, and the funding has been strengthened. These measures are specifically targeted at vulnerable groups.
- In Spain, the liberalisation of services entails greater competition and transparency, which the expert considers will undoubtedly redound in lower prices and, in addition, service consumer and user rights are being strengthened together with the encouragement of good practice protocols.

However, in many cases attention given to the liberalisation of services is not sufficiently linked to social inclusion issues. As the Romanian expert notes “liberalisation of the energy markets is given special attention in the NRP again, with no connection to social aspects although social assistance measures are in place to support individuals and families on small incomes (i.e. financial aid to cover the heating costs during winter months). The privatisation of other formerly state owned sectors and the development of competitive markets while expected to feed out towards the social objectives of increasing ‘access to rights, goods and services’, in many circumstances, instead of reducing charges for these services led to an increase in prices making access of the poor and socially excluded even more difficult (including access to private professional services such as lawyers / legal advice, notary’s, health, transportation, communication etc.). The NRP contains actions to strengthen the capacity of the National Competitiveness Council that, eventually, are to bring solutions to these issues.” The German experts, while noting some efforts to lower energy costs suggest that “in the future we have to take more attention to the impact of energy prices as well as the prices of food, housing and public transport (and their availability) as a factor of promoting social inequality. Especially poor people cannot afford expensive energy saving technical devices. As their share of income paid for food, housing and (public) transport is already high, decreasing costs will hit them in a severe way. So, more in depth analysis will be needed to monitor and assess the distribution effects in the future.” The UK experts stress the emphasis in the UK on increasing competitiveness, economic growth and jobs creation and on ‘open and competitive’ energy markets which are seen as the best way to secure supply at affordable prices. However, they point out that the UK’s energy regulator, “whilst acknowledging that this works for most, has proposed measures to ban unfair price differentials which bear hardest on those on lower incomes”. They also highlight that “one energy policy goal is ‘to ensure that every home is adequately and affordably heated’”. However, they point out that in fact “rising energy prices have jeopardised this (...) with growing numbers falling into fuel poverty” (spending over one tenth of income on fuel) and also that “calls for a windfall tax on energy firms have been rejected”. The Swedish expert comments that “no initiative has been put in place to address negative consequences of liberalisation of services. On the contrary, the current government believes that liberalisation is a good thing and they do for example plan to lift the pharmacy monopoly.”

3.2.2.5 *Internet access*

In a few cases, notably Portugal, Poland and Romania, experts suggest that measures to increase access to the Internet give attention to ensuring the access of those experiencing poverty and social exclusion. For instance, the Portuguese expert comments that “the wider dissemination of Internet facilities in school equipments is a positive measure to which the NRP gives continuity in this period. The launching of Programmes e.escola and e.escolinha are two initiatives which facilitate access to Internet, giving particular attention to children and young people from low income families. The continuity of the 3rd Generation Choices Programme – a good example of an initiative targeting vulnerable groups – also ensures access to Internet among children and young people experiencing poverty and social exclusion.” The Polish expert considers that “measures to increase access to the Internet give particular attention to ensuring the access of those experiencing poverty and social exclusion. Counteracting digital exclusion by financing access to the Internet for low-income persons is one of the two objectives set by the programme of Developing information society, ensuring broadband access to the Internet and raising IT skills.” The Romanian expert notes that “the NSRSPSI views measures to support the access of excluded groups to Informatics Technology (i.e. financial support for students on small incomes to purchase a PC) and reduce rural-urban disparities in accessing modern communication technology. The NRP planned measures to develop the modern communication networks make no special reference to persons experiencing poverty and social exclusion; however, a project of the Ministry of Communications and Informatics Technology launched in 2007 is to develop Internet services via wireless technologies and provide flexible services to allow Internet connection in public areas for the population.”

Some other experts note individual measures that aim at greater inclusion. For instance, the Lithuanian experts highlight the Development of the Network of Public Internet Access Points and the project RAIN Broadband Network of Information Technology in Rural Areas and the aim to establish a broadband network covering all rural neighbourhood centres where business is not interested in development of the required infrastructure. The UK experts, while noting that the NRP stresses the government’s belief in a market-based approach to households’ internet access, note that, since the NRP was published, the government has appointed an independent ‘digital champion’ to examine ways to include the 17 million currently without digital access, and has published research on digitally excluded groups. In Hungary, the expert highlights that the e-Hungary programme to increase Internet access primarily focuses on small settlements, disadvantaged and economically underdeveloped micro-regions, as well as socially disadvantaged groups.

However, the comment of the Irish expert that “there are no specific measures to increase access to the Internet for the low-income and excluded sectors of the population” and the German experts’ view that “a discussion about *e-exclusion* is missing” are fairly typical of many other experts.

3.2.2.6 *Financial inclusion and indebtedness*

Most experts do not consider that measures to promote financial inclusion give sufficient consideration to ensuring that people at risk of poverty and social exclusion have access to bank accounts and banking services, access to credits, etc. Nor do they consider that sufficient attention is given to problems of indebtedness. For instance, the Romanian expert comments that “financial inclusion is not given special consideration in the NRP” and the German experts that “the 2008–2010 NRP does not pick up the topic of *access to bank accounts*” (in spite of the 3rd

National Report on Poverty and Wealth). The Polish expert notes that the “NRP does not address the problem of financial exclusion, notwithstanding the high proportion of the population using no banking services in Poland”. The Lithuanian experts note that the “NRP does not mention any measures for financial inclusion and does not address the issue of over-indebtedness amongst people experiencing poverty and social exclusion” and likewise the Irish expert comments that “there are no specific measures to promote financial inclusion or address over-indebtedness”.

Several experts comment that the failure to address these issues is in spite of the fact that significant work has been done in these areas. For instance, the UK experts note that “there is no reference to financial inclusion in the NRP, although the government has done a lot of work on this, is currently consulting on removing restrictions on the operation of credit unions” and “has put additional resources into debt and money advice, and is also pursuing prevention via financial education”. The Polish expert stresses the failure of the NRP to “note the progress which has been achieved in the issue of over-indebtedness among people experiencing poverty and social exclusion. The Act on consumer bankruptcy, aimed at containing poverty and social exclusion due to debt of individuals and households is now in the final phase of parliamentary proceedings. The new regulations will limit the eligibility for bankruptcy proceedings only to the persons who have become insolvent due to exceptional circumstances beyond their control; debt relief will be as a rule contingent on having the debtor meet at least a portion of her/his liabilities – and filing for the procedure will not be possible more frequently than once every ten years”. The Danish experts suggest that “a good example of how social inclusion can be taken into account in (broader) policies aiming to cut down administration costs and digitalising the public sector is how a number of municipalities aimed to help socially disadvantaged people in connection with the implementation of “NemKonto Easy Account” in 2005” (see Box 3.8).

Box 3.8: Bank accounts for the homeless in Denmark

“NemKonto Easy Account” entails that all citizens hold a bank account, where all payments from public institutions are transferred directly into. However, especially homeless people have experienced difficulties in obtaining bank accounts, wherefore this new policy could potentially cut them off from access to their social benefits (or other funds). A number of municipalities have solved this problem by making written contracts with local banks, ensuring that all citizens within the municipality have the right to hold a bank account with a debit card. These agreements between banks and public authorities have along with additional collaboration made it possible for even very socially disadvantaged people to be able to access their social benefits.

3.2.2.7 Access to housing

A few experts note that measures to improve access to housing give attention to ensuring the access of those experiencing poverty and social exclusion, though this is often quite limited. For instance:

- The Italian expert highlights that “public housing policies, especially devoted to low income households were initiated in 2007” (see Box 3.9).

Box 3.9: Public housing initiatives in Italy

Public housing policies especially aimed at low income households include: a national plan with recovery and renovation of public housing assets in large urban areas as a priority; new resources to increase the supply of social housing (also through the collection of resources not utilised previously by the State, regional and local authorities); eco-building criteria (e.g. improvement in environmental quality, energy efficiency and reduction of pollutant emissions); a solidarity fund mortgage loan; yearly taxation relief for rented houses (according to the level of income and also aimed at favouring geographical mobility of workers); resources provided by a National Fund for Youth Policies with benefits on housing facilities; partial exemption of local property tax for main home; taxation relief for housing improvement and home renovation (including costs for removing physical barriers in favour of disabled relatives, for energy saving building, equipment and appliances).

- The Irish expert notes that “the only measures to address housing indirectly address access to housing on the part of those on low income. In particular, the plan to extend the existing local authority mortgage scheme is important in this context. However there are measures in the NSRSPSI – on homelessness for example – that could be advanced through the NRP as well but they are not.”
- The German experts comment that “the lease costs especially of low-income households are discussed in detail by the Third National Report on Poverty and Wealth. The *housing benefits* disburden those households considerably. From 1 January 2009, the housing benefits will be increased. Furthermore, it is intended to subsidise one third of the heating costs (as a lump-sum). Since 1 September 2006, the responsibility for social housing has been handed over from the federal government to the federal States. The federal government however is paying a compensation balance, which can be used by the federal States for both old and new buildings.” However, they note that “still problematical is the continuing segregation of low-income households. At this the scheme “Soziale Stadt” (“social city”) has caused some progress.”
- The UK experts highlight that the NRP “makes a link between social housing and joblessness”. However, they point out that “a government-commissioned study did not show that social housing provided a barrier or disincentive to work for the vast majority, or consistent evidence of ‘cultures of worklessness’ in deprived areas. Any link may instead be seen as a product of the increasing selectivity of social housing, which could be solved through creating more mixed communities.”
- The Cypriot experts highlight a new unified housing scheme which ensures access to housing by refugees and low-income families, persons living in disadvantage areas and large families.
- The Slovak expert highlights the link made between the low level of labour force mobility and the shortage of rental housing. As a result, the NPR announces that a new strategy for supporting rental housing is to be prepared. She stresses that the “emphasis will be on targeted support of the most vulnerable and the resources will be acquired by *reassessing* the present, insufficient support for housing construction.” However, she warns that the suggested solution contains lot of hitches.
- The Czech expert, while noting that access to housing is not addressed, does note some measures in relation to the Roma which may serve as examples of good practice (see Box 3.10).

Box 3.10: Czech measures to improve housing of the Roma

Some municipalities have started to implement several programmes to improve access and quality of housing in excluded communities (in Brno and elsewhere). These initiatives are gaining more and more opportunities thanks to the recently established pilot programme of the Agency for Social Inclusion in Roma communities. Such initiatives may serve as examples of good practice, and have a certain chance to expand: government officials are now referring in the media to a new plan to devote about 14 billions CZK for improving access to and quality of housing in excluded Roma communities throughout the country.

Several experts note that access to housing is ignored even though, in the Romanian expert's words "housing is one critical area that needs special attention when talking about the provision of integrated support for social inclusion". The Polish expert comments that the NRP "does not take up the question of improving access to housing, even though the shortage of inexpensive housing for rent is a problem severely limiting labour force mobility, and by the same token a factor conducive to permeating the deep differences of situation between local labour markets". The Lithuanian experts note that the "2008-2010 NRP does not talk about the measures designed to improve access to housing for the people experiencing poverty and social exclusion".

3.3 Feeding in*3.3.1 Overall assessment*

Only very few experts consider that the contribution of social inclusion policies to economic and employment goals (i.e. *feeding in*) is fairly systematically and comprehensively taken into account in the NRPs. However, although *feeding in* is not very evident and explicit overall in the NRPs several experts do highlight particular areas where it is manifest and often identify implicit examples of *feeding in*. It is noteworthy that more NSRSPSIs than NRPs give attention to *feeding in*. In other words, those responsible for social inclusion policies seem more often to be aware that social inclusion policies can help to achieve economic and employment objectives than is the case for those responsible for economic and employment policies.

The experts who probably most clearly identify a *feeding in* approach are the Belgian, Slovak and Swedish experts. For instance, the Belgian experts say that "overall, policies and measures developed in the context of the NSRSPSI are effectively taken into account in the NRP. Especially the 'active inclusion' pillar of the NSR has been thoroughly integrated in the NRP – child and family poverty, and housing to a far lesser extent. (...) Belgian economic policy is partially based on the old Keynesian principle that income redistribution boosts consumption and thus generates multiplier effects. The revaluation of social benefits is an important measure in this respect. Not only does it boost consumer confidence, it also guarantees a decent standard of living for those who rely on social benefits. During 2008, many social benefits were safeguarded from devaluation, especially pensions." The Slovak expert comments that the "idea that social inclusion and social protection investments should promote employment and economic growth dominates both in the new NRP and the NSRSPSI. Though the NRP does not refer to the NSRSPSI, NSRSPSI refers to the NRP and Lisbon objectives many times." The Swedish expert comments that "the NRP stresses that what feeds out in terms of social cohesion also feeds in to the resources necessary to maintain a strong welfare state, educational system etc. That education and human capital is important for economic growth is also emphasised and the NRP shows that the government will improve vocational training and also training programmes designed to meet demands for specific skills."

Somewhat more frequently, experts note an unplanned or implicit *feeding in*. In other words, even if there is not a conscious emphasis on *feeding in* there may be significant common approaches evident between the NSRSPSI and NRP. For instance, the Irish expert comments that “while the core links with the social protection and social inclusion process are rarely made explicit in the NRP, as with last time, a linkage could be said to exist given that the two documents contain many of the same proposals and many of the proposals made in the NSRSPSI are incorporated into the NRP”. The Estonian expert makes a very similar comment saying that “several policies and measures being developed in the context of the SPSI process have been taken into account in the 2008-2011 NRP, but there is no direct reference in the SPSI process contribution to the growth and jobs agenda. These policies and measures are related to bringing risk groups to the labour market, encouraging lifelong learning, reducing the number of early school leavers, reconciling work and family, etc. The 2008-2010 NSRSPSI has addressed better the growth and jobs agenda than the 2008-2011 NRP the SPSI process. But there is no clear strategy evident, either in the 2008-2011 NRP or in the 2008-2010 NSRSPSI to ensure that the two processes are mutually reinforcing.” The Czech expert comments that “the 2008-2010 NRP does not take into consideration the contribution of the measures of NSRPSI to growth and jobs since the Czech strategy of growth and jobs is not much coordinated with the social inclusion strand”. However, he notes that there is an implicit link between the strategies as “the focus of both documents is on policies of activation and on increasing labour market participation (which aim among other at reaching the people at the margins of the labour market). From the standpoint of the NRP, these policies are important because they are expected to contribute to stabilise the public budget both by restricting social expenditure in the short-time horizon and by increasing the numbers of the economically active in the long-time horizon. Both documents are also in harmony concerning the measures how to ‘activate’ (this is by addressing lack of motivation, individual responsibility and skills).” The Hungarian expert notes that “most measures regarding employment and employability and some of the measures regarding territorial disadvantages developed in the context of the SPSI process have been taken into account in the revised NRP and are seen as contributing to the growth and jobs agenda”. However, she goes on to conclude that the NRP does “not form a coherent, mutually reinforcing strategy, rather just overlap with the NSRSPSI and is a collection of smaller measures relating to the various directives”. The Latvian expert considers that “the consistency of the NRP strategy with the NSRSPSI 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. In most part, it applies to active employment policies and the improvement of the availability of education for social exclusion risk groups.” The Luxembourg experts comment that “there is no evidence of a *clear strategy* of mutual reinforcement between the SPSI and NRP processes, even if the interactions between both processes are evident but in most cases not explicitly highlighted”. The Romanian expert comments that “policies and measures developed in the context of the 2008-2010 NSRSPSI are taken into account in the NRP, but there is no clear strategy to ensure that the two processes are mutually reinforcing. Though explicit cross-references are not made, there are implicit links and common approaches between the two processes and some awareness exists on how policies to promote social inclusion can contribute to the achievement of the growth and jobs objectives. The complementarity of planned activities refers to target groups (e.g., Roma people, people with disabilities) or areas of activity / objectives (i.e., reconciling family and work responsibilities, which would consequently lead to increased employment for many women, investment in education which enhances the chances to access a job). A significant area of common action of the social inclusion and employment policies are the measures for reconciling family obligations with employment.”

Several experts comment that while there is limited evidence of *feeding in* being consciously taken into account in the NRP, there is a greater awareness of the potential for *feeding in* found in the NSRSPSI. This is well expressed by the Portuguese expert who comments that, apart from the education sector, “the NSRSPSI seems to grant a greater importance to the important synergies, mutually beneficial, between economic growth, employment and social cohesion, recognising for example the important impacts of measures in the domain of gender equality, active ageing, or the enlargement of the social equipment network in terms of economic growth, productivity and job creation. In fact, from the analysis of the two documents there seems to be a greater concern from the NSRSPSI regarding growth and jobs challenges in their interconnection with social inclusion and social protection. The NRP perspective is clearly more self-centred and less opened to the inputs that the social inclusion agenda may give to the growth and jobs agenda. Reinforced mutual strengthening between the two is therefore an important challenge to be addressed in the future.” Likewise, the Cypriot experts conclude that “the link between the 2008-2010 NSRSPSI and 2008-2010 NRP runs only in one direction: from the former to the latter. The 2008-2010 NRP acknowledge of the 2008-2010 NSRSPSI existence once but this is in passing. There is nothing to claim mutual reinforcement of the two processes.” However, in spite of this the experts note that in fact “some policies and measures developed in the context of the SPSI process, and seen as contributing to the growth and jobs agenda, are taken into account in the revised 2008-2010 NRP” and go on to identify examples of such measures in the fields of active employment, adequate minimum income and access to supporting services, reduction of early school leaving, gender equality, anti-discrimination, child and family poverty and social exclusion and the social economy. The German experts comment that “the measures mentioned in the 2008-2010 NRP and NSRSPSI are quite similar because both see the integration into the labour market as an important instrument against poverty and social exclusion. As already indicated, the NRP does not deal with feeding in and feeding out as explicitly as the NSRSPSI does.” They see this already as a step forward as the “former NSRSPSIs did not discuss the connection between the revised Lisbon strategy and the OMC in the field of social protection and social inclusion in such an articulated way.” The Slovenian expert comments that “while the NSRSPSI clearly states, that social policy is subordinated to economic policy and created to deal with the effects of the economic processes and thus relies entirely on NRP, there is no reference to the NSRSPSI in the NRP.”

Those experts who identify partial feeding in from the NSRSPSI to the NRP include those from Denmark, Finland, France. For instance, the Danish experts comment that “employment policy and employment objectives constitute an area which provides an example of a clear linkage between the NRP and the NSRSPSI”. However, they go on to say that “although these examples provide evidence of a policy approach where feeding in from social policy into employment policy takes place, at least at the level of objectives, it is not unproblematic. As pointed out in the 2007 Synthesis Report on feeding in and feeding out, “the EU social agenda is not all about jobs and a social inclusion process has other objectives¹³”. A too narrow focus on the employment target may point to a lack of feeding in from the broader concept of social inclusion which forms the objective of Active Inclusion. At the same time, the focus on employment is understandable since ensuring a sufficiently high level of employment is one of the 2008 challenges formulated for Denmark.” The Finnish expert notes that “the employment policies discussed in the NRP and NSRSPSI are mostly the same. Therefore, in the Finnish case it makes more sense to speak about employment policy that has mutually reinforcing impact on growth and jobs as well as

¹³ Iain Begg and Eric Marlier (2007). Synthesis Report on “Feeding in” and “Feeding out” and Integrating Immigrants and Ethnic Minorities: Key lessons, page 4.
(<http://www.peer-review-social-inclusion.eu/network-of-independent-experts/reports/second-semester-2006/synthesis-report-2006-2/>)

social inclusion, rather than feeding in or feeding out.” Finally, the French expert comments that “unlike the 2005-2008 NRP which was merely a “cut and paste” of the measures presented in the NSRSPSI, the new 2008-2010 NRP only includes measures relating to access to jobs and work”.

Some experts find that *feeding in* is either only at a very general or superficial level or that there is very little evidence of implicit or explicit *feeding in*. For instance, the Austrian expert comments that “in the context of the NRP, *feeding in* does not play much role. Only in Chapter VII, it is made clear in a very general statement that (i) policies for growth and employment must be coordinated with SPSI policies, and that (ii) adequate, universally accessible and high-quality social protection systems as well as inclusive and activating inclusion policies support growth and employment in many ways. (...) A similar approach to feeding in as in the NRP is also included in the 2008-2010 NSRSPSI (...), which makes it clear that the social system has to be regarded as a productive factor. Examples mentioned include combating child poverty (to break the intergenerational poverty cycle), a high employment participation (which reduces poverty and promotes growth through a higher supply of the labour force; in this context, it is mentioned that both decent work and minimum income regulations are key conditions for sustainably combating poverty) and health care.” The Bulgarian experts note that “it is particularly difficult to find any examples of feeding in on the pages of the 2008-2010 NRP”. The Greek experts consider that “nowhere in the revised Greek NRP the social OMC process is mentioned, while only one ‘fleeting’ reference is made to the Greek 2008-2010 NSRSPSI”. The Italian expert comments that “it is very difficult to affirm that a clear strategy was formulated in both documents to ensure that the two policy domains (social inclusion, growth & jobs) are mutually reinforcing. Furthermore, major examples of “feeding in” are not mentioned in the NRP.” The Maltese expert notes that “there is no specific dovetailing between Malta’s 2008-2010 NSRSPSI and NRP. But (...) ‘social inclusion’ was not one of the *main* parameters the compilers of the NRP used as part of their brief, and contact with the compilers of the Malta NSRSPSI are merely casual and not systemic.” However, he concludes that “despite this fundamental problem with Malta’s NRP, inclusion programmes are specifically mentioned”. The Dutch experts conclude that “there is less evidence of feeding in than of feeding out aspects in the NRP”.

3.3.2 *Active inclusion and increased labour market participation*

An area where one would expect to find *feeding in* featuring strongly in the NRP is active inclusion. However, the active inclusion agenda of combining inclusive labour markets, adequate minimum income and access to supporting services is only taken into account in some NRPs. This is most often linked to a focus on increasing labour market participation which is the area in which mutual strengthening, if not full active inclusion, between the NSRSPSIs and the NRPs is most frequently evident.

Only a minority of experts (e.g. DE, EE, FI, HU, IE, LV, LU) highlight an active inclusion approach in their country’s NRPs. For instance, the Estonian expert highlights several examples of the active inclusion agenda being taken into account in the NRP (see Box 3.11).

Box 3.11: Active inclusion in Estonia

In the 2008-2011 NRP, the active inclusion agenda of combining inclusive labour markets, adequate minimum income and access to supporting services has been taken into account through several measures of Objective 8 'Improve the skills of the labour force' and Objective 9 'Increase the flexibility of the labour market and improve the quality of working life' (see also Box 3.4):

- include employed people in risk groups in the target group benefiting from labour market training normally only offered to unemployed people;
- enlarge the target group of the people who can receive career counselling service from the Estonian Labour Market Board from unemployed persons to employed people and inactive people;
- develop an integrated care system, creating a solid network of nursing homes and formulating social services, incl. day centres, child day-care and nursing care, in order to enable working-age people with caring responsibilities to enter the labour market;
- increase unemployment benefit rates (unemployment insurance benefit and unemployment allowance) and broaden the range of beneficiaries through new Employment Contracts Act in order to increase the security of the labour market, etc.

The Finnish expert notes that “the active inclusion agenda is solid with combination of employment activation, adequate minimum income and access to supporting services. The ongoing social security reform is aimed to increase the incentive nature of income support in the inclusion process.” The German experts comment that the German NRP reports about measures covering all three pillars of active inclusion. For instance, “the NRP enumerates the improved access to working life for people with permanent residence permit, the efforts to implement binding minimum wages, and the investments in the expansion of child-care services. However, the NRP refers not in an explicit way to approaches or recommendations and does not highlight the overall context for the separate schemes. The connections can partially be made, for instance, regarding the reduction of the parents’ money to one year, the increase of the children’s allowance and family allowance, the establishment of minimum wages, and finally the expansion of child-care services within the policy for young parents. On the whole, this is meant to lead to an improved access to the labour market, secured incomes, access to services, and therefore enhancing social inclusion. Not least, this can contribute to economic growth and employment.” The Hungarian expert considers that the active inclusion agenda “clearly appears in the policies *‘Setting up an integrated employment and social services system’* and *‘Strengthening the promotion of employment in the social protection system’*”. She also comments that “uniting the Ministry of Social Affairs and the Ministry of Labour 2 years ago clearly helps to promote at least gradually feeding in and feeding out processes”. The Irish expert comments that “of the four objectives in the NSRSPSI, that on access to quality work and learning opportunities receives the most sustained attention in the NRP. Hence it is possible to say that the active inclusion agenda is taken account of. This is certainly the case in terms of employment activation. The NRP also offers a brief discussion of the necessity of an adequate minimum income.” However, she goes on to comment that “it is difficult to see this discussion and the commitment to adequate income reflected in the recent Budget”. The Latvian expert notes that “in the NRP active inclusion is used more in a formal sense and the measures planned more or less encompass inclusive labour markets as well as an adequate minimum income and access to supporting services”. However, she makes several criticisms. For instance, “the most significant failing in applying the active inclusion approach is the lack of a coherent approach in the planning of measures” and “measures planned for ensuring adequate incomes, like the raising of the minimum wages and the non-taxable minimum, are directed to all groups of the population and in essence they cannot be treated as measures targeted at risk groups”. The Luxembourg experts note that “the active

inclusion agenda of combining employment activation, adequate minimum income and access to supporting services has been taken into account and notably within the framework of Guideline 19". They note particularly that "the measure aiming to 'make work pay', deals with the enhancement of the labour market activation within the context of the guaranteed minimum income scheme and figures published mark a positive progress".

In some cases, while active inclusion is not referred to in the NRP, the three pillars are covered, if not in an integrated way. The Danish expert provides such an example when he comments that "the concept of active inclusion is not referred to specifically although the three pillars – links to labour market through vocational training and provision of job opportunities, adequate income support and access to social services – to a varying degree are treated separately. Policies aiming at providing job opportunities and vocational training are treated thoroughly. Adequate income support is treated as an integral part of flexicurity. Improvements of social services are mentioned within the context of "the quality reform" but there is no discussion of this subject in relation to groups with special needs. Hence, an integrated approach to these pillars aimed at creating synergies is not outlined in the NRP. To a certain extent, the concept of flexicurity, which is discussed in the NRP, does contain an integrated approach of the three pillars of active inclusion." The Italian expert notes that "the NRP provides a series of measures concerning the three pillars of active inclusion. However, the pillars appear to be not yet adequately connected and there is a lack of analysis on how this connection could contribute to growth and jobs objectives." The Romanian expert comments that "the NRP lacks a clear analysis of the contribution that active inclusion policies can make towards increased economic and employment growth. However, there is an implicit recognition of the importance of active inclusion policies that support adjustment to the labour market, ensure an adequate income and promote access to high quality social services."

More frequently, experts highlight instances of social inclusion measures aimed to assist disadvantaged or vulnerable groups which contribute to wider employment objectives. For instance:

- The French expert highlights "the introduction of the low income benefit, helping young people to find work through the *Contrat d'Insertion dans la Vie Sociale (CIVIS)* scheme as well as measures to help young people in sensitive urban areas (independence contract)".
- The German experts note that "the amendment of the Code of Social Law II ("Arbeitslosengeld II" – unemployment benefit including "Sozialgeld", a kind of social welfare) and Code of Social Law III ("Arbeitslosengeld I" – unemployment pay). According to the NRP, these measures in the field of social protection have contributed to the favourable situation on the labour market during the period of strong economic growth between 2006 and 2008".
- The Austrian expert notes that the planned introduction of the minimum income scheme will not only help to reduce poverty but also enhance the inclusion of the recipients into the labour market and the society.
- The Slovak expert highlights that "the Act on employment services brings about the whole set of measures that address various aspects of the situation of disadvantaged jobseekers who enter education or preparation for labour market. During their training, jobseekers can receive various supports and services including financial contribution that is noticeably higher than standard assistance in material need. The fact that they will be trained with job prospects can strengthen their learning motivation and also boost their personal feeling of inclusion."

Some experts are very clear about the lack of an active inclusion perspective. For instance, the Greek experts comment that “no evidence can be found in the revised NRP, that there is a shift of policies towards combining active employment measures, adequate income support and access to services. Neither any intention has been expressed to alter the system of social benefits so as to provide incentives for facilitating labour market integration of welfare recipients.” Similarly, the Polish expert comments that the “active inclusion approach is not taken into consideration in either document: NRP or NAP/inclusion”. The UK experts comment that “there is no mention of the ‘active inclusion’ agenda in the NRP, despite the UK government having promoted it at EU level”.

3.3.3 Education, training and lifelong learning

It is clear from their reports that many experts consider that the area of education, training and lifelong learning has significant potential for *feeding in* effects. As the Belgian experts comment: “investment in the education and training of socially excluded groups is probably the most promising kind of feeding-in strategy”. However, in many cases this is not made apparent in the NRPs as the education policies proposed have only been assessed for their contribution to growth and jobs objectives and not for their social inclusion benefits. In spite of this lack of an explicit *feeding in* focus, it is clear that in many cases the NRPs’ proposed education measures have an implicit *feeding in* effect.

There are several countries (e.g. BE, BG, DE, ES, FI, LV, NL, PL, PT, RO, SK, SI, SE, UK) where a *feeding in* dimension is evident in education and training measures in the NRP. For instance:

- The Belgian experts comment that, unlike the NSRSPSI, the NRP “endorses the strategic importance of education and training with a view to achieving a knowledge-based society. The feeding-in aspect is acknowledged, not only in theory, but also in practice. In recent years, intensified efforts for more equal opportunities in education are becoming more and more visible.”
- The Bulgarian experts note that “plans in the updated NRP for making educational programmes more flexible especially in high school and vocational education have the potential to reduce school drop-out, increase high school graduation rates and thus improve employability. The plan is to reduce the duration of vocational education from 6 to 3 years.”
- The German experts note significant *feeding in* effects in this area even if it is not always made explicit in the NRP. They comment that “some efforts to improve the *education* in Germany (in the fields of education, training, lifelong learning, reduction of the number of early school leavers, etc.) are mentioned in the 2008-2010 NSRSPSI as well as in the 2008-2010 NRP. These efforts are cited on the one hand as an example for promoting social inclusion and reducing the risk of poverty and on the other hand as a contribution to promote economic growth and employment. Mostly, the NRP only mentions that these measures are intended to promote the ‘chances’ of the persons concerned, but it does not explicitly note the potential of the schemes to reduce social exclusion (e.g. see no. 7 for the field of education in general and no. 8 for the field of child-care). Many of the investments in the field of education contribute in fact to strengthening economic growth and employment as well as to reducing poverty and social exclusion. Therefore, schemes to promote (vocational) training can be initiated as an attempt to increase the participation in the labour market. Anyhow they are also a contribution to reduce social exclusion (feeding out). The same scheme can be just as well

initiated as an attempt to reduce social exclusion and then as a secondary effect lead to an increase in employment (feeding in).”

- The Finnish expert notes that “the youth employment and education policies seek to reduce the number of early school leavers as well as their possible social exclusion. The education policies introduced in this context have been assessed for both their social inclusion benefits and their contribution to growth and jobs objectives. The lifelong learning is addressed in vocationally orientated adult education, which will be reformed according to the Government Programme (2007). Especially the immigrants’ education should be addressed within this context. The improving of (work-based) immigrants’ language education is also mentioned in this context, but these new measures have not been carried out yet.”
- The Latvian expert comments that “in comparison with other areas of activity, in education the NRP offers a much more extensive range of measures that are focused on inclusion issues, inter alia on groups at risk of social exclusion. Measures of the NRP pay considerable attention to improving the quality of vocational education and the accessibility of career guidance as well as to providing basic education to risk groups and the respective infrastructure. The planned measures are relevant for improving the competitiveness of groups at risk on the labour market and for ensuring their social integration. Measures planned by the NRP overlap, to a certain extent, with measures planned by the NSRSPSI and no new policy initiatives are envisaged. As to lifelong learning measures planned by the NRP, their accessibility for groups at risk has not been duly depicted.”
- In the Netherlands, there is an overlap between measures in the NSRSPSI and the NRP and the experts highlight three particular measures which they consider as examples of feeding in: the fight against illiteracy which is one of the domains for which the Dutch government formulated very concrete targets; the school performance of migrants which is addressed through pre- and early school education to prevent language problems; and efforts to combat early school leaving.
- The Polish expert suggests that “looking for a positive example of bringing out the mutual links between social inclusion and growth and jobs policies, one can point to, with some reservation, the planned reforms in the school education system. Actions in this area cover lowering the age of starting obligatory school education to 6 year olds, ensuring full coverage of kindergarten education for 5 year olds, modernising school curricula and upgrading equipment of schools. These actions should yield, on the one hand, improved quality of education leading to more competitive economy and, on the other hand, will contribute to levelling-out the differences in educational chances.”
- The Portuguese expert comments that “the Education, Training and Qualification area of the NRP is the only area where there is a clear consideration of the extent to which policies and measures to be developed are seen as contributing in a positive way to the growth and jobs objectives”. She highlights two examples (see Box 3.12).
- The Slovak expert considers that from the social inclusion perspective, education, training and life-long learning are the most thoroughly elaborated measures in the NRP. Among the measures she highlights, are those introduced in the NRP’s chapter on Employment which aim at adequately preparing disadvantaged jobseekers for the labour market. She considers that these measures “should secure their sensitivity to the needs of regional labour market and better focus on the integration of disadvantaged groups”.

Box 3.12: Education and *feeding in* in Portugal

1. The need to invest in the upgrading of the level of education of the Portuguese population is considered a major challenge for the modernisation of the entrepreneurial capacity, for the improvement of the adjustment to the demands of the labour market and for the good performance of the economy. The same applies to the proposed initiatives regarding the reform of the professional training, the New Opportunities Initiative and the implementation of the National System of Qualifications.
2. The increased access to new technologies in the school environment (access to Internet, technological facilities, the increased investment in reinforcing students skills in Information and Communication Technologies are an explicit contribution to promoting growth and jobs objectives. The fact that in this specific area there has been an explicit concern to ensure that children and young people from more low-income families are positively discriminated in order to ensure that they have the same chances to accede these important resources is also a significant input to promoting social inclusion.

- The Spanish expert comments that “education as well as vocational and ongoing training polices have a starring role in the NRP. This is because they constitute the fundamental content of two of its pillars, namely, Pillar 3: Human Capital and Pillar 6: Labour Market. For the NRP, the provision of human capital and physical capital is crucial to policies of growth and competitiveness.”
- The Swedish expert notes “a strong belief that education is pivotal for long-term economical development and also individual’s capabilities to fulfil their own goals and desires. (...) What the government does is basically to pursue a back to basic policy, i.e., better and earlier feedback to parents and pupils about their school achievement, a stronger focus on basic skills such as reading, writing, mathematics. The policy used to come to terms with school failure is outlined in the NRP and starts with reformation of pre-schools, primary and secondary school. Upper secondary schooling has also been subjected to reforms, which among other things re-open a more clear-cut vocational pathway.”
- The UK experts note that “investment in human capital is seen as not only an essential element of the government’s longer-term strategy against poverty and social exclusion but also a major plank of its response to the challenges of globalisation. So, its thinking is more integrated in this area.”
- The Romanian expert considers that “the NRP places special emphasis on policies aimed at improving the educational system, as an important element in the context of greater social cohesion. The education and training policies benefit from increasing funding allocated to this sector (from 3.9% in 2005 to 6% in 2008 and 2009). The measures aimed at improving the educational system are concentrated on: ensuring equal access to education and preventing early school leaving; improving the quality of education; developing experimental firm networks aimed at improving the entrepreneurial capacity of children and students; providing continuous training for the teaching staff; increasing access to informatics technologies within the educational system.”
- The Slovenian expert comments that “education (along with employment) is of the most importance for social inclusion and social cohesion. Government will draw up an action programme to strengthen investments in human resources. Those programmes, aimed at raising the general level of knowledge and skills of the most vulnerable groups, will be implemented primarily as part of the following: adult education and training programmes;

programmes to reduce the education deficit; programmes to increase functional literacy; programmes to reduce the number of early school-leavers; 'job rotation' programmes; careers guidance and advice on education. The programmes also target early school leavers. Programmes will contribute to both, social inclusion and growth and jobs objectives."

Other experts note that though there may be significant education measures in the NRP, their social inclusion impact is not considered. For instance, the Danish experts note that "efforts and objectives within education policy are clearly *feeding in* to a wider growth strategy. The existence of feeding in is also mirrored at the level of funding which for many of the education initiatives is stemming from the globalisation fund. There are, by contrast, no consideration in the NRP of how the same policies might contribute to social cohesion. According to research, education significantly lowers the risk of poverty which means that the objective of ensuring a higher proportion of young individuals completing a youth education will most certainly pay off in increased social inclusion. This dimension of the issue of education is, by contrast, discussed in the NSRSPSI." In other words the connection between the NSRSPSI and the NRP is once again not made. Rather similarly, the Estonian expert notes that several measures under the objective on improving the skills of the labour force "have addressed the issue of education, training and lifelong learning (incl. measures to reduce the number of early school leavers) but the proposed education policies have been assessed mainly for their contribution to growth and jobs objectives". The Irish expert comments that "the education measures in the NRP do not appear to have been assessed for their social inclusion benefits and their contribution to growth and jobs". Likewise, the Luxembourg experts note that "there is no evidence that the proposed education policies have been *formally* assessed for both their social inclusion benefits and their contribution to growth and jobs objectives. Education policies yet do have as declared objectives social inclusion and economic development."

3.3.4 Gender equality

Promoting gender equality is an important element in efforts to promote greater social inclusion. However, experts find very little evidence that the impact that this also has on growth and jobs objectives is taken into account in the NRPs. As in so many other areas, there seems to be a greater awareness of the interconnections in the NSRSPSIs than in the NRPs. For instance, the Danish experts comment that there is "no explicit example of how gender equality may contribute to enhanced growth. Rather the potential contribution of gender equality is more clearly outspoken in the NSRSPSI than in the NRP where it is mentioned that gender barriers may be a factor hampering increased labour supply." The Estonian expert notes that "the importance of promoting social inclusion through promoting gender equality has not considered the impact on growth and jobs objectives either". Likewise, the Finnish expert comments that apart from a general statement in the foreword of the NRP that the promotion of gender equality is taken into account in all decision-making when implementing this reform programme "the issue is not mentioned a single time in the NRP". The Hungarian expert comments that "gender equality does not even appear to be an issue in the NRP; it is not mentioned even once". The Irish expert comments that "little progress has been made in implementing gender mainstreaming since last year as this year's NRP also reports vaguely that 'discussions are continuing' about the necessary measures to put this in place." The Italian expert comments that "the NRP does not analyse in depth the contribution of gender equality policies to growth and jobs objectives even though (...) there is a government willingness to prepare a national plan with coordinated actions for equal opportunities between men and women and to increase their participation in the labour market". The Portuguese expert notes that "although there are several measures addressed at

the promotion of gender equality, namely the adoption of equality plans in the entrepreneurial sector, there is no assessment or even consideration on how these measures may have a positive impact regarding growth and jobs objectives. Gender equality initiatives are mainly presented as beneficial to families.”

Even where the relevance of gender equality for economic growth is acknowledged the social inclusion dimension is often not highlighted. For instance, the German experts comment that “the 2008-2010 NRP identifies the relevance of gender equality for economic growth and employment, for example when it describes the extension of child-care services and the schemes for compatibility between work and family life. It also deals with the labour participation of women and highlights that the Lisbon target of 60 percent until 2010 was already exceeded. Nevertheless, the NRP does not discuss explicitly how relevant this is for the topic of social inclusion.” Likewise, the Greek experts comment that “the gender equality dimension has certainly been taken on board in the various employment policy measures included in the NRP with a view to increasing female participation in the Labour Market. In general, a number of legislative and other related arrangements have contributed to the strengthening of gender equality in various social policy related areas. However, there is no evidence that consideration has been given by growth policies on the importance of gender equality in achieving their stated objectives.”

Nevertheless, there are a few positive examples. The Luxembourg experts highlight one specific measure, related to the activation schemes on the ground of the guaranteed minimum income scheme (GL 19 “make work pay”), where “it appeared that activation benefitted men more than women and where it was advised to act in order to redress the situation and not to sustain gender stereotypes.” The Slovenian expert notes that “there is recognition of the importance of promoting social inclusion through promoting gender equality and of the impact that the promotion of gender equality can have on growth and jobs objectives. There is a list of activities to promote equal opportunities and combat discrimination.” She goes on to highlight as a good practice a campaign for promoting active fatherhood with the aim of overcoming existing stereotypes and the traditional roles assigned to women and men in family life and in society in general, the promotion of paternity leave, and the more balanced allotment of leave for childcare and family work between both parents.

3.3.5 Anti-discrimination

Overall, the impact that anti-discrimination measures which promote greater social inclusion also have on growth and jobs objectives is only occasionally considered in the NRP. Once again the potential *feeding in* value of measures is often better considered in the NSRSPSI.

There are, however, a few experts who highlight very clear and explicit *feeding in*. For instance, the Irish expert highlights a significant step forward on the integration of immigrants compared to the previous NRP and notes that this is also a primary objective in the NSRSPSI. She considers that “the NRP contains a very broad-ranging discussion of the social and economic integration of migrants, making it clear that policy in this area recognises the need to take a joined up perspective, integrating a concern with migrants into labour market policy (including provisions oriented to improving skills and guaranteeing workers’ rights), education, social integration, community initiatives and anti-racism policy.” She suggests that this is “in effect a feeding in good practice example in that it represents an area where a primarily economic orientation response has gradually been amplified by a social and institutional response and one in which

social inclusion is a guiding idea. There is attention also to process and implementation with the role of a wide range of ‘partners’ as well as new consultation structures and research.” The German experts also note significant *feeding in* when they comment that “the NRP describes the success in integrating people with disabilities into the labour market and what this means for the persons concerned”. They also suggest as a good practice example the First Report on Integration of North Rhine-Westphalia which describes potentials of people with a migration background. The Dutch experts highlight two examples of *feeding in* in the field of anti-discrimination (see Box 3.13).

Box 3.13: Ethnic minority groups and women in the Netherlands

1. The “Thousand-and-one Force” will foster the social inclusion of 50,000 ethnic minority women through volunteering and/or a job. In the Netherlands, volunteering is very much seen as a possible stepping stone to paid employment.
2. The Delta plan for civic integration aims to improve the effectiveness of civic integration courses via a dual approach: combining courses with participation paths, such as volunteering, regular training, etc.

In some Member States, experts note some steps forward if not a very extensive *feeding in* of anti-discrimination measures. For instance, the Hungarian expert notes that “discrimination is mentioned in the NRP from two aspects: the labour market discrimination of the Roma and the disabled, and the discrimination of esp. Roma children in the educational system. These are mentioned as an issue of the growth and jobs agenda, inhibiting the employability of these groups. It should be highlighted however, that discrimination on the labour market against women who have small children or who are over 45 should also be dealt with.”

More frequently, experts express concern at the lack of *feeding in* in relation to anti-discrimination issues. For instance, the Danish experts say that “the lack of *feeding in* related to anti-discrimination in the NRP is unfortunate since Denmark is performing relatively poorly in the field of anti-discrimination policy when compared to other European countries”. The Finnish expert comments that the *feeding in* potential of anti-discrimination measures has not been assessed but should be considered. He considers that “especially ethnic discrimination in the labour market should be addressed.” In Greece, “no reference has been made in the NRP as to the range of anti-discrimination measures to be taken aboard the growth and jobs policies planned. Only some implicit references can be identified with regard to the policies for the integration of immigrants and the disabled, which are briefly presented under the “Social Cohesion” section of the NRP.” The Italian expert comments that “the NRP does not clearly mention anti-discrimination measures”. The UK experts note that “there is little discussion of migration in the NRP, even though it is a critical issue for employment and growth, and policies (and numbers) have been changing fast. Neither is there much focus on the need to tackle discriminatory attitudes by employers not only for reasons of social inclusion but also to improve the quality of job placement and productivity.”

3.3.6 Child and family poverty

Given that the issue of child and family poverty and social exclusion is a priority issue for most Member States in the NSRSPSI one would expect to find many instances of measures to promote the social inclusion of children *feeding in* to the NRPs’ growth and jobs agenda. The reality is quite different. Most experts detect very little evidence in the NRP of attention being

given to this aspect, even though several NSRSPSIs stress the contribution of measures also to economic and employment growth. For instance, the Belgian experts consider that child and family poverty is addressed “to a far lesser extent” than many other areas. The Danish experts comment that “difficulties faced by children and young persons are rather treated in the NSRSPSI”. The Estonian expert notes that “all measures of the objective to bring risk groups to the labour market are indirectly connected with the prevention of child and family poverty and social exclusion, but benefits of the measures to prevent and reduce child and family poverty and social exclusion on promoting growth and jobs have not been directly identified”. Likewise, the Finnish expert comments that “the benefit of measures to prevent and reduce child and family poverty and social exclusion on promoting growth and jobs has not been considered in the Finnish NRP” and the French expert that “the programme does not cover problems related to family income and child poverty”. The Irish expert considers that there is “little or no evidence that the benefit of measures to prevent and reduce child and family poverty to promoting growth and jobs has been systematically considered. There are traces of recognition of child poverty in the childcare-related measures but (...) Ireland still lacks a clearly worked out national policy on childcare and the existing policies derive mainly from a desire to increase parental employment rates rather than as an anti-child poverty measure.” The Polish expert comments that “preventing child and family poverty are not seen as factors promoting sustainable economic growth”. The Romanian expert considers that “the coverage of child and family poverty and social exclusion across the NRP and NSRSPSI is quite limited and indirect, which is at least surprising, as much as there is a strong link between the parents’ educational and employment status and the child and family poverty”.

However, there are a few experts who do identify some synergies in this area, though not necessarily exploited to the full. For instance, the Austrian expert emphasises that investments in children and young people are noted as areas where close correlations between social inclusion and growth and employment are identified “but not discussed in much length”. The Lithuanian experts comment that the “most direct impact on growth and jobs may be from the accessible and affordable childcare facilities and measures for better reconciling work and family life. Both are mentioned in the 2008-2010 NRP. For the first, it is planned to create a model of improvement of living and educational conditions for children starting from birth and finishing with the commencement of compulsory education and to draft the Law of the Republic of Lithuania to amend or supplement the Law on Child Benefits which would set out a new child care benefit and ensure implementation of payment of this benefit.” However, they note that “the potential effect of these measures on growth and jobs hardly could be assessed until the content of these measures remain unrevealed.” The Luxembourg experts highlight that “the benefit of measures to prevent and reduce child and family poverty and social exclusion on promoting growth and jobs has actually been considered under the perspective of Guideline 18 and its measure concerning the introduction of a service cheques system which will allow as of May 2009, each family with children below 12 years to take advantage of 3 hours of childcare at no cost.”

The greater attention given to the potential *feeding in* contribution of measures to tackle child and family poverty in the NSRSPSIs is well illustrated by the German and Hungarian experts. The Hungarian expert comments that “child and family poverty as topics do not emerge in the NRP at all, but are important segments in the NSRSPSI, both from a feeding in and feeding out perspective. The improved labour market situation of parents (receiving training and services plus childcare so as to be employed) will contribute to the inclusion of these people, and their employment will solve the problem of their families being very poor. Also, the efficient measures to provide disadvantaged kids with quality education will contribute to the competitiveness of the

economy.” The German experts note that “the federal government wants to promote the labour participation, the income maintenance and the access to services for families with a combination of schemes (parents’ money for 12 or 14 months, increase of the children’s and family allowance, establishing of minimum wages, expansion of child-care services). In doing so, the government wants to make a contribution to reduce poverty and social exclusion of families. Unlike the 2008-2010 NSRSPSI, the 2008-2010 NRP does not point out that increasing incomes of families can lead to a higher purchasing power, a higher demand, and therewith to economic growth and more employment.”

3.3.7 Social economy

Most experts conclude that the potential of the social economy to create employment for people furthest from the labour market is not taken into account in the NRPs. For instance, the Danish experts comment that “the contribution of the social economy to job creation and growth is not discussed in the NRP. Although it is not mentioned in the NRP, voluntary organisations and NGOs receive funding within social policy programmes (for example Joint Responsibility II) to support and help disadvantaged groups in, among other things, finding jobs.” The Greek experts comment that “no reference is made at all to any plans for the exploitation of job creation potential of new activities such as those in the Social Economy Sector, neither to any actions aimed at facilitating the development of the sector. Even the term “Social Economy” is completely missing in the 2008-2010 NRP, implying thus that this sector is yet to be accorded certain legitimacy in the plans for Growth and Jobs in Greece.” The Hungarian expert comments that “social economy is not mentioned in the NRP at all, and only briefly and generally mentioned in the NSRSPSI, although it has an employment potential even in this new crisis situation.”

A few experts are, however, more positive. For instance, the Estonian expert concludes that “on the basis of previously presented measures it is possible to say that the potential of the social economy to create employment for people furthest from the labour market (long-term unemployed, disabled persons, inactive persons, especially persons with a care giving responsibility, non-Estonians, etc.) has been taken into account to quite a large extent.” Likewise, the Finnish expert concludes that “the potential of the social economy to create employment for people furthest from the labour market has been taken into account fairly well, in terms of social enterprises and the development of the intermediate labour market”. The Luxembourg experts note that “the potential of the social economy to create employment for people furthest from the labour market is taken into account under Guideline 19 and its measures aiming *to boost the social economy*.” However, they note that “the actions in this field remain limited to a financial support to two social projects”. The Polish expert comments that the “NRP refers explicitly to the development of the social economy as a vital condition for increasing the level of civil activeness. Plans call for shaping appropriate legal, financial and organisational conditions for developing social enterprises, treated as an effective tool in supporting social inclusion policy. It is expected that the development of social enterprises will reflect directly on increasing employment of those excluded from the labour market, in this way contributing to reducing the number of persons relying on social assistance benefits and unemployment allowances.”

3.4 Governance

3.4.1 Overall assessment

The overall impression from the experts' reports is that in most Member States little attention is given to designing governance arrangements in ways which will strengthen the social dimension and the contribution of the NRP to greater social cohesion/inclusion. In only a small number of cases has the preparation of the 2008-2010 NRP and NSRSPSI been effectively coordinated. Indeed, several experts comment on the lack of detailed information on governance arrangements. For instance, the Portuguese expert comments that "the information provided in the NRP regarding governance arrangements for the period 2008-2010 does not allow an actual assessment regarding either coordination mechanisms, monitoring and assessment or the involvement of stakeholders".

3.4.2 Monitoring and assessment

In only a small number of Member States are satisfactory arrangements in place to monitor and assess the impact of economic and employment policies on social inclusion and SPSI policies on economic and employment growth. Indeed, in many countries there appears to be little interest in this issue.

The comment of the Cypriot experts that "no arrangements are in place to monitor and assess the cross-impact between economic/employment and SPSI policies" is fairly typical of the assessment of many experts. For instance, the Danish experts comment that "broadly speaking, there are few government initiatives which aim specifically at monitoring and assessing the impact of economic and employment policies on social inclusion and the impact of social inclusion policies on economic and employment growth. Many initiatives in the area of employment and social policies are monitored and evaluated separately, but they rarely include specific analyses of the interrelation between economic and employment policies and social inclusion." The Estonian expert comments that "there is no identification of the monitoring and assessment of the impact of economic and employment policies on social inclusion and SPSI policies on economic and employment growth". The Hungarian expert considers that "there are no appropriate arrangements described to monitor the impact of policies, either regarding the employment impact or educational demands of the logistic, infrastructural, IT development, etc. programmes described, or how we could learn about the magnitude of employment potential." The Greek experts conclude that "no appropriate arrangements are in place, neither any plans are presented in the revised NRP to monitor and assess the impact of economic and employment policies on social inclusion and SPSI policies on economic and employment growth". The Maltese expert comments that "the main interest is to monitor developments from a narrow economic perspective".

Several other experts note some arrangements in place but that they are not sufficient. For instance, the Czech expert concludes that "the arrangements of monitoring and assessment of the impact of economic and employment policies on social inclusion and SPSI policies on economic and employment growth are not systematic. The assessment of impacts of the policies on social exclusion is not an important issue for policy makers. Rather they are interested in assessment of social expenditure savings. Vice versa, the impact of SPSI policies on economic and employment growth is taken into consideration rather with respect to the objective to stabilise the public finance, to restrict redistribution and non-productive investments." If the Dutch experts recognise that "as far as monitoring and assessment is concerned, for a number of policy

measures and ambitions, including those with impact on social inclusion, the Dutch government has clear targets, and monitoring systems are in place”, they nevertheless also emphasise that “an overarching social impact assessment of the NRP would help to improve the consistency between the NRP and the NAP/inclusion”.

There are, however, some countries (e.g. BE, DE, ES, FI, FR, IE, LU, RO, UK) where experts consider that more significant monitoring and assessment arrangements are in place or are being developed. These could thus provide a starting point for an exchange of learning and good practice at EU level. For instance:

- The Belgian experts note that “due to the existence of well-defined guidelines in the European Employment Strategy, the monitoring and evaluation seems to be more successful for employment than for social inclusion measures. In the field of social inclusion, the government has now decided to introduce a quarterly ‘poverty barometer’ to supplement the EU-SILC indicators and refine poverty indicators further. Currently, the tool is in its final stage of development. Its introduction will strengthen the monitoring of social inclusion policies. Furthermore, the federal government intends to make more extensive use of ‘sustainability impact assessment’. The anti-poverty impact is an essential element of the SIA. Each dossier discussed by the federal council of ministers is supposed to include a SIA.”
- The Finnish expert considers that “monitoring and assessment of employment policies incorporating both angles is taken care of through statistical follow-ups as well as studies and evaluations commissioned by ministries. The arrangements are quite appropriate.”
- The French expert comments that while the NRP makes little reference to monitoring measures and policies, “there are few new measures to be added to an already complex system that combines a centralised statistical system (INSEE), a large number of specific “observatories” (Observatoire de la pauvreté et de l’exclusion sociale [Observatory on poverty and social exclusion], Observatoire des zones sensibles [Observatory of sensitive areas], etc), survey bodies and private and public research organisations, backed by specific services in most ministries. However, the programme pays significant attention to carrying out impact studies, the aim being that *‘bills should be presented with a study of the economic, social and environmental impact of the proposed legislative measures’*.”
- The German experts highlight “processes of monitoring, firstly those of the labour market and secondly the ongoing evaluation of important tax privileges. Furthermore, on all relevant fields of policy monitoring one can find: the German Council of Economic Advisors; reports within the sectors of health, education, and labour market; special experts’ reports regarding people with specific challenges. Thus, in Germany there is no lack of monitoring and evaluation, but these single reports have to be set in a context.”
- The Irish expert draws attention to the fact that monitoring has been institutionalised within Ireland’s social partnership process. She also highlights that “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 and one misses overall a strong analysis of results, timetables and the causal factors that underlie achievement.”

- The Romanian expert, while commenting that “monitoring the impact of economic and employment policies on social inclusion policies and respectively, of SPSI policies on economic growth, remains rather limited and certainly needs further development”, considers that “there are some positive changes”. Among other things, she notes the setting up of the Lisbon Committee with a role to ensure the monitoring of NRP, the preparation of a guide for monitoring the public policies, training sessions for specialists in the ministries on policy impact analysis and evaluation techniques, the use of new standards of quality and performance indicators for monitoring the public services quality at local and county level, and the inclusion of impact monitoring and evaluation elements to measure the progress of implemented measures.
- The Spanish expert notes that “the assessment of the impact of employment and growth policies on social inclusion and vice versa is being developed by means of the State Agency for Service Assessment and Quality’s policy assessment programme. The assessment policy was initiated in 2006, but it was not until 2007-08 that the State Agency commenced its assessment of such aspects of the NRP as the development of the long-term care act, grants policy, or the payment and reduction of social security contributions. The format instituted in 2008, whereby social policies and social cohesion are assessed jointly, promises to be highly fruitful.”
- The United Kingdom experts consider that “monitoring and assessment of UK policies is generally sophisticated and comprehensive, though attribution of causation is complex and there is often resistance to social experimentation. Although qualitative research involves interaction with users, their involvement in monitoring and assessment in a participatory way has progressed much further in health/social care.”

3.4.3 *Involvement of stakeholders*

Overall, from a social inclusion perspective, the extent and depth of involvement of those experiencing poverty and social exclusion and the organisations that represent them in the design, implementation and monitoring and evaluation of the NRP is very disappointing. It is particularly striking that many experts comment that these people and organisations are much less frequently or more superficially involved in the NRPs than in the NSRSPSIs.

The majority of experts are very critical of the lack of involvement of stakeholders. For instance, the Bulgarian experts comment that “there are only a limited number of organisations and specialists who are familiar with the objectives of the NRP. Probably these are government officials; but generally the business circles and the civil society sector are vaguely familiar with this Programme. Moreover, these stakeholders have not taken part in its design.” The Danish experts comment that “the stakeholders involved are stakeholders who normally form part of discussions concerning labour market development. However, it is noteworthy that interest organisations of homeless people, drug users, the Council of Socially Marginalised People and representatives of ethnic minorities apparently have not been asked to participate. In essence, this indicates that groups experiencing poverty or social exclusion have not been included in the process.” Likewise, the Estonian expert notes that “main stakeholders (representatives of relevant ministries, social partners, experts) are involved in the design, implementation and monitoring of the 2008-2011 NRP. Involvement of those experiencing poverty and social exclusion and the organisations that represent them is not mentioned in the 2008-2011 NRP. However, the 2008-2011 NRP was from 1 July till 17 August 2008 open to public debate in the Participation web.” The German experts comment that “the involvement of further stakeholders takes place more

within the 2008-2010 NSRSPSI and within the National Report on Poverty and Wealth". The Greek experts note that "in general, genuine consultation and active involvement of civil society stakeholders in the decision making processes constitute issues which are profoundly underplayed in Greece. And certainly no provisions or arrangements are there as regards participation of people suffering poverty and social exclusion in any process at all, let alone in the preparation process of the NRP." The Hungarian expert notes that "relevant stakeholders, e.g. representatives of people experiencing poverty, the representative of the Hungarian Anti-Poverty Network, or representatives of the Alliance of Social Professionals have not been involved either in the design or the implementation or monitoring of the NRP." The Latvian expert comments that "only public agencies have been involved in the formulation of the NRP and during the period of formulating and coordinating the Report it was not discussed by the general public. The development of the NRP 2008-2010 has been, in actual fact, based on the collation of information provided by ministries, but not on discussions about the required areas of activity, specific objectives that should be set, the linking of tasks with the specific needs, most topical problems in Latvia. Therefore, it is doubtful that, for example, social partners, local governments, NGOs, representatives of the academia could realistically change anything by their opinion or influence the planned measures." The Lithuanian experts note that "the relevant social inclusion stakeholders, for example those experiencing poverty and social exclusion and the organisations that represent them, were not involved in the design, implementation and monitoring of the NRP". Likewise, the Maltese expert comments that "involvement of the relevant stakeholders in the design, implementation and monitoring of the NRP is completely absent. The only involvement was restricted at the level of the Mediterranean Commission on Sustainable Development (MCSD), at which no persons at risk or in marginal groups are present." The Romanian expert comments that "the involvement of stakeholders remains at low levels as long as people experiencing poverty and social exclusion and those representing them are not systematically consulted. In addition, the local authorities' participation is mainly restricted to the policy implementation stage and not of a nature to support transfer of competencies at local level." The Slovak expert concludes that "those experiencing poverty and social exclusion and the organisations that represent them have not been involved in the design, implementation or monitoring of the NRP". The Slovenian expert contacted 24 major NGOs in the field of social care and welfare and discovered that "none of them received any invitation to participate in the process". The Spanish expert comments that "neither the design nor the implementation of the NRP makes room for the presence of groups in situations of poverty or the organisations who represent them directly such as the European Anti-Poverty Network (EAPN); the interests of the vulnerable may only be defended indirectly by the unions and the Spanish Federation of Town Halls and Provinces (Federación Española de Municipios y Provincias (FEMP)). In practice, NGOs working with the poor have an active presence in the NAP/inclusion but not in the NRP." Likewise, in Sweden the expert comments that "it is clear that the government has included, in a traditional Swedish way, representatives of unions, employers and different types of expertise when developing its policy for growth and jobs, which is reported in the NRP. However, there is no sign that there has been any involvement of organisations more directly concerned with social inclusion (although for example unions traditionally are involved in these kinds of issues). In the NSRSPSI, the government reported a range of activities involving social inclusion stakeholders."

Several experts note that, while there was some involvement, this often lacks sufficient substance and does not extend beyond the preparation process to the implementation and monitoring of the NRP. For instance, the Austrian expert comments that "a variety of different stakeholders has been invited to participate in the preparatory process of the NRP. Among them were several umbrella organisations of the Austrian non-profit sector that have, for example, been invited to a preparatory meeting in May 2008. Moreover, they got the chance to comment jointly on an earlier

version of the report. Given the heterogeneity of the Austrian non-profit sector and the differences concerning targets, however, no joint comment has been produced. Rather, the Austrian poverty network (*Armutskonferenz*) as well as the Austrian Committee for Social Work (*Österreichisches Komitee für Soziale Arbeit (ÖKSA)*) delivered their comments separately. The report does not state that it included these comments in any way, though.” She concludes that “overall, it is necessary to intensify the cooperation with (non-governmental and regional) stakeholders, which should not only be invited to participate in the preparatory processes of the NRP, but also in the implementation of policies and in examining the impact of the policies”. The Belgian experts argue that “an increased participation of social partners is desirable” and suggest that “an increased participation of unions could possibly strengthen the inter-linkage between social and employment policies and they could act as catalysts to improve the integration of social policies in the coordination process that is in place for employment policies.” The Cypriot experts note that while groups experiencing poverty and social exclusion and the organisations that represent them have been involved, they “have been involved mainly in the design (discussions, advice and consultation) rather than the implementation of the 2008-2010 NRP”. The Czech expert comments that even though the stakeholders like social partners and NGOs, including those which are working with people with direct experience of poverty and social exclusion have been formally involved in the preparation process “they have not had much influence: for example although trade unions have opposed the NRP proposal because they refuse the reform steps of the government on which the NRP is based, this did not change anything.” The Irish expert comments that while there is no doubt that the social partners are closely involved, “it is not clear if the stakeholder involvement went beyond this or how systematically the social inclusion stakeholders have been involved”. Her impression is that “there was little or no consultation outside of the social partnership processes. In addition, there is no reference in the NRP to the heightened importance given in the National Action Plan for Social Inclusion to the Social Inclusion Office in the overall planning process and the intention to produce an annual social inclusion report.” The Lithuanian experts “do not detect any appropriate arrangements to monitor and assess the impact of economic and employment policies on social inclusion and SPSI policies on economic and employment growth.” The Polish expert concludes that “it is a paradox that even though the NRP puts stress on developing the organisations harnessing civil activeness (NGOs as well as public-private partnerships), the very process of consultations was extremely limited in scope. There was but one single consultative meeting, and the draft text of NRP was accessible on web pages for the consultation only for a short period of time. The list of institutions invited to the consultations was quite extensive. It covered regional and local administration, members of Parliament, representatives of the business associations, social dialogue partners, NGOs and experts. Still, absent from the list of institutions invited for consultations were any organisations representing the perspective of excluded persons, or experts involved with issues of poverty and social exclusion.” The UK experts comment that “the UK government held one seminar to discuss the NRP, followed by an online consultation. Several quotes in the NRP come from groups at the seminar. However, these are often examples of good practice, rather than (as in the NSR/SPSI) lobbying points; and neither the criteria used to select the groups, nor how far their contributions influence the NRP, is clear. Since the NRP is a report of existing policies rather than a developing strategy, it would perhaps be rather odd if policy were changed as a result of (what appears to be rather ad hoc) stakeholder involvement.” The Dutch experts note that “there is an unbalance between the NRP and the NSR where also NGOs, social professionals and (representatives of) people experiencing social exclusion are included in consultation processes. If full consistency between the NRP and NSR is to be achieved, one could expect the Dutch government to develop a more inclusive consultation practice.”

There are, however, occasional instances of good practice that are in place or are being developed which could provide a basis for exchanging good practice in this area. For example:

- The French expert comments that the 2007 monitoring report on the national reform programme laid great emphasis on strengthening participation in drawing up reforms. This policy has been clearly formulated in two domains. The first applies to the adoption of legislation on sustainable development and environmental protection. This extensive programme involving a large number of interested parties is known as the “Grenelle de l’environnement” and has just led to almost unanimous adoption of the text of a law. The second programme, known as the “Grenelle de l’insertion” helped to draw up the text of the law on the low income benefit and should be extended by the implementation of an inclusion policy for those who receive this benefit.
- The Italian expert notes that the NRP “pursues a better “territorial” governance through the involvement of regional and local authorities in the management of key policies such as: education and training, reconciliation of work and family life, socio-educational services devoted to children, social services, business innovation and enterprise creation (especially in the artisan sector), research and development, renewable energies.”
- The Luxembourg experts indicate that two public hearings were organised in the national parliament, where the traditional stakeholders but also actors from the civil society were invited and shared their views on the new reform programme. The debates had been focussed on the following themes: “How to increase the economic competitiveness while reinforcing social cohesion? How to reconcile a growth and employment policy with the concern of a sustainable development respectful of the environment? What initiatives or new priorities should be included in the future national reform programme?”. However, in spite of this positive development they report that “the consultation process and its real impact on the finalisation of the actual NRP were yet estimated as insufficient by the stakeholders from the social sector”.

3.4.4 Coordination

In many Member States the arrangements for the coordination and joining up of economic, employment and social policies in general and the NRP and NSRSPSI in particular are weak. Furthermore, the reports often lack information on this issue. This seems to reflect both the low political priority being given to social inclusion in many Member States and a lack of understanding of the potential for mutual reinforcement between social inclusion policies and economic and employment policies. In some cases, the linkages are seen as a rather token exercise to meet Commission demands.

The Austrian expert provides a fairly typical assessment of the limitations of the arrangements when she writes that “even though not mentioned in the report, there has been some coordination between the ministries responsible for the social inclusion programme and the ministry responsible for the national reform strategy. From reading the report, though, the outcome of this coordination does not become clear. It still appears that feeding in and feeding out are seen as tasks that ‘need’ to be fulfilled in terms of reporting because the Commission wants it – and not because feeding in and feeding out are interpreted as useful exercises in preparing, implementing and evaluating measures from different policy fields by the ministries.” The Cypriot experts note that “the 2008-2010 NRP hardly mentions the 2008-2010 NSRSPSI, while the latter has no evidence suggesting that there has been coordination in the preparation of the two reports.

Nevertheless (...) the 2008-2010 NSRSPSI has many social inclusion and social protection measures that contribute to growth, even though this connection is often implicit. Furthermore, many measures in the 2008-2010 NRP were also included in the 2008-2010 NSRSPSI. On the basis of this observation, it is difficult to argue that the joining up of economic, employment and social policies in the two reports is an arranged coordination or simply (intended or unintended) duplication.” The Czech expert comments that the coordination process of the NRP and NSRSPSI “was not well arranged” and considers that the horizontal working groups developed for both processes, while delegated to participate at each other’s meetings, have “no mechanisms to coordinate these documents in terms of *feeding out* and *feeding in*”. The French expert considers that the NRP “pays little attention to the existence of coordination mechanisms. However, there are three forms of coordination within the programme, although these are not explicit.” The German experts note that although the federal government has institutionalised a set of advisory boards (e.g. in the field of economic policy, the financial counsellor at the Federal Ministry of Finance, the advisory committee for social policy, the advisory council for family policy) which report periodically, discuss legislative projects, and review the schemes “a committee is missing, which deals with the social inclusion concept of the Lisbon strategy and which is responsible for seeing that this strategy is kept in mind”. The Greek experts conclude that “the prerequisites are missing to mainstreaming social inclusion policies and articulating their objectives in the growth and employment policies pursued in Greece”. The Hungarian expert notes that “the arrangements for coordination should be significantly improved, especially with regards to social policies”. The Latvian expert notes “the weak cooperation among these committees and groups responsible for the monitoring and coordination of the NRP and social inclusion policy. In the context of the NRP, attention is focused on issues of the economic and employment policy, while in the NSRSPSI only social policy aspects are emphasised. Still, unfortunately, a comprehensive purposeful planning and coordination of these policies is absent, and neither of the documents emphasises the necessity of such coordination, neither is any provision made for the cooperation of these institutional mechanisms.” The Maltese expert concludes that “there has been no attempt at directly coordinating the preparation of the 2008-2010 NRP and NSRSPSI. The economic thrust of the NRP obviously impinges on the objectives of the NSRSPSI, but the two documents were produced parallel to each other, with different teams working on each separately. This is an area of serious concern, which has repeated itself despite the fact that the attention to this lack of coordination and dovetailing was drawn in previous reports.” He detects that “there is no in-built mechanism for the coordination and joining up of economic, employment and social policies provided for within the NRP”. The Polish expert notes that the coordination of the preparation process of NRP was ensured by the involvement of the High Level Inter-Ministry Team for the Implementation of the Lisbon Strategy and the reconciliation procedure within the government but concludes that “notwithstanding these arrangements, the NRP makes very limited use of the synergies inherent in growth and jobs policy and social inclusion”. She considers that “the most important reason for this situation is the fact that social inclusion policy is not one of the Polish government priorities. The objective of the NRP is the creation of a foundation for sustainable socio-economic growth in order to improve the citizens’ living standard. However, it does not identify the challenges which have resulted from the processes which lead to social exclusion and poverty even in the well developing economy and increasing wealth.” The Portuguese expert reports that “according to some NGO network representatives and to the NGOs Forum for Social Inclusion there has been a traditional lack of clear articulation between the NRP and the NSRSPSI and at the same time an awareness that the importance of the Social Inclusion agenda has been weakened by the revised Lisbon Strategy and the relative positioning between the NRP and the NSRSPSI is less that of a mutual reinforced interaction but rather a hierarchical relationship”. The UK experts comment that “the coordination between different areas of policy is more evident on the ground than in the NRP and NSRSPSI themselves. The Scottish

government in particular appears to strive to connect its economic, employment and social justice strategies together more closely.”

A few experts are more positive. For instance:

- The Estonian expert concludes that although governance arrangements are not identified, “the construction and content of the 2008-2011 NRP shows that during the preparation of the 2008-2010 NSRSPSI the coordination with the 2008-2011 NRP has taken place and vice versa”.
- The Finnish expert comments that the “preparation of the 2008-2010 NRP and NSRSPSI are fully integrated in the national policy making and draw from existing government policies. In this way, they are coordinated to a great extent.”
- The Luxembourg experts conclude that the arrangements for the coordination and joining up of economic, employment and social policies are “formally sufficient”. They add though that “it could nevertheless be helpful if the formal exchanges would be prepared by less formalised small groups of technicians for each strand (economic, employment, SPSI), where the emphasis should be on the monitoring in relation to ‘targeted objectives’.”
- While noting that “separate bodies have been established for the preparation of the NRP and the NSRSPSI” and that “there seems to be a lack of formal linkages between those responsible for the growth and jobs process and those coordinating the SPSI process”, the Romanian expert comments that the Ministry of Labour, Family and Equal Opportunities, “as the national coordinator of social inclusion policies and as the body responsible for the proposed objectives and for the monitoring and assessment of the NSRSPSI is one of the members of the Lisbon Committee and can strongly contribute towards linking the two agendas”. She also comments that “positive steps are made in various areas as concerns the macro-economic goals (such as financial sustainability and improving the management of governmental expenditures) and the social objectives (such as improved sustainability of the pension system)”.
- The Spanish expert reports that “both the NRP and the NAP/inclusion offer testimony to the consolidation of the institutional coordination requirement within the objectives of each plan and, partially, between both plans in those fields which are most directly common to both, such as education, the labour market and social protection.”