



**THE INTERCONNECTION BETWEEN EMPLOYMENT STRATEGIES
AND SOCIAL INCLUSION STRATEGIES:**

A VIRTUAL OR A VIRTUOUS MARRIAGE?

Technical Information

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The interconnection between employment strategies and social inclusion strategies: a virtual or virtuous marriage?

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Introduction

This document tries to respond to one of the project's challenges that the Rede Europeia Anti-Pobreza / Portugal (REAPN), in partnership with other seven organisations, submitted to the 2007-2013 PROGRESS Programme, under the budget line "*Mutual learning on social inclusion and social protection*", that was approved by the Directorate-General for Employment, Social Affairs and Equal Opportunities.

In this project - "Bridges for Inclusion" - it is specified that its main goal is precisely to identify the possible bridges between employment and inclusion strategies. In order to do this, the first step was to elaborate a panorama of the interconnections between these strategies, at European level; secondly, to develop this same overview in the six partner countries; and, thirdly, to verify, within a case studies' logic, the way these strategies are put into practice through three or four social economy experiences, at local level.

Besides the accomplishment of the first project's goal, this study will also present a broad overview that can guide the drafting of six national studies. On the other hand, we will also try to present a set of reflections and questions on how to overcome the difficulties and the deficits of the linkage between these strategies.

Not all labour policies lead to social inclusion or the other way around. However in our societies most of all inclusion processes are based on having a job since a job creates social relations gives people a social status and provides the necessary resources to survive. At the same time, it's the overwhole society and its economy that can be more or less inclusive or exclusive. The scholar, the health, the housing, the leisure and culture systems are other components that can help or not to produce the social inclusion processes. This overview will not directly address these areas.

According to the Bridges for Inclusion objectives, this overview is focused on social economy and social enterprises. The Social economy, which comprises many categories, is wider than social enterprises. These ones are only one of its more dynamic dimensions. Social enterprises are defined by 1) Its capability of integration of people coming from poverty, exclusion and unemployment; 2) By the ability to sell goods and services to the private and public market; 3) By being non-profit enterprises and not remunerate their capital; 4) By searching economic results to guarantee their sustainability. They stress as an important axe the participation of their members, which at the same time produces some contradictions. They are strongly linked to the needs of their territory and contribute to the local development. Social Enterprises usually defend the environmental and the cultural patrimony. Usually they also create jobs, organise and support training (personal and professional) and work on a social integration dimension which goes beyond a labour dimension.

This study starts by identifying a set of questions that can work as a general framework. The second chapter deals with the history of the European Employment and Social Inclusion Strategies, trying to identify and to analyze the matches and the mismatches between them. The 2000 Lisbon Summit can be considered the high point of this "zigzagged" itinerary which, nevertheless, had important precedents that we should not underestimate. This Summit led to important decisions being

taken which have renewed and shaped those strategies until the present day. We will try to demonstrate how this history has been made up of a number of discussions in which the concepts and arguments used have evolved side by side along with the different actors. According to the “Bridges for Inclusion” project’s aim, we will also try to get to better know the social economy’s pathways and, in particular, that of social enterprises mainly because these organisations are the ones that have particularly suffered the consequences of the measures taken at European and National level and, simultaneously, have attempted to have an influence on them. Finally, we will present a set of reflections and questions, within the framework of this project or of other domains where we are able to intervene, hoping that such clues and reflections can contribute to the deepening of the links between employment and social inclusion strategies.

This is the final version of the Overview which results of the discussion held among the different partners of the project. The first debate took place in April 2008 (during the second transnational meeting of the project in Brussels). After this meeting, a discussion space was promoted through the CIARIS Platform, to enable the deepening and the improvement of the document. It is important to take into account that the national studies that each partner will carry out can contribute to bring together some aspects and, above all, to analyse to what extent the questions presented here, at European level, can reflect and influence the challenges, discussions and strategies at national level. Finally, the experiences that will be developed at local level will provide an additional space for a contrasting reflection that will certainly improve our transnational knowledge and capacity for comparison.

1. Some initial questions

As we have already mentioned, the aim of this work is to present an evolutionary panorama of the interconnection between social and labour policies and, more specifically, of the bridges between employment and social inclusion strategies. Basically, our intention is to reflect on the history of this relationship how, when and where did they meet for the first time; what makes them get on so well together; whether their meetings were sporadic or, on the contrary, frequent; why did they have periods of closeness and separation and what did these meetings mean for their relationship; how did they live together or side by side and what were their main disagreements; to what extent did their relation had positive or negative outcomes.

The idea that there are virtuous circles capable of creating the necessary conditions to get out of poverty is more and more recurrent. In this study, we try to question how much the interconnection between the European employment and social inclusion strategies is able to generate positive outcomes for people experiencing unemployment and those experiencing poverty and exclusion. Or, on the contrary, - who is excluded from the socio-labour inclusion policies? Have the meetings between these two strategies been virtuous or virtual?

The second question has to do with this “couple’s” history. It is not an easy task to coordinate, integrate, bring together and articulate strategies. As in the best of families, the separation and the trend to have parallel lives are normally as frequent as the unification tendency and the efforts to stay together. Ignorance, silence and absence of dialogue are frequently pointed out as the causes of separation and divorce. The sharing of decisions and responsibilities, affection and mutual

knowledge are factors that generally contribute to the relationship's stability. We can suggest the hypothesis that these causes and factors also have influence on the links between employment and social inclusion strategies. Some of the questions that should be answered are: what were the causes and tendencies that have contributed to the periods of closeness and the withdrawals and what was the behaviour of the actors who influence and circulated around this couple. We should also attempt to identify the time and place of these periods of convergence and divergence.

The history of this relation could be summarized as follows: there is an early history that starts in 1957 and that seems to carry on between 1989 and 1994. It was deepened in 1997 with the Treaty of Amsterdam, the Luxembourg Summit and the Community Programme "Third System and Employment". Lisbon 2000 marks a new high point by encouraging a triangle that attempts to combine economic development, employment and social cohesion. To some extent, Lisbon 2000 represents the beginning of another phase in the history of this couple. It is essential to follow up this other phase which, with its ups and downs, persists until today.

The third question tries to address what were the possible consequences and the impacts of this "relationship". The most important thing is not to make a simple evaluation but to verify how this relation has influenced, horizontally, public and private actors who work at European level and, vertically, the social economy at local level. What was the role of social protection on the relation between those who have a job and those who don't? Does the increasing pressure through the development of activation measures mean a change in the employment and social insertion mechanisms and processes? What interconnections took place between the National Action Plan for Inclusion and the Employment National Action Plans? Does the current National Reform Programmes entail the integration of "more and better jobs" and of less aims related to poverty and exclusion? In what terms did the different "families" of the social economy sector and the actors in trade unions and companies contribute to and/or were limited by these strategies?

2. A zigzagged itinerary

This chapter examines the broad itinerary of the links between the European Inclusion and Employment Strategies that started with the Treaty of Rome in 1957 and continues until our current time. This is not a straightforward history but, on the contrary, a winding road full of curves, throughout these years. It is not only a history of progress either. There were moments of acceleration and periods of significant slow down. To a certain extent, the European employment and social policies sometimes seemed to ignore one another; other times, they run side by side having brief but frequent meetings.

2.1. The prehistory, a single partner¹

The Treaty of Rome made a subtle declaration in favour of social progress and for the improvement of living and working conditions through two series of articles. The first series was about the free circulation of workers (articles 48 to 51) and the second one, called social policy (articles 117 to 128) was simply an approach on workers re-qualification for which the European Social Fund would be created. By adopting the tripartite agreement mechanisms of that time, this Fund was managed (and still is) by a Committee that integrates the European Commission, trade union organisations and employers' organisations. Contrarily to its designation, this Fund was not constituted as the base of European social policy and it will rather play an important role in employment policies, knowing that only during the nineties the objective of fighting against labour market exclusion was included.

There was a fundamental difference between the two series of articles given that the first one was submitted to a community decision-making process while the second, i.e. the provisions on employment, working conditions, vocational training and social security, involved only the cooperation between the Member States, and the European Commission had the single purpose of promoting studies and organizing consultations (article 118).

Thus, limiting and ambiguous game rules were established from the beginning. The free circulation of people, goods and assets was a community issue considering that it aimed at the creation of a big market. The rest belonged to the sovereignty of the Member States. These defended – and they still do – this sovereignty quite jealously.

It is important to recall that the first social European decisions had a compensatory nature considering the re-conversion that the French industry had to operate as a result of the negotiation with the six other Member States (especially with Germany) that constituted the formerly called European Economic Community (EEC). In this way, the second lesson that can be learned from this dubious beginning is that the decisions that caused it were influenced by the negative consequences arising from European measures of industrial character based on the labour market needs of a particular country. This leads us to a third lesson. The founding parents of the European patria, convinced that the creation of a large market would eliminate the main causes of the historical military conflicts and create the necessary conditions for economic growth, still strongly believed that such growth would entail a widespread improvement of living conditions. They believed that the European

¹ A part of this prehistory is based on Estivill, J. (1998). Las Políticas sociales de la Unión Europea en los albores del nuevo milenio. Rev. Derecho Social Internacional y Comunitario n. 32. Ministerio del Trabajo y Asuntos Sociales. Madrid

construction should be built with “economic concrete” which would enable the walls of political understanding to be built. Everything else would gradually happen as a consequence. Social policy was not a part of the European agenda at that time. Under these circumstances, the “couple” could not exist because one of the concerned parts was missing.

This main characteristic of the European panorama was developed in the 60's and continues until today, namely that: 1) economic growth is a necessary condition but not sufficient for the improvement of social welfare; 2) that monetary, financial and market integration doesn't necessarily ensure a social protection approach; 3) that economic policy decisions, on a European scale, also produce inequalities and the exclusion of people, social groups and territories. Despite this, the discussion remains open. For that reason, the socio-labour European strategies have been oscillating between the subsidiary policies and the compensatory ones, between harmonization and convergence, between an incentive function and a more active intervention, between the State's pressure and the legitimacy of the supra and sub-state bodies.

Until 1974 no great changes occurred. Under the influence of economic growth that afterwards was known as “the thirty glorious years”, with a moderate rise in population and in life expectancy, the decrease in the duration of working life, the rise of compulsory education, the progressive entry of women into the labour market but with the development of social protection and of a labour market with very low unemployment rates (high only in certain specific regions like the Italian *mezzogiorno*), and a rather marginal poverty – on which the public and private financial support worked, at national and local level -, there were no valid reasons to set in motion a strong supra-state intervention.

From 1961 to 1972, the Social Fund covered the needs mainly of the Italian Government for the reintegration of its emigrants and of Germany for the vocational reconversion of those who had suffered a work accident. In the 1969 Hague Conference and in the 1972 Paris Conference it started to be recognized that the labour markets and the national employment policies harmonization was not automatic and that the operation of the Social Fund had a lot of inconveniences and inconsistencies. In the first place, once its intervention capacity depended on the importance of the Member States devices and financial resources, and as not all the State's needs were taken into account, it benefited some to the disadvantage of others. Secondly, because there was not a general strategy but simply a compensation mechanism based on eligibility criteria, a coherent community budget was not produced or maintained or a concentration of aids. And, thirdly, its retro-active character did not enable it to face and anticipate unemployment caused by the industrial reconversions and fast technological changes².

For these reasons, the 1971 Fund reform tried to modify its operation and goals. The Fund started then to support vocational training, the access to the work places and the promotion of employment and to facilitate the workers re-location. During the seventies, several Directives and Regulations dealt with the free circulation of workers issue. But, most importantly, the Council was authorized to increase the intervention of this Fund which continued, until 1983, when a new reform took place. This opened the Fund to the agriculture, textile and construction sectors, as well as to specific groups such as emigrant workers, disadvantaged people, women

² Hatt, Ph., (1991). Trente ans d'intervention du F.S.E. en Le fonds Social Européen. Commission des Communautés Européennes. Rev. Europe Sociale n-2, Luxembourg. (Pages 80 and 81)

and the unemployed and young people under 25 years olds searching for their first job.

On the basis of these changes³, which also had budgetary impacts, there was a need to face the oil shock consequences in the beginning of the seventies that violently shook the rationale and the beliefs of the European socio-economic scenario by degrading the labour market, reducing the Welfare States' expansion and by accelerating the ruptures of the primary bonds, thus promoting the emergence of what, years later some would call, the new poverty⁴ or, as others prefer to name it, social exclusion.

2.2. A new partner's birth and growth: the European programmes for the fight against poverty

The fact that the first social policy draft of European scope resulted from a decision of the European Council of 21st June 1974, with the creation of the Social Action Community Programme, was not a coincidence. This Programme integrated about twenty measures guided by three axis of intervention: the achievement of full and better employment; the improvement of living and working conditions; the creation of a more solid balance of its progress and of the participation of the social actors in the Community socio-economic decisions and of the workers in enterprises. It was recognized for the first time in this Programme that it is impossible to develop a specific social policy in each Member State, in a Europe which is approaching integration. An attempt is made to incorporate some social contents, though it is highly centred on employment issues. This first opportunity for a link between the employment and inclusion strategies was missed seeing that these last ones were not yet born and the objectives of this Programme would be "put on stand by". Only in the 1984 the European Council a new Social⁵ Action Programme would be defined.

A year after the launch of this important Programme, despite the obstacles, the first European Programme for the Fight Against Poverty was set in motion. In its beginning, in 1975 (which would last until 1979), the Council would adopt the classic definition that "poor are all those who have an income below the 50% of the average income *per capita* of the country in which they live". According to this definition, 12.6% of the EEC total population was experiencing poverty. Within the framework of this Programme, a set of small pilot-projects was financed - that would give rise to nine national reports of the nine countries which were then integrated in the EEC (meanwhile, Denmark, Ireland and the United Kingdom had joined). In these reports, which define and characterise the situations of impoverishment⁶, a direct link started to be established between labour market deprivation and poverty. But, the fact that this link is recognized did not mean that the European bodies had to work on this issue.

Five years after the first Programme had finished and thanks to the pressure of the Irish Presidency, the Second European Programme was initiated, which would last from 1985 to 1989. In December 1984, the Council adopted a second definition of

³ European Communities (2007). European Social Fund. 50 years investing in people. Luxemburg.

⁴ See Candel, F. (1988). *La nueva pobreza*. Barcelona. Ed. 62; Room, G. (1990). *New poverty in the European Community*. Sant Martin Press. Londres; Saraceno, C. (1990). *Nuova povertà o nuovi rischi di povertà en Negri*, (Ed.) *Povertà in Europa e trasformazione dello stato sociale*. Milano. F. Angeli; Paugam, S. (1991). *La desqualification sociale. Essai sur la nouvelle pauvretè*. Paris. P.U.F.

⁵ Lènoir, D. (1994). *L'Europe sociale. La Dècouverte*. Paris. (Page 84)

⁶ Commission Européenne (1981). *Rapport final de la Commission au Conseil du premier programme de projets et études pour combattre la pauvretè*. Bruxelles.

poverty: “[...] are considered poor those people, groups and families whose material, social and cultural resources are so scarce that they find themselves excluded from the ways of living minimally acceptable within the Member State where they live in”. Both definitions, as useful or censurable as any others, underline the scarcity and the relativity. The second one introduces the multidimensionality notion of poverty, thus integrating the social exclusion concept.

In this Second Programme, the structural nature of the impoverishment processes is confirmed. Within the framework of the Programme, 91 projects were promoted which focus on eight types of target-groups and from an action-research perspective. Each country had an evaluator and each target-group a coordinator. All these actors met in a “*clearing house*” whose functions were the coordination and the production of the main discussion documents. The activities of a transnational nature acquire a relevant role. Comparative studies were developed that helped to measure and better apply the already mentioned definitions as well as others like the concepts of insecurity, marginalisation, new poverty, etc.

In its final report⁷, the General Programme’s coordination emphasized the idea that the symptoms and vectors which cause poverty are related to the lack of access and the loss of economic activities (work, employment) and that the restrictive tendencies of the social protection measures contributed to that. However, it was the target-groups approach which achieved a better progress, deepening the link between the labour market and the existence of people experiencing poverty, particularly in relation to the long-term unemployed and the marginalized populations and social groups.

Regarding the first one of these groups, the final report⁸ started by criticizing the vision of a situational and secondary unemployment which derives from individual causes, thus characterising long-term unemployment as a product of the national and European policies of industrial reconversion and of new technologies. Taking into account the 16 millions of unemployed people in 1986, the training measures proposed by the European Social Fund seemed insufficient and frequently inadequate considering that the most necessary thing was to create new jobs. The involuntary and unexpected loss of jobs, within a system where the labour market is the main source of economic power, leads to multidimensional poverty and to a spiral of degradation (housing loss, consumption decrease, loss of family structure, indebtedness and isolation, self-esteem and social status diminution...). This is even more obvious in the Southern Europe countries where fragile social protection systems and the lack of minimum income schemes made these situations more complicated. Based on these diagnoses, the fourteen projects proposed to develop unemployed skills through different social work actions; to support self-organization and the capacity to press local and national public authorities; networking with other actors and participating in economic (cooperatives) and social activities, highlighting the urgent need for the coordination of the different measures taken at European, national and local level.

In relation to marginalized populations and groups, this group’s final report⁹ assumes that there is an institutionalisation of their needs through a sort of “offer

⁷ Hiernaux, J.P. (1989). Luchar contra la pobreza en Europa. Acervos y perspectivas de la confrontacion de las experiencias de terreno. Comisión Europea. Bruselas.

⁸ See the synthesis in Papantonios, A. (1992) Chômage et pauvreté. L’expérience de quatorze projets. Revue Service Social dans le Monde n°1-2. Mons. (pages 19 to 30).

⁹ See the synthesis of Marques Balsa, C. e Giuglia, S. (1992) Populations et collectivités marginalisés. Revue Service Social dans le Monde n°1-2. Mons. (pages 51 to 63).

codification”, suggesting the need to find integrated and innovative actions. These would entail a re-reading of the world’s diversity of marginalized groups, a follow-up that does not create dependence but supports a growing autonomy which enables the access to rights and the establishment of integrated strategies through work. Among them the following areas were highlighted: work within communities (protected work), the work in a secondary market and the work which is promoted by social cooperatives and by other ways and structures of socio-economic integration.

It is important to underline that within this Programme’s framework, a first reflection of transnational nature was produced through experimental projects promoted according to specific groups which aggregated, socio-labour strategies and actions, unemployed people and other marginalized groups.

In the Third European Programme, developed from 1989 to 1994, the group focus, in which only ten innovative projects were developed, lost status in favour of 42 larger territorial projects. These territorial projects aimed at the establishment of integrated partnerships and participation principles. As the Programme advanced, the concept of “exclusion”¹⁰, which was born in France and whose opposite concept is “inclusion” – a concept whose use will be generalized a decade later – is more and more in practice. During those years, the term “insertion” dominated, which, in some Latin languages, has a different meaning from the one of “integration” (used in English as a synonym of “insertion”).

It is precisely regarding the theme of “economic insertion” - terminology mostly used in France - that a task force of this Third Programme worked on and in which mainly, Latin projects and experts participated. This group had in common with the rest of the Programme the perspective of a structural, multidimensional and cumulative poverty, in relation to which a coordination of different social and economic policies and other policies was defended (employment, education, housing, health, social services...) and the appliance of the territorial actions’ integrity principle. Based on the resolution of the Social Affairs Ministers Council given in the course of the European Council of 29th September 1989¹¹ (in which the social exclusion concept was officially introduced for the first time), the group insisted on the socio-economic insertion theme. Several projects of the Programme that became known as Poverty 3 (Amberes, Perama, Argyrópolis, Limerik, Girona, Alto Belice, Utrecht, and Almeida), act in conformity with these principles. They do it through more or less conventional methods: working with local employment agencies (Employment Centres) or trying to convince and to involve the local business world; making insertion efforts in local and urban development plans; promoting social enterprises and creating partnership networks where the local administrations, the trade unions and enterprise’s organisations, the regional and local authorities (employment, social services, territorial planning...) and the associative world participated. The Girona¹² Project, in Spain, is particularly representative of this last sort of options.

Following the Roubaix model, in France, and in an unusual and unexpected transferability process, the Girona partnership mechanism was able to overcome the inadequate assistance measures that was promoting previously. In a bit more than a year, a common database was created, composed of unemployed and excluded

¹⁰ Estivill, J. (2003). Panorama internacional sobre la exclusión social. Conceptos y estrategias. STEP-OIT. Ginebra.

¹¹ Resolution of the European Council and the Ministers of Social Affairs concerning the fighting against social exclusion (O.J.E.C. nº 277 from 31.10.1989)

¹² Ajuntament de Girona (1994) El dispositiu de inserció econòmica de Onyar Est. Girona. (205 pages).

people. 140 contacts with enterprises were established, 151 people were placed in unskilled jobs with work contracts without a fixed term that were kept for more than a year. The key factors that explain the good results are: a good knowledge of the local labour market and the adaptation to its needs; the strong partnership dynamic that was developed involving all local authorities; the creation of insertion itineraries, with the motivation and the initial training supported on a follow-up in the workplace. This strategy of insertion itineraries will have, afterwards, a broader echo in many programmes and European experiences.

In one of the most inspiring documents of the European Commission of those years¹³ it was pointed out that in addition to demographic change and family transformations, one of the main causes for exclusion was labour market deprivation and, for that reason, an ample space was granted to the integration measures, among which are highlighted: the local action contributions; the dialogue between all actors, including the social economy; the social protection convergence; the confirmation of rights; the contribution of the structural funds and the link between social and economic policies.

After analysing the Poverty Programme 3¹⁴, the two chapters regarding the bridges between the labour insertion strategies and the fight against exclusion are significant. In the first one, it is recognized the lack of synergies between the projects of Poverty 3 and those that were already being financed by other community initiatives recently created, within the framework of the Social European Fund, such as the HORIZON and NOW Programmes. This happened mainly when these programmes aimed at social and economic cohesion (HORIZON) and, specially, the fighting against women's discrimination in the labour market (NOW). There wasn't any kind of cooperation or link between these initiatives, neither at European level, nor at national level. Rules, logics and time limits impeached this inter-action and the few that took place at local level (40% of the Poverty Programme 3 projects have promoted another type of projects in these new initiatives) were not able to influence political decisions through their lessons. These are just another kind of arguments that explains the mismatches¹⁵. That's why, in the revision of the 1994 Structural Funds regulations, in the third objective, not only the issue of fighting against long-term unemployment but also measures capable of "facilitating the integration of those that were menaced by labour market exclusion" were included. However, the inclusion of this objective did not produce a significant change in the Social European Fund or the establishment of many bridges capable of specific connections.

On the contrary, the second chapter of the evaluation of the Poverty 3, which deals with integration development, gives a more optimistic view. In this one, it is demonstrated that local development can contribute to labour insertion and social inclusion practices. Some Poverty 3 projects in Italy, France, Denmark, Belgium, Ireland and Spain confirmed that once they were able to create Local Development Agencies, to mobilize local actors by using unexplored resources, bringing about needs without answers that went beyond the traditional processes of standard vocational training. In this way, the report criticises the fiscal benefits, the loans

¹³ Commision's communication (1992). Intensifier la lutte contre l'exclusion sociale, promouvoir l'intégration. Bruxelles.

¹⁴ Conroy, P. (1994). Bilan et évaluation. Document de Synthèse. GEIE. Lille.

¹⁵ To a more detailed explanation of these "mismatches", see the analysis that the European Commisions makes of the Programa Pobreza 3. Comisión Europea. (1995). Informe final sobre la aplicación del Programa Comunitario para la integración económica y social de los grupos menos favorecidos. Pobreza 3. Bruselas. 27.03.1995. COM (95). (Pages 60 and 61).

with low interest rates and the financial aids to commercial enterprises and emphasizes the importance and relevance of the social enterprises' growing role, regardless of how they are called the "Community Business" in the United Kingdom and in Ireland, "Entreprises d'Insertion y Regies de Quartier" in France, "Entreprises de Formation par le Travail y Actions Intégrés de Développement" in Belgium or "Cooperativas Sociales" in Italy and Spain.

Therefore, the Poverty Programme 3, starting from territorial experimentation - a different perspective from that of the Poverty Programme 2 which took action by means of target groups¹⁶ -, has implemented a number of very useful lessons to the articulation of the labour insertion strategies and to the fight against exclusion, especially through local development and some areas of social economy. By emphasizing the concept of social exclusion it creates, at the same time, a greater interest for more integrated and comprehensive approaches. Regardless of its efforts, neither the Poverty Programme 2 nor the Poverty Programme 3 was able to mobilize the trade unions and employer's organisations in a relevant and definitive way. But, it did not prevent them from being present in some transnational seminars and participating in some projects. At the end of Poverty 3 the concept of "corporate social responsibility" started to be discussed which, later on, would have an important impact.

2.3. Fruitful years: 1989-1994

While it is true that there are periods when the "water" between employment and social policy seems to be stagnant, there are other times when it appears to move very fast. This happened between the end of eighties and the beginning of nineties. The signing of the Single European Act in 1986, and its entry into force in 1987, constitutes the main context in which this acceleration will occur. In this document the will to create greater economic and social cohesion; the expansion of Community competences, thus enabling the adoption of certain decisions and Directives by qualified majority (and not unanimously as until then) are confirmed. A more relevant role is attributed to the European Parliament and to the Social and Economic Committee and, finally, social dialogue is supported with the 1988 reform the Structural Funds are reinforced FEOGA (agricultural), FEDER (regional) and ESF (social).

In the structural funds FEOGA framework, the LEADER program (concerning rural development) is created in 1991 and finishes in 1994. From this year until 1999 LEADER II, and from 2000 to 2006 the LEADER + are developed. All over those years, the local action groups have promoted strategies for employment creation, investing on infrastructures, developing strategies for fixing local populations and to improve the agricultural production.

It is also within the framework of this document, and through the amendments introduced in 1993, that two new initiatives are created for the period of 1994-1999: EMPLOYMENT and ADAPT. The first one aimed at contributing to the development of human resources and the improvement of labour market functioning. With a 1,914 million euros budget, EMPLOYMENT is divided into different initiatives: NOW (aimed at women), HORIZON (disabled people), YOUTHSTART (young people) and INTEGRA (for socially disadvantaged groups, in

¹⁶ To a more detailed analysis of this Programmes, see Estivill, J., Aires, S. (2007). De Lisboa 2000 a Lisboa 2007: regresso ao futuro. Porto. Ed. REAPN.

general). The second initiative, with a 1,650 million euros budget, wanted to promote the adaptation of the labour force to business changes. Each one of these programmes operated autonomously and, as an example, there are almost no bridges between the projects promoted by ADAPT and INTEGRA.

This new impetus¹⁷ that would orientate these years was born from a background influenced by: the failure and the withdrawal of Ronald Reagan's (from the United States of America) and Margaret Thatcher's (European version of the same sort of policies) policies; the Portuguese and Spanish accession to the EEC (1986) that brought renewed amounts of "Europeanism"; the good understanding of the Franco-German axis; the affirmation, in peripheral Europe, of the centre-left wing options and the better coordination between trade unions and employers which, since 1985 (in Val-Duchesse) had started a bipartite dialogue that was already a long way from the tough disagreements on industrial reconversion of the seventies. The associative movement, that until that moment had not a strong position at European level, was starting to expand at this level¹⁸. The relationship with the Parliament was also favourable and a lot of initiatives launched by the European Commission were supported and, afterwards, approved by the European Council.

The Single Act motivated an interesting discussion on the social dimension of the internal market¹⁹. Some European leaders feared that the free competition would undermine the social instruments, especially with regard to labour legislation, and that it would provoke a social internal dumping that could benefit only the latest acceding countries (Greece in 1981, Spain and Portugal in 1986), mainly because these countries had inferior levels of social protection.

It is due to these discussions that the creation and the approval of the European Charter of the Social Rights by the European Council, at the Strasbourg Summit in 8th and 9th December 1989, made sense. What was in the origin of this Charter was the idea that a common rights based approach was needed in order to guarantee social standards under which no citizen should live. If this document had had legal power, it would allow the European Court to promote a more advanced social jurisprudence. But, the English government opposition was very strong and such initiative remained limited to a declaration made by the Heads of State and of Government, without legal consequences, which was only about workers' rights (free circulation, employment with adequate incomes, improvement of the living and working conditions, equal pay for male and female workers, freedom of association and of collective bargaining, of information, consultation and participation).

This charter was one step forward...mostly for the workers. But for the rest of the citizens, those who were not paid, the risk²⁰ of advancing in this direction (of protecting those who have a job) only confirms the division between:

- ✓ Those who have a job and social protection,
- ✓ Those who have a job but no protection (informal economy, precarious jobs...),

¹⁷ Quintín, O., Favarel-Davas, B. (1999) L'Europe sociale. Enjeux et réalités. Documentation Française. Paris.

¹⁸ It was at the end of the Second European Programme that it started to be created the bases to the genesis of some networks which, later, would lead to the European Anti-Poverty Network creation (1989). To obtain additional informations and to realize the panorama of the situation of those years, see the Galway Congress communications within the framework of the 1990 Irish Presidency. Partners in progress. Galway.

¹⁹ Venturini, P., (1988) Un espace social européen à l'horizon 1992. CCE. Bruxelles y Parlement européen. La dimension sociale du marché intérieur. Résolution du 15 Mars 1989. To acknowledge the UNICE position, see UNICE. La dimension sociale du marché intérieur. Bruxelles. 30 novembre 1988.

²⁰ The European Trade Union Confederation alerted to this risk. See CES (1994). Engagement de la CES dans la lutte contre l'exclusion sociale. Pour une Europe sans exclus. Bruxelles.

- ✓ Those who have protection but don't have a job (retired people, disabled people, unemployed people...),
- ✓ And, at last, those who are excluded from the previous groups.

The European Commission added to the Charter an Action Plan²¹ with 49 measures and 47 Directives for application. However, only 16 of the 28 were adopted.

If the Charter defines a list of attainable rights, as the roof of the European building, it was still necessary to determine its foundations. In order to achieve this aim, another initiative was established: the 1988 European Parliament Resolution that would be followed by the 1992 Ministers Council Recommendation on the introduction of minimum incomes at national level.

The curious designation of the Recommendation²² explains the tough negotiations that took place in order to achieve its approval: "Common criteria regarding sufficient resources and benefits in social protection systems". These negotiations were based on different social cultures, on the diversity of social protection systems and on the meaning that each country attributed to the "minimum income" concept. In fact, at this moment, minimum income schemes existed in those countries which had adopted it during the flourishing post-war years, in a context of market economy expansion and in which social security covered the great majority of the European population, since the "cradle to the grave".

In these countries (Austria, Germany, Netherlands, Ireland, Denmark, United Kingdom, Sweden and Finland) minimum incomes aimed to be the last safety net and to ensure the minimum incomes levels for the poorest populations. At the end of the eighties, other countries adopted minimum income schemes (Luxembourg in 1986, France in 1988 and the Autonomous Communities of Spain between 1989 and 1992), incorporating the concepts of obligation and of right to insertion. Later, Portugal did it as well (1997) adopting this same model of social integration minimum income.²³ Italy only carried out an experiment at local level between 1998 and 2000.²⁴ Considering the previous models, the introduction of the insertion concept entailed a notable change.

To analyse differences and resemblances between these two generations of minimum income models, we can consider many criteria.²⁵ However, in this case, the most relevant is that of the relation with the labour market showing that, in all countries, minimum incomes are one of the most sensitive, needed and specific instruments in the fight against poverty, within a perspective of income maintenance guarantee. In almost every European States, minimum income is presented as a complementary assistance benefit that should help people to overcome, as much as possible, exceptional situations of unemployment, impoverishment and exclusion. This common characteristic includes to a certain

²¹ Communication de la Comisión sur un programme d'action relatif a la mise en oeuvre des droits fondamentaux des travailleurs (COM (89) 56. 8th de Novembre 1989.

²² Recomendación del Consejo (1992). Criterios comunes relativos a recursos y prestaciones suficientes en los sistemas de protección social. Bruselas.

²³ Capucha, L., Guerreiro, M. D., (1997). Rendimento mínimo garantido: avaliação da fase experimental. Lisboa. Ministério do Trabalho e da Solidariedade.

²⁴ Benassi, D., Mingione, E. (2003). Testing the *Reddito minimo d'Inserimento* in the Italian Welfare system. In Standing, G. (Ed.). Minimum income Schemes in Europe. ILO. Genève.

²⁵ To a discussion on the influence of the "beveridgist" or "bismarkish" on the minimum incomes, see Milano, S. (1989) *Le revenu minimum garanti*. Paris. P.U.F.

extente two distinct²⁶ logics. In one of them, there is a direct link between the lack of incomes and of employment. According to the same logic, the person who asks for this benefit should be incited and/or pressured to find a job. In the other logic, more related to the social exclusion concept, the incomes' insufficiency is a symptom, more or less important, of a problem that goes beyond the economic sphere and that requires more than a "simple" search for a job.

For the first logic, existing in most Central European countries, availability to accept a job is a necessary condition to obtain the minimum income. Normally, this means that the receiver should be necessarily enrolled in the local employment services. Only a limited number of persons or groups are excused from this obligation such as in the case of the Austrian and Luxembourg legislation that exempts those who are finishing their studies and those who are in charge of children or older people. It is important to take into account that the obligation to accept a job is, in some countries, stricter for those who benefit from minimum income than for those who benefit from unemployment benefit.

Besides the enrolment duty, in this type of legislation there are other types of mechanisms that reinforce the availability to work with a blend of incitement and repression measures, such as the menace of suppressing or reducing the minimum income if the beneficiary refuses a job or a training proposal. For instance, this is the case of Denmark, Finland and of the United Kingdom.

The second logic emphasizes the "integration contract" that includes a set of counterparts not necessarily or directly related to employment activities (familiar, health, training...) rather than the unilateral beneficiary obligation. It must be understood as a mutual engagement between the beneficiary and the society demonstrated through a negotiation. Nevertheless, this is not an equal negotiation and, in reality, only a percentage inferior to 50% establishes this kind of contract. An intermediate case between both logics seems to be that of Belgium that passed from the first logic to the second one with the 1993 reform²⁷, introducing a compulsory social integration contract with jurisprudence over the motivation to work.²⁸ The Danish case deserves to be mentioned because it is intended for people who have time difficulties and for young people from 18 to 24 years old, thus introducing an obligation of accepting the jobs and training proposed by the municipalities, under penalty of losing the benefit. This model works according to the "activation"²⁹ perspective, measures that were already implemented in the Scandinavian countries some years ago and that afterwards would be introduced in the European Union agenda.

In all countries, paid work is considered the most appropriated mean of professional integration and of monetary autonomy. In several countries, minimum income schemes aids for students and vocational training of beneficiaries and their families are included. In other cases, these aids (refundable or non refundable loans), aim to facilitate training (Netherlands, Austria), the restart of a professional activity

²⁶ Comparative analysis of Guibentif, P., Bouget, D.(1997) As políticas de rendimento mínimo na União Europeia. Lisboa. Ed. União das Mutualidades. This publication gathers the contributions to an interesting European seminary that was held in Lisbon within the Framework of the Minimum Income implementation in Portugal.

²⁷ Jacques, E. (1996). L'expérience belge de revenu minimum. Paper presented to the European Seminar on Minimum Income (1999). Lisboa. See also Vranken, J. (1999) Le minimex en mutation en Belgique in Paugam, S. L'Europe face à la pauvreté. Documentation Française. Paris.

²⁸ Berger, J. M, Van Ruymbeke, M.(1990). Le prix de la dignité humaine. Union des Villes et Communes Belges.Bruxelles

²⁹ Abrahamson, P. Hansen, H. (1994). Guaranteed minimum income in Denmark. Bruxelles (report prepared for the European Commission-DG V).

(Ireland) or even the creation of an enterprise. It is possible as well to turn to financial aids for the job seeker (Belgium) and, in other cases, the public institutions (Luxembourg) are the ones who create the paid jobs, useful to the communities and to the minimum income beneficiaries.

In any case, within the framework of social protection and through the European recommendation, minimum incomes enable the interconnection between employment and inclusion. Nevertheless, this possibility was a mere hypothesis and it would only be accomplished in a more reduced scale³⁰. In some countries, this sort of measures required a joint work effort between the Social Affairs Ministers and the Employment Ministers creating, at the same time, inter-ministerial commissions as coordination structures (Luxembourg, France and Portugal) that sometimes had parallelisms at local scale, which is the case of the Insertion Commissions at local level in the Autonomous Communities of Spain, and in certain regions of France and Portugal. In these spaces of decentralized coordination, at least theoretically, the local actors, and among them the trade unions and the entrepreneurs, should collaborate with the territorial delegations of the national employment agencies and of the social services.

Situated among the so-called “social welfare”, the measures, the non-contributory social services and benefits at local level, the experimentation with the minimum income schemes implementation and links to the labour market is analysed by researches that should be better recognized.³¹

The 1992 Recommendation goes beyond minimum income schemes and establishes the individual right, without time limit, to sufficient resources and benefits so that one can live in conformity with human dignity.³² Despite its relative ambiguity, the Recommendation is able to find a balance between tradition, which emphasizes the guarantee of resources, and a broader point of view that insists that this guarantee must be the impulse to an economic and social integration.

Another initiative that had repercussions on this debate was the European Commission proposal approved by the Parliament and the Economic and Social Committee and adopted, afterwards, by the European Council in 1992. We’re talking about the Recommendation on the Objectives Convergence and Social Protection policies.³³ Until then, the European authorities had only recognized the convenience of coordinating social protection systems.³⁴ However, the Single Act impact, the advances towards a single market and the discussion on the social dumping danger provided favourable arguments for a harmonization/ convergence³⁵ of the social protection, at European level.

On one side, trying to harmonize meant that specific efforts would be made to equalize financings, contributions and provisions, thus establishing criteria beyond the European scope. On the other side, convergence was a lighter possibility but

³⁰ Saraceno, Ch. (Ed.) (2004). Le dinamiche assistenziale in Europa. Sistemi nazionali e locali di contrasto alla povertà. Il Mulino. Bologna.

³¹ See the contributions of Kazepov, Sabatinelli, Eardley, Bradshaw, Heikkila, Nicaise, Milano, Standing, Euzéby, Paugam, Lelièvre, Nauze-Fichet, Ferrera, Gough and Saraceno

³² Direct influence of the German legislation Schulte, B. (1994). Synthèse des travaux. En L’avenir de la politique sociale européenne. Louvain. P.U.L. (From 133 to 139).

³³ European Commission. Common criteria concerning sufficient resources and social assistance in social protection. Bruxelles. 24 June 1992.

³⁴ This reflects on the article 51 of the Treaty of Rome and on the Regulations of December 1958 and of June and March 1972. Its concern was the impact of the social protection on the workers circulation.

³⁵ To a better discussion on the convergence of those years, see Chassard, Y.(1992). Pour une Convergence des politiques des Etats membres dans le domaine de la protection sociale. Revue. Droit Social. Paris

less imperative since it suggested that the growing integration of economies would lead towards the obtaining of a common arrival point for social protection.³⁶ This one would be the dominant position for the following years due to financing problems and the States' huge reticence in conceding a minimum of its competences in this field, on the one side; and the complexity of the equalization of very distinct systems that address different European models of welfare state³⁷ and of social security, and its impacts in terms of poverty reduction³⁸, on the other side. In fact, coinciding with the rising number of minimum income beneficiaries (mostly due to the growth of long-term unemployment), the discussion, in the nineties, would oscillate between the protection systems that gave more money to the so called passive provisions (unemployment and older people) in opposition to those that implemented more active measures and a third comparison with the Japanese and North American social protection models.

These fruitful years (that finished in 1993-1994), deserve to be highlighted showing that they are responsible for the bad news (the end of Poverty 3) and the "abortion" of a future Poverty 4. This fact was hugely responsible for the disappearance of the possibility of having one of the "couple employment-inclusion" interlocutors, though other community initiatives of the Social European Fund continued to rise, as would be the case of the URBAN Programme³⁹. The distance between the social European policy Green Book⁴⁰ (1993) and the White Book⁴¹ (1994) represents well enough the end of an epoch marked by the vividness of hope and the beginning of an era marked by colourless pragmatism. The good news came from Brussels with the publication of the Jacques Delors⁴² White Book which announces new times and, particularly, new meeting places for the employment and social inclusion strategies.

In fact, and as a consequence of the rise in unemployment that was affecting more than 10% of the active population, 21.1% of young people and more than 17 million citizens, the Delors White Book on Growth, Competitiveness and Employment (published in 1993) mentions that the European economy is growing but creating few jobs. According to this publication, it is necessary to promote lifelong learning, to raise internal and external flexibility, to better trust in the decentralisation of initiatives, to reduce the costs of unskilled work, to renew employment policies and to search for answers to new needs. These two last points are the ones that define the "corner" where it will be possible to find the emerging needs that the market did not recognize and the State did not cover in order to create more jobs. The White Book can be considered as the "testament" of the Commission's President even though, a year later, it will be no longer considered like that. However his

³⁶ Estivill, J (1998). Citoyenneté, protection sociale et insertion dans l'Europe du Sud. Em AAVV. Excluant...Exclu. Editions de L'université de Bruxelles. Bruxelles. See contrary opinion in White, J. M.(1992). La convergence des objectifs et les politiques sociales en Europe. Revue Europe Social n° 5. Paris. (Pages 49 and 50).

³⁷ The litterature produced on this theme is vast. A good compendium is Pierson, C., Castles, F. G. (2000). The welfare state reader. Polity Press, London.

³⁸ Deleeck, H. (Ed.) (1992) Indicators of poverty and the adequacy of social security. Avebury. Aldershot. This was one of the researches financed at the end of the Poverty Programme 2 and that was focused on the "existence insecurity" concept. It is worth mentioning that it was after this that the social benefits influence on poverty starts to be introduced in the European statistics with the nuance "before" and "after" the social transferences.

³⁹ Urban had two phases. The first one from 1994 to 1999 and the second from 2002 to 2006. Only exceptionally, its projects have succeeded to build bridges employment and inclusion, which was not an objective of this programme although it stressed on the integrality of urban development experiencies.

⁴⁰ Commission Européenne. Politique sociale européenne (1993). Options pour l'Union. Bruxelles e Commission des Communautés Européennes (1994). L'avenir de la politique sociale européenne. Presses Universitaires de Louvain. Louvain-La-Neuve.

⁴¹ Comisión europea (1994).La política social europea. Un paso adelante para la Unión .Luxemburgo. Com (94) 333.

⁴² Comisión Europea (1993). Libro Blanco sobre crecimiento, competitividad y empleo. Bruselas. Boletín CEE.(Suplemento 6/93)

“testament” will not disappear since its main ideas will reappear in the new “employment opportunities” initiatives.

In fact, the Essen European Council (1994) defined five short and medium term lines of action on employment. In the report on employment in the Europe of 1995⁴³, these lines were already reflected and there was already a focus on the possibility of its implementation, at local level. In the same year, the Commission publishes⁴⁴ a working document on local development and employment initiatives that describes the 17 scopes in which are grouped the new “employment opportunities” and a Communication addressed to the Council and the Parliament⁴⁵ specifically about local development. This perspective came from the previous decade when the OECD had launched, in 1982, its Local Employment Initiatives (LEI) programme that had a good echo in terms of its implementation in the European Latin countries, especially in Italy⁴⁶, Spain⁴⁷ and Portugal⁴⁸. This programme was adapted for the European context through a programme called LEDA. In the context of local development, the elements for the fight against poverty and for labour⁴⁹ insertion were not always present. Firstly, because in the first generation of local development policies centralised public investments were made that created “cathedrals in the desert”, with few repercussions for the most vulnerable populations and with a kind of employment that vanished when the impulses from a vertical nature disappeared. Secondly, because in territories with a huge initial inequality it is rare that the positive effects, in economic terms, are able to impact on the poorer areas and to create more accessible jobs. Thirdly, because the focus was on activities and sectors that require high qualifications and that are so little intensive, in terms of work, i.e., inadequate, for the concerned publics. Lastly, because without a long term sustainability based on a comprehensive perspective the final outcomes tend to reproduce the point of departure.

It is necessary that a set of conditions occurs for that local development can overcome the risk of disconnection between labour insertion and the fight against poverty, considering it as part of the assistance⁵⁰ sphere. Among these conditions, it is essential to point out the need to share the common objective of social and economic development⁵¹; to promote the social capital⁵² and collective goods; to renew local Social Welfare⁵³; to discover the potential initiating and planning role of the local authorities; to incorporate a dynamic provided by social enterprises⁵⁴ experience; and, to improve the capacity of a set of local actors, and especially, of the associative world and of the people experiencing poverty⁵⁵.

⁴³ Comisión Europea.(1995). El empleo en Europa. Luxemburgo. OPOCE

⁴⁴ Comisión Europea. (1995). Las iniciativas locales de desarrollo y empleo. Luxemburgo. OPOCE.

⁴⁵ Comunicación de la Comisión. (1995). Una estrategia europea de estímulo a las iniciativas de desarrollo y empleo. Diario Oficial de las Comunidades Europeas.(12.10.1995).

⁴⁶Trigilia, C. (2005). Sviluppo locale. Un progetto per l'Italia. Ed Latreza. Roma-Bari

⁴⁷ Vazquez Barquero, A. (1993). Política económica local. Ed. Piramide. Madrid.

⁴⁸ Henriques, J. M., Lopes, R. G., Batista, A. J. (19991). O programa ILE em Portugal. Ed. Escher. Lisboa

⁴⁹ Estivill, J. (2007). Estrategias locales para enfrentar la pobreza urbana. Panorama internacional. Lima. Proyecto PROPOLI.

⁵⁰ Barreiro, E., Jiménez, E., Sanchez, J.E. (1998). Los nuevos yacimientos de empleo. Barcelona. Fundació CIREM. (Pág. 145 y 146)

⁵¹ Sauvage, P. (Ed.) (1996). Reconcilier l'économique et le social. O.C.D.E. Paris

⁵² There is a vast theoretical production on this concept. A good reference (with texts of its creators and others) is Bevort, A., Lallement, M. (Ed.). (2006). Le capital social. Ed. La Découverte-Mauss. Paris.

⁵³ Estivill, J. (2008). Protección Social y desarrollo local en Europa. STEP-OIT. Ginebra

⁵⁴ Provasi,G. (2002) (Ed.). Lo sviluppo locale : una nuova frontiera per il non profit.F.Angeli. Milano. y Laville,J..L., Eme,B.

⁵⁵ Jouen, M (Coord.). (1997) Premier rapport sur les initiatives locales de développement et de l'emploi. Commission Européenne. Bruxelles.

After 1996, the Commission that had already taken some initiatives (ERGO, LEDA and ELISE Programmes), launches several invitations to carry out experimental actions, with the new “employment opportunities” background. Through the article 10 of ERDF and the article 6 of ESF, a set of projects were financed that would be implemented towards this perspective. We are talking about daily life services (domiciliary support, child care, support to dependant young people and older people...) that can provide a better quality of life (buildings and rehabilitation of houses, local public transport, security, small businesses, collective energy management...), of leisure (rural tourism, local cultural patrimony preservation...) and of environment preservation services (water and residues management, natural zones’ protection...). In brief, these are activities that can satisfy new needs, which configure incomplete and emerging markets, which have a local visibility and satisfaction and are intensive in terms of employment. Here, we can verify a “local bridge” which satisfies the needs that affect the most vulnerable, thus creating, at the same time, more jobs. These initiatives are only exposed to the risk of creating a vicious and closed circle which reproduces situations of territorial and social exclusion, if they are not capable of improving labour force capacities and breaking that circle through links with broader economic spaces.

2.4. 1997: the beginning (more formal) of this “marriage” history

In 1997, three events promote the beginning of the formal relations of the “couple”. One of them is the signing of the Amsterdam Treaty. The second is the Luxembourg Summit that leads to the European Employment Strategy creation and, thirdly, the creation of the Community Programme “Third System and Employment”.

In the Maastricht Treaty, signed in February 1992, it was possible to introduce a “social protocol” (in which the United Kingdom didn’t participate) that augmented, though shyly, the social domains in which the Council did not need unanimity to take decisions. However, this Treaty, signed in a clima of economic depression, would be more remembered for the obligations that it imposes to the Member States in order to achieve a set of economic convergence criteria. These criteria directly influenced on a decrease of the social public investment in several countries. On the contrary, the Amsterdam Treaty signed in 1997 and that came into force in 1999, deals directly with employment⁵⁶ and social exclusion issues.

After the Essen European Council in 1994, already mentioned, the one of 1996 in Dublin called upon the Commission to draft common indicators to be implemented through a form of “benchmarking” (with the establishment of intermediate goals). The first “pluriannual” plans are implemented. The “Confidence Pact For Employment” would support this strategy seeing that the 1996/1997 Inter-Governmental Conference was able to include a new chapter in the future Amsterdam Treaty exclusively about Employment. In this way, the eighth chapter recognizes that it is of common interest at European level (art. 126) and that it is possible to establish a coordinated strategy at this level, without denying that the States have their own policies for the internal labour market. This Strategy is based on common Guidelines that can be adopted by a qualified majority of the European Council. Such Guidelines were proposed by the Commission according to the annual reports on Employment that were made by the Commission and the Council within the framework of the economic guidance of the monetary union. Each State should

⁵⁶ To see the conjoint position of the European employees and trade union organizations, consult CES, UNICE, CEEP. Contribution des partenaires sociaux au sommet sur l’emploi. 13/11/1997.

send a report that presents the measures implemented in consonance with the common Guidelines. The Council analyses these annual reports and, if necessary, it can adopt, by qualified majority, the recommendations destined to the Member States which are not fully following those Guidelines. This complex process is the same for economic policy decisions of that period but, in relation to the Employment, no sanction is included for those States that do not accomplish the clauses of the Treaty.

The new chapter creates an Employment Advisory Committee (art. 130) that supports the Social Affairs Council in the coordination of the national labour market policies. This Committee can deliver recommendations by request of the European Council or the Commission, or by its own initiative. The Treaty also determines the possibility of experiences and information exchange (art. 127 and 129) which aim to promote cooperation between the States and the support of its actions. This possibility would lead to the promotion of peer reviews, based on a guidance of good practices. An additional provision creates a mechanism through which the repercussions on Employment should be taken into account. The Amsterdam Treaty does not only have an article that enables the fight against all sorts of discrimination (art. 13) but also integrates the previous “social protocol” of Maastricht and adds the possibility of adopting measures of fighting against social exclusion (art. 136 and 137), which means that it is possible to have again, in this area, community action programmes. In this way, the three years “in the desert” came to an end that had started with the end of the Poverty Programme 3 and with the non approval of a Poverty Programme 4. It is important to underline the importance of the oscillating “flames of hope” maintained by the community initiatives INTEGRA and URBAN that were capable, in a certain way, of influencing positively the entire process.

With this new Treaty, and regarding the employment and social inclusion strategies, it was clarified that the European bodies, especially the Commission, push, coordinate and promote the exchange and that the national bodies keep all their implementation competences. The Employment strategies received an important support in the Luxembourg Summit in 1997, while the social inclusion strategies had to wait for the 2000 Lisbon Summit.

There are several different circumstances that explain the birth of the European Employment Strategy. At that moment, some countries had low rates of unemployment (Austria and Luxembourg) and others were capable of reducing them substantially (Denmark, Portugal and Netherlands). However, France, Germany, Spain, Italy, Belgium and Greece had high unemployment rates.⁵⁷ The idea that a common learning was necessary between States was born from that observation. During the nineties, several employment strategies were set in motion but none of the conventional variables of the labour market could explain, in an unequivocal way, the biggest and the smallest efficiency of a certain country. All States faced the consequences of external shocks and there was an uncertainty of how to fight them back/to overcome them⁵⁸, so all States were interested in sharing the common Guidelines. Besides that, the decision to have a single currency restricted the action range of the national employment policies since it was not possible anymore to devalue the national currency, the autonomous adjustment of the financial interests

⁵⁷ Goetschy, J. (2003). *The European Employment Strategy, Multilevel governance and policy coordination: past, present, future* em Zeitlin, J. Trubeck, D. M. *Governing work and welfare in a new economy. European and American experiments.* Oxford University Press. Oxford.

⁵⁸ Trubeck, D. Mosher, J. S. (2003). *New governance, employment policy and the European social model* in Zeitlin, J., Trubeck, D. M. OP. Cit.

or the rise of the public deficit, that normally generates public employment and ensures the maintenance of the broad economic sectors protected from competitiveness. It was also the reason why all governments could accept the drafting of a new supra-national strategy as a good option.

It was also a time when the impasse of social policy was more keenly felt due to the growing risk of delegitimization for the majority of the centre-left wing governments, though they were dominant in the European Union⁵⁹ panorama, at that moment. This way, the European Strategy results from the negotiations between those that insisted in the necessary economic reforms and those that emphasized the social questions, which would enable them to combine the establishment of European joint objectives with the national definition of action tools⁶⁰.

The extraordinary European Council on Employment held in Luxembourg during the month of November 1997, signified an important step forward in the accomplishment of the Treaty's provisions that augur cooperation for employment, at a European scale. At this moment the following four Guidelines were adopted to improve the capacity of professional insertion. These provisions aimed to reinforce unemployed people's "employability" (very discussed key word) by proposing: 1) the prevention of unemployment for young people and long term unemployment; 2) the passage from passive measures to active ones, calculating that States should use, on average, 38% of their expenditures in the financing of these policies whilst proposing, at the same time, the re examination of fiscal systems and benefits so that the labour market could become more attractive, thus augmenting the vocational training volume that should reach, at least, 20% of the unemployed people; 3) a more dynamic partnership (another key word that arose from the Poverty Programme ³⁶¹), through which enterprises and trade unions organisations will be more engaged in professional insertion, defining agreements that enable lifelong learning; 4) the facilitation of the passage from school to work and 5) the promotion of the integration of social groups with special difficulties, such as disadvantaged people, in the labour market.

- To develop an enterprise spirit, proposing: 1) the reduction and simplification of the administrative burdens that weigh heavily on small and medium-sized enterprises because they are capable of creating more jobs; 2) the exploration of opportunities capable of creating new forms of employment through the social economy, local development and the creation of proximity services and 3) the diminution of fiscal responsibilities and, especially, of non-wage costs for low skilled work.
- To promote the adaptation capacity of enterprises and their workers, proposing: 1) the modernization of work organization through the annual planning and reduction of working hours, the reduction in extraordinary working hours and the augmentation of part-time work; 2) the possibility of introducing, in the national legislation, more "adaptable" contractual laws that include "sufficient" security levels and a better professional status and 3) the support of the enterprises' adaptation capacity, investing in human resources.

⁵⁹ Pedroso, P. (Coord.) (2005). Acesso ao emprego e mercado de trabalho. Relatório final. FEUC. Coimbra. (From Page 48 onwards)

⁶⁰ Visser, J. (2005). The OMC as selective amplifier for national strategies for reform. What Netherlands want to learn from Europe en Zeitlin, J., Pochet, P. The open method of coordination in action. The European Employment and social inclusion strategies. P. I. E. Peter Lang, Brussels

⁶¹ Estivill, J. (1997) (Ed.). El partenariado social en Europa. Una estrategia participativa para la inserción. Ed. Hacer. Barcelona.

- To reinforce equal opportunities for men and women proposing: 1) the attack on discrimination of women at work, promoting pay equity and combating the differences in working conditions; the elaboration of measures that were favourable to families by supporting the creation of kindergartens and of services that support dependants and enlarging the maternity leave and 4) the facilitation of the labour reintegration.

Besides these Guidelines (afterwards denominated “Pillars”) that the States promised to accomplish (which they started to demonstrate in the 1998 national reports), the European Employment Strategy introduces the Open Method of Coordination which, later on, the Lisbon Summit in 2000 would also apply on social inclusion. It was expected that with this method, not only the European Employment Strategy would have a bigger coherence, and would be shared by all Member States, but also that they would apply it according to the specificities and characteristics of their own labour markets.

Formulated in this manner, this Strategy establishes as deadline the year 2002. During these five years, slight modifications were introduced, such as: the improvement of diagnosis capacity in the national reports; the specification and quantification of some objectives such as the reduction, in 50%, of school drop-outs and the training offer to more than 25% of unemployed people; the application of a peer review and the mutual learning on good practices; the achievement of a set of common comparable indicators and the introduction of new ideas, as the risk capital and the drafting of clear, stable and reliable norms for the small enterprises. The Cardiff (1998) and Köln (1999) Summits reinforce the relation of the European Employment Strategy with the macroeconomic variables, which sets an immediate precedent of coordination and synchronization with economic cycles and decisions of economic policy that would characterise the next phase in 2003.⁶²

It would not be possible, nor is it the objective of this study, to make an evaluation of the European Strategy started in Luxembourg. In the year 2000 an intermediate evaluation of a technical character⁶³ was made and, in 2002, another one was made with greater depth. It is undeniable that the mere existence of a European Employment Strategy was already an important progress: it enabled the cooperation between States which before did not exist and clarified their roles (subsidiarity principle) allowing them to keep their full competences in comparison with those of the European bodies and, more specifically, with those of the Commission. The Open Method of Coordination is a complex process that reflects the hard balance between the common objectives and pillars, at European level, and the diversity of each State labour market, entailing a mutual negotiation and surveillance of the policies that are implemented. The National Action Plans were obliged to follow these guidelines but, at the same time, such guidelines were not binding. Will it be legitimate to question to what extent the National Plans have followed the guidelines or were they just useful to present some reports in Brussels? Until 2002, the majority of the Employment National Plans valued only the “employability” pillar; a lot of them did not have coherence or quantified objectives and constituted a sum of measures without any connection; very few established bridges with the National Action Plans for Inclusion.

⁶² Prieto, A. La nueva fase de la Estrategia Europea de Empleo. Revista del Ministerio de Trabajo y Asuntos Sociales n.º 52. Madrid

⁶³ Comisión Europea. Comunicación de 17 de Julio de 2002. Balance de cinco años de aplicación de la estrategia Europea de Empleo. Bruselas. COM.416.

In fact, it is important to mention that the set of objectives and pillars agreed in Luxembourg were, above all, encouraging guidelines that did not restrict the action range of the national labour policies. It is possible that they have influenced some similar guidelines and have marked the last five years of those same policies (active policies primacy, “employability” and “adaptability” notions, equal opportunities and focus on specific groups such as the long term unemployed, young people and women, and a broader openness of the socio-economic actors). Once more, it is fundamental to localize the impact of these common guidelines in relation the national situations. This way, a same orientation – a broader openness of the socio-economic actors – signified, sometimes, an important progress in those countries where it didn’t exist and a risk of losing the action range where such processes were more developed⁶⁴.

Another question worth asking is: what were its outcomes? The most optimistic use these numbers in their arguments: more than ten million workplaces created (+6.5%), six million of which were occupied by women; a reduction of unemployment by more than four million (-25%); increase of participation in the labour market (five million); diminution from 20% to 18% of gender inequality in the employment rates and from 12% to 9% in the unemployment rates; and the reduction of fiscal responsibilities on work⁶⁵. To the most pessimistic: the European economy, including during growth periods, generates fewer workplaces than the North American or Japanese economies and, besides that fact, the European economy has bad quality of jobs (increase in precarious, atypical, temporary and informal work)⁶⁶; a considerable number of people that are not included in the labour market and women are still the most affected by unemployment and the ones that are paid the least.

The next question would be to see to what extent these outcomes are due to the European Strategy or to a favourable circumstantial panorama capable of diminishing unemployment and of creating new jobs. It is not easy to give a simple answer⁶⁷ because the labour market tendencies depend on several factors besides the political decisions and the short term measures. In addition, in a process of growing globalization, a growth that depends on other economies (especially on the North American one) can have positive consequences for employment in Europe. However, this influence/dependency can also act in the opposite way as it happen after the September 11th 2001.

The last question that it would be useful to ask is: did the European Employment Strategy influenced, in the last five years, the European Social Fund and poverty? This is not an easy question to answer either. Nevertheless, and in relation to the Social European Fund, it is possible to verify that it tried to adapt to the European Strategy, emphasizing the jobs creation, its preventive function, the equality of opportunities and the access to information and communication technologies. This Fund received an injection of sixty thousand million Euros for the period of 2000-2006 and, regarding that investment, the Commission established a set of objectives according to the European Employment Strategy. Let’s see: almost 60% of

⁶⁴ Walthéry, P. (2002). Negociación colectiva y Planes Nacionales de Empleo. The monographic number of Revista Políticas Sociales en Europa n 11, focus on the employment active policies. Ed. Hacer. Barcelona. (Page 117).

⁶⁵ Fundación Luís Vives. (2006). Cumbre de Lisboa. Estrategia Europea de Empleo. Madrid (Page 36).

⁶⁶ Comunicación de la Comisión al Consejo, al Parlamento, al Comité Económico y Social y al Comité de Regiones. (2003). Mejora de la calidad del trabajo. Un examen de los últimos progresos realizados. COM 728

⁶⁷ Morley, J., Ward, T., Wat, A., (2004). The state of working Europe. ETUI. Brussels. (From page 101 onwards of the French version).

the budget should be destined to the improvement of “employability” and, within this one, eleven thousand million should be destined to the fight against labour market exclusion; eight thousand million were related to the enterprise spirit promotion and to the jobs creation at services; eleven thousand million were intended for the “adaptability” of the labour force by focusing on lifelong learning, in the activities of the Small and Medium-sized Enterprises (SME’s) and in the use of new technologies’; and four thousand million should be destined to specific actions within the framework of equality of opportunities. Moreover, the EQUAL Programme was created whose objective was the fight against inequality and discrimination in the labour market.

2.5. The social enterprises background and the 1997 “Third System and Employment” Programme

The pilot Programme “Third System and Employment, created in 1997 by the European Parliament that would continue until December 1999, put the Third System to the test and saw to what extent it was able to create employment.

However, before talking about this Programme, and taking into account the importance of social enterprises within the framework of the “Bridges for Inclusion” project, it can be useful to point out some antecedents of its itinerary towards recognition⁶⁸, at a European scale. The other “families” of social economy (foundations, mutuality’s, etc) indirectly contributed to the coordination of the employment and inclusion strategies. They could also create employment although in a smaller number than the social cooperatives and some other kind of associations. At the same time its important to enhance that not all these initiatives searched as first objective to fight poverty and social exclusion⁶⁹.

Once more, we have to return to the economic and social crisis of the seventies so as to mention that a big part of the social economy renewal is related to the answers that would be given by this sector (though not totally, since some of that answers had already been launched at the end of the sixties)⁷⁰. Until the end of 80-s only a few number of associative networks existed at the European scale. Most of them were only acting at local and national level. At that moment, thousands of initiatives were born so as to create employment, to insert excluded groups, to promote local resources, to improve the environment, to find new ways of economic and social collective organisation in this part of Europe. Such initiatives are normally considered alternatives⁷¹ to the traditional ways of social intervention, institutionalization and of seclusion of the excluded groups, alternatives to the incapacity of the training processes and to the conventional and assistance measures of employment creation. Its “infant mortality” is big but its “birth rates” are even bigger. If they resist more than two years, their survival⁷² capacity becomes stronger. In the eighties, they became more professional, faced the formal labour

⁶⁸ Estivill, J. (1998). La valeur ajoutée des entreprises sociales face aux enjeux européens. The monographic number *Entreprendre Autrement* from the *Revue Les politiques sociales*. Bruxelles.

⁶⁹ The differentiation between cooperatives, foundations and mutualities is relatively formal. Social enterprises have many different juridic and administrative structures depending on each country and circumstances. In fact, some social enterprises has been created or are managed by foundations. A lot of them are associations, and in the countries with more cooperative tradition they use this form.

⁷⁰ Laville, J. L. (2007). Du XIX au XX siècle : permanence et transformations de l'économie solidaire. Em *ECOSOL Review* n-1. Editions le Phare. Luxembourg. (From page 41 to 62).

⁷¹ Pirson, R., Taylor, J.(1985). *La scène alternative*. 22 Mars Editions.Bruxelles

⁷² See the researchs made at that time by Gabinet d'Estudis Socials (GES) and by Jacques Defourny, and that were published in the format of communications in AAVV.(1986) *Les cooperatives*. Alternativa a la crisi de l'ocupació. I.P.F.C. Barcelona

market and became better organized thus connecting with the local development initiatives⁷³ and converting themselves into public administration interlocutors.

During those years, the welfare states faced two different kinds of pressures. On one side the pressure of the neoliberal policies and the ideologies that believes that the welfare state is responsible for the economical crisis and claim for privatizations and the “return of the market”. On the other hand, the welfare states face financial difficulties and problems of governance. These pressures lead to a territorial decentralization and deconcentration (already started the previous decade), and to outsourcing of an important number of public services. These public services will tend to be managed by associations and social economy that will become stronger. They argue that they are closer to the territory and local citizens; they have better capacity to know and to quickly answer to the needs and a better efficiency on resources management. These phenomenon’s get stronger in the weaker welfare states.

In the end of the eighties and beginning of the nineties, without any kind of legal framework of European scope, a lot of national legislations start to recognize these initiatives. In this context a network system start to be developed and these organisations start to structure their own visions and speeches. For example, in 1980 in France all the “families” of social economy agrees on a Chart that defines the criteria of their identification: not belonging to the public sector, democratic and horizontal management, equality of rights and obligations of its members, special regime of the property and the distribution of the economic results in favour of the development of the organisation, their members and the overall society.

Meanwhile, a part of them got a new recognition in those countries where minimum income schemes are implemented and where the insertion dimension is incorporated. However, at that time, both social enterprises and social economy were far from being recognized and admitted by the European Union bodies which, to some extent, had no an integral policy of insertion⁷⁴ and its dialogue mechanisms were dominated by the traditional tripartite scheme (Governments, Trade Unions and Enterprises Organisations). The presence of a fourth actor was seen with a certain fear. Anyway, is important to mention that some attempts were made to change the panorama, such as the Commission’s Communication to the European Council of 1989 on “The Social Economy Enterprises and the creation of a market without borders”⁷⁵. The Parliament issued several reports that emphasized the importance of cooperatives and, in 1986, the Economic and Social Committee organized an auspicious conference on Social Economy.

Meanwhile, social enterprises were worried about their survival and the reinforcement of its roots at local level. They didn’t want – and they were right about it – to depend on the distant institutions and on the decisions taken at Brussels (among them, the denominated Social Economy Unit of the Directorate-General XXIII, created in 1989⁷⁶, that had a lot of ideas but very few means). As we tried to explain previously, the emergent social enterprises and the associative world could only access some financing opportunities within the framework of some

⁷³ Demoustier, D. (Coord.) (2001). *L'économie sociale et développement local*. Cahiers de l'Economie sociale, IES. L'Harmattan. Paris.

⁷⁴ Rayssac, G. L. (1996). *Inserción y Unión Europea: las políticas comunitarias de inserción económica y social em Vidal, I. (Ed.). Inserción por el trabajo. Una visión internacional*. CIES. Barcelona.

⁷⁵ Commission of the European Communities. *Communication from the Commission to the Council. Business in the “Economie Sociale” sector. Europe’s frontier-free market*. SEC(89).2187.Final.

⁷⁶ Delors, J. (2004). *The European Union and the third sector*. in Evers, A., Laville, J. L.(Ed.).*The third sector in Europe. Globalisation and welfare*. Edward Elgar. Chelthentam (pages 206 a 209)

European programmes and initiatives of experimental nature since the distribution of the Structural Funds was basically in the hands of the State.

The notion that the European Union is not only a “tap” from which benefits fall for the national public policies but also a transnational space of strategic dissemination for the social and labour policies grows in the nineties as the social enterprises’ capacity of federal representation and expression augments. Certainly, a lot of “translocal” links, “transborder” contacts and projects’ encounters occurred but it was probably in 1992, in the French city Beaune, that one of the first European meetings of this sort of initiatives took place. This initiative was organised by the Young Managers Centre of Social Economy with the support of the European Commission under the theme “*Assises Européennes de l’insertion par l’économique*”. More than 400 people in attendance started by getting to know each other and by recognizing that they had so much in common that diversity could not separate them. After this, a process of definition of joint tasks was initiated, on a European scale. In the publication that resulted from this meeting⁷⁷, it is underlined that the social enterprises mean a rupture in relation to previous socio-assistance initiatives and it is revealed the viewpoint of this movement in terms of European perspectives.

While the participants of Beaune meeting were mainly from Latin Europe, the meetings that occurred a few months later in Berlin, and in Nassau in 1994, showed that in the Anglo-Saxon and Scandinavian world similar phenomena are also occurring though, in this case, the executives approach a self-help and community component (local development) and the popular ways of production and commercialisation/marketing⁷⁸. The Commission that initially sponsored the European networks of associative movements⁷⁹ starts to pay attention to this “effervescence” and, in 1993, orders the first study on this issue⁸⁰. In order to accomplish this interest, and in partnership with the Economic and Social Committee, in 1996 it invited the European Committee of Workers’ Cooperatives (CECOP) and promoted a congress under the title “The Social Enterprise: an opportunity for Europe”⁸¹. In this congress, we could find more solid initiatives, as the Italian and Swedish social cooperatives or the French or German insertion enterprises, and a big part of the associative world that was moving towards associative methods associated to insertion methods. These participants started to dismiss the most traditional and assistance positions, as the cooperatives left behind cooperativism and more institutionalized social economy methods. It starts to appear the idea of a social enterprise European model⁸² that after would do a long journey. Nevertheless, the European bodies’ doors weren’t still open...

It’s undeniable that these doors started to be opened with Delors’ White Book and that with the already mentioned “new employment deposits” that emphasized social enterprises’ role in employment creation and in the labour insertion of unemployed people and disadvantaged groups or people. From 1995 to 1997, the first multiannual programme of community actions for the associations, mutual societies

⁷⁷ Lejeune, R. (1992). *L’Europe et l’insertion par l’Économique*. Ed. Syros. Paris.

⁷⁸ BAUHAUS DASSAU Fondation (1996). *People’s economy. Approaches towards a new social economy in Europe*. Dessau (280 pag).

⁷⁹ In 1981, the commission ordered a preliminary research on the associative movement: Greffe, X. *Les organisations volontaires dans la lutte contre la pauvreté dans la Communauté Européenne*. Rapport de Synthèse. CEE, V/B/1. See also, Hiernaux, J. P. (1992). *Un Associativisme européen dans la lutte contre la pauvreté ? Richesse potentielle, exigences d’un pari*; Estivill, J. *L’articulation associative volontaire au sein de la Communauté Européenne* y Oliver, Q. *La pauvreté en Europe : le scandale des années 1990* in *Revue Service Social Dans le Monde* n:1-2. Mons.

⁸⁰ Carton, B., Combenghnie, D. (1993). *L’insertion par l’économique*. Bruxelles. Junio. (Unpublished report).

⁸¹ CECOP-CGM. (1995). *L’entreprise sociale. Une chance pour l’Europe*. Bruxelles.

⁸² Marocchi, G. (1997). *L’impresa sociale in Europa*. Em AAVV. *Imprenditori sociale*. Fondazione Agnelli. Torino.

and foundations support⁸³ was created and approved by the European Parliament with a 5,6 million Ecus budget, it would be refused by the European Council. However, the financial lines that the Commission manages directly (and that would be object of legal invalidation) were used to finance some studies. One of them is the Swedish Koopi Institute study⁸⁴, another one is that of the Italian Gino Matarelli partnership⁸⁵, another from the European Network for Self-Help Economy and Local Development (based in Berlin⁸⁶, created in Nassau in 1994 and having organised a second congress in Liverpool in 1996), and finally, the fourth study attributed to the National Committee of Insertion Enterprises in France, the German Federation of Qualification and Insertion Enterprises and to the Gabinet d'Estudis Socials in Barcelona⁸⁷. All these studies confirmed the increasing and relevant role that social enterprises have in the fight against poverty, in the job creation and in the local development.

In 1997, the Commission publishes a Communication on the "Promotion of the role of Associations and Foundations."⁸⁸ This way, a certain institutional recognition materializes though it is restricted to these two kinds of social economy, leaving cooperatives and mutual societies outside. This Communication intends to illustrate the growing importance of associations and foundations and to demonstrate its problems and challenges, thus opening a dialogue so as to enlarge its contribution to the European integration. Based on a questionnaire answered by 2.300 organisations, it demonstrates its notable growth in the last twenty years (more than 65% were founded after 1971), its small volume (40% have less than 100 members), its contribution to employment (the average is of 40% of full-time salaried workers and 10% of part-time salaried workers), the inciting role of voluntary work, its multiplicity of financing sources but also its dependence on the public sector (52% of the external sources depend on this sector). 57% of the answers stated that worked in the social services. Until a short while ago, the John Hopkins University report⁸⁹ was published that presented very similar figures. Specifically, it showed that in Germany this sector was responsible for 3,7% of the total employment (a million people), in France it was responsible for 4,2% and in the United Kingdom for 4%. Between 1980 and 1990, in France, one in seven workplaces belonged to this sector, and in Germany one in eight.

The Commission's Communication opens the doors to the relations with the associative and "foundational" world starting to talk about a civil dialogue (parallel to the social dialogue established with the trade unions and employers' organisations). In the Copenhagen Conference in 1993, the Commission created a consultation permanent table composed by the European associative networks⁹⁰ but this dialogue that proceeded informally didn't had an institutional follow-up, even though it existed, since 1995, a European Platform of Social Organisations and several forums on European social policy were supported.. In October 1999, the

⁸³ Comisión Europea. (1994). Programa plurianual de trabajo en favor de las Cooperativas, las Mutualidades, las Asociaciones y las Fundaciones. Bruselas. COM 93.

⁸⁴ Westlund, H., Westerdahl, S. (1996). Contribution of the social economy to local employment. Bruxelles

⁸⁵ CGM. (1996). Il contributo dell'impresa sociale alla creazione di nuova occupazione. Bruxelles.

⁸⁶ ENELSD. (1997). Community economic development and social enterprises. Berlin.

⁸⁷ Bernier, A., Estivill, J., Valadou, C.(1997). Las empresas sociales en Europa. Ed. Hacer. Barcelona. (This publication is also available in French and Germany).

⁸⁸ Comisión. (1997). Fomento del papel de las Asociaciones y las fundaciones. Bruselas. COM (97). 241.Final

⁸⁹ Salomón, L., Anheier, H.(1994). The third sector. John Hopkins University. Ver también dos mismo autores (1998). The emergigng sector revisited. This research, which the criteria for the identification and selection of the organizations was highly criticised (for corresponding to a North-American point of view), had the value of allowing a transnational comparison and the development of many further researches.

⁹⁰ Delors, J.(1993). Donner une nouvelle dimension á la lutte contre la pauvreté. Conferència de Copenhaga. 3-4 de Junho. (Pág. 8).

Economic and Social Committee organised the first convention under the title “The Civil Society organised at the European level”⁹¹, thus showing its availability to be the place where the civil society organisations can express itself. In fact, it was created within Group III a category denominated “social economy” and several opinions were issued about it⁹². In 1998, it was constituted the Consultative Committee for Cooperatives, mutual societies, associations and foundations (CMAF) that would be abolished two years later. Afterwards, and by initiative of their very own organizations, the “European Standing Conference of Cooperatives, mutual societies, associations and foundations” (CEP-CMAF) was founded..

But social enterprises, several of them supported by and originating from associations and NGOs, rarely recognized each other with the attractive title “civil society”. Meanwhile, they started to open spaces through the public sector and the market, integrating unemployed and excluded people in their executive bodies, producing goods and services that they sell without obtaining profits or capital remuneration but trying, at the same time, to achieve sufficient economic outcomes so as to enable its sustainability. They adopt distinct legal methods and, in each country, they select very different names.

It has to be stressed that it exists a “french way” of integration where social enterprises act as a bridge between social exclusion and the formal labour market. After two years a worker in these enterprises must be integrated into the formal labour market, while in the “italian way” in general the workers tend to be integrated as members of the social cooperatives.

The diversity of the “social economy” sector was taken into account by the Parliament and the Commission when, in 1997, they launched the Pilot Programme “**Third System and Employment**”. As usual, in a world that renews itself and is still searching for new solutions, the “third system” title did not convince anyone though it had the advantage of allowing the inclusion of a very heterogeneous set of initiatives. The final report⁹³ characterizes them as organisations that: 1) pursue social and environmental objectives rather than the profits maximization, 2) establish limits to the private and individual appropriation of benefits, 3) work for and with local populations, sharing common interests and 4) have management autonomy and have the tendency to make their workers, volunteers and users participate in it.

3000 manifestations of interest appeared in the first Programme and 600 projects, were presented but only 81 of them were selected; 500 organisations took part in these projects. The aim was to verify, during two years, to what extent these organizations were capable of creating and maintaining employment, and to see how they accomplished these challenges⁹⁴. The main objective pursued by the 38 experimental projects, was to include people with special needs in the labour market and, simultaneously, to answer to the market’s needs (that were still ignored), thus providing goods and services so that the local development could become sustainable. These projects created 1300 workplaces: 250 of them would

⁹¹ CES. (2000). La société civile organisée au niveau européen. Bruxelles. For a critical analyses from the organized civic society see Darmon, I. Estivill, J.(2000). Le dialogue civil à l’échelle européenne et dans les pays de l’Union. Communication on Brussels Seminar of the “Dialogue civil et économie sociale: du local vers l’espace européen” Project in November 2000.

⁹² CES. Dictamen « économie sociale et marché unique » (2001). Dictamen « capacité des PME et des entreprises de l’économie sociale aux changements imposés par le dynamisme économique » (2003).

⁹³ European Commission (2001). Final report. Brussels.

⁹⁴ Comisión europea (2003) Los nuevos actores en materia de empleo. Sintesis de la acción piloto « tercer sistema y empleo ». 1997-2000. Luxemburgo. O.P.O.C.E.

have an uncertain duration but 700 would be maintained. 124 enterprises were created - 40 of them belonged to the third sector - and their aim was to offer the possibility of improving the professional insertion capacity to 851 people. However, beyond these important figures, what were the main lessons of this Programme?

The external evaluation⁹⁵ analysed exhaustively six cases that created permanent full time and temporary employment. Their wages were above unemployment benefits and the working conditions were better than those of the sector (social services, environment, culture...). Workers were deeply involved in the management and enterprise planning decisions. In relation to the cost-benefit analysis, the created jobs provided considerable savings to social security and offered social and fiscal revenues. The comparative advantages of the Third Sector were: providing jobs to people that normally are marginalized and would continue to be dependent on social services without this kind of intervention; offering services in those areas where market does not exist, creating activities and additional jobs; capacity to mobilize volunteers and non-monetary contributions; creating new jobs rather than replacing those that already exist, thus encouraging job search, promoting the emergence of new personal and collective needs that are not yet fulfilled, transforming domestic and non-monetary activities (or those that are performed in the informal economy sector) and favouring activities that have a more intensive labour force..

The heterogeneity of the funding sources was one of the elements that the research carried out by CRIDA (one of the seven studies financed by the Programme) in Paris highlighted when it verified the effects that resulted from domiciliary support and childcare. These effects were the reduction of passive benefits, undeclared work, social and health costs and greater access of women to work. At the same time, it was clear that public administrations did not take into account these criteria in the allocation of funding. Other lessons we can extract from this Programme were its capacity to mobilize different resources including public funding, private support and loans and the capacity of financial sustainability that produced positive consequences for the citizens of a specific region. This contributed to social cohesion because it reinforced the community's engagement and involvement and those who had fewer resources could access goods and services. This would reduce inequalities in access to services and to specific job opportunities.

The projects' in general faced specific challenges that highlighted some difficulties with this innovative "third system": the quality of the goods and services produced; the difficulty in getting the stakeholders (workers, executives, users, consumers, volunteers...) to reach a consensus according to the social and economic objectives of the enterprise; the using up of support structures; the difficulty of getting financing through traditional sources (bank); the functioning in network and the difficult relations with public administrations (that accuse them of disloyal competitiveness) and trade unions (that accuse them of forming secondary labour markets where people have lower wages and the working conditions are worse).

On the other side, the *Cesar* study from Italy and the *Macif* study from France (two foundations that evolved from big mutual societies and that have a strong trade union presence in their bodies) underline that in some occasions the relations with the trade union organisations were an incitement and a complementary guarantee and the borderline with the market was more and more flexible⁹⁶. At the same time, the existence of a large-scale public programme in France (Employment-Youth)

⁹⁵ ECOTEC.(2001). External evaluation. London

⁹⁶Mazzoli, E. (1995). La frontiera flessibile. La creatività dell'economia sociale.Liocorno ed. Roma.

represented a platform where social enterprises sought support to create jobs for young people⁹⁷ in a more efficient way, especially when specific structures were established which ensured a good start and follow-up of these initiatives.

Another important study ordered by the programme was carried out by the CIRIEC (International Centre of Research and Information on Public and Cooperative Economy). Its objective was to know better (through the analyses of 628 cases) of cooperatives, mutuality's, associations and foundations, their support structures and the existing public policies in the 15 European Union member countries. A very important chapter is the one that explains the relation between these organizations and employment. Summing up, in the European Union, these organizations represent 8 800 000 full time jobs, which means 7,9% of the total employment. In Greece and Portugal, they represent between 1% and 2,5%, between 4% and 8% in Italy, Sweden, Germany, France, Austria, Finland, Spain and the United Kingdom and, between 12,5% and 14,3% in Denmark, Ireland and Netherlands. The associations are the ones that guaranteed 71% of these jobs; the cooperatives guaranteed 25,7% of them and the mutual societies 3,1%.

Obviously, not all jobs that are created and kept by the third system are directly related with the fight against poverty. Nevertheless, the CIRIEC report⁹⁸ concludes by affirming that this system is capable of promoting a huge innovation mainly regarding disadvantaged people's training and insertion.

Another consequence of these studies is that the Third System, Social Enterprises and Social Economy pass from being unknown to become interlocutors that from that moment on could not be ignored by the European bodies, mainly in relation to employment and the fight against exclusion (though these interlocutors continue to have huge difficulties in internal coordination, representation and legal interpretation, at a European scale). The Social Programme that the Commission sets in motion between 1998 and 2000, clearly mentions the social economy's role⁹⁹ and, in a seminar of the INTEGRA Programme that occurs in Barcelona in October 1997, one of the sessions is specifically about the role that social economy plays in socio-economic integration.

Finally, it's important to remember that 1997 (the year that initiates the formal history of the relations between employment and inclusion strategies) the European Year Against Racism, Xenophobia and Anti-Semitism is proclaimed. As the evaluation¹⁰⁰ made on the 176 projects financed within this framework shows, NGO and Associations represent the overwhelming majority with 34% choosing to take action in the professional world, while 52% prefer to fight against racism in everyday life. When both dimensions got together, thus favouring the relationship between workers and unemployed people, the results are clearly positive in terms of stereotypes' and the neutralization of racism. In these conditions, the entry of people that belong to ethnic minorities and of immigrants into the national labour markets started to be considered enrichment. Posterior projects financed by the European Social Fund, which intervened in the labour insertion of Roma communities, also achieved generally positive outcomes¹⁰¹.

⁹⁷ G.E.S.- MACIF. (1999). Les nouveaux acteurs de l'économie sociale. Structures, activités et stratégies de pérennisation. Rapport de l'étude de cas réalisé dans le cadre de l'Action pilote « les jeunes, l'emploi et l'économie sociale. Niort. Fondation Macif.

⁹⁸ CIRIEC (2000). Les entreprises et organisations du troisième Système: Un enjeu stratégique pour l'emploi. Liège. (<http://www.ulg.ac.be/ciriec>). (Page 158).

⁹⁹ Comisión Europea (1997). Programa de Acción social. 1998-2000. Bruselas (page 13)

¹⁰⁰ Estivill, J. Friedrich, W., Zeroulou, Z. (1998). European Year against racism. Evaluation Report. Brussels

¹⁰¹ Fundación Secretariado General Gitano. Programa Acceder. 2000-2006. Madrid

Therefore it seems correct to confirm that in 1997 a second cycle started more favourable to the meeting between employment and inclusion strategies' Nevertheless, the reinforcement of the second would need three more years for the Lisbon Summit.

2.6. Lisbon 2000: an inflection full of hopes

The new cycle that started in 1997 would culminate in Lisbon in the year 2000. In fact, the Summit that was held in this city within the framework of the Portuguese Presidency of the European Union marks an highpoint in this itinerary that we are trying to chart. In this Summit, and afterwards in Nice (within the framework of the French Presidency), the profound connection between economic growth, employment and social cohesion is affirmed. A triangle is established that some would name "miraculous", and that aimed to connect economic efforts and outcomes with the creation of more and better jobs and the fight against poverty and social exclusion. The clear objective of building one of the most competitive and dynamic regions in the world, based in the management of knowledge, innovation and search for full employment, making significant steps towards eradicating poverty by 2010, makes us realize the optimism and hope that prevailed in these Summits¹⁰².

These new guidelines were implemented through the Open Method of Coordination whose antecedent, in terms of good practices, was the European Employment Strategy, reaffirming its leadership. It was also confirmed that although the Commission would have encouragement and coordination functions and promote exchanges; Member States would have full competence regarding employment and social inclusion policies. In relation to inclusion policies, the Open Method of Coordination foresees:

- ✓ The setting up of a Social Protection Committee in which Governments and Commissions' elements responsible for these issues participate. This Committee starts to work in 2000. It is also important to highlight that social inclusion is included in social protection.
- ✓ The drafting of a Community Action Programme.
- ✓ The creation and implementation of the National Action Plans for Inclusion and their periodic review through the drafting of social inclusion joint reports.
- ✓ The establishment of a shared system of indicators (18)¹⁰³, later approved by the Laeken European Council (Belgium Presidency in 2001)¹⁰⁴, that enables the follow-up and evaluation of the implemented measures.

Even though it didn't have the same visibility or magnitude, it is important to mention that the Portuguese Presidency organized, in the beginning of 2000 and between the Lisbon Summit and the Nice Summit, an interesting and encouraging conference in Almancil on minimum income¹⁰⁵ and the fight against poverty. It also

¹⁰² For a better knowledge of this period, see Estivill, J., Aires, S. (2007) From Lisbon 2000 to Lisbon 2007: back to the future. REAPN, Porto.

¹⁰³ Atkinson, T., Cantillon, B., Marlier, E., Nolan, B. (2002). Social indicators, the E.U. Social Inclusion process. Oxford University Press. Oxford.

¹⁰⁴ In September 2001, took place the conference in Antwerpen where the indicators where presented. Afterwards they elaborated a new Report presented to the luxemboug presidency in 2005. This was also published. Atkinson, T y otros. (2007). Taking forward the EU social inclusion process. Polity Press.

¹⁰⁵ IDS. (2000) Policies and instruments to fight poverty in the European Union: The guarantee of a minimum income. Ministerio do Trabalho e da Solidariedade. Almancil. (278 pages)

organized another conference in April, in Santa Maria da Feira, under the title “Local Development, Citizenship and Social economy”¹⁰⁶. As we can observe, these two meetings mark the apogee of these sort of concerns and of the discussions at that time. In the first meeting, it was clarified that it was necessary to advance on the designing of a European Social Model and a social protection system; it was also important to take definite steps so as to improve the relations between minimum income schemes and the labour markets. The second conference final conclusions and guidelines recognize and underline that social economy, in its heterogeneity, is one of the most promising paths of social and economic innovation and of organization, and a factor of collective and individual capacities’ mobilization. In other words, one of the best ways to support the inclusion of the most disadvantaged. It is also suggested that social economy needed a better coordination, a more evident participation in local development (in partnership with the municipalities) and collaboration with profitable enterprises, thus contributing to its social responsibility. Simultaneously, it was recommended to the Member States and to the European Union the explicit integration of social economy in their policies, concluding with the suggestion that the next European Presidencies: France and Sweden) should organize this kind of conferences (which did happen).

In the Nice Summit, at the end of 2000, four objectives were adopted that should be included in the National Action Plans for Inclusion: 1) participation in the labour market and the access of all to resources, rights, goods and services, 2) to prevent the risk of exclusion, 3) to act in favour of the most vulnerable and 4) to mobilize all actors.

The drafting of these objectives meant a multidimensional approach for poverty and social exclusion, broaching these problematic issues according to different strategies (employment, incomes, resources, services...) within a rights perspective. It also important to underline two types of connections: the one that links the palliative measures to the preventive and the one that produces a balance between a unilateral perspective (access for all) and a perspective of specific target groups (the most vulnerable). The fourth objective emphasizes the participation of people experiencing poverty (and that would result in the posterior organization of successive European meetings, organized by the European Presidencies and the Commission¹⁰⁷) and the introduction of a similar process at national, regional and local levels with their own coordination and participation of all relevant actors¹⁰⁸.

As a result of the Lisbon and Santa Maria da Feira Summits, the Commission produced a social policy agenda to 2000-2006¹⁰⁹. In this agenda, the essential bond between the European economic drive – and its social model is reinforced together with the production factor that constitutes social policies. Most of the health and education costs represent an investment in human resources that lead to productivity increase, while social transfers enable access to better jobs, balance and redistribute lifelong incomes. Sustainable economic growth, accompanied by low inflation and balanced public finances are presented as crucial elements for the increase in employment and social cohesion. To some extent, a new perspective emerges stating that “to face these challenges, it is necessary to adopt versatile

¹⁰⁶ See some of the Scientific Commission’s communications and debate in Revista Sociedade e Trabalho n 8/9 (2000). Ministerio do Trabalho e da Solidariedade. Lisbon

¹⁰⁷ To a better knowledge on these meetings within the Framework of the participation’s shakes and retrogressions, at a European level, see the chapter II de Estivill, J., Aires, S., Veiga, F., Albergaria A.C., Vicente, M.J. (2007) Activar a Participação: pequenas experiências, grandes esperanças. REAPN. Porto.

¹⁰⁸ Fraser, H. (2007). Promoting social inclusion: the EU dimension. IPA Administration Journal. Dublin.

¹⁰⁹ Comisión Europea. (2000). Comunicación. Agenda de Política social. Bruselas. COM (2000) 379 final.

policies that do not merely focus on the labour market problem and that aim at increasing social inclusion and participation”.

According to this perspective, the argument on quality¹¹⁰ that has been emerging for some years has become stronger. Quality of work (reconciling work and family life), of social policy (with high levels of protection and good social services) and of work organization. “Governability” and “good governance” themes also start to appear, interpreted as a clear distribution of functions and of institutional participation (Council, Parliament, Commission, Governments, Regional and Local Authorities, social interlocutors and non-governmental organisations) and the “transversality” dimension. However, this dimension was not implemented as expected (neither with the possible creation of Inter-Directorate-General Commission, nor within the framework of the European Social Fund). On the other side, exact objectives were established - such as to reach an employment rate of 70% and to increase to 60% the number of women that work, before 2010. Between 2000 and 2004, the Commission continued to draft annual reports where it mentioned the situation of the commitments registered in its Social Agenda.

The Commission also defined a Community Action Programme¹¹¹ that should support the coordination between Member States and promote the efficiency of the social inclusion policies. With a budget of 75 million Euros, this Programme is accomplished through: 1) analyses of the characteristics of social inclusion, the causes, processes and trends, 2) the promotion of information and good practices’ exchanges so to as to draft quantitative and qualitative indicators and to identify the evaluation and follow-up criteria, ensuring the existence of a programme of transnational exchanges that would allow a peer review and 3) the improvement of a dialogue in which all the concerned actors participate, thus supporting the European networks that fight against poverty and social exclusion.

In a short time, between January and May 2001, the Governments of fifteen countries planned their own National Action Plans for Inclusion that would last from 2001 to 2003. During July of 2003 the “second generation of plans were presented”, supported by the common objectives and from the Barcelona Summit in 2002, demanding more accuracy, including more precise implementation programmes, better diagnoses on exclusion and the evaluation of measures that take into account gender issues and the growing importance of immigrants (suggestions that identify the failures of the previous generation). The “second generation” was implemented until 2005 and supplemented by a review of progress. All plans were meant to follow the same structure: trends and challenges to social exclusion, evaluation of the previous plan, strategies and measures that would be implemented and a chapter presenting good practices. Some plans add ornamental information, indications on Structural Funds implementation using specific indicators. In 2006, a “third generation” of plans was produced which lasted until 2008.

The whole process comes together with the Social Inclusion Joint Reports drafted by the Commission and approved by the Council. The first report was published in 2002, the second in 2004 and the third in 2008. This last one already included a chapter on pensions and on active aging. These reports describe the main trends on poverty and social exclusion at European level, present a set of records with commentaries by country (according to the four common objectives). We must take

¹¹⁰ Beck, W., Van der Maesen. Walter, A. (1997). The social quality of Europe. Kluwer Law International. The Hague.

¹¹¹ Comisión Europea. Establecimiento de un programa de Acción Comunitaria en favor de fomentar la cooperación entre los estados miembros para luchar contra la exclusión social. Bruselas. COM.2000.368.

into account that from 2002 onwards, the ten candidate States to join the European Union would be involved in this process, having to draft their own “Joint Inclusion Memoranda” (JIM’s) that were approved in December 2003. After the effective entry in the European Union in 2004, they integrated fully into the process¹¹² and, since September 2006, they are full partners to the same process.

It is undeniable that this set of plans and reports provide considerable knowledge on the characteristics of poverty and exclusion and on the institutional measures that are taken in order to face these phenomena, at European and national level. This strategy made such phenomena more visible in the European and Member State’s agenda¹¹³, thus progressing on the concepts¹¹⁴ (poverty, exclusion, inclusion) and on the way they are analysed and measured even though, in the Eastern and Central Europe, these advances were slower and there existed a bigger resistance to the production of statistics. Moreover, these plans enabled the convergence of common challenges (ageing population and low birth rates, increase of immigration and of social and cultural diversity, changes in the family structures with a higher number of single-parent families and out-of-wedlock births, poverty that is concentrated in these groups – also in children¹¹⁵, ethnic minorities, disabled people, the chronically sick, isolated people –, in the most outlying regions and in the slums of big cities and the increase of its stigmatization...). Therefore, we can say that these plans paid attention to a world that was far from the labour market and was excluded from the active measures which, meanwhile, had become increasingly popular.

In effect, if we had to characterize the employment strategies of this time with a single sentence, this could be “labour market activation”¹¹⁶.

These kinds of measures had already appeared¹¹⁷ particularly in Sweden and Netherlands, and afterwards in the United Kingdom, in a context of the relaxation of labour market “rigidity” and were supported by the OECD (Organisation for Economic Cooperation and Development)¹¹⁸. The concept of “activation” that was also implemented in Belgium and France can have a lot of interpretations. From a collective point of view, it could mean the mobilization of society and its actors so as to make the labour market as accessible as possible and to the largest number of people. If we emphasize its individual character then we have to underline the efforts that people must make in order to be “employable” and to find a job. This concept can also be applied to the inclusion strategies in which the “active inclusion” concept would be increasingly used. Similarly, ageing must be active which means that the retirement age must be raised, thus making people work longer. Basically, everyone must be “activated”: more young people must graduate and search for better opportunities, women must withdraw from domestic life and enter into the labour market, employees must be more efficient, and employers must be more innovative...

¹¹² More recently, it was agreed to enlarge this experience to Croatia and Turkey.

¹¹³ It is undeniable that the European Round Tables that each Presidency organizes annually in October were great opportunities to that, as well as the European Meetings of People Experiencing Poverty.

¹¹⁴ Comisión Europea. (2004). Informe Conjunto de Inclusión Social. Bruselas

¹¹⁵ The childhood poverty issue becomes an appellant issue because of England’s influence.

¹¹⁶ To obtain an exemplification of this perspective, see European Commission (2005). European Social Fund in action. European success stories. Bruselas.

¹¹⁷ Van Doorn, M. (1997). Navigating through uncharted waters: a comparative study of active labour market policies in the Netherlands, Sweden and Great Britain. Ministrie van Sociale Zaken. La Haya.

¹¹⁸ Darmon, I. (2002). La caja negra de las políticas activas de trabajo en España. Rev. Políticas Sociales en Europa. Nº 11. Ed. Hacer. Barcelona. (Page 94).

According to the European perspective on full employment that seemed possible until 2002, and even more when unemployment started to grow, the active policies should combat the culture of dependency that increases the social public passive expenditure, by trying to integrate the large majority of the active population that does not work, according to a “make work pay” approach (in other words, making “work attractive”), by providing training to unemployed people (lifelong learning), granting loans for mobility, creating support services for dependents (kindergartens, reception centres...), and finally, by pressuring the “employable” people. Within this framework, it is also seen as increasingly important to increase the “obstacles” to benefits and to refuse these benefits if the unemployed do not comply with a wide set of job search conditions.

Among others¹¹⁹, some of the consequences of these measures are: labour market insertion is converted into an “obstacle course”, holding those that cannot overcome these obstacles as responsible for their failure, and enlarging the more precarious and unstable labour market to which few qualified and badly paid people can gain access. This way, the labour market duality grows and concerns about working poor explode on to the scene. A research paper¹²⁰ published by the European Foundation for the Improvement of Living and Working Conditions (in Dublin) highlights this important issue that had already arisen in the United States of America, in the seventies, and afterwards in the United Kingdom. It is worthwhile to reflect on this research seeing that it is a key element to a possible bridge between employment and inclusion strategies. In fact, as it was affirmed in this study, the existence of poor workers tests both strategies, thus underlying that what is being tested is not the quantity of jobs but rather its quality.

The research, however, did not take into account informal work¹²¹ whose incomes can be above the poverty threshold due to legal, semi-legal or illegal activities. The informal economy is, sometimes, an obstacle to insertion enterprises that want to intervene for socially disadvantaged groups but normally a considerable part of these groups’ incomes continues to be below the poverty threshold due to this informal economy. This fact makes the study’s authors admit that the results can underestimate an important portion of other poor workers, in other words, if it was possible to include the ones that take part in the informal sector, the value of 7,8% million poor workers would be certainly higher. Besides that, these values would certainly be higher if the research had contemplated the ten new Member States in 2004. The first result is that working poor are more present in the Southern countries (from 7 to 10%) and in France, Luxembourg and United Kingdom, and less present in Austria, Belgium and in the Scandinavian countries.

It is impossible to present in detail all the results of this stringent study but it is important to point out the heterogeneity of poor workers’. This situation is concentrated in: households in which no one has a secure job or receives a discontinuous income; in people with low wages; in single-parent families; in families with a lot of children; in people with fewer qualifications; in ethnic minorities and in immigrants. The idea that the poverty of working poor would decrease with age was only true in Austria, Netherlands and Luxembourg. On the contrary, it increases in Ireland, Italy, Austria and Portugal. In France and in Spain there are no big differences between middle-aged poor workers and older ones.

¹¹⁹ Gaëlle, P. (1999). A framework for active labour market policy evaluation. O.I.T. Ginebra. y Millar, J. (2000). Keeping track of welfare reform: the new deal programs. J. Rowntree Foundation. London.

¹²⁰ Pena Casas, R. Latta, M. (2003). Working Poor in the European Union. European Foundation. Dublin.

¹²¹ Lautier, B.(2003). L'économie informelle dans le tiers monde.Paris. La Découverte

The data collected in this research allows us to point out several situations: the unemployed, the employed people, those who are seeking a job during the last 6 months (and that are called “active poor people”) and self-employed workers. 14% of the total of these last ones are living below the poverty threshold. Portugal, Greece, Austria, France and, surprisingly, Sweden, are countries that present the biggest percentages. On average, 39% of unemployed people are poor. Spain, Italy, Luxembourg, United Kingdom have 40% and Ireland reaches 50%. The “active poor people” represent 10% of the European Union active population (17, 2 millions). Naturally, this typology depends on the different welfare models¹²² and on their social benefits. Thereupon, in the Mediterranean model, the intensity of poverty is bigger and smaller in the Scandinavian model (except for self-employed workers). The continental and liberal models occupy an intermediate position. In this last one, the unemployed people are much more exposed to poverty. The benefits’ set have a significant impact on households’ incomes. For the “active poor” and working poor these benefits complement their incomes; for the unemployed these benefits can be the only source of income and, in this case, it depends upon the amount of benefits they receive that decide if they are above or below the poverty threshold.

Finally, this typology emphasises that, at the same time, continuous or consistent poverty becomes chronic over time and affects 30 million of the 56 million individuals at poverty risk (in 1999). There are also transitions between different positions. Another study made in France¹²³ shows that one in two “active poor” were in the same situation between 1994 and 1997 and that of the 42% of people that came out of poverty the main factor was achieving a steady job. In other countries, such as Brazil¹²⁴, Peru¹²⁵, Guatemala¹²⁶, Morocco¹²⁷ or Madagascar¹²⁸, these processes of transition that affected the at-risk groups (very close to the urban poverty threshold and frequently surpassing them) led to the establishment of the vulnerability concept¹²⁹ that also starts to be used in Europe¹³⁰. The implementation of this notion can be very interesting in relation to preventive and integration measures, within the framework of the fight against poverty and in employment. Some of them would be reinforced with the Lisbon Strategy renewal.

Another of the most vulnerable groups where it is easier to see the impact of the European strategies of employment and inclusion is that of the non EU immigrants. Their number increase constantly. Their integration into the European society has to be based on the access to citizenship and more over, from labour dimensions (to get a job) to widerfields (school, housing, culture, health...). But the European Union bodies are promoting, at the same time, freedom of movement for EU workers and concentrating efforts on internal and border’s security. Only since the Tampere Summit the UE started to pay attention to the refugees, to the importance of the management of migration flows and the decentralised cooperation with the migrant’s countries’ of origin. But the EU was still not able to agree and write down

¹²² The produced literature on the models of the Welfare States is vast. In this case, the authors use the typology proposed by Esping Andersen, G. *The three Worlds of welfare capitalism*. Polity. Cambridge adding the fourth model denominated “Mediterranean”.

¹²³ Breuil-Genier, P., Pontieux, S., Zoyem, J. P. (2001). Profils sur le marché du travail et caractéristiques familiales des actifs pauvres. *Rev. Economie et Statistique* N° 349-350

¹²⁴ Sposati, A. (2004). *Mapa da vulnerabilidade social da população na cidade de São Paulo*. CEM. São Paulo.

¹²⁵ Herrera, J., Hidalgo, N. (2002) *Vulnerabilidad del empleo en Lima*. *Bulletin de l’Institut Français d’Etudes Andines* n°31. Lima.

¹²⁶ Banco Mundial. (2003) *La pobreza en Guatemala*. Washington. D.C.

¹²⁷ Centres d’études et de recherche démographiques. (1997). *Populations vulnérables: profils sociodémographiques et répartition spatiale*. Rabat

¹²⁸ Gondard-Delcroix; C. Rousseau, S. (2004). *Vulnérabilité et stratégies durables de gestion des risques: une étude appliquée aux ménages ruraux de Madagascar*. Université de Bordeaux. Bordeaux.

¹²⁹ Estivill, J. (2007). *Vulnerabilidades*. Proyecto PROPOLI. Lima.

¹³⁰ Saraceno, C., Negri, N. (2003). *Povertà e vulnerabilità sociale in aree sviluppate*. Carocci Ed. Roma.

common criteria for an integration policy and, until the present moment, each Member-State has the responsibility for designing their own strategies and actions. This can be seen as a paradox when everybody seems to agree that this one of the areas of clear shared challenges if we want to built a Social Europe and a labour common arena.

2.7. The revision of the Lisbon Strategy

Hopes normally do not last very long in the unstable “European scene”. In the panorama of this formal “marriage”- linking employment and social inclusion strategies, a lot of storm clouds started to appear, just a few years after their inception.,. The so called “miraculous Lisbon triangle” threatened to break on its fragile side: that of the fight against poverty and social exclusion.

There are no doubts that several factors¹³¹ contributed to the Lisbon Strategy renewal; some of them were more external and others more internal. Among the external factors are the Twin Towers attacks in New York (in September 2001) that simultaneously had symbolic and real consequences, thus creating a sensation of more wide-reaching vulnerability, a greater awareness of globalization a growing polarization and an economy deceleration that would have its repercussions on the European Continent and on the labour market. The posterior Iraq war and the Balkan wars would reinforce even more these problems. Oil becomes more and more expensive and the costs increase for the great majority of countries. There emerges the idea of an “Old Europe” incapable of keeping up with the rhythm of economic growth, of productivity and of investment, not only compared to the rhythm of the United States but also of the emergent intermediate countries (like Brazil, India and particularly,, China). These countries’ competitiveness starts to boom...

The power of globalization, which impact is not equal for all countries or regions, contributes to industrial delocalization and to the change of labour relations and labour flexibility. The globalization is used also as an argument to limit the public social expenditure which causes, directly or indirectly, the social and labour precarity and produces territorial differences. This also obviously affects the territorial internal cohesion of the EU, which is also one of its main objectives since the 80’s.

The enlargement of the European Union in 2004 was concretized without taking into account solid social criteria. If it corresponds to its citizens’ expectations, enlarges the market and complicates the political cohesion, creating new opportunities and enlarging the Union’s borders. At the same time, enlargement diversifies cultures, and increases the complexity of institutional management, reducing momentarily income levels and increasing unemployment rates, the situations of poverty and exclusion and the internal migratory flows. Few people expressed their disapproval of an enlargement that was seen as a process that would complete the European map. But that does not prevent the “governability” issue from being included in the European agenda and in the social policy agenda. In some texts¹³², that issue replaces, as a main reference, the concept of social inclusion.

¹³¹ To better understand the “climatic changes” of this time it would be useful to consult the Commission’s Annual Agenda between 2000 and 2005.

¹³² Speeches of the European Commission, President José Manuel Durão Barroso. Communication to the Spring Council.

Economic growth and job creation become the major concerns – almost obsessions – of some European decision-makers that were confronted with economic deceleration and declining labour market. Increasingly, the Lisbon objectives were considered very optimistic and, afterwards, too ambitious¹³³.

The evaluation of the European Employment Strategy of 2003, which we have already reflected on, warned of disturbing symptoms caused by the lack of implementation at national level. In that same year, two reports would contribute to this debate. The first report is that of Sapir¹³⁴ presented in June, and is based on the observation that from 1995 to 2001, the European economy had only contributed to the world's GNP growth with less than 10% while the economy of the United States contributed 60%. The report concludes by confirming the need of for radical change so as to focus again on the single market, the redrawing of the convergence policies and governance and remodelling of the Community's budget..

Another report that would have much more influence and impact was the Wim Kok report¹³⁵. In the European Council of March 2003, , the Commission was asked to create an independent “task force” ,chaired by Wim Kok, so as to revise the Lisbon Strategy. Its report, presented in November, refers to the huge gap between the Lisbon objectives and the reality (employment rate of 64,2%, far from the 67% established in Lisbon, unemployment increasing to 8,1% and to 15% in the new Member States...). The challenge was not to create jobs in the short term but to articulate this employment creation with a sustainable and lasting economic growth, which requires greater productivity and investment in assets as well as in technological development. Another message is the need to introduce “adaptation” and “flexibility” in the labour markets, accompanied by security (the models are Denmark and Netherlands). The notion of flexisecurity¹³⁶ became one of the main arguments for the articulation of the social protection systems and employment strategies. This entails a difficult balancing act that more consists in one's ability to ensure a reasonable standard of living by constantly changing job than by keeping one stable job for life. Lifelong learning, the greater participation of women in the labour market, the follow-up of young people in the transition from school to work and the continued employment of those who are between 55 and 64 years old are some of this report's proposals. The report concludes by asking for a stronger commitment of States and actors in order to accomplish the objectives established on a European scale. It also confirms that this is the only way to resume the Lisbon Strategy.

When the 2004 Spring Council was held, it was more and more clear that the Lisbon objectives were very difficult to achieve due to the world's context and its consequences on Europe. Therefore, and within the framework of the Luxembourg Presidency, stocktaking is carried out and Wim Kok receives another order. Reinforcement is given to the argument highlighting the weakness of a strategy “that deals with all themes but, at the same time, does not deal specifically with any

¹³³ Moreover, in the Estocolm and Gotemberg Summits in 2001 it was added the environmental dimension to the Lisbon Strategy, and in the Barcelone Summit in March 2002 it was incorporated the need of coordination with the economic strategies and a favourable environment to competitiveness and to the sustainable development (to which were presented some objectives).

¹³⁴ Comisión Europea (2003). Informe Sapir. Bruselas.

¹³⁵ Comisión Europea (2003). Informe Kok. Employment, employment, employment. Bruselas. In 2004, it is asked another report to Wim Kok (ex-ministro Holandês). Comisión Europea (2004). Enfrentando el desafío. La estrategia de Lisboa para el crecimiento y el empleo. Bruselas.

¹³⁶ This perspective would be progressively accepted by the Informal Council of Social Affairs Ministers of Villach (Austria) in 2006, by the tripartite Lathi meeting (Finlande) in 2006, by the European Parliament session in 29 December 2007 e by the European Council of 5 and 6 December 2007. To an interesting discussion on this matter, see Gazier, B. (2005) Vers un nouveau modèle social. Flammarion. Paris.

of them; that everyone is responsible for it but, simultaneously, no one has that responsibility". Nevertheless, everyone agrees that "Europe cannot allow the failure of the Lisbon Strategy". What does it mean to select priorities, to simplify, to know who does what, to arrange and to synchronize this Strategy with economic policy.

As an answer to this assessment, the Commission presented in the beginning of 2005 its Synthesis Report¹³⁷ entitled "The re-launch of the Lisbon Strategy" that is based on the previous Report of 2004¹³⁸. As we can observe, the Lisbon Strategy continued to be a reference; we can also verify that the 2010 goal and the objectives related to the employment rates were not considered a priority. The focus was on the macroeconomic policies oriented towards stability and budget restriction. More growth, more and better workplaces and better governance are the themes that summarize this renewal of the Lisbon Strategy. By taking into account these guidelines, the Commission presented a single document that included the Employment Guidelines (Luxembourg process), the structural reforms (Cardiff Process) and the macroeconomic and budgetary measures (Cologne Process).

Social inclusion was disappearing from the original Lisbon triangle. It was converted into a reserve "player" that was used only in certain situations. This disappearance of the "main team" shall not make us ignore that this team was also submitted to a review that had its impacts in 2005, in Luxembourg. A questionnaire¹³⁹ was sent to all Member States and to the "Social Partners". The Luxembourg Presidency organized a Conference entitled "Taking Forward the EU's Social Inclusion Process" and its assessment was published¹⁴⁰. In these debates and documents there appeared, from time to time, the idea that the Open Method of Coordination, which had to respect the subsidiarity principle, gave a lot of liberty to governments and these could easily "dodge their responsibilities" especially when economic difficulties appear. The impact of the National Plans of Action for Inclusion (NAP's) was not sufficient and, although some countries had set in motion partnership mechanisms, the degree of participation of other actors left a lot to be desired (local authorities, associative world, trade unions and enterprise organizations). There was little mobilization of "citizenship". Moreover, and at national level, the NAPs's integration into the macroeconomic decision-making processes were scarce¹⁴¹. The so-called "Mainstreaming" wasn't achieved. Frequently, the national political cycles did not coincide with the design and implementation of NAP's and these occurred in parallel with the guidance and distribution of Structural Funds.

In this way, a question arises whether the European Employment Strategy or the Social Inclusion strategies became weakened because of so much voluntary action and the lack of a close coordination between the supra-state bodies and those of inferior scope. An interpretation¹⁴² of this disconnection could be that the Commission was marginalized in the Lisbon Strategy processes (because it was in transition from Jacques Santer to Romano Prodi). The Commissioners' group and its new president considered the Lisbon Strategy a reduction of their authority that limited their action to evaluation and the presentation of a Synthesis Report in each

¹³⁷ Comisión Europea (2005). Comunicación al Consejo. Trabajando juntos por el crecimiento y el empleo. Relanzamiento de la estrategia de Lisboa.

¹³⁸ Commission Européenne (2004). Réalisons Lisbonne. Réformes pour une Union élargie, Bruxelles.

¹³⁹ Commission Staff Working Document, Evaluation of the Open Method of Coordination for Social Protection and Social inclusion.

¹⁴⁰ European Commission (2006). Social inclusion in Europe. Brussels

¹⁴¹ Comisión Europea (2005). Informe Conjunto sobre Protección social e inclusión social. Bruselas

¹⁴² Ibáñez Rubio, I. (2006). Revisión de la estrategia de Lisboa en la UE. Trabajar juntos por el crecimiento y el empleo. Rev. Información Comercial Española n- 829. Madrid. The author is counsellor in permanent representation of Spain, at a UE level.

Spring Council. Therefore, the Commission saw the reduction of its initiative capacity in a strategy in which the majority of actions had a national scope. In this way, the Commission's involvement and commitment to this strategy was also diminished. This is perhaps what justifies the continuous requests for a strong political commitment and the insistence on governance that was considered one of the major concerns of the renewed Lisbon Strategy.

This game, characterized by hurling stones at the neighbour's roof (from the Commission to the Governments and vice versa) centred again, during the 2005 Luxembourg agreements, on the Commission field of action and this gained a broader visibility with the creation of a new community programme.

2.8. The renewed Lisbon Strategy and the increasing invisibility of poverty and exclusion

The renewed Lisbon Strategy can be summarized, in terms of contents and implementation methods, as follows: regarding the contents, the community programme confirms¹⁴³ that in relation to the ageing population, the technological changes, globalization and the pressure on the environment, the priorities are to promote knowledge and innovation for economic growth, thus rendering Europe the most attractive place to invest, to work in and to create more and better jobs. The community value-added is in the progress towards the internal market, the infrastructure's improvement and in the creation of better conditions for enterprises. It is also important to highlight the knowledge, training and qualification promotion measures...“without neglecting social and territorial cohesion”.

In relation to the methods, these ideas are strongly based on the employment and growth strategy and on the National Reform Programs. Both must include the macro economic and budgetary aspects, the employment policies and the structural reforms, as well as the microeconomic dimensions. The Commission proposed establishing in each State, a Mr. and a Mrs. Lisbon, in other words, a person capable of coordinating these questions at a governmental level. 24 integrated Guidelines for growth and employment were established bringing together the Broad Economic Guidelines and the Employment Guidelines in three year cycles until 2008 and 2010 (macroeconomic, microeconomic and of employment)¹⁴⁴.

It will not be an exaggeration to state that both the Employment and Growth Strategy and the National Reform Programs became key elements in the Renewed Lisbon Strategy. These should include social cohesion but a quick reading of the first generation of National Reform Programs shows clearly that these include strong alternatives on growth and employment. On the contrary, almost every single one of them neglects the connection with the national action plans for social protection and the social inclusion. So as to support this observation, two documents are especially significant. One of them is the Economic and Social Committee Opinion of April 2006 in which it is stated that “the Member States did not demonstrate any real commitment regarding the agreed actions and objectives” and that “the employment and social inclusion plans and other issues became bureaucratic

¹⁴³ Comisión Europea (2005). Acciones comunes para el crecimiento y el empleo: el programa comunitario sobre la estrategia de Lisboa. Bruselas.COM. 330

¹⁴⁴ European Commission (2007). Integrated guides lines for groth and jobs (2008-2010). Brussels.

reports”¹⁴⁵. The other is the Joint Report on Social Protection and Social Inclusion of the same year which insisted on the positive effects of the link between growth, employment, social protection and inclusion¹⁴⁶, and the necessity of giving them a broader visibility and of obtaining broader and better’ participation so as to ensure its implementation at national level.

The National Plans for Social Protection and Social Inclusion continue to function on their own but, from that moment on, they were at a second level. As we have already emphasized, they suffered the “addition” of the pensions dimension and, since 2005, the continuous health care dimension as well. The 2006 Spring Council approved three objectives that should be accomplished through the Open Method of Coordination: 1) social cohesion, gender equality and the equal opportunities; 2) a mutual and efficient interaction between the Lisbon objectives and economic growth; and 3) the reinforcement of governance, transparency and of the participation of all relevant actors in the policies drafting, implementation and follow-up.

The “Streamlining”¹⁴⁷ that began in 2006 and whose first cycle goes until 2008, aims to rationalize, integrate, and give priority and to synchronize these different dimensions with the employment and growth strategy. Integrated in this way, the Open Method of Coordination should have a bigger profile and greater efficiency. The assessment that the European Anti-Poverty Network (EAPN) made of the effects of this new focus was considerably softened. It recognizes the potential of “streamlining” but warns that poverty eradication is losing ground and that the differences in terminology are not a mere detail. It also warns that the fight against poverty is less and less present in the political agenda. To delineate strategies at a European level, as this new focus did, can be a way of reducing the voids evident in national implementation but also of creating situations according to which *to becoming poor* is not enough to benefit from the national policies against poverty¹⁴⁸. In fact, frequently, the establishment of target groups as priorities can be a way of avoiding attacking the general causes and processes that create poverty and exclusion.

Once more, there are different readings and interpretations in relation to the addition of pensions and continuous health care to the Inclusion Strategy. On one side, this aims to attack the multidimensionality of problems though there are no doubts about the beneficial effects of retirement pensions (when they are high) on older people’s standards of living. These people and those who are not autonomous (severely disabled people, long-term diseases...) depend on continuous health care (domiciliary service, residential devices, specialized professionals...). However, on the other side, the ageing population, the increase of health care costs and the financial difficulties of social security can easily become arguments for the limitation of public and social benefits (more years of discounts, smaller tax bases...) and for the reinforcement of market mechanisms (private pension

¹⁴⁵ Comité Económico y Social Europeo. (2006). Dictamen Sobre la Comunicación de la Comisión. Trabajar juntos, trabajar mejor. Bruselas. SOC/234. (page 5).

¹⁴⁶ European Comisión. (2006). Joint Report on social Protection and social inclusion, Luxemburg

¹⁴⁷ European Commision (2005). Working together, working better. A new framework for the open method of coordination of social protection and inclusion policies in the European Union, Brussels. See also the EAPN reaction to this Communication, EAPN (2006) Combating growing levels of poverty and inequality is essential for the future of the EU. Brussels.

¹⁴⁸ EAPN (2006). What do they deliver for people in poverty?, Brussels (Page 14).

funds)¹⁴⁹. What are the hidden assumptions behind the EU drafting of an adequate, modern and sustainable social protection based on the economic growth?

In any case, the 2007 Joint Report on Social Protection and Social Inclusion¹⁵⁰ shows us that there are big inequalities between countries in relation to continuous health care coverage and to the evolution trends between both. In some cases it resulted in a reduction of the retirement age, thus extending active life and increasing savings with complementary pension plans. In other cases, it raised the retirement age and early retirements for those who work in big enterprises. The risk of greater poverty for older women and for the minimum pension or minimum income beneficiaries grows by as much as child poverty (and its dissemination to other generations) and risks for homeless people.

In the mentioned report, there is an insistence on active inclusion that reinforces professional and social integration. At the same time, there is recognition that economic and employment growth alone cannot integrate the most excluded into the labour market. The social economy is a crucial “source” of job creation even to people with few qualifications or reduced working capacity, mostly by providing unrecognized social services or partly/fully covered by the market (services that are fundamental to ensure full professional integration). Nevertheless, the most repeated words in this report and in that of 2008¹⁵¹ are “coordination” and “interaction” between economic and social policies, between professional insertion and inclusion policies, between health and social services, between institutionalized and informal care and between community, national, regional and local levels. But who is really responsible for that coordination?

It is precisely within the framework of the European Social Fund that such coordination is possible. This Fund, as we have already mentioned, was modified so as to achieve a better adaptation to the Lisbon Strategy. In 2005, the Presidency of the United Kingdom held a conference on this matter¹⁵². The outcomes of research contracted by the Commission, and implemented in 11 States, are harsh¹⁵³ and conclude that the Lisbon Strategy has only indirect defects and that besides the coherence between its objectives and the Structural Funds objectives, only 50% of its costs were used for this purpose. Consequently, it was proposed that structural funds should focus on economic growth, as well as concentrating and integrating their resources in the national reform and growth policies.

In any case, in the year 2007, the structural funds were object of re-adaptation that shall last until 2013. Obviously, it is still not possible to analyze the impact of these modifications, though it is possible to point out that the new Social Fund regulation incorporates social inclusion and opens the door to the participation of the social economy actors (United Kingdom, Spain, Hungary...). Almost 10 000 million Euros are destined to the social inclusion priority and the article 11° of the regulations clearly recognizes the principle of cooperation with the civil society organizations¹⁵⁴. So as to know to what extent these incorporations and openings enable the creation of bridges between social and employment integration strategies we have to wait a

¹⁴⁹ So as to follow the social protection evolution and of every single benefit at EU level, it would be useful to consult the excellent annual memories that since 1990 were published in the MISSOC system.

¹⁵⁰ Consejo de la Unión Europea (2007). Informe conjunto sobre protección social e inclusión social 2007. Bruselas.

¹⁵¹ Consejo de la Unión Europea (2008). Informe Conjunto sobre la Protección social e inclusión social 2008. Bruselas.

¹⁵² U.K. Presidency. Delivering the Lisbon and Gotenborg Agendas. Newcastle. 7/8 November 2005.

¹⁵³ Henrik Haar, J. (2005). Improving the synergies between the structural funds and the Lisbon strategy. Danish Technological Institute.

¹⁵⁴ EAPN (2007). Fondos estructurales: útiles contra la exclusión?. Noticias de la Red n°124.

little bit longer mainly because some countries (mostly the new Member States) have only started to implement them now. The announcement that the 2010 will be a European Year Against Poverty is an extraordinary opportunity to evaluate the results of the European strategies on employment and inclusion. This evaluation could deliver better results if there will be the necessary preparation of this year counting with an enlarged participation of the overall actors in the designing and implementation levels.

As we have seen, working poor, migrants and all those who cannot work (or work in the informal sector and in precarious conditions) usually are also excluded of the employment and inclusion strategies. Actually in most of the cases those groups often see their situation getting worse because they cannot follow the requirements of the activation policies. At the same time, social enterprises, minimum income schemes¹⁵⁵, social Welfare¹⁵⁶ and local development experiences becomes potential “bridges” for the horizontal (European, state, regional and local level) and vertical (bottom up and top-down) coordination.

Finally, it is important to mention two Commission Communications and the PROGRESS Programme. The first Communication (2006) launched a consultation on the European action to promote the active inclusion of the most excluded from the labour market¹⁵⁷. The Recommendations of 1992 are mentioned again and particularly minimum income as the means of preventing extreme poverty but, also its capacity for supporting professional integration of those capable of working. Moreover, it is verified that income supports were increasingly subordinated to “activation” policies and there is a warning regarding the potential discouraging effects on employment. Considering that this must be advantageous to enterprises and workers, social inclusion is defined as the coordination of three elements: 1) a link with the labour market in the form of employment offers and vocational training, 2) a support at the level of an adequate income to ensure a decent life and 3) a better access to social services in the broad sense of the term¹⁵⁸.

This trilogy, reaffirmed in the second communication¹⁵⁹, depends on the cooperation of the national and local administrations, of the private, public or mixed services providers, of civil society organizations and of people experiencing poverty. Taking this perspective into account, it is necessary to recall that in 2003, 72 million people lived at poverty risk which means that 16% of the EU-25 population lived with an income equivalent or inferior to 60% of the national average income and that since 1997 more than a half had lived, during 3 of the last 4 years, with incomes below the poverty threshold. In 2003, 8,5% of the population between 15 and 64 years old (31,7% million people) could be considered excluded from the labour market (besides the number of poor workers).

¹⁵⁵ Begg, I. Berghman, J, Marlier, E. (2007). Synthesis report. Peer review and assesment on social inclusion. Brussels. European Commission.

¹⁵⁶ Ditch, J. Roberts, E, (2002). Enfoques integrados de las políticas activas de bienestar y empleo. Dublín. Fundación Europea para la mejora de las condiciones de vida y de trabajo.

¹⁵⁷ Comisión Europea.(2006). Comunicación relativa a una consulta sobre una acción a nivel de la UE destinada a promover la inclusión activa de las personas mas alejadas del mercado laboral. Bruselas. COM.44 final

¹⁵⁸ It would be useful to see the answers to this Commission Communication (specifically the EAPN answers: Yes to active inclusión based on fundamental rights. 6.2.2008).

¹⁵⁹ Comisión europea (2007). Comunicación. Modernizar la protección social en aras de una mayor justicia social y una cohesión económica reforzada: promover la inclusión activa de las personas más alejadas del mercado laboral. Bruselas. COM 620. Final

The PROGRESS Programme that from the 1st January 2007 until 2013 should gather together community efforts¹⁶⁰ for employment and solidarity has the following general aims (including the mainstreaming of the gender perspective): 1) to know and understand better the Member States situation; 2) to support the development of statistical methods and tools and of common indicators; 3) to support and to control the community legislation implementation and the Community politic objectives; 4) to promote the networks' creation, the mutual learning, the dissemination of good practices and of innovative focuses; 5) to raise awareness among stakeholders and the general public; 6) to improve the capacity of the main European networks so as to promote, support and follow-up the development of the Community policies and objectives.

So as to achieve these objectives, the programme is divided in five parts: 1) Employment; 2) Social Protection and Social Inclusion; 3) Working Conditions; 4) Anti-discrimination and Diversity and 5) Gender Equality. Even though all these sections are interesting, the first two are worth mentioning. Therefore, the "Employment" section must support the European Employment Strategy through a better understanding of its situation; the promotion of studies and statistics; the control and evaluation of the European guidelines and recommendations and their repercussions; the Joint Report on Employment and the analysis of the interaction between the European Employment Strategy and the economic and social policy; the organization of exchanges on policies, good practices and innovative focuses within the framework of the European Strategy and the reinforcement of awareness; the dissemination of information and the promotion of debates. The "Social Protection and Social Inclusion" section deals with the same sort of actions applied to this theme within the framework of the Open Method of Coordination and clearly adding NGO's and the European Networks.

It is important to underline that this programme has the clear mandate to take action with the two members of the "couple": employment and social inclusion. There is, therefore, a new possibility of interconnection between employment and social inclusion. With this Programme we find ourselves faced with the potential financing of a huge number of transnational actions (art. 9) to which a vast diversity of public and private organisms, actors and institutions have access (art. 10). At last, besides the constitution of its own follow-up committee, it reinforces the possibility of cooperation between the social protection and employment committees and with other relevant actors (art. 13 and 14) and announces the necessary coherence and complementarity with other policies and community tools and the cooperation between Member States.

And it was like this that the foundations to potential bridges of cooperation, exchange, coordination and interaction between European employment and social inclusion strategies were created.

After this long itinerary, can "our couple" be congratulated for the opening of a new period where the journey will be able to produce a turn of this virtual relation into a virtuous one? Only time, the overcoming of obstacles through the efforts of everyone and the modest contribution of the project Bridges for Inclusion, will be able to answer this question.

¹⁶⁰ Decision N.º 1672/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity - PROGRESS. See also the Preamble

3. Some questions in order to continue the reflection

This document begins with some questions and ends up, with some clues, drawn from the previous analysis and leading to a reflection on the possible bridges between the European employment strategies and those of social inclusion.

1. According to what we have already seen, since the eighties of the preceding century there was a considerable terminological and conceptual evolution regarding the “European vocabulary”. At particular moments, certain words were recurrently used but at others those very same words seemed to fall into disuse. Poverty, new poverty, marginality, social exclusion and vulnerability are concepts that appear and disappear, that are replaced and mixed or complementary as well. The same happens in relation to its antonyms: insertion, integration, incorporation, inclusion, social inclusion, cohesion, active inclusion... What does these apparent changes mean and what are their consequences in the relationship between employment policies and the inclusion policies? Is it the same to use words like insertion, integration or inclusion?
2. Everyone agrees that economic development is a necessary condition for increasing employment and citizens’ well-being levels. But is Europe’s growth and the simultaneous creation of new jobs enough? What is the most potential and advantageous economic and social development model for a continent confronted with the effects of globalization, technological and climate changes and of economy relocation? How can the monetary, economic and socio-labour policies interrelate? To what extent should these ones be dependent on the criteria and logics of the first ones (competitiveness, stability, productivity...)? Is it necessary to change the parameters? Would it be possible to introduce proofing mechanisms when the European bodies take monetary and economic decisions so as to anticipate their potential consequences in case of unemployment and poverty?
3. Social protection contributes to economic development, prevents and takes a lot of citizens out of poverty. Within the framework of a European social model, it is possible to verify a certain adversity between the various systems with different consequences upon poverty levels. Is it the convergence process that will automatically lead to the reduction of differences or will it be necessary to take some common decisions of a more directive character? If so, how will it be possible to overcome some states’ doubts and how can we create the foundations for a cultural sharing in terms of social protection without lowering the level but overcoming the arguments that highlight the threat of social dumping? How is it possible to identify, transfer and adapt the models that work best (that have a greater impact on poverty, lower unemployment rates, and a higher sustainability)?
4. The European labour market depends on external impacts and on internal challenges (ageing population, societies’ dualism, immigrants’ labour insertion, need for higher qualification levels and continuing vocational training ...). The European Employment Strategy represents one step forward but it faces some obstacles when it comes to avoiding the dependency on external factors and impacts and to its implementation at national level. How is it possible to overcome all these barriers?

5. The functioning of the labour market includes and excludes. When employment is scarce, its value is high; less people have access to it and the number of excluded people is higher. Furthermore, its increasing dualism threatens to create a nucleus of workers with high wages, high qualifications, whose labour rights are protected, side by side with another large group of citizens with low or very low incomes (poor workers), feeble training, and “intermittent” working practices for a fixed period in highly precarious production sectors. On the other hand, and even more distant from the labour market, there are those that barely survive, turning to an informal, shadow economy where there is no protection at all. Finally, a fourth group exists that includes all of those who are not integrated in any of the previous groups because they cannot work or cannot find a job, despite their efforts. How does active inclusion intend to intervene in these four domains and which will be the short, medium and long term consequences? The activation of the labour market depends on whom? What are the position and the responsibility of the trade unions, the business organisations and the remaining actors?
6. As we have already seen, social security, minimum incomes and other well-being tools (supports and social services of different kinds) and the territorial programmes and projects are three fundamental elements in the fight against poverty and social exclusion. How do they cooperate and avoid overlaps between them when the first depends on the national authorities, the second tend to decentralise and the third normally combine national responsibility with local use? What will be the community authorities’ role, taking into account the subsidiarity principle? In what way will it be possible to form social minimum standards which, and at the same time, have a social rights scope?
7. The minimum income schemes are a bridge between the inclusion strategies and the employment strategies. Despite the heterogeneity between countries and regions, they are more and more oriented towards the increase of the access conditions (resources control) and the demands of “employability” conditions. At the same time, speeches proposing the reduction of the number of people that benefit from a set of well-being measures are delivered, diminishing consequently the culture of dependence. How can the European authorities go beyond the 1992 Recommendation? Will it be possible to reconsider minimum income schemes and to articulate them with the unemployment benefits or other type of similar benefits? How will it be possible to revitalise and to expand the local structures of implanting these measures, achieving as well a greater effective involvement of all actors?
8. Local development has already shown that it is capable of creating jobs and fighting against poverty, under certain conditions. Will it be possible to generalise these conditions and to give them a broader territorial range? How can these movements influence, from the bottom up, the national and European socio-labour strategies? And, on the contrary, how will it be possible, from this level, to continue promoting the local interrelations between the socio-labour measures? Through what means can the ample experimentation of local projects (Poverty 1, 2, 3, Integra, Urban, Equal...), developed all across Europe, be systematised, transmitted and transferred to broader political domains?

9. The Open Method of Coordination has had its ups and downs. Besides this, any other coordination attempt is always slippery and implies high level political decisions, breaking-up institutional and corporate logics, creating transversal tools, sharing resources and budgets, integrating measures, involving technicians, volunteers and staff so they can put aside routines, procedures and specific cultures. These should know how to diagnose joint needs and evaluate common impacts and effects, mobilizing those actors that protect the general interests and not only their own or the specific area of intervention. Will it be possible to test these conditions within the framework of the European Social Fund, particularly regarding its national and local use? How can we include social inclusion again within the European agenda without integrating it in the Strategy for Growth and Jobs and in the National Reform Programmes?

10. The Programme “Third System and Employment”, other programmes and thousands of other initiatives across all Europe showed that Social Economy, particularly social enterprises, are simultaneously a factor of the fight against unemployment and of insertion of those with social difficulties, and generally contribute to economic and local social development. Social Economy organisations gradually saw that their role and potentialities were recognized by the European and national authorities. These organisations are the ones directly affected, on a local basis by the positive and negative consequences of the employment and inclusion strategies (legislation, financial aids, connections between different ministries, central and decentralized services...). These are the ones that feel and perceive the most the strategies’ inadequacy and mismatch but also their potentialities and complementarities. Should these strategies continue to oscillate between labour and social policies? Considering that there is no enduring labour insertion without a corresponding social insertion, wouldn’t it be more convenient to formulate more comprehensive strategies and more explicit institutional, partnership and coordination knowledge, from a European to a local level?

4. Chronological framework (synthesis)

Period	Context	European Policies / programs / strategies		Results and bridges
		Employment	Inclusion	
1958-1974	Full employment Marginal Poverty Economic expansion	FSE	Missing partner	No bridge, no results
1975-1989	Consequences of the oil crash Structural Unemployment and poverty	FSE	First European Programme against poverty (1975-1979) Second European programme (1985.1989)	Poverty definitions. Theoretical link with devaluation of labour market Long-term unemployment. Marginal groups. Multidimensional poverty. Need for coordination of sectorial policies
1989-1994	Single Act New pro-European impetus Economic improvement Positive political orientation	FSE (reform) Horizon, Adapt, Now, Integra Communitary Chart of social rights (1989)	Third European programme against poverty (1989-1994) Minimum resources resolution (1989-1992)	Social exclusion, structural poverty. Integrality, territorial approach and partnership. Labour and social integration, local development, social enterprises. Increase of workers rights and the differences between those and the unemployed. Bridge between lack of resources, labour market and social protection. Active and passive social benefits. Social rights
		Social Protection Recommendation - 1992		

Period	Context	European Policies / programs / strategies		Results and bridges
		Employment	Inclusion	
1994-1997	Limit to the Commission competences	Delors white book, Essen Summit, 1994 No European policies New “employment opportunities” Art, 10 FEDER, 6 FSE		Link between economic growth and employment Emerging needs, local socioeconomic developpement and social capital
1997-2000	Growing importance of third system and social economy	<p style="text-align: center;">Treaty of Amsterdam</p> Employment and common interests Community policies, coordination, promotion and exchange on inclusion Luxemburg Summit. European Employment Strategies <p style="text-align: center;">Third system and employment program</p>		Legal framework for European strategies for employment and inclusion Four pillars. Open Method of Coordination. National Employment Plans, Peer Reviews. Uncertain recognition. Civil dialogue. Social enterprises creating jobs (tool against poverty and exclusion), social security savings and contribution to territorial developpement.
2000-2003	Near the end, positive economic cycle is finishing	<p style="text-align: center;">Nice and Lisbon Summits</p> European Employment Strategy European Inclusion Strategy FSE Change (2000-2007) Equal		Growth / employment / inclusion triangle Two parallel strategies (?) with the same method 4 objectives, national Plans of Inclusion, Community Programs (2000-2007), Joint Reports. Poor workers, informal work. Immigrants social and labour integration
2003-2007	Enlargement (10 countries) Consequences of external competence, population aging	<p style="text-align: center;">Revision of Lisbon Strategy</p> Growth and Employment Strategy National Reform Plans Increasing invisibility of poverty and exclusion		Governance, social cohesion, active inclusion “Make work pay”, Flexisecurity, Retirement delays. Social protection and Inclusion national Plans. Streamlining.
To the future	Uncertain Economic Cycle, Growing stagflation Constitutional Treaty	FSE New regulation	PROGRESS	Local developpement. Minimum income. Social welfare and social and labour integration. Social enterprises. Horizontal and vertical coordination

5. Guidance proposal to the drafting of the national studies

One of the outcomes of the project *“Bridges for Inclusion”* is the elaboration of studies on the interrelation between the employment strategies and the social inclusion strategies at national level (Belgium, Bulgaria, Spain, France, Portugal and Romania). These studies will be the intermediate point between the European study and the three or four local experiences that will be promoted by the project partners, at local level.

To facilitate and to give coherence to the drafting of these six national studies, it was decided that a base scheme should be proposed, at the end of this European study, followed by a discussion and a transnational agreement. Therefore, and at this stage, our aim is merely to present a draft guidance proposal that should be discussed and agreed between the project partners. After its final drafting, this guidelines list should be provided to the selected national experts so as to complete this task.

Naturally, and taking into account the heterogeneity of the six partner countries, their own studies cannot be exactly the same. Some may highlight the most relevant aspects related to the organisations involved, others may insist on a generic discussion important to that country. For that reason, and just to exemplify, Belgium and Spain have the same decentralised State model that assigns a lot of social and labour competences to the regional governments, whereas in Portugal and France there are more centralised decisions. Portugal and Spain entered the European Union (EU) in 1986 and accessed the European Social Fund since this year; France and Belgium are EU founder countries but are less dependent on its structural funds; Romania and Bulgaria are EU recent members, so they are still living in an economic and social transition phase. Local development and minimum income schemes are at distinct implementation stages in each one of these countries. For these and other reasons, the inclusion and employment strategies and the bridges between them have specific characteristics which correspond to different national histories and models.

However, it is fundamental to approach in the national studies, with more or less insightfulness, all the suggested chapters of this index proposal. In this way, afterwards it will be possible to do a comparative work and to draw general valid conclusions to all project’s participants. We want the index proposal advanced to follow the same chronological logic so that many of the themes discussed by the European study are visible.. It is therefore crucial that the national experts read this study previously and clarify potential doubts.

We recommend that these national studies are drawn up by those experts who are acquainted with each country’s employment and social policies and, more specifically, with the employment and inclusion strategies and the bridges between them. Besides this basic knowledge, it would be important if they had a certain on the ground experience in terms of social economy (social enterprises and local development) regarding consultation, training, follow-up and evaluation, and are able to give precise examples which enhance their arguments.

It is also important to remind ourselves that these national studies must be concluded by the end of June (when the third project’s transnational meeting will be held) and that these should give rise to national debates (during the national

seminars that each partner shall organise for the purpose). These national studies will be also very important for the peer reviews between countries since they will provide the initial information vital to their organisation.

Index for National Studies proposal

0. Introduction

1. History of the crossroads between the national strategies on Employment and Inclusion.

- 1.1 Evolution and main characteristic of poverty, exclusion and unemployment until the crisis of the seventies. The labour and social strategies and measures.
- 1.2 The eighties and the nineties until Luxemburg (1997). Public policies, plans and measures (programmes). The influence of the European Funds and European Programmes. The role of social economy.
- 1.3 1997-2007. The formulation and implementation of the National Plans on Employment and Social Inclusion.
- 1.4 Labour market, social protection e local development.
- 1.5 The role of the various actors (trade unions, employers, public administration, ...).
- 1.6 Main conceptual and strategical debates during the last ten years (duality of the labour market, social and labour integration, activation, ...)
- 1.7 Actual situation. Facts and numbers concerning unemployment, poverty and other relevant figures. Who stays “out” of the employment and inclusion policies?

2. Bridges between the national strategies of Employment and Inclusion trough social economy and social enterprises.

- 2.1 National definitions (conceptual and terminological).
- 2.2 Birth and development of the social economy and the social enterprises.
- 2.3 Political context. Legal framework. Typology of organisations.
- 2.4 Dimension, main characteristics and territorial implementation.
- 2.5 Relations between social enterprises and other actors (public bodies, trade unions, employers, ...).
- 2.6 Relevant experiences of articulation (“bridges”) trough social enterprises. Conditions that facilitate and obstacle this articulation. Main achievements.
- 2.7 Other “bridges” experiences (local development, minimum income, labour market insertion, horizon and vertical coordination).

3. Lessons. Conclusions. Recommendations.

- 3.1 Relation between European, national, regional and local strategies.
- 3.2 The conceptual and strategical plus value of articulating national strategies of employment and inclusion.
- 3.2 Most important and significative lessons from the identified “bridges”.
- 3.3 Conclusions and recommendations.