



“Feeding in” and “Feeding out”, and Integrating Immigrants and Ethnic Minorities

Key lessons

Synthesis Report

Independent overview based on the 2006 second semester national reports of national independent experts on social inclusion

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Preface

The 2005 Spring European Council established clearly that promoting social inclusion continues to be a central political priority for the European Union (EU), by stating that “social inclusion policy should be pursued by the Union and by Member States, with its multifaceted approach”. This means that social inclusion should also complement and contribute to the *refocusing* of the EU Lisbon Strategy on growth and employment and to the re-launch, in June 2006, of the Sustainable Development Strategy. The latter reaffirms the EU commitment to combat poverty and social exclusion, to deal with the problems of an ageing society, to promote public health, and to foster sustainable patterns of consumption and production. It also stresses the importance of impact assessments when developing policies and encourages wider use of evaluation to assess this impact.

These various decisions have sharpened the EU and national governance contexts, as highlighted notably by the EU Employment and Social Affairs Ministers at their Informal Meeting of January 2006 (Villach, Austria). They obviously call for more coherent and strategic efforts on social protection and inclusion. It is expected that these efforts will be facilitated by the *streamlining* of the Open Method of Coordination (OMC) in the social field, since January 2006, a concrete result of which are the *National Reports on Strategies for Social Protection and Social Inclusion* (covering social inclusion, pensions, healthcare and long-term care, and “making work pay” issues) that Member States submitted to the European Commission for the first time in September 2006. They also call for *mutually reinforcing* feedbacks between economic, employment and social policies (“feeding-in” and “feeding-out”), which in turn requires a better coordination of the streamlined social process with the refocused Lisbon Strategy *both* at EU and national levels.

In the field of social inclusion, two important instruments are the peer reviews of good practices and the regular reports drafted by a network of non-governmental experts which support the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission in its task of assessing independently the implementation of the Social Inclusion Process¹. The network consists of independent experts from each of the 27 Member States and from Turkey.

This report presents an independent overview of reports for the second semester of 2006 produced by the network’s experts. It is based on the report that independent experts produced in November 2006 and covers all EU-25 countries (Bulgaria and Romania are not included). Drawing on the 25 expert’s reports, it provides information on ‘feeding-in’ and ‘feeding-out’ between social inclusion and the National Reform Programme on growth and jobs (drawing on the Implementation Reports submitted by Member States in October 2006), and an overview of national policies on immigration and ethnic minorities. Throughout, where the experience in an individual Member State is highlighted, this is either because the national expert has emphasised the particular point or because it represents a good illustration of the issue under discussion. Consequently, the fact that a particular Member State is mentioned does not necessarily mean that the point being made does not apply to other Member States.

This report follows and complements a synthesis report produced for the first half of 2006 in which the special topic was active inclusion and minimum resources which also drew on the network’s contributions², and a synthesis report in the latter part of 2006 based on the experts’ analyses of the social inclusion strand of Member States’ National Reports on Strategies for Social Protection and Social Inclusion.

¹ For more information on the Commission’s programme on “Peer Review and Assessment in Social Inclusion”, including the list of members of independent experts, see: http://www.peer-review-social-inclusion.net/peer/en/general_information.

² <http://www.peer-review-social-inclusion.net/policy-assessment-activities/reports/reports-2006/synthesis-report-1/>

1 Summary and key messages

Promoting social inclusion continues to be a central political priority for the European Union. To support the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission in its task of assessing independently the implementation of the Social Inclusion Process an important instrument is the regular reports drafted by a network of non-governmental independent experts from each of the 27 Member States and from Turkey.

This report presents an independent overview based on national reports that independent experts produced in November 2006 and which are published separately (the overview covers only the 25 EU Member States). Examples are used in this synthesis report to emphasise or illustrate key points, but it should be noted that the use of such examples does not exclude the possibility that the point is also relevant for other Member States. The national reports have been produced in response to common guidelines and comprise two main topics. The first is on the interactions between the 'Partnership for Growth and Jobs' and the strategy for social protection and social inclusion under the open method of coordination (OMC). The second is on immigration and ethnic minorities.

The *Joint Report on Social Protection and Social Inclusion 2007*³ draws attention to the many challenges - including demographic ageing, responding to intensified globalisation, exploiting new technologies and countering high unemployment - that the Union has to confront in taking forward its policies on social protection and social inclusion. Doing so will mean identifying and developing the mutually reinforcing feedbacks between the re-focused Lisbon Strategy on growth and jobs, on the one hand, and national and EU work on social protection and social inclusion issues, on the other. Striking an appropriate balance between flexibility and security (flexicurity), while taking account of national sensitivities constitutes a further challenge. Against this backdrop, the expert reports reveal a number of common patterns, but also some notable divergences.

Key messages on "feeding-in" and "feeding-out"

Not surprisingly, there is enormous diversity in how *feeding-in* and *feeding-out* have happened, despite the common and pretty explicit guidance for Member States on what was expected.

In some Member States, it appears that the social dimension has been influential in the evolution of the National Reform Programme (NRP) as shown in the Implementation Reports (IRNRP). In others, this influence has either been cursory, with consultation limited to certain interlocutors, or there is only limited evidence that social priorities have been translated into clearly articulated objectives in the NRP.

In many cases, there is a disturbing lack of common ground between the NRPs and the National Reports on Strategies for Social Protection and Social Inclusion (NRSSPSIs). Even where they are reasonably integrated, it tends to be in selected areas only, such as the functioning of the labour market or lifelong learning, whereas social inclusion as such is often absent.

It is therefore important to stress that the EU Social Agenda is not just about jobs and that an inclusion process also has other objectives. A further issue is the extent to which employment policies focus predominantly on labour supply (through activation measures, etc.) rather than on increasing the quality and extent of employment opportunities.

³ The Joint Report, together with its various supporting documents is available from the following web-site address: http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm#joint_report

Very few NRPs refer explicitly to *corporate social responsibility* (CSR) at all, let alone in relation to social inclusion.

A cause for concern is the relative lack of attention to whether economic policies, especially those that target competitiveness, are contributing to increasing or decreasing income inequalities and to raising the incomes of those at risk of poverty and social exclusion.

Within the individual guidelines of the NRPs⁴, 'social' objectives tend to be accorded a lower profile and often have to be inferred: they may in reality *not* be absent, but they are often not very visible. For example in guideline 17, concerning the three overarching aims of employment policy (full employment; quality and productivity of jobs; and social and territorial cohesion), relatively little attention is paid to social cohesion. This guideline is a far-reaching one and is seen in many NRPs as being predominantly about raising employment and cutting unemployment. Nevertheless, one part of the guideline is about social cohesion and there are conflicting tendencies among countries.

Although most IRNRPs devote considerable attention to investment in human capital, and education and training systems, most Member States do not say much about the social inclusion dimension of these issues. As with some of the other guidelines a concern is that while the IRNRPs promise extensive policies aimed at boosting human capital, it is less obvious that out-reach to the socially excluded is given enough priority.

A cynical reading is that while there may be considerable overlap between the IRNRPs and the NRSSPSIs, the impression is that instead of there being 'feeding-in' and 'feeding-out', it may be more accurate to say that creative use of word processing has led to what the French expert describes as 'copy-in' and 'copy-out'.

Key messages on the integration of immigrants and ethnic minorities

Promotion of the integration of immigrants and ethnic minorities has become a highly-salient issue in relation to social inclusion. It is a policy area in flux, with many new approaches and initiatives being tried, but also significant challenges to be confronted. The fact that Member States have very diverse experiences of immigration and of dealing with ethnic minorities constitutes a range of experiences that offers opportunities for policy learning.

The Member States differ enormously in the historical context and current political environment within which policies towards immigrants and ethnic minorities have to function. Some have opted for 'multi-culturalism' – the acceptance of diversity – while others have preferred a 'melting-pot' approach which aims to forge a common national identity.

The extent to which immigrants are dealt with in the NRPs and the NRSSPSIs, and the coherence between the two vary hugely.

In countries where immigration is either a new phenomenon or has increased sharply, institutional capacity has been severely challenged. Notable problems affect the countries that have become the new 'gateways' into the EU. A critical problem is the capacity to respond of smaller, less prosperous Member States.

The principal reason for immigration is economic, with immigrants seeking employment. There are also big differences between countries in the profile of immigrants and, as a result, in whether they represent an integration problem, at least in the labour market.

⁴ The *Integrated guidelines for economic and employment policies (2005-2008)* as adopted by the June 2005 European Council,

In the labour market and education, there is under-performance of immigrants and/or ethnic minorities compared to the majority indigenous population in most Member States. This is not surprising, insofar as there is frequently a correlation between the minority groups and various indicators of social exclusion. However, there are considerable differences between countries in labour market outcomes for immigrants: in some, the employment rate is higher than for indigenous population, but in others it is markedly lower.

Differences between first- and second-generation immigrants are found in educational attainment, but a concern is that despite advances compared with their parents, second-generation children also often under-perform relative to the indigenous population.

A key issue in relation to access to social services is the formal status of immigrants. On the whole, such access is guaranteed for regularised immigrants, but asylum seekers and illegal immigrants tend to be denied the same rights. Take up of services is often below average for ethnic minorities such as the Roma, possibly because of cultural reasons or lack of information.

Although it is common for there to be gender mainstreaming or other approaches to enhancing the position of specific social groups in the overall population, the evidence suggests that there is relatively little effort to focus attention on target groups among immigrants and ethnic minorities.

In host countries that have long experience of immigration, two patterns have emerged. The first is that recent waves of immigration have been from different origins, most often of people migrating as the result of geo-political conflicts. The second is a questioning of existing models for dealing with immigrants.

Emigration of prime-age workers has been a striking feature of most of the recently-acceded Member States, engendering fears of brain drain and social division.

Areas for Member States to concentrate on in the evolution of policies towards immigrants and ethnic minorities include:

- Looking beyond the labour market to include other facets of active inclusion
- Adapting education systems to the special needs of these groups
- Reinforcing efforts to prevent discrimination
- Optimising the balance between the 'melting-pot' and 'multicultural' approaches
- Recognising the differences between different sub-populations
- Making appropriate use of targets and indicators to guide policy

2 Introduction and context

The second half of 2006 was a period of intensive activity affecting Member State approaches to social policy. Member States were, by a deadline of the 15th of September, expected to submit reports setting out their strategies for social protection and social inclusion. These National Reports on Strategies for Social Protection and Social Inclusion integrate in a consistent ('streamlined') framework the National Action Plans for social inclusion (NAP/inclusion) that had been initiated in 2001 (following the Nice European Council in the year 2000), the National Strategy Reports on pensions that followed soon after (in September 2002), and information on the strategies implemented/ planned by Member States to tackle healthcare and long-term care issues. The Commission and the Social Protection Committee (SPC) had agreed on detailed guidelines explaining what was expected from the reports.

Shortly afterwards, with a deadline of the 15th of October, Member States had to submit their first progress reports on the implementation of their National Reform Programmes (NRP). These reports are the documents in which the Member States set out their progress in meeting the objectives of the re-launched Lisbon strategy and conforming to the twenty-four integrated guidelines that constitute its core. It is important to recall that the focus of 'Lisbon' is now on growth and employment, with social cohesion now covered by the separate, integrated open method of coordination for the various social policy domains. However, the separation should not weaken EU and national commitments to social cohesion.

2.1 The evolving policy agenda

There have been significant shifts in the policy agenda in the last two years, with a strong focus on economic performance now at the heart of the Lisbon strategy. At the same time, the aim of streamlining the social inclusion, pensions and health and long-term care strands of social policy has been motivated partly by a search for coherence across policy domains that have common purposes, but partly also by a desire to keep social cohesion high on the policy agenda.

A third element is the renewed sustainable development strategy adopted by the European Council in June 2006 and orientated around seven key challenges, of which one is social inclusion, which is bracketed along with demography and migration⁵. Thus social cohesion is part of the SDS, but is largely separate from the refocused Lisbon strategy. This creates some potential for policy confusion.

2.2 The processes

With so many changes in the last two years in the various processes, it should be no surprise that they are taking time to bed-in and that in some cases deadlines are not respected. Moreover, in a Union of 27 Member States in which the national electoral cycle is generally four to five years, the expected number of national elections in a typical year will be six or seven and it also has to be recognised that sub-national elections or intra-coalition realignments may also result in changes of tack. Consequently delays in meeting reporting timetables have to be regarded as normal rather than exceptional. The knock-on effect for EU level reports is nonetheless notable. It may also mean that some reports are

⁵ See Council document 10117/06, dated 9 June 2006.

rather limited because they are done with an election in the offing and thus contain no significant policy proposals.

2.2.1 The National Reports on Strategies for Social Protection and Social Inclusion

The purpose of the National Reports on Strategies for Social Protection and Social Inclusion (hereafter, National Reports or NRSSPSIs) is, as stated in the SPC guidelines to 'address the specific challenges of the three pillars of social inclusion, pensions and healthcare and long-term care, while drawing out high-level and summary messages across the sector as a whole'. They are supposed to be concise, strategic documents that set priorities and explain how policies are being implemented.

Yet despite the common guidelines, some difference can be identified in how Member States perceive the NRSSPSIs and there are even nuances that may be telling in their titles. Thus, the Dutch one is labelled as a National Strategy Report, and its purpose is stated to be to 'describe reforms in the areas of social inclusion, pensions and health care and long-term care'. By contrast, Denmark presents a National Report on Strategies in which it is stated that the purpose is to report on 'how the Government's activities in the areas fulfil the overall goals for social protection and social inclusion and for the three sub-areas'. The difference in wording may appear trivial, but underlying it is a distinction between NRSSPSIs that are genuinely strategies and those (the majority) which are, in effect just reports on what the Member States are already doing. In this sense, a report explains what has already been done whereas a strategy signals what will be done and (the most valuable ones) how it is expected to make a difference in achieving the agreed goals. Reports that 'merely' explain what a Member State is doing will be useful to other Member States if they truly help mutual learning under the open method of coordination, and especially if they provide detailed and contextualised information on interesting policies, processes or good practices. In some circumstances, such as imminent elections, it is understandable that the Member State cannot set out a new strategy. Where the report is more strategic in character, it will make sense to assess it using different yardsticks from those which are predominantly reports. There may be gaps in a strategy that can be picked-up, enabling feedback to be given to the Member State that facilitates improvements. In all cases, the ultimate test is whether there is, or is likely to be, a discernible impact on key indicators, such as poverty risk.

2.2.2 Implementation report on the 'Lisbon' National Reform Programme

In 2005, all Member States submitted new National Reform Programmes that set out how macroeconomic, microeconomic and employment policies would be reformed to meet the Lisbon goals. These Programmes were elaborated in response to the *Integrated guidelines for economic and employment policies (2005-2008)*, as adopted by the June 2005 European Council, and examined by the Commission. The 2006 spring European Council confirmed the twenty four integrated guidelines, but also set four strategic priorities that Member States were asked to concentrate on achieving by the end of 2007. These are described as being 'cross-cutting' in scope and comprise:

- Investing more in knowledge and innovation
- Unlocking business potential, notably for small and medium sized enterprises (SMEs), a key part of which is moving towards better regulation
- Increasing employment opportunities for priority categories. This has evolved somewhat since March 2006 to become achieving 'greater adaptability of labour market' (with the Commission latterly having interpreted this to mean a focus on 'flexicurity').
- Defining an energy policy for Europe

The implementation reports are intended to provide information on how the NRP is progressing. They have been scrutinised by both the Commission and, as a peer review exercise, by the Economic Policy Committee that comprised country examinations of the economic guidelines. In addition, the Employment Committee (EMCO), in the 'Cambridge review', appraised the employment parts of the reports. The EMCO review focused particularly on three topics: people at the margins of the labour market; flexicurity; and lifelong learning for older workers. The review is stated to have concentrated on implementation. Key findings were as follows⁶:

- Consultations of stakeholders were improved compared with the 2005 round of NRPs, although engagement with NGOs was still adjudged to be inadequate
- Although employment is generally prominent in the reports, the diversity among countries remains considerable, especially in the use of targets and the degree to which the three strands of the employment strategy are integrated
- An improving performance of employment policy is noted, as is a trend towards more 'individualised and tailor made' support from modernised public employment services
- Not enough is being done to improve quality of jobs or to enhance lifelong learning and other forms of human capital development. Policies aimed at improving adaptability are also criticised
- Considerable efforts to make work pay are noted as part of attempts to reach those most distant from the labour market: key words are activation and rehabilitation
- There is evidence of a wide-ranging search for means of implementing flexicurity, characterised by a wealth of specific initiatives
- Innovative approaches to life-long learning and imaginative schemes targeted at older workers are noted, but the scope of such policies appears to be wanting and there is insufficient focus on a life-cycle approach
- Increased attention is being paid to the integration of immigrants into the labour market and addressing their higher rates of unemployment
- More Member States are implementing policies to improve the employability of the disabled

⁶ For more detailed information on the outcome of the 'Cambridge review', see:
http://ec.europa.eu/employment_social/employment_strategy/pdf/emco_cambridgeadhoc_en.pdf

3 Assessment of the National Reform Programmes

Initial reactions to the re-launch of the Lisbon Strategy in 2005 were that the focus on growth and employment might sideline EU coordination of social protection and social inclusion policies. However, significant efforts to clarify the expected mutually reinforcing relationships between the refocused Lisbon strategy and what, by 2006, had become an integrated open method of coordination for social protection and social inclusion have allowed the social dimension to remain high on the EU agenda. While developing these relationships, it is important to ensure that the social inclusion strand does not become too narrowly defined in terms of overcoming poverty and social exclusion mainly through activation and related employment measures.

The new philosophy was articulated in the Commission Communication *Working together, working better*⁷ which stated that

'The relaunch of the Lisbon process in March 2005 has sharpened the context into which work on social protection and inclusion must fit. The revised Lisbon strategy concentrates on policies to boost growth and employment⁸ and seeks to overcome the implementation gap identified in the review of Lisbon. Separate reporting under the OMC on social protection and social inclusion will continue, with social protection issues relevant to the new Integrated Guidelines also being reflected in national reform programmes⁹. At the same time, reflecting the European Council's vision of "growth and employment making for social cohesion", policies within the revised Lisbon agenda will contribute to social cohesion and inclusion. Thus, the OMC should parallel and interact closely with revised Lisbon - "feeding in" to growth and employment objectives while Lisbon programmes "feed out" to advance social cohesion goals. The OMC should also respond to the implementation gap challenge.'

The concepts of 'feeding-in' and 'feeding-out' are thus central to the integration of the Partnership for Growth and Jobs and the Social Protection and Social Inclusion strategy¹⁰. This chapter presents an overview of how the new approach is working and whether the evidence so far suggests that the aims for integration of the strategies will be realised. The information collected is based on experts' assessments of the *National Reports on Strategies for Social Protection and Social Inclusion* and the *Implementation Reports on the National Reform Programmes* (IRNRPs). The former were due to be submitted by September 15th 2006, though several were delayed by a few days and a small number only emerged several weeks after the deadline. The IRNRPs were due to be delivered by the 15th of October 2006 and, again, many were, although several were subject to prolonged delays. The principal reason for these delays is national elections which not only disrupted the preparation of reports during election campaigns, but also meant that where the outcome was a change of government, the national strategy may have changed, possibly quite radically.

This section of the report considers how closely linked the NRSSPSIs and the IRNRPs are and whether they do, indeed, achieve the cross-fertilisation encouraged by EU heads of State and government when they stressed that "the policies for social protection and social inclusion have to be closely coordinated with the Partnership for jobs and growth, both at national and European level in order to ensure that economic, employment and social policies interact in a positive way and that social protection is regarded as a productive factor" (March 2006 European Council, Presidency Conclusions).

⁷ Communication from the Commission COM(2005) 706 final of 22 December 2005: Working together, working better.

⁸ European Council of 22-23 March 2005, Presidency Conclusions.

⁹ Commission's Staff Paper SEC (2005) 622 of May 2005.

¹⁰ More broadly, in line with the renewed Sustainable Development Strategy adopted by the EU in June 2006, mutually reinforcing relationships should be sought between the refocused Lisbon strategy, the social OMC and also the environmental dimension.

3.1 Consultation and indication of priorities

In the process of cross-fertilisation it is expected, first, that there should be input into the National Reform Programmes from stakeholders representing ‘social policy’ interests, including social ministries, the social partners and NGOs. In some Member States, consultation of social partners is an established norm of governance in economic (and, often, social) policy-making and it is to be expected that they would have some input. Another important aspect of this cross-fertilisation is about whether the NRPs (and the annual implementation reports) take account of social inclusion objectives and thus whether the social dimension of EU governance is given sufficient prominence. If the NRP has little or nothing to say about social protection and social inclusion, this could be interpreted to mean that the coordination of the two governance processes could be improved.

Not surprisingly, the expert reports reveal enormous diversity. In some Member States, it appears that the social dimension has been influential in the evolution of the National Reform Programme. In others, this influence has either been cursory, with consultation limited to certain interlocutors, or did not translate into clearly articulated objectives in the NRP. Some caution is needed in jumping to strong conclusions, especially since the implementation reports are intended to be about progress more than underlying objectives. There is also a sentiment – for the ‘Lisbon’ reports, though the reverse may be true for the NRSSPSIs - that where all the Member State is doing is reporting, the need for consultation is questionable. Table 3.1 presents a summary of how the independent national experts assess the extent of consultation of key actors, the degree to which the NRP (as revealed by the implementation report) appears to be connected to the social inclusion agenda, and a judgement of whether the NRP pays heed to ‘corporate social responsibility’ (CSR). It is important to stress that where the level of consultation is substantial, it does not necessarily mean that the government will have made much (or any) change in the implementation report as a direct result of the consultation.

Table 3.1: Assessment of various aspects of NRP by the independent national experts

| Member State | Consultation of social partners | Consultation of NGOs & other civil society actors | Overall extent of consultation | Connection of NRP to social inclusion | What does IRNRP say about corporate social responsibility (CSR)? |
|--------------|---|---|--|--|--|
| BE | Extensive and linked to their role in implementation | Also had input | Good | Significant overlap, but differences in emphasis | Framework in place for CSR |
| CZ | Reservations of trade unions raised, final debate deferred | None identified | Limited | Not explicit enough | Mentioned only once and obliquely |
| DK | Certainly made input, but to what effect is not clear | Covered by explicit institution – the welfare council | Extensive, but... Adjudged to be mainly the work of economic ministries | Few noted | Not explicit, but relevant in national debate |
| DE | Had customary involvement | Largely left out | Still a rather closed discourse | Primarily in employment policy | There, but not in a very transparent manner – instead, it has to be inferred |
| EE | Extensive | Also well engaged | Among the most extensive | Not very evident, except in detail | Invisible |
| EL | Yes, mainly through the Greek Economic and Social Committee and the Greek Standing Lisbon Committee | Said to have been consulted, but no identification of the stakeholders involved and no clear indication of impact | Said to be extensive but no evidence that the views expressed have been taken on board | Substantial overlap, but not well integrated and doubts about implementation | Not mentioned |

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| Member State | Consultation of social partners | Consultation of NGOs & other civil society actors | Overall extent of consultation | Connection of NRP to social inclusion | What does IRNRP say about corporate social responsibility (CSR)? |
|--------------|---|--|--|--|---|
| ES | Formally robust, through the national Economic and Social Council, but degree of influence questioned | Hardly at all | Not much and inhibited by institutional obstacles, but good transparency | Limited to oblique references related to equality and cohesion policy | Mentioned just once; under more competition, better regulation, efficiency of the public administrations and competitiveness rather than a social focus |
| FR | Extensive, including through national 'Conseil économique et social' | Significant consultation, not always to receptive audience | Very good, but its impact is open to question | Yes, but is it simply 'copy-in copy-out'? | Not mentioned by expert |
| IE | Mainly through discussions on renewal of social partnership | None identified | Less comprehensive than it could have been | Strong overlap and consistency | There, but hidden rather than trumpeted |
| IT | Said to have taken place, but no details in NRP | No systematic involvement | Not that much; little media visibility | Some overlap and attempt to integrate, but diminished by separate mechanisms | Not mentioned; moreover, expert notes absence of environmental pillar |
| CY | Extensive and effective | Apparently also effective | Wide and effective – helped shape plan | Well integrated and notable cross-fertilisation | Visible and has social dimension |
| LV | Via two Lisbon monitoring groups | Some consultation through questionnaire, but little more | Reasonable, but could be more extensive | Quite good | Not evident. |
| LT | Marginally | Yes through ad hoc consultative committees | Moderate and partial | Yes, but mostly in relation to employment | Not mentioned |
| LU | Yes, through formal channels | Some engagement, but expert suggests limited influence | Among the more extensive | Much common ground in two reports | Not explicitly addressed |
| HU | Confined to specific topics | Not much | Rushed and rather shallow, but specific political context | Superficially well-linked, but with omissions | Largely absent from Hungarian debate |
| MT | Not stated | Were consulted and kept informed | Good | Is present, but not prominently presented | Not mentioned |
| NL | Rounds of consultation | Not engaged | Good, but let down by neglect of social inclusion 'stakeholders' | Appear to be suitably linked, but experts articulate doubts | Not explicitly mentioned |
| AT | Two rounds of consultation | A small number of NGOs, including umbrella organisations, were consulted | Reasonable, but could have been more extensive. Not enough time was given. Not clear how far the comments were taken into account. | Presented as separate reporting obligations. Some links, mainly with regards to integration into the labour market | Simply not mentioned in NRP |
| PL | No | No | Hardly any visibility | Limited, apart from family policy | Only in relation to environmental aims |
| PT | Superficially extensive | Not much | Mixed picture | Strong in general terms, but lacks specifics | Mentioned: of growing terms, but lacks salience |

| Member State | Consultation of social partners | Consultation of NGOs & other civil society actors | Overall extent of consultation | Connection of NRP to social inclusion | What does IRNRP say about corporate social responsibility (CSR)? |
|--------------|--|--|---|---|--|
| SI | Involved in national development strategy, more than NRP as such | Involved in national development strategy, more than NRP as such | Lively public debate, as opposed to involvement | Yes, but most in relation to employment; much less on cohesion | None found by expert |
| SK | Mentioned, but real role not obvious | Little engagement reported | Seems to have been principally intra-government | Much common ground, though not often explicit | Not in IRNRP, despite being in NRSSPSI |
| FI | Yes, but not clear from report whether it was influential | Yes, but not clear from report whether it was influential | Very good | Well integrated | Mentioned, but not really in relation to social inclusion |
| SE | Yes, in keeping with national practice | Not reported | Rushed because of electoral timetable | Produced by separate governments; hence not coordinated | Not mentioned by expert |
| UK | Not explicitly mentioned | One event held | Limited | Very well integrated, as presented in NRP; experts raise some doubts about how well | No, despite current topicality in public debate |

Source: Derived from the national expert reports

What can be inferred from this table is that a process that had common and pretty explicit guidance for Member States on what was expected in terms of consultation has produced radically different outcomes. These may to some extent reflect national traditions (for example, the lack of consultation of social partners in the UK), but the mixed picture for engagement of civil society is more of an enigma. It may be that the fact that the IRNRP was a progress report rather than a statement of basic strategy meant that governments were less inclined to consult widely, though even this interpretation is belied by France where the consultation was more extensive than it had been a year previously. Inevitably, one factor influencing the extent of consultation was whether the electoral cycle allowed enough opportunity for genuine consultation. The rushed process in Sweden and the limited effort in the Czech Republic may reflect this factor.

3.2 Expected NRPs contribution to social inclusion

To ascertain how effectively the NRPs can be expected to contribute to social inclusion aims is not easy. The NRPs are deliberately framed in terms of the two key words of the refocused Lisbon strategy, namely growth and employment, so that social inclusion aims tend to be indirect and have to be inferred rather than being explicit. Equally, Member States had been asked to highlight the links between the 'refocused Lisbon' and the 'streamlined social OMC', and the evidence suggests that some have been much more assiduous in doing so than others. The two reports could be seen as complements, making it unnecessary to dwell, in the IRNRP, on what had been presented just a few weeks previously in the NRSSPSI. On the other hand, the reports are, typically, produced by different constellations within government, so that demonstration of a sufficient awareness of the linkages would show coherence within government. Exemplary feeding-out would be characterised by a genuine effort to explain how the NRP feeds out to social inclusion, even if the main emphasis is on employment. The Greek experts point out that 'the links between the NRP and the NRSSPSI are not properly developed and, certainly,

short of facilitating a move towards a more *inclusive economy and society*. Similarly, the Maltese expert observes of the IRNRP that 'at no point does it address social inclusion specifically on its own'. There are also big variations between the Member States in whether and how social inclusion aims are seen as integral to the NRP. But what is clear is that employment, especially, is the focus of most of the actions that can be deemed to feed-out to social inclusion, yet without necessarily going much beyond the job itself. Thus the Czech expert notes that there is no study or assessment of the extent to which the combination of wages, tax deductions and in-work and family benefits ensures that people moving into employment are also moving out of poverty.

In Ireland (and the Netherlands) the two strategies are closely coordinated. They fit relatively well together and also with what is arguably the lead process in Ireland, the recently agreed 10-year social partnership programme, *Towards 2016*. However, the expert argues that Ireland exhibits a disparity in the lack of attention in the NRP to two of the four key objectives in the NRSSPSI (improving access to quality services and the integration of immigrants), whereas the other two (child poverty and access to quality jobs) are more central. Access to quality services is not developed in the NRP despite its relevance to employment issues and economic development. Neither is the integration of immigrants, another key objective of the NRSSPSI, treated in any great detail by the NRP. The consistency of the NRP strategy with the Social Protection and Social Inclusion strategy in Latvia goes some way to ensure the complementarity of planned activities in terms of target groups or the area of activity/objective, and activities aimed at reducing social exclusion partially overlap in both documents. The Dutch experts consider that the emphasis in the NRSSPSI and the IRNRP on labour market integration and its related problems makes some of the most vulnerable groups – those least likely to be integrated through the labour market – almost invisible in both documents.

By contrast, the Danish experts find that there is little overlap. An extreme case is in Sweden where the expert states that there is no coordination at all between the NRSSPSI and the IRNRP for the simple reason that the former was written by the outgoing Social Democratic government, while the latter reflects the priorities of the new government elected in September. To this extent, questions about feeding-in and feeding-out cannot really be answered. The new government's approach is to stress making work pay, on the one hand, and stimulating entrepreneurship, on the other. The new government has also signalled that it will boost spending on education and training.

Both Lithuanian documents stress the labour market as the principal answer to social exclusion, but the expert argues that this focus is at the expense of other dimensions of active inclusion, such as pathways into work or empowerment. French feeding-out has a series of measures that could be interpreted as contributing to the well-being of the poor and the socially excluded, some quite detailed (see Box 3.1) yet the puzzle is why they are, in some cases, in the IRNRP rather than the NRSSPSI. A further mystery is that major areas are neglected: for example nothing much is presented in the IRNRP on progress in reform of social protection.

Box 3.1 French NRP initiatives with social aims

The French expert lists a series of measures highlighted in the IRNRP that could and probably should have been in the NRSSPSI, but were not. They include:

- Increased pensions for handicapped workers forced into early retirement
- A focus on low pay in wage bargaining
- Review of regulatory measures so as to curb price increases in staple goods
- Provision of micro credit for unemployed on minimum resources who would otherwise be unable to borrow and other measures to assist those with poor credit ratings
- A right to a bank account aimed at countering financial exclusion
- Reform of zero-coupon loans for housing

The Belgian experts are among the most positive about the common agenda of the two reports, as they 'observe a strong congruence between the two reports, particularly as concerns measures to increase employment among the groups furthest away from the labour market. Promoting diversity and activation are the main strategies used'. But care is manifestly needed in reading between the lines in the two sets of reports. The Maltese IRNRP does not allude directly to social inclusion, but the expert does not infer that the 'social agenda is disregarded'; instead, 'information on it has got to be gleaned from different sections of the document'. Although the Spanish expert draws attention to the paucity of explicit links between the NRSSPSI and the IRNRP, she notes that on closer inspection the latter has a number of measures shared with the NAP/inclusion. However, there is no explicit mention of the Social Protection and Social Inclusion Process at all except for one passing remark, while in other instances mention of some specific groups is made. Other social objectives also receive scant attention. Thus, the Spanish NRP explicitly recognizes the reduction of fixed-term unemployment as an area where the introduction of gender mainstreaming and the promotion of equal opportunities between women and men is a means through which productivity and employment can be increased without prejudice to social cohesion. However, the principle of equal opportunities in a wider sense is not considered in the NRP in a consistent manner.

When considering the 'feeding-out' issue, a cause for concern generally is the relative lack of attention paid by countries to whether economic policies, especially those that target competitiveness, are contributing to increasing or decreasing income inequalities and to raising the incomes of those at risk of poverty and social exclusion. This is an area, we believe, to which Member States ought to devote (more) attention in their next IRNRPs.

3.3 Specific integrated guidelines

In nearly all cases, the experts have reservations about how well social inclusion is incorporated in what the NRPs say about some of the integrated guidelines (GLs) that can be considered to relate most directly to social inclusion.

GL14 calls on Member States to promote a more competitive business environment and encourage private initiative through better regulation. It is a theme that resonates in many NRPs, but is seen predominantly as a GL geared towards increasing competitiveness. As shown in Table 3.1, very few NRPs refer explicitly to corporate social responsibility (CSR) at all, let alone in relation to social

inclusion. Indeed, the main focus of CSR where it is mentioned is on environmental policies. According to the Danish experts, this is not so much because there is no discourse on CSR, as because 'such measures are not seen as first priorities for enlarging the long terms sustainability of a welfare state ensuring social coherence'. The German experts are more critical, arguing that employers have not taken responsibility for the shortfall in apprenticeships (which can be portrayed as a 'social' responsibility), but have instead sought to reduce pay for apprentices.

GL 17 invites Member States to strike a balance between three overarching aims of employment policy (full employment; quality and productivity of jobs; and social and territorial cohesion), and in many Member States, there is a strong emphasis on policies aimed at this GL. According to the Swedish expert, for instance, 'this is the area that the government focuses on more than anything. This was the issue that helped them win the election'. However, the balance among the three objectives is either uneven or only implicit, prompting some experts to argue that the NRPs tend to focus disproportionately on the first and on productivity rather than quality in the second. This guideline is a far-reaching one and is seen in many NRPs as being predominantly about raising the employment rate – a core Lisbon objective - and cutting unemployment. Nevertheless, one part of the guideline is about social cohesion and there are conflicting tendencies among the Member States. Thus, the Austrian expert finds that the NRP 'repeatedly underlines the importance of job growth but fails to discuss the quality of jobs'. He also regrets that the lack of discussion of working conditions, other than proposals to address the issue of age-based employment. According to the experts, in the Dutch NRP, 'no explicit attention is given to social cohesion under this guideline. But a number of specific targets are set that are relevant for social inclusion/social protection'.

This exemplifies one of the complications of assessing the IRNRPs which is that 'social' objectives tend to be accorded a lower profile and often have to be inferred: they may in reality *not* be absent, but they are often not very visible. In reports which only refer very indirectly to the integrated guidelines (such as the UK one), the degree to which the policies proposed will 'feed-out' can be very hard to assess, yet there are plainly plenty of relevant measures in the NRP.

GL 18 is concerned with promoting a lifecycle approach to work. Most NRPs highlight life-long learning, but more as a means of boosting competitiveness or reforming the social protection system, than in relation to social inclusion as such, with reductions in social protection budgets featuring in several. Differences of emphasis in the two reports can send potentially conflicting signals. In Ireland, for example, the expert notes that although 'a life cycle approach was adopted in the latest social partnership agreement and is an organising frame of the NRSSPSI, it is not generally used as a guiding frame in the NRP'. The problem that can then arise is that the governmental agencies responsible for implementation may find it hard to reconcile differing pressures, resulting in less effective policy. Elsewhere, the problem is different: thus the expert Spanish experts comment on the lack of cross-references between the two reports in relation to the life-cycle approach. Sustainable pensions are approached in the IRNRP more from the perspective of fiscal discipline than the living standards of the needy, the focus in the NRSSPSI.

The Estonian expert comments 'that such terms as social cohesion and poverty are not mentioned, social inclusion is mentioned once – page 35, in the context of the coherence with the Estonian National Strategic Reference Framework 2007-2013 (objective 2 – Ensuring the long-term sustainability of fiscal policy)'. But she also argues that key challenges such as modernisation of social protection, health and pensions systems are in the NRP and the inclusion dimension is evident. Even where there is a strong reference to life-cycle aims, as in the UK's reform agenda, the experts are 'not entirely clear what this means', although they are positive about a 'section on making work flexible [which] focuses on work life balance in particular, and on childcare', bearing in mind 'a tradition in the UK of non-intervention in family life by governments'.

The Irish expert also notes that topics that can be regarded as central to the social inclusion agenda, such as reconciliation of work and family life, tend to be addressed only obliquely in the NRP. It may be that this is inevitable insofar as the respective documents have to be kept short and cannot therefore be expected to cover everything in detail, especially when there is an explicit cross-reference to the other document. The German experts sound a warning, however, about the consistency between efforts to consolidate public finances (which also links to *GL2* covering fiscal sustainability) and social inclusion. They argue that the costs of supporting reforms of social protection (notably the Hartz IV measures), which will partly be financed by an increase in VAT, may have a regressive effect that is contrary to social inclusion. There is, though, a series of measures in the German NRP aimed at raising the employment rate of older workers and, in the process, rendering the social protection system more sustainable by adding to the contributory base. According to the German experts, reform of health-care – one of the flagship structural change policies of the coalition government – has not reflected feeding-in and feeding-out, has not been consistent with ‘promoting participation and social integration’ and may have a negative effect on poorer groups.

There is evidence in many Member States of efforts to re-think pension systems and to increase the flexibility of employment terms for older workers. However, in some cases there appears to be a lack of urgency, as noted by the Polish expert. She also draws attention to a danger that women will be at greater risk: ‘women, due to the gender wage gap and earlier retirement age are more than men exposed to the risk that their pensions will not be sufficient to protect them against poverty in the future’. The Spanish experts are encouraging about some aspects of the interaction between the social protection system and the labour market. ‘From a gender equality perspective one can say that some of the planned and on-going reforms will greatly improve the interaction in a positive way but that there are a number of issues that gender equality advocates are still calling for (such as increasing the days of paternity leave and increasing measures for men to become more involved in the unpaid care work in addition to increasing services)’. They also observe that ‘the NRP fails to link the inequality between women and men in other areas that reduce the possibilities of reconciliation of work and family life from a time use perspective (inequalities of unpaid care work). Nonetheless, another set of measures that will have a great impact is in the area of the new law on dependency’.

Pension reform is also a priority in the Czech IRNRP, but the expert notes an absence of cross references to Social Protection and Social Inclusion aims. Despite the fact that National Reform Programmes and the guidelines on which they are based result in fairly comprehensive reform plans, there remain doubts, well articulated by the Italian expert, that they are as yet insufficiently developed to ‘promote modern social protection systems’ that take full account of the diverse aims of social policy.

GL19 is about ensuring inclusive labour markets. There are inevitable variations between Member States that reflect national traditions. One of the problems revealed by analysis of many of the national approaches to inclusive labour markets is that although there may be ambitious plans for including target groups, there is less of a focus on specific segments of the population that might face particular disadvantages in the labour market. However, some Member States have clearly sought to avoid this trap. In Ireland, notably, there are many relevant measures that the expert evaluates very positively. However, she expresses regrets that much of the Irish approach is predicated on ‘making work pay’ rather than a more comprehensive approach to the well-being of those that the policies aim to activate. One issue in this regard is that a switch to indirect taxes to allow lower direct taxes on incomes will cut the purchasing power of those not in employment. In the Netherlands, the freeze on minimum incomes has a similar effect. What may be emerging here is a distinction between trends in minimum income guarantees and labour market measures such as (in Spain, for example) raising of minimum wages.

The Swedish expert argues that inclusion in the labour market is the cornerstone of his country’s social model and, as such, is not expected to change, but he expresses doubts about whether, if indiscriminately applied, current policy can be expected to improve the lot of those most distant from the labour market, a remark echoed by the German experts, and may actually worsen their exclusion. The

Polish expert is very explicit on the shortcomings, arguing that the proposed measures for lifelong learning and vocational education just do not do enough to reach out to the long-term unemployed and the low skilled. The Czech expert also notes that, other than measures targeted at the Roma, the IRNRP does not seem to focus on those furthest from the labour market, although he is positive about measures aimed at activating youth, women and older workers. The Irish expert finds that the IRNRP has 'a focus on women', although she notes that it is 'women as workers' that is to the fore, for example through measures to boost child-care. In the Netherlands, too, more effort on child-care is envisaged. Many countries emphasise initiatives aimed at pushing excluded workers towards the labour market by reforms that withdraw benefits. A key issue in this regard is how to taper benefits so that poverty traps are not too daunting. A Dutch initiative that might be of interest is the introduction of "return-to-work jobs" that appear to be an answer for those furthest from the labour market. Spain has several new schemes to increase access to the labour market for the disabled. In the UK, the experts note that the 'UK government has gradually reached further into those groups which have more barriers to labour market participation' suggesting that the combination of targeted policies and conditionality is being incrementally applied as lessons are learned. One point the UK experts mention is that inclusive labour markets depend not just on activation policies, but also on the receptiveness of employers, which may be a bigger obstacle. They point out that this has been recognised, and that the 'government has been prepared to tackle employers' attitudes in these areas to some extent, for example in relation to mental health and physical disabilities, but could arguably do more'.

GL21 can be regarded as a call for 'flexicurity'. The whole issue has risen to the top of the EU agenda and can be expected to feature more prominently in the policy debates in 2007. Many of the IRNRPs do, indeed, pay heed to this objective, but in the majority of cases more to improve the functioning of the labour market from a competitiveness perspective and with only limited reference to levels of resources consistent with social inclusion objectives. Several experts express concerns that the IRNRPs stress the flexibility dimension, but pay too little attention to security. The Irish expert observes that 'the main orientation of the NRP is to the supply side', and regrets that not enough is about the development of flexible forms of work. Nor is the coherence between the approaches to flexicurity in the two reports always sufficient. Indeed Hungary is an example of a Member State in which 'flexicurity' aims are prominent in the IRNRP, yet not even mentioned in the NRSSPSI.

A concern about efforts to impose greater conditionality on certain forms of benefits is that this may have an adverse impact on those in precarious positions. Financial sanctions can be damaging to the young and the unskilled, even where there is evidence that the flow from unemployment to employment is improved. In some cases (as the Belgian expert notes), the unions and NGOs representing the poor have expressed reservations about these policies. A related question is whether the broad 'welfare-to-work' approach reaches out sufficiently to the most disadvantaged. Here again, the Belgian experts argue that the challenge is not just one of 'creating jobs but making them accessible to the most vulnerable', while the Italian expert makes a plea for policies to be more 'result-orientated' and not just about procedures and processes.

GLs 23-24 concern investment in human capital, and education and training systems and are widely addressed in the NRPs. Several of the experts argue, though, that a social inclusion dimension to these issues has not been given enough attention. As with some of the other guidelines a concern is that while the IRNRPs promise extensive policies aimed at boosting human capital, it is less obvious that outreach to the socially excluded is given enough priority. Thus, the Polish expert believes that they do not offer the prospect of 'better access to vocational education and lifelong learning for the excluded persons or those at risk of exclusion. Disregarding this problem will have a detrimental effect on the Social Inclusion Process. The Italian expert wonders whether more could be done to reduce early school-leaving, but in other Member States, this issue seems to have risen up the policy agenda. Thus, the Dutch experts explain that the 'NRP puts the reduction of early school-leaving as its first objective in the chapter about human capital'. In Ireland, the expert notes the putting in place of promising

strategies, but makes the obvious point that it will be a long time before they can be expected to bear fruit. She also criticises the lack of initiatives to boost tertiary education of disadvantaged groups. The Spanish expert reiterates a concern expressed in other context about regional differences in provision and rights where the regional tier is the main provider. The Hungarian expert's diagnosis is that the education system in her country does not focus sufficiently on countering disadvantage and that this needs to be addressed systematically by steering more resources to schools in poorer areas. She states that 'if the goal is to attain a level of sustainable economic development and economic activeness, experimental model programmes are not sufficient to reduce the gap'.

3.4 Problems identified and lessons

How well integrated are the two sets of reports? According to the Dutch experts, they have to be seen together: 'given the extent of the reform agenda in the Netherlands and the stated relationship between the various policy areas, the NRP progress report and the NRSSPSI together provide a comprehensive picture of the reforms in the Netherlands'. In other cases, they are much less so, and the experts' reports reveal that there is a disturbing lack of common ground between the two strands of reporting. Even where they are reasonably integrated, it tends to be in selected areas only, such as the functioning of the labour market or lifelong learning, whereas social inclusion as such is often absent. In Germany, too, the experts believe that there is insufficient connection between the IRNRP and the NRSSPSI, testified to by a failure to construct bridges 'between economic and social objectives in the reformulation of a vision for a new social market economy under the conditions of globalisation and demographic change'. This is reflected in the fact that cross-references to the NRSSPSI 'are explicitly made only in the chapter on employment. In the other fields of action, such a reference is missing'. An interesting point made by the Slovak expert is that both documents make explicit connections between the respective strategies and the Structural Funds.

Policy changes are also highlighted by some experts, an example being that in Lithuania, what the expert calls the social integrationist approach appear to have been sidelined: 'marginal vulnerable groups facing most difficulties to integrate into the labour market (Roma minority, victims of human traffic, drug-addicts, etc.) as well as the informal work that were targeted in the NAP/inclusion 2004-2006 were disregarded by the NRSSPSI. The Lithuanian NRP is pushing this trend ahead'.

It is important to recall that the EU Social Agenda is not just about jobs and that an inclusion process has also other objectives. The motto adopted by the Commission for the second phase of the Social Agenda 2005–2010 underlines 'jobs and opportunities for all' but also calls for a 'social Europe'. The Social Agenda says that the Commission will 'put forward the idea of a European Year of combating poverty and social exclusion in 2010'¹¹. This approach was reinforced in the Conclusions of the March 2006 European Council. In paragraph 69 the Conclusions stressed that:

'The new strategy for jobs and growth provides a framework where economic, employment and social policy mutually reinforce each other, ensuring that parallel progress is made on employment creation, competitiveness, and social cohesion in compliance with European values. For the European social model to be sustainable, Europe needs to step up its efforts to create more economic growth, a higher level of employment and productivity while strengthening social inclusion and social protection in line with the objectives provided for in the Social Agenda'.

¹¹ "Social Agenda", Communication from the Commission COM(2005)33 final, page 10.

Furthermore, in paragraph 72 of the Conclusions, the European Council reaffirmed 'the objective of the Partnership for growth and jobs that steps have to be taken to make a decisive impact on the reduction of poverty and social exclusion by 2010'.

A good illustration comes from the Polish expert who argues that 'the lack of a general and mainstreaming approach to the inclusion policy in the NRP implementation report is a big disadvantage of the document. Instead of the general approach to poverty reduction and social inclusion and its country priorities, in the NRP implementation report we can see rather important but fragmentary explicit and implicit references, as well as strong bonds to some of the measures planned in the NAP/inclusion'.

Although the 'Lisbon' integrated guidelines provide the template for policies, the impression that emerges for a majority of Member States is that not enough effort has been made to spell out how the proposed reforms relate (or at least are expected to relate) to the social agenda. Thus, even if social priorities remain prominent in the thinking behind (some of) the IRNRPs, they do not show as being 'fed-out'. Connections that might be made if a social perspective were more prominent may also be missed: as an illustration, the Austrian expert regrets the fact that a link from macroeconomic policy to social cohesion is not made, pointing to the potential role of demand-side policies in countering rising unemployment.

A further issue is the extent to which employment policies focus predominantly on labour supply (through activation measures, etc.) rather than on increasing the quality and extent of employment opportunities. One of the criticisms articulated by social NGOs is that in terms of social inclusion and increased participation in employment, there is far too much emphasis in policy on blaming the 'victims' (leading therefore to an excessive focus on activation measures, reduction in benefits and other conditionalities) and not enough on creating the quality jobs that are needed if people are to move out of poverty and social exclusion. The European Anti-Poverty Network (EAPN)¹² is especially severe in an assessment of the IRNRPs in which it states that 'poverty has become almost invisible in the Lisbon process'. The EAPN argues that there is an imbalance between feeding-in and feeding-out, with not enough of the latter, and calls for institutional changes to improve matters.

This sense emerges clearly in the judgement of the Irish expert: 'overall however, the NRP could not be said to be informed by a social inclusion orientation in that it contains few if any egalitarian measures and operates with an underdeveloped sense that the measures proposed could or should be put in the service of reducing social exclusion and inequality'. If feeding-in and feeding-out work as intended, we understand that it should imply for Member States that they undertake (more) systematic impact assessments of how the economic and employment policies being pursued (planned) are affecting (expected to affect) poverty and social exclusion; countries should then be invited to report on these assessment in their next IRNRPs.

Overall a more cynical reading is that while there may considerable overlap between the IRNRPs and the NRSSPSs, the impression is that instead of there being 'feeding-in' and 'feeding-out', it may be more accurate, as the French expert observes, to say that creative use of word processing has led to what he describes as 'copy-in' and 'copy-out'.

¹² EAPN Report: 'Making Lisbon deliver for people experiencing poverty: EAPN response to 2006 Implementation Reports on the National Reform Programs', 9th January 2007.

4 Immigration and ethnic minorities

Across the EU, it is evident that the integration of immigrants and ethnic minorities is one of the major challenges confronting social policy. Increased inflows of migrants from third countries have been a feature of nearly all Member States and it is evident that this has had a number of ramifications at both the political and social levels, as well as having quite marked economic effects. Member States have very different histories in relation to migration, have adopted different strategies for integrating immigrants and ethnic minorities and there are diverse policy trends.

4.1 Varying national contexts

The Member States vary enormously in the historical context and current political environment within which policies towards immigrants and ethnic minorities have to function. Models for coping with the distinctive groups in the population have ranged from variants on multi-culturalism – the acceptance of diversity – to the ‘melting-pot’ approach which aims to forge a common national identity.

4.1.1 Trajectories of immigration

Past patterns of immigration and assimilation of ethnic minorities have played a considerable part in shaping the contemporary policy environment for inclusion of these groups. Some Member States have traditionally been rather homogeneous while others have been long-standing destinations for migrants. Certain EU countries have long been sources of substantial number of emigrants, while others have seen a switch from country of emigration to potential host for immigrants. Colonial legacies have combined with economic imperatives in determining the composition and timing of migrant flows in some cases, while in others, it may be the constitutional position, the asylum regime or the nature of social protection that has been influential. A possible typology (recognising that there are overlaps) is as follows:

1. *Long-standing host countries*, which have been prepared to take in substantial numbers of migrants for many years and which continue to do so, but in which the current political debate centres on the limits to the scale of the flows. These include Belgium, Denmark, Germany, France, the Netherlands, Sweden and the UK.
2. *The new hosts* are Member States which see controlled immigration as a means of dealing with potential labour shortages, such as Ireland, Luxembourg and Finland.
3. *The new gateway countries*, especially in southern Europe, which are seen by non-EU migrants as entry points which also offer the prospect of extended stays. Greece, Spain and Italy have shifted in the last two or three decades from being countries of persistent emigration to this category. Austria and Portugal also could be placed in this category, along with Slovenia. The Czech Republic is an example of a country which has become a destination for immigrants (mainly Slav language speakers), rather than just a transit country.
4. *Transit countries*, which are points of entry only rather than being seen as enduring hosts, such as Cyprus and Malta.
5. *Emigration countries*, in which the tendency is still for there to be net emigration with limited opportunities (yet) for immigrants. Latvia, Lithuania and Poland, are examples.
6. *Segregated minorities countries*, where there is a substantial population (especially Roma) that has been poorly integrated with the mainstream population, in spite of policies aimed at doing so.

Hungary and Slovakia are the obvious countries in this regard. Estonia's Russian minority, while manifestly more integrated than the Roma, may nevertheless warrant including it in this category.

An obvious question is what Member States hope to gain from immigration. Luxembourg exemplifies immigration geared to employment, with most of those arriving in the country having come to fill vacancies in the major industries. Much the biggest immigrant community in Luxembourg is the Portuguese (and Cape Verdeans), followed by Italians. Luxembourg has, however, also been a sought-after destination for asylum seekers. It is also worth noting that Luxembourg's labour market extends across the borders of the three neighbouring Member States which raises particular issues for social integration policies. Luxembourg's immigrants, both male and female tend to have higher employment rates than the indigenous population. However, there is some indication that immigrants of Portuguese origin have seen a relative worsening of their unemployment rates, especially females.

The UK also saw immigration in the early post-war decades as an answer to labour shortages, which resulted in a relative concentration of immigrants in industrial areas. Finland, too, has only recently seen a significant level of immigration, having traditionally been a country of emigration. Initially most of the immigrants were returning Finns (from Sweden) followed by Russians of Finnish origin, Estonians and, latterly, Somalis and Yugoslavs (many as asylum seekers). The Finnish government's Immigration Political Programme agreed on October 19th 2006 marks a new phase in immigration by encouraging economic immigration to fill labour shortages. According to the Finnish expert, the 'aim is to promote the development of a pluralistic, multi-cultural and non-discriminatory society and this way to create preconditions for increasing immigration'. As part of the strategy, Finland has identified immigration as a target for its 2007-13 ESF programme.

Greece, traditionally a country of emigration, has become one of immigration in the last fifteen years, with four distinct groups of arriving populations: returning Greeks, Albanians, people from other Balkan countries and, latterly, Kurds and Afghans fleeing conflicts. In 2001, 57.5% of legal immigrants were of Albanian extraction. Favour is shown to immigrants of Greek origin from the former Soviet Union, and, to a lesser extent to Greek emigrants from Albania. The magnitude of change in Greece which formerly had a largely homogeneous population leads the Greek experts to comment that 'the Greek State has not yet accepted the fact that Greece has become a "*de facto multiracial*" and multicultural society given not only the traditional minorities living for centuries in her territory but the inflow of large numbers of legal and illegal immigrants particularly from neighbouring Balkan and Eastern European countries'.

4.1.2 *Models for the integration of immigrants*

In considering potential policies towards immigrants and ethnic minorities, it is useful to consider the different models that have been adopted, but also to recognise that there are strains and doubts around all of the approaches. The differences between the models turn, essentially, on whether immigrants are expected to adapt fully to the way of life and norms of citizenship of the host country, or are given encouragement to retain the social structures and way of life of their home communities. The first model can be characterised as an integration one in which there is a strong core vision of what constitutes the national approach, with its roots in the way the state in question has evolved. Here there can be strong national characteristics which shape society, or society itself may be open to change in what could be described as the 'melting-pot' approach.

The French model of integration, which the expert traces back to the principle of liberty central to the French revolution, is a leading example of the first approach that places a strong emphasis on the rights and responsibilities of the *citoyen* who is expected to participate fully in French society. As a matter of principle, however, religious and ethnic differences are played-down, as can be seen in such recent high profile examples as the banning of head-scarves in schools. The integration model came under strain during the 1980s as a result of children of first and second generation immigrants reaching maturity and

seeking work at a time when economic conditions were not conducive to a sufficient level of job creation. The French expert argues that French society as a whole, and not just those affiliated to extreme right parties, is inclined to attribute many of the ills of French society to immigration. There remains a lively debate in France today about whether the foundation for policy should remain the 'republican' principle of integration, rendering immigrant status 'invisible' or whether positive discrimination should be more extensively used.

The second main approach – multi-culturalism – has, hitherto, been followed in countries such as the UK and the Netherlands. In this model, the maintenance of separate cultural traditions is implicitly encouraged resulting in distinctive communities within the nation. This model has come under strain in the countries where it has been most strongly paraded, such as the Netherlands and the UK, largely because the separation it promotes has come to be seen as a challenge to social cohesion. For example, the UK experts assert that 'geographical concentration of minority ethnic groups has been cited as one reason for difficulties in some groups' social inclusion'.

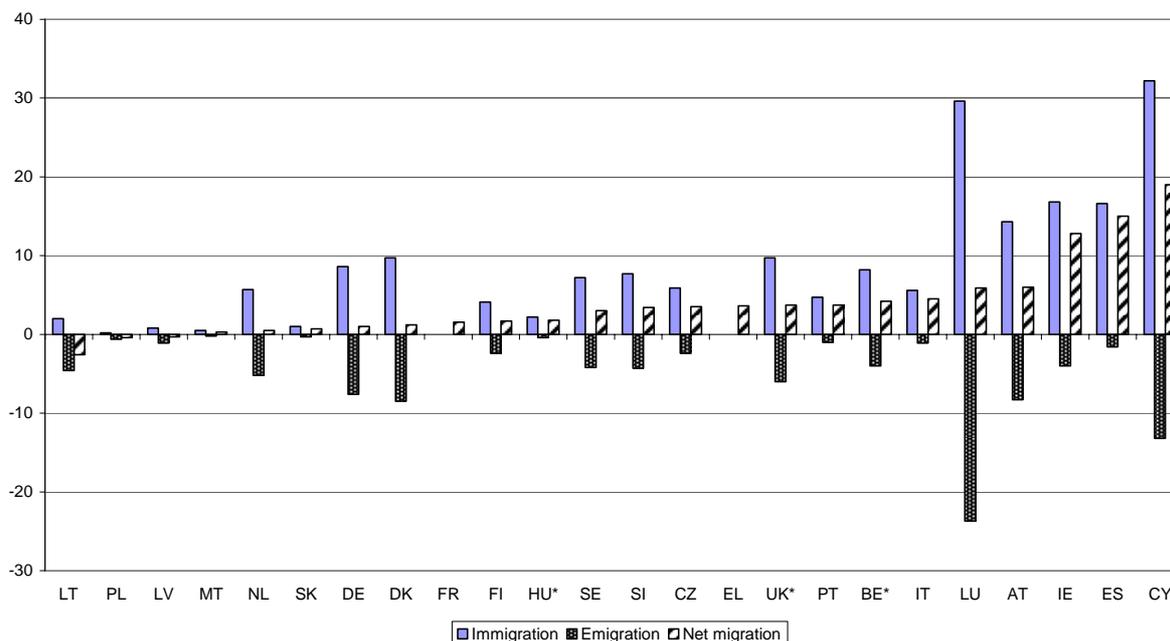
A possible third model is Germany which has long been an important destination country for migrants, but which has tended to draw a line between immigrants and Germans. Here the distinction is not so much one of multi-culturalism, as one that puts the native population in a different class from other residents. Arguably, a similar phenomenon can be observed in the Baltic States, not least vis-à-vis the Russian minority populations. The German experts argue that until very recently 'German society has refused for a long time to see itself as immigration society'. Fundamental reform in Germany of the *Aliens and Citizenship Act* has sought to improve integration of immigrants. However, the current government is now looking at ways of imposing restrictions on immigration, which it sees as needed to facilitate further steps towards greater integration.

4.2 Key trends and policy approaches

Migration trends have been very varied across the Member States. Several experts observe, though, that there is a lack of relevant data on ethnic minorities and/or immigrants in their countries (which, in a few cases, has to do with the legal restrictions imposed on the collection of such data). In Portugal, for instance, the expert states that the available official statistics generally refer to the nationality of the individuals which often results in 'an under-estimation of the presence of population who had a migration trajectory but who in the meantime acquired Portuguese nationality. The same applies to the gipsy population living in Portugal who are Portuguese nationals'.

Newly published data from Eurostat¹³ showing trends in population provide an overview of the elements of population change, including migration. For the EU-25 as a whole, the net balance of migration (immigrants minus emigrants) in 2005 is estimated at 1.65 million, although this figure is the sum of Member State changes, which include intra-EU migrants, rather than net movement from the rest of the world. Figure 4.1 presents summary information based on these data which show the Member States ranked according to the extent of net migration as a proportion of the population.

¹³ Eurostat, *Population in Europe 2005: first results*, Population and Social Conditions, Statistics in Focus 16/2006.

Figure 4.1 Migration in 2005 (per 1000 population)

Note: Only net data are available for France and Greece; no comparable data are provided for Estonia.
* 2004 data

These data have to be interpreted with some caution as they can be affected by statistical adjustments, notably when there is a political decision to 'regularise' immigrants, as has happened regularly in Spain since 2000. Despite these caveats, the figures are very striking in some cases. Cyprus and Luxembourg, in particular, have very high flows of migrants in and out, with the former recording the biggest net population increase due to migration, while Spain and Ireland also have very high net population gains from migration. If these data are accurate, only Lithuania, Latvia and Poland continued to have net emigration in 2005, whereas Malta had virtually no in and out flows.

Aggregate statistics can, however, sometimes disguise as much as they reveal. In the following paragraphs, therefore, information collected by the national experts is used to highlight particular issues. The policy issues surrounding immigrants and ethnic minorities partly reflect where a Member State is in the typology presented in section 4.1.1. Those countries with long traditions of a steady flow of immigration have established means of dealing with the inflow. The effectiveness and inclusiveness of strategies may be open to question, but at least there are mechanisms in place. In countries where the immigration is either a new phenomenon or has either increased by an order of magnitude or altered in character, the institutional capacity has been severely challenged.

There are big differences between the Member States in the profile of immigrants and, as a result, in whether they represent an integration problem, at least in the labour market. There is also some concern that immigrants depress incomes and compromise social cohesion by creating cultural heterogeneity, and may be socially divisive – Cyprus is an example here. A further obvious distinction is the motivation for migration. In most cases, economic motives are predominant, but 'return to homeland' and residential preference are also reasons for moving. Spain has attracted the highest number of migrants of any EU Member State since the year 2000, a substantial proportion of whom are seeking work. But Spain is also a favoured destination for retirees who represent a very different form of immigrant from job-seekers. In some cases, obligations to the immigrants resulting from ethnic or political links have had a bearing on policy approaches. The return of ethnic Germans or Greeks to their home nations, decades or possibly centuries after their emigration are the most striking cases. Ireland

has only become a significant destination for migrants since the mid-1990s when the spectacular growth that has characterised the country in recent years began. It has since seen substantial return migration of people of Irish origin or nationality along with growing numbers of immigrants from other EU Member States, especially the Baltic countries and Poland. Portugal has long been a country of emigration, with other European countries as the main destination (Luxembourg being a special case), but in recent years there has been a significant growth in immigration.

Data presented by the Spanish experts show that its immigrant population achieves a higher employment rate than indigenous Spaniards, both for males and females. But immigrants in Spain also have higher unemployment rates. According to the Irish expert, citing a study by the Irish National Economic and Social Council (NESC) published in 2006, 'people mainly migrate to Ireland for employment - of the estimated 271,300 people not having Irish nationality aged 15 years and over resident in Ireland at the start of 2006, almost 73% are in the labour force'. There is a very high employment rate of immigrants from the ten countries that joined the EU in May 2004, reinforcing the message that the inflow is labour migration.

New problems of inclusion have arisen for established ethnic groups where the underlying political circumstances have changed. Here again the Russian minorities in the Baltic countries (but also – though manifestly a much less tractable political issue – the Turkish Greek divide in Cyprus) illustrate the point. In Estonia, Russians are the principal ethnic minority, with some 27% of the population; this is, inevitably, a consequence of geography (historically) and the Soviet Union (latterly). Apart from Ukrainian and Byelorussian minorities and a tiny Roma population there are hardly any other significant groups.

A specific issue related to what is described above as the new gateway countries is managing the transit of immigrants who, ultimately, want to reach destinations in other Member States. Malta has traditionally been a country of emigration, but shares with other southern Member States the recent experience of having become a destination – albeit primarily for transit. This form of immigration is at the root of the problems faced by countries like Malta and Cyprus (see below), especially when a sizeable proportion of the migration is illegal, and has had a negative effect on attitudes to immigrants. Italy is, to some extent a transit country but has also become a destination country for young migrants in recent years, with some distinct patterns, notably that immigrants:

- are more men than women,
- are younger than the Italians,
- follow the traditional flow of internal migration (from the South to the North and the Centre), which characterises the distribution of population between the Italian regions.

According to the Maltese expert, there are few problems associated with legal migrants who enjoy 'full security and the few ethnic communities that exist are fully integrated and benefit from all that is available to the Maltese'. However, Malta manifestly faces an acute challenge in dealing with illegal migrants in transit who see the country as a staging-post on the way to other EU countries. The extent of this illegal immigration is stretching Maltese resources to cope, despite a disposition to live up to international humanitarian obligations. The expert notes that 'Malta has historically been generous, just and humane in welcoming illegal immigrants. More than half the illegal immigrants landed in Malta have been granted refugee or protected humanitarian status, which is the highest rate of acceptance in the EU'. But he also makes plain that the large wave of illegal immigrants in the last few years risks compromising this traditional welcoming stance. There are now severe strains on Malta's health, employment and social services, its internal security and public order, its social fabric and on the labour market. Detention costs are soaring.

In Cyprus, the issue of Greek-Turkish populations on the Island transcends any other, but is effectively beyond the scope of the present report. The main legal immigrant communities are from Greece and the

UK, with much of the balance coming from other European countries. On the whole, there are few problems of social integration associated with many of these groups, but the expert reports that foreign women may suffer harassment and other pressures. However, reflecting its geographical position, Cyprus has one of the highest rates of arrival in the EU of asylum seekers and also attracts a substantial number of illegal immigrants, which is a source of problems. According to the Cypriot expert, 'considering that most illegal immigrants participate in the labour force, 1 in every 6 or 7 workers in Cyprus is illegal, resulting in a large 'black economy' with serious economic and social consequences, such as lost revenues from social security contributions and taxation, mistreatment and exploitation of illegal workers etc. '. Another policy-related issue is that the sources of immigrants or the type of person coming in has changed, sometimes quite radically. As a result, systems that had become accustomed to dealing with immigrants conforming to a known profile have had to adapt quickly, and some have struggled to do so. France has seen a shift in the nature of immigration in recent years, with a growing proportion of immigrants arriving for family reasons or for education and training, whereas in previous years the bulk of it was to obtain employment, that is economic reasons. In France immigrants from southern Europe were most prominent in the 1960s, but have given way since to inflows from the Maghreb and, more recently, other parts of the world, especially sub-Saharan Africa. A specific inflow is from the UK, typically associated with second-home ownership and retirement. Similarly, in the UK, people of African-Caribbean and South Asian origin have constituted the principal ethnic minorities. The UK experts comment that 'These groups are now well established and entering their third and fourth generations, although problems of discrimination and social exclusion still remain. Policies dealing with social inclusion in relation to minority ethnic populations have, therefore, mainly been framed with the needs and interests of these groups largely to the fore'. In the last decade, however, the nature of immigration has changed markedly and the so-called 'new migration' has greatly increased the diversity of the UK. The experts also draw attention to religious divisions in society that cut across ethnic groupings, divisions that have become politically highly salient since the start of the Iraq war and especially since the bombings of July 2005.

By contrast, in Sweden and Denmark, which have among the highest immigrant shares in the population in the EU, it is clear that on most relevant indicators, immigrants (new arrivals more so, but also their offspring) do less well than ethnic Swedes and Danes. There is a gap in employment rates which is bigger still for women, and immigrants are more likely to be unemployed and the Swedish expert suggests that the gap between ethnic Swedes and immigrants may be widening. Immigrants are also often over-qualified and tend to obtain lower quality jobs.

Even in some of the recently acceded countries such as the Czech Republic, Hungary and Poland, there are increased flows compared with the relatively low level of migration in the past. Poland has traditionally had relatively few immigrants and the total ethnic minority population – mainly composed of people originating in neighbouring countries - is only 0.7% of the total. There has been some increase in immigration in the last fifteen year, but the numbers remain low. Long-established cross-border movements (Byelorussia and Ukraine) are at the heart of many of the illegal immigrant flows.

4.2.1 Roma

It is no exaggeration to say that everywhere the Roma constitute a special case of an ethnic minority. The problem is known and is the focus of extensive policy effort, but is subject to constraints of resources, political will and efficacy of policy delivery. In all Member States where there are significant Roma population, there are evident problems of their social inclusion and of the multiple deprivation they face, but generally also of a substantial, though not always coherent or successful effort by policy-makers to promote their integration. Thus, in Slovakia, the principal challenges regarding ethnic minorities concern the integration of the Roma population, and in both Slovakia and the Czech Republic, the Roma face discrimination and worse housing conditions, achieve lower educational attainment, and

are more likely to be unemployed. Similarly, the Hungarian expert makes the emphatic point that the Roma have been residents of the country for many centuries and describes their position as follows: 'Roma people have to face several social disadvantages in the labour market, in the educational system, in the social and medical services, their income is low and they are hit by discrimination'.

Data provided by the Spanish experts (reproduced as Table 4.1) exemplify the disadvantages that the Roma minority faces. Typically, working-age Roma are more likely to be unemployed, have more precarious employment and work in lower quality jobs. On average, they also have much lower educational attainment, with fewer than 10% having completed secondary schooling, in contrast to a figure of 80% for Spain overall.

Table 4.1 Main labour market indicators for the Spanish Roma population, 2005

| | |
|--|--|
| Population aged 16 and over who are active | 329,017 (69% of the Roma population aged 16 and over) |
| Population unemployed | 45,600 (13.8% unemployment rate, higher than the Spanish average by 3 percentage points) |
| Women's unemployment rate | 16.3% (higher than the Spanish average by 2 percentage points) |
| Youth unemployment rate | 17.8% (lower than the Spanish average by 2 percentage points) |
| Employment rate | 59.7% (lower than the Spanish average by only 3.6 percentage points) |
| Women's employment rate | 48.6% (lower than the Spanish average by only 2.6 percentage points) |
| Youth employment rate | 57.7% (higher than the Spanish average by 19.4 percentage points) |
| Temporary or fixed-term employment | 57.2% (higher than the Spanish population by almost 20 percentage points) |
| Verbal work contracts | 14.8% (unknown for the Spanish population) |
| Self-employment rate | 21% (6 percentage points higher than the Spanish population) |
| Unpaid family workers | 21% (almost 20 percentage points higher than the Spanish population) |
| Part time work | 41.9% (higher than the Spanish population by 33 percentage points) |
| | |
| % working in | |
| - Services | 75.9% (higher than the Spanish average by 11 percentage points) |
| - Agriculture | 8.7% (higher than the Spanish average by 3 percentage points) |
| - Construction | 10.7% (lower than the Spanish average by 16.5 percentage points) |
| - Industry | 4.7% (lower than the Spanish average by 25 percentage points) |
| Source: Spanish experts' report | |

The nature of the policy responses to the plight of the Roma varies, though a common observation is that the efforts tend to be substantial. What is also noteworthy about programmes targeted at the Roma is that they are wide-ranging. For example, 2006 saw the drafting of a Programme for Roma Integration into Lithuanian Society 2007-2010, covering topics such as Roma rights and anti-discrimination; improvement of Roma secondary education and life-long learning and nurturing of Roma ethnic identity. While the impression is that these are overdue actions, it is important to bear in mind the relatively small size of the Roma population. Clearly a significant effort to improve matters is now underway.

Yet policies have had, at best, mixed results, suggesting that policy implementation and effectiveness are disappointing. The Czech expert notes that a recent government 'Concept of Roma Inclusion' describes the symptoms of social exclusion affecting the Roma, but does not provide sufficiently extensive and comprehensive programmes to solve the problem. The Slovak expert points to a variety of relevant programmes but suggests that their effect may be to segregate rather than integrate. It was only in 1999 that a concerted approach to the Roma was articulated, and between 1999 and 2005 over seventy documents about the Roma were published by the government. She argues that although there is a recognition of a need for a multi-dimensional approach to tackle the poverty and exclusion faced by the Roma, this is not adequately taken up in the implementation of policy. The principal reason is a lack of funding and the expert notes that most policy initiatives have, in practice, been one-dimensional.

Nor is it clear that policies have been sufficiently consistent, with the implication that when hard choices have to be made, some governments find it easy to cut assistance to the Roma. The Roma in Slovakia were victims of the transition from socialism, partly because programmes from which they previously benefited were cancelled, but also because the transformation of the Slovak economy saw large reductions in the manual jobs in which Roma men were predominantly employed. In Slovakia, too, the plight of the Roma was aggravated in the period 2002-4 by cuts in social protection budgets.

4.2.2 Policy trends and issues

There has been a relatively rapid evolution of immigration policy and approach in several Member States, partly because of shifts in immigration patterns. Illegal immigration, especially, is manifestly a growing problem, not just in the countries seen as the most desirable destinations, but also in transit countries. Some of the tensions in policy-making are exemplified in recent years by the trends in France which has adopted three strands of response: measures to counter the social exclusion of immigrants; efforts to counter discrimination; and policies to restrict new in-flows. The last set of policies has been the most visible and politically contentious. However, the French expert argues that the national context can only be properly understood by recognising that France has both an immigration policy (aimed at controlling the nature and extent of immigration) and a policy on immigrants (that focuses on resident immigrants). When one is stricter, the other tends to be more accommodating and vice versa; the current phase is one of strict control on inflows, with active integration policies. Other policies, such as those that target social exclusion, also have a role in what immigrants can expect. France's immigration policy is reasonably aligned with EU priorities, based on Acts that cover:

- 2003, directive on family reunification
- 2004, directive on admission of students
- 2005, directive on admission of researchers

While it is evident that considerable effort is being put into policies targeted at immigrants and ethnic minorities, the policy orientations are plainly shifting and various approaches can be discerned. One trend is to put greater emphasis on integration into mainstream society. In the Netherlands, for example, a New Integration Act ('Wet Inburgering') has been operational since January 1st 2007. It introduces a general obligation to integrate for all persons between the age of 16 and 65 who want to and are allowed to stay permanently in the Netherlands. The legal obligation applies to newcomers and established migrants. Those persons who have not lived in the Netherlands for at least 8 years during their school age and who do not have certain Dutch, Antillean or Aruba diplomas, certificates or evidence of a certain level of education, are covered by this integration obligation. A key condition is the need to pass an integration exam for which the state or municipality provides support, but also imposes conditions. In Belgium, the experts report that 'the federal government has taken a range of measures to encourage the employment of migrants in collaboration with social partners and the regional

employment offices. For employment in the public sector, a 'diversity' campaign was launched in March 2006 to encourage women, persons with a handicap and persons with a foreign background to apply. Until now, only a very small percentage of the civil servants (0.55% in 2004) have a non-Belgian nationality. Moreover, the majority of those have an EU nationality. A special unit was created to follow up the results of the 'Diversity Action Plan'. In addition, companies and organisations providing good examples of an 'equal opportunities' approach will be awarded a 'diversity label'.

While many countries stress integration into the labour market, there are also examples of wider inclusion policies, together with a recognition that it is not a sufficiently comprehensive strategy. For example, the Dutch experts state that the approach in the Netherlands 'concentrates largely on two major objectives: increasing the labour market participation of immigrants and ethnic minorities and enlarging participation in Dutch society in economic, cultural and social respects'. The Luxembourg experts cite a measure of political integration which they describe as follows: 'Afin d'éviter des écarts trop importants entre les autochtones et les immigrés, notamment en matière de participation à la vie publique et politique, le Gouvernement luxembourgeois a déposé un projet de loi (n° 5620) sur la réforme globale du droit de la nationalité luxembourgeoise à la Chambre des Députés le 13 octobre 2006. Cette réforme prévoit l'octroi de la double nationalité aux immigrés qui ont apporté la preuve du respect effectif de certaines exigences de fond relatives à la durée de la résidence, à l'honorabilité, à la maîtrise du luxembourgeois et à la connaissance de la culture, de l'histoire et des institutions du pays'.

A significant policy issue is regularisation of immigrants who have entered illegally. The Italian expert cites work by Caritas revealing that '81% of labour contracts have been established on the principle "first come, then work" and only 19% on the normal procedures envisaged by law ("first a labour contract then permission to come")'. Spain, similarly, has recently faced politically sensitive decisions about how it deals with the existing stock of illegal immigrants, as well as the highly publicised arrivals in the Canary Islands. The effectiveness of attempts to regularise the status of illegal immigrants is, however, open to question: for example, there were one million illegal immigrants still residing in Spain even after the regularisation process undertaken in 2005. There have also been successive waves of regularisation of immigrants in Greece. However, the Greek experts quote a report of the Ombudsman which states that 'Greece has not yet developed both a long-term and viable immigration policy or a permanent formal admission system of immigrants'. A specific concern in this regard is eligibility rules which, in some cases have tilted more towards immigrants than in the past. As an example, in Italy, the trend is to move away from granting citizenship to anyone with Italian blood (*jus sanguinis*) towards recognising residence, place of birth and marriage to an indigenous Italian (*jus solii and jus conubii*).

A clear shift in many countries is towards a toughening of the stance, perhaps not surprisingly in view of the growth in the number of immigrants. Many of the recently acceded members have had to adapt quickly. Current discourse in Cyprus, for example, is in the direction of tougher curbs on immigrants. France has followed the EU lead in respect of measures to stem illegal immigration, notably by targeting transport operators, or making passports more secure. UK policy, partly responding to persistently adverse media coverage, given momentum by a succession of administrative failings, is moving towards more restrictive policies. A five-year strategy for immigration and asylum, *Controlling Our Borders: Making Migration Work for Britain* was published in February 2005 and has been followed by the announcement of a points-based migration system aimed at attracting only migrants expected to benefit Britain. The open door policy of Ireland and the UK towards migrants from the recently acceded Member States has not been extended to Bulgarians and Romanians.

A further contentious policy issue is that data on immigrants is often inadequate for policy purposes, sometimes for systematic reasons. In Slovenia, the expert notes that 'there is a lack of a unified definition of immigrants which could offer enough ground for comparative research (and for a consistent policy). It can be assumed that different Ministries or other state institutions use different definitions of immigrants. One of the obstacles for accurate and precise reporting is also the frequently changing legislation regulating the field of immigration'. A specific issue in Slovenia is that of the 'erased', the

group of long-time Slovenian residents originating from other former Yugoslav republics (see synthesis report of first 2006 semester reports¹⁴). In February 2006 Slovenia adopted a very restrictive legislation on asylum (Act Amending and Supplementing the Act on Asylum, Official Gazette RS 17/2006, 17. 2. 2006) which was strongly criticised by the Slovene Ombudsman, Amnesty International and many other civil society organisations and groups. The most controversial is the right of the police that decides whether someone can ask for asylum or not. In case they decide that the reasons for receiving asylum are insufficient, they have the right to refuse a person to enter the state.

The French expert notes that the current NAP/inclusion is less explicit than previous ones in targeting the integration of immigrants; instead they are orientated around measures to address poverty and exclusion in an undifferentiated way.

Some changes have also taken place in policies towards indigenous ethnic minorities. Efforts to integrate recognised indigenous ethnic minorities in Finland have been discontinued. The Finnish Government considers Finland's Roma community and the Sámi people to be national minorities under the European Framework Convention for the Protection of National Minorities. In 1995, an amendment to the 1919 Constitution guaranteed the Roma and the Sámi along with other minorities the right to retain and develop their own language and culture.

A final trend is that several countries are having to think carefully and rapidly about how to deal with immigration as a 'new' policy issue. While the percent of immigrants and ethnic minorities as a share of the overall population is low compared to other EU countries, the immigrant population in the Czech Republic is growing rapidly, but few measures are in place to further their social integration. Though there is a large number of Slavic-speaking minorities and immigrants, that fact does not solve, but rather masks, the leading problems of their integration: poor housing conditions, the difficulty of navigating Czech laws and institutions, the tendency to fall into the informal economy, etc. The Czech expert praises a new 'Act on Foreigners', legislated in March 2006, which eased the regulations governing long-term and permanent residency, but he also notes the views of NGOs that there are implementation problems, including hostile attitudes by administrators. These attitudes tend to be reinforced by negative public perception of immigrants.

4.3 Employment

"A job is the key to successful integration" is the *leitmotif* in several Member States. For example, it has been a prevalent view in the Danish Government's approach to the integration of refugees and immigrants in Danish society. This view is reflected in the number of Government programmes concerning employment for ethnic minorities and in the amount of economic resources spent in the area.

The net participation rate of non-western migrants in the Netherlands is 48%, compared with 67% for the native Dutch population. Labour market disadvantage of immigrants in Sweden seems to reflect both supply-side and demand-side factors. The former include a lack of 'Swedish' attributes, while the latter include the nature of contracts and the higher probability that immigrants will be 'last-in, first-out' when labour demand fluctuates. The German experts quote a 2005 government report that sums up many of the problems facing immigrants in the labour market: "The economic and social situation of immigrants still differs from that of the population at whole. Children of foreign origin have comparatively poorer educational qualifications and thus have worse starting opportunities. At 20.4 % (2004), the unemployment rate of foreigners - in terms of the gainfully employed in Germany - was still almost twice

¹⁴ <http://www.peer-review-social-inclusion.net/policy-assessment-activities/reports/reports-2006/synthesis-report-1/>

as high as that of the population as a whole. The continuing high unemployment is also one of the reasons for a higher poverty risk among immigrants. Their poverty risk rose from 19.6 % to 24.0 % between 1998 and 2003 and thus well above the poverty risk rate of the population as a whole."¹⁵

In France there is ample evidence that immigrants face discrimination in recruitment (for example in evidence presented in the Fauroux Commission report. Workers from immigrant groups tend to have lower quality and more precarious jobs, and are more likely to be unemployed. Women and immigrants of African and Maghreb origin are most vulnerable to unemployment.

In the UK, there is well-documented information on labour market outcomes from ethnic groupings which reveal great diversity, with both an ethnic and a gender dimension. The UK experts note that:

'Men and women from the White group were more likely to be economically active than any other group. Whereas Black Caribbean women's economic activity rates were nearly as high as those for white women (72% and 74% respectively), the Bangladeshi population had the lowest activity rates of all, at 69% for men and 29% for women. Pakistani women also had very low economic activity rates, at 28%. Within all ethnic groups, activity rates are higher for men than women. In terms of unemployment, Bangladeshi men have the highest rate at 20%, which is four times that for White men, whereas the rate for Indian men is only slightly higher than for White men at 7%. All other minority ethnic groups have unemployment rates, which are between two and three times higher than those of White men, indicating significant areas of inequality and lack of integration into the labour market'.

Illegal immigration and irregular employment are associated - in some cases, such as the death of Chinese cockle-pickers, tragically. A specific issue stressed by the UK experts is that 'asylum seekers are not permitted to work, leading to the problems of both their isolation and public perception' and adding to problems of poverty and exclusion. Greece is a good illustration of the conjunction of illegal immigration and informal work, and this has prompted legislation, belatedly, (2005 law on "Implementation of the principle of equal treatment regardless of race or national origin, religion or other beliefs, disability, age or sexual orientation") aimed at assuring equal opportunities.

Denmark exemplifies the problems that immigrants have in the labour market and thus why integration of immigrants is given a high priority: immigrants have an employment rate of 51% compared with 76% for ethnic Danes. Moreover, it is lowest for first-generation immigrants who attain just 45%, while second-generation immigrants are recorded at 57%¹⁶. According to the Danish experts, these employment rate differences lead to risks of social and economic marginalisation. The other side of the equation is high unemployment of immigrants, which is aggravated by the fact that they receive lower average benefits and are entitled to less.

An evident problem in many Member States is over-qualification of immigrants for the jobs they are able to obtain. On the other hand, there is also evidence in some Member States of lack of skills or educational qualifications that diminishes or narrows employment prospects. Immigrants into Ireland have generally had better qualifications than the indigenous population, although the most recent arrivals may be shifting the balance towards less-skilled. The Irish expert notes, however, that 'the extent of illegal or irregular migration to Ireland is unknown', although there has been a succession of recent legislative acts designed to stem illegal immigration. This includes controls and obligations on employers. One change, also evident in other countries has been a tightening of citizenship rules, including a court decision replacing *jus solis* with case-by-case adjudication of applications and, following a referendum in 2005, the rules have been formally tightened. Immigrants in Ireland are less unionized and tend to be paid significantly less than indigenous workers, again a trend witnessed elsewhere.

¹⁵ Implementation Report 2005, p. 6.

¹⁶ http://www.inm.dk/publikationer/aarbog_om_udlaendinge_2005.pdf

Civil status is also part of the story. Citizenship in Estonia is key to employment opportunities in public sector employment. This is partly reflected in labour market outcomes with non-Estonians having lower employment rates and higher unemployment. Administrative barriers complicate hiring of third country nationals in Luxembourg, which has prompted the social partners to call for a simplification of the issue of work permits. Similarly, the Polish expert reports that there are strong restrictions on the right to work for migrants who are obliged to obtain work permits that last only up to two years and are only issued if there are no Polish candidates for the jobs.

It is important, though perhaps very obvious, not to regard immigrants or ethnic minorities as homogeneous in the labour market. Somali and to some extent also Russian immigrants in Finland suffer very high unemployment rates, but other groups fare reasonably well, not least because immigrants are increasingly being seen as an answer to labour shortages. But there is, as in so many other Member States an issue of over-qualification for the jobs they do obtain. Although statistical problems make data unreliable, the message is nevertheless clear that non-EU origin immigrants in Belgium do not fare well in the labour market. Turkish, North African and Congolese immigrants have unemployment rates in excess of 40%, four times the national average.

There is moreover a gender dimension: the Belgian experts report that 'for migrant women, the employment situation looks even gloomier. Women with a non-EU nationality display higher unemployment rates than both their male and Belgian counterparts. Turkish and Moroccan women have an unemployment rate of 56% compared to 13% for Belgian women. These labour market data are attributed partly to lower educational attainment, but also reflect discrimination. The Belgian experts argue that this needs a response from the social partners: 'it is important to achieve a change in attitude among Belgian employers. Unions are also important actors in enforcing a stricter compliance with the anti-discrimination law'.

4.4 Education and training

Most of the expert reports present data that document the under-performance of immigrants and/or ethnic minorities compared to the majority indigenous population. This is not surprising, insofar as there is frequently a correlation between the minority groups and various indicators of social exclusion. At the same time, several of the reports make clear that it is important not to generalise, because it is often the case that it is only for specific segments of the immigrant or ethnic minority population that under-performance arises. As an illustration, educational outcomes in the UK are very varied among ethnic groups, with some minorities out-performing the indigenous population. It is, though, becoming clear that boys of African-Caribbean origin are performing particularly badly, while girls of Pakistani and Bangladeshi origin under-perform.

Differences are very apparent in Spain, where immigrants, especially women, from EU10+2 have higher standards than indigenous Spaniards, whereas immigrants from Africa and Latin America have lower attainment. The Spanish experts report that there are measures in place in the NRSSPSI and the NRP to improve the education of immigrants and Roma, but argue that these measures are insufficient. The experts also conclude that 'the situation of housing for the Spanish Roma population has not been wholly resolved despite various efforts spanning at least three decades'. There is some evidence that lease terms discriminate against immigrants, adding to housing problems.

First and second-generation differences are also seen in educational attainment, for example in Denmark. PISA data show that immigrants in Belgium perform relatively worse than in other countries monitored. A particular concern is that even second-generation children under-perform substantially.

4.4.1 *Language barriers to integration*

Language is plainly a problem in many Member States, such as Poland. As a barrier to integration, it emerges as important for immigrants and ethnic minorities in a variety of ways. For the Roma, it is an obstacle to educational attainment: in Slovakia, where Roma is not a teaching language, barely 30% speak Slovak as a first language, and the proportion is lower still in segregated settlements. The Slovak expert notes the strong gender division in Roma communities and argues that there should be more extensive efforts to use education as a means of breaking the cycle.

Language proficiency is an issue in many Member States, such as Estonia (where it also affects social attitudes), Belgium and Germany (where there is an element of compulsion), but also in a more positive manner in France (where the approach seems to be more to provide help with acquiring a knowledge of French as a way to achieve integration). Greece offers some language training for legal immigrants. All school age children – whether of legal or illegal immigrants - are entitled to attend Greek schools.

The Luxembourg authorities have put in place a series of measures aimed at boosting the educational attainment of immigrants, including the option of integrated courses in Portuguese in primary school. Finland, too, gives priority to education and training in its immigration policy, with facility in Finnish or Swedish seen as an essential attribute to enable the immigrant to obtain work. However, it is stressed that the immigrants own language and culture have to be respected and that there should not be enforced assimilation. A further element in the Finnish approach is to offer full access to welfare services as a right to legal immigrants, complemented (at the discretion of the local authority which is the service provider) by advisory services specific to immigrants.

4.5 Housing and homelessness

Quality of housing for immigrants and ethnic minorities is an issue in most Member States, sometimes as a specific issue, sometimes as a more general social problem. An example of the latter is Belgium, where housing problems are more serious because of the general shortage of social housing, and illegal immigrants are especially vulnerable to exploitation in the housing market. Similarly, in Slovakia, the desperate state of housing for the Roma people is identified by the expert as an acute social problem. Policy responses can, however, be slow: there are no specific housing projects for immigrants in France, despite the promises made after the two cases of deadly fires in Paris in 2005, partly because housing shortages are a wider social challenge.

Spatial concentration of immigrants is common. Immigrants tend to live predominantly in the larger western cities in the Netherlands, and efforts to prevent high concentrations in neighbourhoods have had limited success. In the Netherlands, the experts note that 'in neighbourhoods with a high concentration of ethnic minorities, non-western ethnic minorities are generally worse off than native Dutch residents, especially as regards their housing. They feel safer on the streets, but less safe in their own homes than native Dutch residents'. In Denmark, residential segregation is a central topic on the political agenda. From the Government's point of view it is an expression of a segregation process as it hinders integration into social life, the educational system and the labour market. Therefore, a range of initiatives have been taken to counteract spatial exclusion and vulnerable neighbourhoods. In Germany, there are problem districts but so far little sign of residential segregation, partly because housing authorities have sought to prevent it. Housing problems have eased as the inflow of migrants has diminished in recent years, and a scheme for housing management initiated in Nord-Rhein Westfalen has been rolled-out in other länder. Finland offers social housing for immigrants on reasonably favourable terms, as well as means-tested housing benefits. Finnish policy has also sought to prevent residential segregation.

Changes in housing benefit rules have had an adverse effect on the Roma in Slovakia, pricing many out of urban housing and prompting a return to over-crowded and poorly endowed villages. Despite some housing programmes aimed at improving their circumstances in Greece, Roma and repatriated Greeks often have inadequate housing. The UK experts note that minority ethnic groups tend to be 'over-represented among the homeless. Although the evidence is somewhat limited through lack of reliable data, they comprise 22% of households accepted by local authorities as homeless'.

4.6 Poverty, exclusion and health

The Swedish expert reports that poverty is 'much more common among immigrants, especially among those who have arrived rather newly. The trend is also problematic; poverty among immigrants has increased despite the favourable macro economic development'. Figures cited by the expert show that the poverty rate for all immigrants is nearly three times that of native born Swedes and that recent arrivals in all categories of immigrants have the highest poverty rates. Unsurprisingly, the immigrant group with the highest poverty rate in 2004 (40.3%, compared with a rate for native born Swedes of 6.9%) is recently arrived immigrants (1-10 years) from outside EU-15. The Swedish expert concludes that 'poverty and economic hardship is substantially more prevalent among immigrants than among ethnic Swedes' and points out that 'first generations Swedes are more exposed to poverty and economic hardship than ethnic Swedes'. Perhaps more worryingly, there is little evidence that the gap between ethnic Swedes and immigrants are narrowing. A recent study in Belgium referred to by the Belgian experts shows that the number of persons of non-EU origin below the poverty line in Belgium is 30% (i.e. more than twice the overall figure), and is as high as 60% for Turks and Moroccans.

Sweden is typical of many other Member States in having relatively worse health indicators for immigrants, despite the fact that there is a general health insurance system and all residents are equally entitled to health care.

Despite universal health care under the National Health Service (NHS), the UK experts present some evidence that ethnic minority groups receive lesser care. This disjunction between official policy positions and practice is evident in a number of other Member States. As in many other Member States, there is no data (or very little) available on this by ethnic groups. However, efforts have been made to cater for minority groups by, for example, offering interpretation. Health care is more restricted for failed asylum seekers and illegal immigrants. As the UK experts note, this not only raises issues about human rights, but also around public health concerns in relation to communicable diseases.

4.7 Social services

The biggest issue surrounding access to social services for immigrants tends to be their formal status. In most Member States access to services is guaranteed in law for regularised immigrants, but several experts (for example for Germany) report that the position is much less positive for asylum seekers and illegal immigrants. There may also be differences in the application of the rules, despite formal entitlements. Similarly, the Italian expert reports that once they are 'legally recognised (e.g. with a regular residence permit), immigrant workers have the same labour and social protection as the Italians, for instance collective agreements and bargaining, income support (e.g. allowances in case of unemployment, sicknesses and maternity), pensions, health, housing, education, vocational training, fiscal benefits, freedom to join a union and so on'.

For ethnic minorities, by contrast, the principal problems linked to access to services seem to be principally about the provision of information, as there are often implicit barriers to making effective use of services. Immigrants, too, can suffer in this way: in Belgium, for instance, despite a formal entitlement to urgent medical care, the experts note that illegal immigrants may not obtain the necessary services because they are not informed, are reluctant to risk being reported to the authorities, are deterred by administrative obstacles or are unsure what is meant by 'urgent'. Having to pay for certain forms of medication can also be a concern.

The national reports highlight some more specific issues that may have resonance for other Member States. For example:

- Luxembourg's economy depends very heavily on immigrants and cross-border commuter labour. However, one element in this is that unemployed commuters do not appear in Luxembourg's statistics and do not warrant support from Luxembourg unemployment insurance although those that pay social charges do enjoy access to other elements of social protection. Luxembourg also provides quite extensive protection for asylum seekers.
- Efforts have been made in Finland to sensitise social workers to the specific problems encountered by dependent female immigrants who might otherwise be very isolated. One illustration is the offer of child-care to facilitate attendance at language classes.
- In Spain, social services are a competence of regional government (the CCAAs) and this leads to differences in provision and rights. Health services are, however, universal and national.

4.8 Target groups

Although it is common for there to be gender mainstreaming or other approaches to enhancing the position of specific social groups, the evidence suggests that there is relatively little effort to focus attention on target groups among immigrants and ethnic minorities. This is partly for reasons of principle, but probably more because the question is inadequately confronted. This is the case for instance in Denmark, where target groups are not really on the agenda, partly because the country has a strong equality ethic that inhibits positive discrimination. Similarly, the term target group (*groupe-cible*) is not often used in the French social policy vocabulary. Nevertheless the French expert has identified a variety of such measures, including those aimed at integrating foreigners in rural areas.

The Greek experts report that there are no 'particular measures to facilitate the integration of either immigrant women or other vulnerable groups like immigrants with disabilities and mental health problems' and that 'the socio-economic situation and the needs of the above mentioned vulnerable groups have not been given any special attention in policy analysis and concrete measures'. There are various concerns in Ireland about women migrants being relatively more vulnerable. One issue is what the Irish expert describes as 'spouse dependent visa holders' (most of whom are women). She notes that spouses' rights 'depend on the relationship with their spouse continuing' and that this can complicate obtaining a change of status from spouse dependent to work permit holder. Concern is also expressed, as in a number of other Member States, about trafficking and exploitation, while in other Member States a link is made with enforced prostitution.

Examples of other issues that arise in relation to target groups are as follows:

- A noteworthy trend identified by the Belgian experts is 'the increase in the number of "vulnerable" household types, with traditional nuclear families losing importance and an increasing number of single parent families among the Moroccan population'.

- Naturalisation tests – administered at the Land level in Germany – have given rise to contestation in recent months because of the (sometimes intrusive and culturally insensitive) nature of some of the questions. Cuts in Land budgets may be contributing to lower services to immigrants, especially target groups such as women.
- Trafficking, especially of women for prostitution, is identified as a concern in several Member States, such as the Czech Republic, the UK and Ireland. Also trafficking of children can be an issue
- Second generation immigrants from selected origins seem to be at disproportionate risk of deviant or criminal behaviour in Germany.

4.9 Information, communication and culture

France has introduced measures to improve the image of immigrants, for example by creating a *cité nationale de l'histoire de l'immigration* and by a recruitment policy that aims to put individual from immigrant backgrounds on public television channels. There is also an agency created by a 2004 law, the 'HALDE', which seeks to prevent discrimination, including on grounds of race, ethnicity or nationality.

Some experts highlight the fact that there are entrenched anti-immigrant social attitudes – this is hardly a surprising finding, but plainly a continuing issue for policy-makers to confront. Thus, the Latvian expert comments that there is a 'widespread fear of new immigrations following the accession of Latvia into the EU, which is related not only to fear about competition on the labour market but also, to a considerable degree, to the negative attitude to a different culture and ethnic prejudices'. Ironically, the level of immigration into Latvia is trivial.

In Finland, the Equality Act (2004) and the Non-Discrimination Act (2004) provide extensive protection from discrimination on the basis of ethnic origin, but covers also discrimination on the basis of, *inter alia*, national origin, language, religion and belief. Although the principle of equal treatment has a strong constitutional and societal support, the Equality Act is more detailed and specific in nature.

The recourse that immigrants have against discrimination varies significantly among the Member States. One approach is the Finnish *Ombudsman for Minorities*, established in 2001 to promote equal treatment irrespective of ethnic origin. As described by the Finnish expert, 'the Ombudsman functions mainly as an expert body, providing advice and instructions to victims of ethnic discrimination. The Ombudsman may also provide legal aid in exceptionally significant cases. Most of the cases of ethnic discrimination in which the Ombudsman's office has been contacted have dealt with discrimination in recruitment, social security or education. The office has also often been contacted in matters relating to racial harassment and violence. Upon encountering discriminatory practices the Ombudsman shall, by way of advice and instructions, aim at their discontinuation. He shall also issue recommendations and come up with initiatives aimed to improve ethnic relations and the status of ethnic minorities. A victim of discrimination may request the Ombudsman for Minorities to conduct conciliation proceedings'.

A Law on Equal Treatment enacted in 2005 in Lithuania created, *inter alia*, the *Office of Equal Opportunities Ombudsperson* with powers to investigate complaints of discrimination on the grounds of gender, age, race, ethnicity, religion, and, sexual orientation. The small number of complaints suggests few problems. Moreover, once again it is important to avoid generalisations. With the exception of some discrimination and negative attitudes towards Libyans, the ethnic communities in Malta appear to be well integrated.

The nature of communication problems is exemplified by the Spanish experts who note that 'most of the TV news and newspaper articles about immigrants that we have monitored during the preparation for

this report, and outside the programmes specifically focussed on their experiences in Spain, are negative in that they focus on crime and not so much on the positive aspects of immigration’.

Perceptions of problems associated with migrants or ethnic groups may be misconceived, as illustrated by the case of Nove Fužine, a neighbourhood in Ljubljana (see Box 4.1).

**Box 4.1: Perceptions of immigrant groups – Myths and realities
(an assessment by the Slovenian expert)**

Nove Fužine, a part of Ljubljana, is perceived by some as a relatively poor area with a high crime rate and it is suggested that this can be explained by the high share of persons from other parts of former Yugoslavia living in Nove Fužine.

- In fact, data show that the crime rate is lower than in other urban neighbourhoods: Nove Fužine is comparable to the town of Nova Gorica in terms of population size, but the number of criminal offences in the latter is twice as great.
- As regards poverty, the story is similar: for example, Red Cross data on the number of food rations distributed show that in Nove Fužine, approximately 200 rations per month are handed out, compared to 100 in Trnovo, even though Trnovo’s population is three times smaller.
- The neighbourhood has a very good infrastructure, including a medical centre, several schools, a bank, a post office, a library, a number of stores, bars and craftsmen’s shops, and neat common areas with paths along the banks of the Ljubljanica river; apartments are solidly built and relatively new. Hence the quality of life by no means lags behind that in other similar neighbourhoods in Ljubljana, since accessibility to basic common resources is rather high.
- The Slovenian expert comments that the ‘association of Nove Fužine with crime and poverty is obviously not related to the official records on criminal offences or poverty, but to the prejudice about people coming from the south who allegedly commit crimes’.

Access to political activity for immigrants and ethnic minorities and the form it takes raises many issues. Latvia has seen a tendency for ethnic (Russian and Latvian) voting patterns that might presage a poor outlook for integration. Tolerance of immigrants in Belgium is lower than in other Member States, yet an interesting development is that ‘after long and difficult negotiations, a law that gives non-naturalized migrants the right to participate in municipal elections was finally approved by the Parliament in March 2004. This Law allows them to vote if certain conditions are fulfilled (residing legally in Belgium for at least 5 years, application has to be made and they have to sign a declaration in which they promise to respect the Belgian laws and Constitution as well as the European declaration of Human rights). However, they cannot be electoral candidates’.

In addition, regionalised government poses challenges in many Member States, especially, as in Italy, where new structures are having to contend with relatively new and rapidly evolving challenges. Spain and Germany also face challenges in this regard. In Germany, inter-land differences in approach mean that a ‘client’ will face different treatment purely because of where he or she is dealt with. The Italian expert notes that although immigration policy is national, ‘regions and local authorities have autonomy to define programmes and plans and to manage services in many policy fields that concern immigrants, for instance: social, health, housing, employment, placement, training, education (below the university system)’. Moreover, national laws that limit civil rights have been countered by individual initiatives in certain localities that give a voice to immigrants. In Italy the trade unions seem to be playing a constructive role in this regard.

4.10 Emigration

Accession to the EU has accelerated rates of emigration from most of the Member States that joined the EU in 2004, and there are already indications that there will be substantial outflows from Bulgaria and Romania. This has happened despite the temporary restrictions on EU10+2 nationals working in the majority of EU-15 Member States. These outflows have a number of consequences for both home and host countries. First, there is a brain drain effect through which the home country pays for the education and training of the emigrants, yet the host country benefits, a phenomenon that is manifestly more telling when it is the more qualified (or the dynamic younger workers) who migrate. With the economies of several of the recently acceded Member States growing robustly, the issue of brain drain is likely to become a more awkward one. At the same time there is a risk that the migrants have to do with jobs for which they are over-qualified, implying a waste of human capital.

Migrants do, however, remit income which helps to support the home economy and, especially if the period abroad is temporary, may acquire additional skills that benefit the home country on their return. Moreover, to the extent that migration alleviates unemployment in the home country, the pressures on social protection systems diminish, although if the migrant is a key worker or someone with entrepreneurial attributes, the loss of that worker to the home economy may aggravate unemployment. On all these counts, the outcome will depend on the details. What is more clear is that the emigration of certain workers tends to create skill shortages that can push up labour costs in the home country and vice-versa in host countries. Internal migration can also cause problems, as in Germany where rural depopulation in the eastern länder has accentuated problems of exclusion. Like Germany, internal migration is a significant – though manifestly long-standing - issue in Italy.

For the host countries, the reverse will often be true, as the influx of new workers makes the labour market more flexible, leads to the filling of jobs that would otherwise be vacant and adds to the pool of skilled labour. Recognition of these effects has led a number of EU-15 Member States to adopt policies that give priority to immigrants with specific skills and qualifications. For host countries, however, there are clearly issues connected to social inclusion that have to be solved, including housing provision, how to deal with dependents and how to involve immigrants in civil society.

Estonia as a country of origin has no legal basis for monitoring citizens going to work abroad, but estimates suggest that the number could be as high as 10-20 thousands (quite a high proportion of a population of just 1.35 million, bearing in mind that the latter figure includes children, the elderly and the inactive). Estonians have gone to work mainly in Finland, the UK and Ireland and there may be some 'brain drain' effect in the relatively high number of professionals – medical staff are cited by the expert - seeking opportunities in other countries.

Although it is a traditional country of emigration, there has been a near doubling of emigration from Poland since EU accession. The country is now experiencing labour shortages in construction, but it is unclear to what extent this is because of a construction boom.

For some of the recently acceded Member States, the dynamics of emigration are likely to have a significant impact on the labour market. It is estimated that one in three newly employed Slovaks obtains a job abroad, yet the Slovak expert observes that this is not mentioned in the NRSSPSI nor the NAP/inclusion as an important element in falling unemployment. In other words, insertion into the labour market has become a process that is only partly linked to Slovak policies.

Lithuania has the highest net emigration of all Member States (see Figure 4.1 above), with the UK and Ireland as the principal destinations and it is clear that there is a brain drain element to it, insofar as emigrants are better qualified than the average. Nor are they leaving to escape unemployment, so much as to better their own incomes. In response, there are demands from employers for higher immigration from other former Soviet Republics. In Latvia, too, emigration has contributed to rising labour costs and labour shortages in certain industries, such as construction and health care. As in Lithuania, an emerging response is to boost immigration from CIS countries. The Latvian expert comments that in 'public debates at various levels concerns are voiced about the outflow of the qualified workforce and

related consequences that will also affect the quality of services'. Perhaps surprisingly, emigration of medical staff is also an issue in Germany.

The upshot is that in a number of Member States, policy will have simultaneously to manage the outflow of qualified emigrants and cope with the prospect of increased inflows. The Latvian expert has summarised the advantages and drawbacks of emigration and her synthesis is presented in Box 4.2.

**Box 4.2: The effects of emigration in Latvia
(as assessed by the national expert)**

Negative consequences mentioned are as follows:

- In specific sectors in Latvia employers are forced to compete with employers of other EU Member States and other sectors of economy on matters of salaries. However, if employers raise salaries rapidly, it will decrease the competitiveness of Latvia in the area of attracting investments. If raising the salaries is not linked with a growth of the productivity of work, enterprises of Latvia may lose their competitiveness in the market;
- The active workforce in Latvia declines and it may negatively affect the national social budget;
- Emigrants work for the GDP of other countries, but not for Latvia's;
- The amount of money (about LVL 20 million per month) that is brought by Latvians working abroad, is sufficiently sizeable to have a negative impact on economy and to raise inflation;
- Socio-psychological problems in work collectives, families and other social groups become more aggravated.

Positive effects that are cited include:

- Possibly, many of those who use the opportunity of the free movement of the workforce and work beyond the borders of Latvia, would be unemployed in Latvia or would be low-wage earners; now they have an opportunity to earn more and to acquire useful skills;
- Latvians working in the EU market, take over Western values and experience in labour market relations;
- Working on legal basis in the EU, inhabitants of Latvia pay taxes and build up their own social security rights;
- Much of the money earned in other countries is invested in Latvia;
- Business activity of Latvians develops within the frame of the EU, which in future may provide considerable lobbying options.

4.11 Good practice

There are many examples in the expert reports of practices that may provide other Member States with ideas relevant to possible reviews of their approaches. These range from institutional features to very specific measures with diverse objectives. Here are some of these best (or, at least good) practices.

In Germany, there has been a Minority Commissioner of the Federal Government since 2002. The Finnish Integration Act (2005) provides for an innovative approach, based around an *Integration Plan* for immigrants. This plan comprises a collection of measures targeted at the individual immigrant, and possibly the immigrant's family, aimed at supporting them in acquiring the skills and knowledge that are needed in working life and in Finnish society at large. As described by the Finnish expert, it 'is targeted only at immigrants who are unemployed (registered as unemployed job-seekers) and eligible for labour market subsidy – they have the right to the personal integration plan and the services agreed in it. The immigrant integration plan incorporates an agreement between the local authority, the local employment office and the immigrant. The plan obliges public authorities to arrange and finance the measures agreed in the plan. The immigrant is entitled to such a plan and has a duty to implement it. The immigrant integration plan must be prepared before the client's unemployment or subsistence benefit claimant status has continued for two months (recently cut from five months). An immigrant continues to be entitled to an integration plan for a period not exceeding three years reckoned from the date on which the immigrant was first entered into the Finnish domicile register. The time-span of the integration plan can be expanded to five years under certain conditions, e.g. in order to acquire literacy or complement basic education'.

In Denmark, as part of "A new chance for everyone" a "Diversity programme" has been launched. The program is aimed at small and medium sized enterprises, both public and private. The overall purpose is to increase the number of enterprises gaining experience with employment of ethnic minorities and management of a diverse staff. The program consists of a range of projects such as networking and collection and communication of best practices. It is expected that this exchange of best practices will lead to a more positive attitude towards employment of ethnic minorities in small and medium sized enterprises. The Government has set aside DKK 18 million for this program, which is to be carried out in the period 2006-2009.

To improve the guidance offered to ethnic minorities in regard to integration into the labour market, DKK 300 million has been set aside to hire new consultants in 10 municipalities with many ethnic minorities. The consultants are to help ethnic minorities with job applications and contacts to enterprises. The initiative is part of the "Welfare agreement" ["Velfærdsaftalen"] and the project will be carried out in the period 2007-2010. Furthermore, an ethnic special service ["Etnisk specialfunktion"] will be implemented in one of the new job centres. The purpose of the special service is to communicate best practices and help other job centres with employment issues related to ethnic minorities. The initiative will come into effect in January 2007 when the new job centres are established as part of the structural reform

In Ireland, the expert draws attention to the newly agreed social partnership *Towards 2016* which contains some significant orientations affecting immigrants, 'not least a commitment to developing a comprehensive strategy for all legally resident immigrants following consultation with relevant stakeholders including the social partners which will build on and be linked with progress already achieved in the areas of social inclusion and anti-racism'. She also points to a recent report by NESC on migration policy which signals that Irish policy will focus 'simultaneously on three broad goals: economic and social development; the rule of law; and the integration of migrants into economic, social, cultural and civic life. It also recommends that migration policy should be defined broadly, going beyond matters of entry and the eligibility of migrants for social services to embrace labour market policies, social policies, measures to ensure the integration of migrants and quality public administration. In addition to this the 'usual' attributes of good policy – consultation, engagement with users, regular monitoring and

review – need to be put in place as well. The National Action Plan against Racism is exemplary in many respects, especially those pertaining to good governance, but of course it is only part of a comprehensive response’.

EMERGE (Ireland)

Emerge is an Irish development partnership comprised of partners from Cork, Dublin and Galway. It is funded by the EU EQUAL Community Initiative. The aim is to develop methodologies for the development and expansion of ethnic minority businesses and to assist ethnic minority enterprises (EME) in overcoming business obstacles in the regulatory and cultural environment.

The specific objectives which the project works towards in order to achieve the overall aim are as follows:

- To raise awareness of the barriers faced by EMEs among mainstream support services and agencies;
- To develop a best practice model of training for EMEs and to inform the target group on ways to develop their businesses and break into mainstream markets;
- To improve the support infrastructure for EMEs in the pilot areas and to develop a strategy for integrating EMEs into mainstream business networks;
- To create open communication channels with mainstream financial institutions in order to improve the situation regarding access to finance for EMEs;
- To inform policy in this area and contribute to achieving national and EU targets as set out in various agendas and to mainstream the successful outputs of the project;

Emerge has established a nationally coordinated and locally delivered training programme to address some of the specific needs of ethnic minority entrepreneurs. It has also sought to mainstream new routes of communication to the wider enterprise support infrastructure and to work closely with mainstream financial institutions and government agencies to create more open communication channels.

In Italy (see Box 4.3), a series of measures to support ethnic (immigrant) entrepreneurship have also been put in place.

**Box 4.3: Support to ethnic (immigrant) entrepreneurship in Italy
(as described by the Italian expert)**

The 2005 call issued by the municipality of Rome for 30 new enterprises.

The "Dedalo" project in Torino, the "World" service in Teramo and the Bologna permanent service promoted by CNA (national association of artisan, small and medium sized enterprises).

The specific services provided by CESCOT - CONFESERCENTI (national association of retailers, tourism and tertiary sector) and by FEDERSOLIDARIETA' – CONF COOPERATIVE Lazio (cooperatives' association) and by ARCI Lazio (a national organisation).

The Equal – "Koiné" project and the "Imprendi" web network promoted by the Chamber of Commerce in Milan.

Innovative practices are also in the banking sector: e.g. Federcasse in Emilia Romagna opened the "Conto Radici" a multipurpose bank account for immigrants including traditional services and financing of business activities.

Micro-credit practices have been implemented by Mag Verona and Mag2 Finance Milano, Banca Etica, CNA Torino (Dedalo project), Fondazione Risorsa Donna in Rome (a foundation that manages funds provided by Banca San Paolo IM and Compagnia di San Paolo), "Terre in valigia" of Verona (linked to the banking foundation Cassa di Risparmio di Venezia).

Another imaginative feature is provided by the Finnish system, which provides support for immigrants trying to start small businesses, consisting of business incubators that free practical advice, together with small grants, all provided by municipalities. In such schemes targeted at specific groups, there is always a balancing act to be performed between helping a disadvantaged group and actions which could lead to increased segmentation of labour markets. Care will therefore be needed to ensure that policies of this sort do not have damaging unintended consequences.

Estonia has a specific approach to the preservation of the cultures of minorities. The cultural autonomy institutions can own property and are liable for their financial obligations. Resources originate from specific allocations, partly from the state budget, partly from local budgets, as well as from membership fees and donations from enterprises, organisations and private persons. The resources are used to provide education in the mother tongue, and for scholarships and awards for promoting ethnic culture. The Cultural Autonomy for Ethnic Minorities Act is not of an obliging nature. Its purpose is to encourage ethnic minorities to make use of their constitutional rights. The task of the national authorities is to provide legal guarantees, without interfering in each ethnic group or individual's right to decide for themselves in all matters concerning preservation of their ethnic identity, cultural traditions and mother tongue. The State Programme 'Integration in Estonian Society 2000-2007' includes a separate sub-programme that is dedicated to the education and culture of ethnic minorities.

4.12 Commentary

In host countries that have long experience of immigration, two patterns have emerged. The first is that recent waves of immigration have been from different origins, most often of people migrating as the result of geo-political conflicts. Although many of the more recent immigrants have been asylum seekers, this status has been queried in national political discourses, with most migrants regarded as economic. The second is a questioning of existing models for dealing with immigrants. Thus, in the

Netherlands and to some degree in the UK, the shift has been away from acceptance of multiculturalism towards integration.

The intractability of the social exclusion and poverty affecting many immigrant groups and ethnic minorities is striking. Thus, even in Finland where policies have been supportive, the Roma, especially, remain marginalised and face disadvantages in the labour market, and their position has worsened in some member States.

At the risk of stating the obvious, immigrants and ethnic minorities have widely differing characteristics: Sweden, for instance, has diverse immigrant groups that make generalisation about immigrants hazardous and potentially misleading. In the same vein, the Dutch experts conclude that 'diversity seems to be the keyword with regard to the migrants and ethnic minorities in the Netherlands. Although there are positive developments, also a lot of specific groups are lagging behind, such as the young, the old and women with a Turkish, Moroccan or Somali background'. The Irish NESC argues that Ireland needs to view its labour migration policies more centrally in its overall immigration goals and policies. Some policies in Belgium are criticised by the experts for treating migrants as a homogeneous group, when the evidence suggests a need to recognise differences.

A critical problem is the capacity to respond of smaller, less prosperous Member States. The Maltese expert argues that the strains that illegal migration imposes on 'the fragile Maltese economy and the social fabric are far too great for the population living in such a small tract of land to sustain'.

The extent to which immigrants are dealt with in the NRP and the NRSSPSI varies hugely. In Slovenia, the expert notes that immigrants are mentioned just twice in the NRP and then only in the context of equal opportunities, and comments on the absence of programmes (also in the NRSSPSI). Similarly, there are no measures to integrate through education in Slovenia, and the expert is not able to find any measures in the housing policy area. In common with many other Member States, ethnic minorities do not seem to have been given particular attention in Lithuania in relation to social enterprise or corporate social responsibility.

A last concern is where to draw the boundaries on entitlements. Many social services are accorded as rights as opposed to earned through contributions. But where supplementary services can only be obtained through additional contributions (as in Denmark), the effect may be to aggravate disparities.

5 Conclusions

The reconfiguration of economic and social governance that has taken place in the EU in the last two years has been substantial. Despite the formal separation of the 'Partnership for Growth and Jobs' from the streamlined Social Protection and Social Inclusion Process, the Commission and Member States are working to assure coherence between these governance processes. For this to work well, there have to be effective means of inter-action between the different policy processes, through which there is feeding-in of demands on reform policies and feeding-out of solutions. Both processes are new and are having to develop their procedures in a form of learning-by-doing. It is also clear that immigration is now high on the policy agenda and is the subject of a substantial effort by Member States to rethink their policy approaches. The reports by national experts summarised in this synthesis report offer a first assessment of how much progress has been made in both areas. A number of conclusions can be drawn and recommendations made.

5.1 Feeding-in and feeding-out

Although not too much should be expected in the first round of a new governance process, the overall assessment of feeding-in and feeding-out is that it has achieved less than might have been expected. Effective consultation of different interests has taken place in only a minority of Member States, with the implication that what is being fed-in to National Reform Programmes risks being too narrowly based. This tendency is exacerbated by governments which prepare relevant documents as reports on what they are already doing, rather than statements of strategy that build on the ideas and energy of the actors responsible. There are, however, pronounced differences among the Member States. In some, the National Reform Programme and the National Report on Strategies for Social Protection and Social Inclusion are complementary documents with extensive cross-references to one another, while in others, links are opaque and hard to identify.

Many measures in National Reform Programmes are bound to have pronounced effects on social inclusion policies, especially those targeting employment. However, the assessments of feeding-out suggest that not enough attention is paid to the impact on, and needs of, social inclusion. Instead, the policy initiatives in the NRPs are more likely to be presented as tools for enhancing competitiveness and creating jobs as primary targets, with any considerations of social inclusion assigned only secondary or marginal importance. In particular, several experts express concerns that the policies will not percolate down to the most vulnerable or excluded groups furthest from the labour market. Other social aims such as gender mainstreaming also tend to lack prominence.

A first policy implication is that the need for coherence must constantly be stressed and systematically looked for. Second, broader social aims deserve to be better integrated into the reform agenda. The impression from this year's experience is that even where a link from 'refocused Lisbon' reform policies to social aims is made in feeding-out, it is mainly confined to employment and it generally does not consider its impact on inequality or the most vulnerable groups. A general proposition is that established immigrants and their descendants face a qualitatively better social environment than illegals or asylum seekers and ways of confronting these disparities should be sought.

All of these points deserve to be considered for the next annual cycle and could be incorporated in the guidelines for reports issued to Member States.

The Partnership for Growth and Jobs, on the one hand, and the Open Method of Coordination of social policies, on the other, are separate governance processes, but they can be mutually reinforcing. This is a message that Member States ought to pay attention to and build into reporting procedures and timetables.

There is encouraging evidence that Member States have taken heed of requests to consult more extensively on their National Reform Programmes, but it is also important to ensure that the consultations are taken into consideration in the formulation of plans and not just treated as public relations exercises. In addition, many Member States appear to have made too little effort to consult social NGOs. The remedy is obvious.

While it is appropriate that the NRPs should be predominantly about reforms aimed at promoting growth and jobs, the prospective impact of reforms on inequality, poverty, gender equality and other social objectives should be more explicitly taken into account.

In particular, Member States should be asked to report explicitly in their next IRNRPs on the impact that policies focusing on growth and employment are having on poverty and social exclusion. The provision of such information would be consistent with the spirit of feeding-in and feeding-out, as well as being of value to social policy-makers.

5.2 Immigration and ethnic minorities

The challenge of arriving at appropriate policies towards immigration and ethnic minorities is plainly rising up the political agenda and, in the case of the Netherlands, even resulted in political controversies that led to the fall of the government. Immigration is, in addition, a rapidly shifting policy area characterised by the emergence of new challenges that warrant fresh thinking at both Member State and EU levels. Illegal migrants have plainly become a problem at EU level that requires a concerted response, even though the most immediate impacts are on those Member States that are the points of entry. The need for an EU-wide strategy, both for coping with inflows of migrants and their integration, is a challenging issue for a growing number of Member States. The political sensitivity of any such strategy and the question of whether national public opinion will trust EU initiatives make it hard to see a clear way forward. It is, especially, the Member States that are now the front line for the much increased illegal immigration – notably Malta and Spain – that now seek solutions at EU level.

In many Member States, the position of immigrants, especially, and in some cases also ethnic minorities is markedly worse on most labour market indicators. These include employment rates, unemployment rates, pay relativities, security of employment and quality of jobs. There are differences among groups of immigrants that invite caution against excessive generalisations, but the magnitude of the differences is still striking. Even, second generation immigrants have made progress in some Member States, but face continuing problems in others that warrant attention, and there are examples everywhere of specific groups who achieve significantly less than others. At the same time the continuing exclusion and poverty affecting minorities, such as the Roma, is evidence of policy inadequacies.

One of the most contentious issues is the rights of immigrants and ethnic minorities. There are variations in entitlements to health-care, information in their own languages, and housing. Here exchange of experience has the potential to offer opportunities for improvement, but there are also awkward political problems to confront, given that immigrants (especially) are often poorly perceived by indigenous populations.

The integration of immigrants and ethnic minorities is, manifestly, a policy area that will become an increasingly important facet of social inclusion in the years to come. It is also an area of rapid change and policy innovation. While it is unrealistic to expect that a common model or set of prescriptions can be applied across 27 Member States with very diverse circumstances, the expert reports suggest a number of directions for good policy which might provide the beginnings of roadmap for better integration of immigrants.

- A first is that efforts to prevent discrimination in the labour market are crucial. Some Member States have managed to achieve high employment rates for immigrants, while in others these rates are disturbingly low, with women least integrated.
- Education is often a weak spot, especially for first generation immigrants and females, but the inter-generational dimension of educational disparities is an area that needs attention.
- Policies to promote integration have to look beyond the labour market. This is already recognised in the developing approach to 'active inclusion', but for immigrants and very distinctive ethnic groups such as the Roma, policy-makers should seek to identify additional issues that apply specifically to target groups. Major advances can be obtained through policies that promote engagement with civil society and political processes.
- Difficult choices have to be confronted around areas such as housing and cultural identity. On the whole, residential segregation seems inimical to integration, yet there are also advantages in having distinctive communities. What seems to be called for is a policy which has defined aims, rather than one of benign neglect.

- In all policies related to the inclusion of immigrants and ethnic minorities, it is essential to make due allowance for the heterogeneity of the target groups and to recognise that the profiles of immigrants change over time. Policies need to be sensitive to these differences and to be sufficiently flexible to accommodate further changes in the composition of flows of immigrants.
- Data problems should also be confronted if the inclusion of immigrants is to be advanced. The common (EU) indicator on the employment gap of immigrants agreed in June 2006 by the Social Protection Committee can be regarded as an important step forward, but it is not enough. The specific at-risk position of migrants and ethnic minorities needs to be more systematically analysed and reported on by Member States, using appropriate breakdowns of the common indicators where possible. Full use should, in addition, be made of the potential contribution of administrative data to improve national and EU knowledge of the circumstances of migrants and ethnic minorities.
- Targets should be set to provide a focus and commitment for policy, and suitable indicators should be used to monitor progress towards the targets.
- Where appropriate, the scope for using the European Social Fund more effectively to overcome obstacles to the integration of immigrants should be explored.