

**CLOSING REMARKS BY JAMES PLASKITT MP  
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Thanks to the Luxembourg Presidency for the invitation to address this event.

Thanks also to Tony Atkinson and colleagues for the independent report which has provided the basis for our discussions. I'm impressed by its comprehensive nature and careful analysis. I enjoyed listening to Tony's skilful summary. Listening to the Warden of Nuffield College took me back to my post-graduate thesis in European Legislation (I thought I knew all about it then!)

Delighted also to see Frank Vandenbrouke in the Chair of this session who was so influential in getting the debate on indicators going during the Belgian Presidency.

Let's remind ourselves of the important commitment made at the Lisbon summit in March 2000 to make Europe "the most competitive and dynamic knowledge based economy with more and better jobs and greater social cohesion."

There is much talk at the moment and at this conference of the need to “grow” the European economies and many are taking this message as meaning that the drive for greater social cohesion will somehow suffer.

This is not the case. The two aspects of the commitment have a symbiotic relationship. Greater social cohesion is dependant on a vibrant and sustainable economy which is underpinned by growth and offers opportunities for all.

We know that social exclusion exists where people cannot fully engage in the economic and social activities which the rest of us take for granted.

The report has reminded us that in the early decades of the European “project”, the emphasis was all on economic integration with an assumption that somehow social progress would automatically follow.

The reality is that this does not always happen. Yes, social inclusion does need a firm foundation rooted in economic growth and prosperity.

But there also needs to be a strong commitment at national, regional and local levels as well as at the

European level, to make a real impact. That is why we are all here today.

A key strength of the Lisbon process is the Open Method of Coordination which has ensured that we can share learning across all Member States. This has increased integration and made it easier to identify what works.

The National Action Plans which aim to improve our national strategies through shared learning have greatly increased “ownership” at national level of the social inclusion agenda. It is therefore vital that we continue to produce and develop these National Action Plans.

The common framework of indicators has enabled us to compare performance across member states and the Joint Reports which the Commission produces based on these National Action Plans build a picture of poverty and inequality across the EU which informs us.

As the report tells us, there is now widespread acceptance of the EU social inclusion process and the single most effective way of engaging public support is if we can demonstrate significant progress in reducing levels of poverty and social exclusion.

We now have a rich body of evidence which tells a powerful and ongoing story. Enlargement has presented some challenges in this area. The new common data for the EU 25 which will be available in the next couple of years will certainly enrich our analytical capability and knowledge. And there has been much discussion here about the future direction of comparative policy analysis.

The report and your debates at this conference have highlighted the importance of the common indicators in understanding the diversity in social performance in all dimensions across Member States, but also some of the limitations.

Those Member States that perform highly on some measures still have room for improvement in other areas.

By having a powerful and relevant set of indicators, we can discuss objectively the strengths and weaknesses of different ways of tackling poverty. That is why we strongly support the report's recommendations aimed at improving indicators of social exclusion.

However, we also take the view that **too many** indicators risks confusing the picture. That is why we support the recommendation that the primary set of indicators should be pruned. Presenting one – or at the most two – indicators for each broad area will enhance the focus on real outcomes.

15 per cent of Europe's citizens are at risk of relative poverty. This is unacceptable. It is a tragic waste of human capital. We cannot commit 69 million people to a life in poverty. They need and want to be more actively engaged in society and society will benefit from their engagement.

You have discussed the importance of looking at those groups at greatest risk of poverty and in particular at child poverty. It is well documented that the UK currently has one of the strongest economies. But it is also well known that in the mid-1990s the UK had the highest rate of child poverty in Europe.

Disadvantaged children fell into poverty as adults and then into poverty in retirement. By addressing the causes of

poverty as well as the symptoms, we have started to break this vicious cycle

We have, in taking forward our social inclusion agenda set ourselves a challenging goal of halving child poverty by 2010 and its eradication by 2020.

Our programme for meeting this bold and ambitious target is founded on all three pillars set out at Lisbon:

Firstly **by maintaining a strong economy**. Domestic stability delivered by the Government's macroeconomic framework has allowed the UK economy to benefit significantly from the improvement in global conditions.

Secondly by developing **first class services** that meet the needs of all the population in a way that is accessible and accountable.

Thirdly by ensuring, through **flexible labour markets**, that work is available for all who can work. Added over 2 million more jobs over last 8 years. Virtually eradicated long-term youth unemployment, freeing up £5 billion a year to target other social priorities.

But this is not the end of the story. Despite strong labour market performance, certain groups such as the over 50s, ethnic minority people, lone parents, disabled people and the lowest qualified have yet to enjoy this wider labour market success.

You discussed yesterday the importance of learning what works and the role that the Open Method of coordination has and will continue to play in strengthening policy analysis.

We are planning to continue these discussions at the Roundtable meeting in Glasgow in October. This meeting will happen just as member states are delivering their first Lisbon Action Plans.

The UK Presidency will focus on taking stock of progress towards the Lisbon objectives and highlighting the areas which are crucial to their achievement.

The conference will be structured around six key themes which reflect these priorities.

### **1. Inclusive Labour Markets**

As I have said, employment is at the heart of successful social inclusion strategies and there is commitment across

the EU to take action which will result in job creation and more flexible labour markets.

We will be using the conference as an opportunity to look at what we need to do to ensure that support for the most disadvantaged people meets their needs.

We will also explore what provides a clear and recognisable pathway to work for people who may not have considered work as an option before.

## **2. Older People**

In many Member States, the poverty risk of older people is lower than for younger people. However, spending on old-age continues to be the largest component of social benefit spending across the Union.

At the Roundtable we will be exploring what can be done to improve access to, and understanding of, information on financial products and consider what can be done to encourage saving for the future.

We will also be exploring options for ensuring that older workers are able to remain in the labour market if they wish and are able to see clear gains from continuing in work.

### **3. Tackling homelessness**

Homelessness and severe housing exclusion are important problems across all EU member states. People who are homeless or vulnerable to homelessness are among the most disadvantaged and socially excluded groups.

The Roundtable conference presents an opportunity to reflect on common challenges and priorities across the EU and to consider possibilities for greater partnership working and learning from strategies which have worked well.

### **4. Local government and social inclusion**

The multi-dimensional nature of poverty and social exclusion, highlighted again in your discussions here, means that effective strategies need to involve the widest possible range of participants.

Glasgow, the city which will be hosting the conference, offers the opportunity to see a wide range of partnership approaches to tackling exclusion from the labour market.

### **5. Children and families**

Eliminating child poverty is seen as a key step in combating the inter-generational inheritance of poverty across the EU.

In many member states, children remain substantially more at risk of poverty than other age groups and there is substantial evidence to show that poverty in childhood raises the risk of poverty and social exclusion in later life – the inter-generational transfer of poverty.

One of the recommendations from the report is to ensure that child poverty is adequately reflected in the tools we use to assess what works.

At the Roundtable we will be looking at the key issues which need to be tackled to reach our child poverty goals: raising household income; tackling material deprivation; and breaking cycles of deprivation through improving life chances.

## **6. Ethnic Minority Issues**

The EU draws great strength from its ethnic diversity. However, people from some ethnic minority backgrounds still face substantial disadvantage in certain areas.

In Glasgow we will be exploring the key factors which contribute to the disadvantages faced by ethnic minority groups.

Thanks to all those involved in organising this excellent conference, which has established a very high standard for us to live up to during our Presidency. This report and your discussions over the last two days have moved the debate forward.

As I said before, The UK Presidency will focus on taking stock of progress towards the Lisbon objectives in the light of the seven key priorities set out in the Joint Report on social protection and social inclusion.

We aim to make the Roundtable event as inclusive as possible, involving key actors from the field of social inclusion (civil society, NGOs, trade unions, business sector, local, regional, national and European level governmental organisations) as well as those affected by poverty and social exclusion.

We will continue to work in partnership with you all to deliver on our shared social inclusion agenda. We're doing important work – on behalf of the Union and all its citizens.

I look forward to taking this work forward and meeting many of you again in Glasgow in October.