

Living in dignity in the 21st century  
**Poverty and inequality**  
in societies of human rights  
→ **the paradox of democracies**



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in societies of human rights:  
→ the paradox of democracies

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# Living in dignity in the 21st century

## Poverty and inequality in societies of human rights: the paradox of democracies

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## Foreword

It is no easy task to write the foreword of such a complex work in a context marked by profound social changes. First of all, however, I must thank all those who have contributed their ideas, drawn up strategies and suggested alternatives, agreeing to become involved in this group effort. Above all, I must pay tribute to all those – and they are legion – who each day make great efforts to preserve human dignity and social justice. It is their commitment which first prompted us to produce this work.

What makes it particularly difficult to introduce this guide is the reality of the current social context. On the one hand, a growing number of people are affected by poverty. This wide-spread impoverishment of the population is evident even in the wealthiest countries of Europe, where increasingly large sections of the population have to cope with a growing lack of security unprecedented since the creation of the welfare state. On the other, the reversibility of social rights seems to have become the sole political choice. How then can one introduce a work which speaks of social justice for living together in dignity without appearing utopian, almost ridiculous or unaware of the urgent need – constantly hammered home by the media – to reduce public expenditure – especially expenditure allocated to the protection from poverty?

This guide prompts us to ask what exactly it means to live in dignity in 21st-century Europe. It focuses on the principles which underpin the Council of Europe's human rights approach: *universality* as the inevitable objective of living in dignity, *indivisibility* as a means of organising political approaches, and *integrity* – in the sense of the equal application of rights – as the result. Without this framework, the democratic exercise, or rather the gradual democratisation of societies (that is, progress towards achieving well-being for all), becomes impossible. In Europe's increasingly polarised societies stigmatisation takes the place of participation, criminalisation that of mediation, repression that of consultation and dialogue, and despair that of the prospect of a promising tomorrow.

Dreaming of a future of social justice has thus become taboo. Even thinking about the future has become simply impossible. These limits to our aspirations for society bring with them dire consequences for confidence in the future and our ability to move towards well-being for all. How then can we galvanise all the positive energy necessary to engage in a societal project for a society that has little confidence or vision?

Although imperfect and certainly incomplete, this guide does not merely analyse the current context, in which a re-evaluation of the very foundations of the welfare state appears unavoidable. It also explores other alternatives and prospects, two key aspects of governance which seem to have disappeared from politics. This guide examines concepts such as well-being for all, shared social responsibilities, common goods, tax progressivity and public finance, an end to waste, non-stigmatisation, basic income, etc. It is essential to take these factors into account if we are to regain the ability to conceive of a common future, free of violence and social fragmentation.

This guide argues that other political choices can be made. Choices which differ from those that lead to the

impoverishment and increasing insecurity of a large number of people and which promote the concentration of wealth and influence in the hands of a powerful minority. It also makes it clear that human beings – especially when faced with a situation of vulnerability – must not be viewed solely in terms of social costs. What prospect is there for a society that stigmatises its members because they cost the community dear, obliging them to lower their aspirations and forego their rights, at a time when resources are squandered elsewhere?

The realisation that such a state of affairs threatens the very idea of living together in harmony entails a redefinition of the objectives of political action, based on clear principles. Among other things, such action must be:

- *progressive*, that is, have as its objective the reduction of inequalities in all aspects of life in society;
- *non-stigmatising* by ensuring that human dignity and integrity are not undermined by the imposition of degrading and reductive conditions for entitlement to assistance which compromise the potential of the people in question;
- able to activate the potential to develop, recognise, share and preserve *common goods*;
- conducive to reasserting public awareness of the *universality of human dignity*.

The authors of this guide want to believe that such a transformation is still possible in a Europe so rich in values.

This foreword would not be complete without a few words of appreciation for the work accomplished by the contributors to the project. Alessandra Sciorba has, with the skill and patience of the Italian artisan that she is, drawn together the ideas put forward by all those listed at the beginning and at the end of the book (direct contributors or working group participants). They showed a remarkable ability to work together and reach a consensus on complex issues. Nicolas Wild produced the illustrations following the heated and sometimes difficult discussions. In-house colleagues, temporary members of staff, such as Anne-Iris Romens and David Rinaldi, have worked hard to ensure that this work was complete and followed a logical sequence. Several others also deserve mention: the copy-editors, the translators, the proofreaders, those who monitored the publication process, etc. In addition, I must pay tribute to the five cities which tested practical ways of combating poverty and growing insecurity together with their citizens. Charters of shared social responsibilities have been or will be signed in Mulhouse (France), Covilha (Portugal), Salaspils (Latvia), Timișoara (Romania) and Charleroi (Belgium). These cities have shown that alternatives are possible.

A sincere thank you to all of them.

It only remains for me to hope that readers of this guide will find it of interest. We hope that this work will prompt a societal debate in order to rekindle the political will to construct the paths to a better future, paths which confirm the value of human dignity in the 21st century.

**Gilda Farrell**  
*Head of the Council of Europe Social Cohesion,  
Research and Early Warning Division*

# A long, shared pathway towards re-establishing priorities

Alessandra Sciarba

In 2010, the Council of Europe Social Cohesion, Research and Early Warning Division and the Directorate General of Employment, Social Affairs and Inclusion of the European Commission launched the project entitled “Human rights of people experiencing poverty”.

The main aim of this project was to show how poverty affected all human rights – of which indivisibility is one of the essential characteristics. Accordingly, it is not only social rights that are violated, but also civil and political rights. The initial intention was to show that there is a one-to-one relationship between human rights and poverty: poverty is a form of violation of fundamental rights (and hence the overriding requirement to ensure that institutions and all social stakeholders shoulder their responsibility), but it is also the cause and effect of this violation.

In the course of this project, it seemed to us imperative to make the point that if rights are to be effective, they have to be universal: exercise of those rights must be available in practice to everyone, without discrimination, whether based on national or ethnic origin, social class or legal status. This means that we must bury the idea whereby the application of rights is a “zero-sum game”, in which the guarantee of rights for some presupposes a violation of those rights for others.

In analysing the relationship between human rights and poverty, the participants in the project sought to reassert, in addition to the indivisibility and universality of rights, the principle of their substantive integrity – or equality in their application. The same right, defined in the same words, cannot be exercised in a fundamentally different way depending on whether it concerns the wealthy and powerful or, in contrast, those in a vulnerable situation. There must be no “poor rights for poor people”, but quite simply rights for all.

These thoughts led to the first round of deliberations aimed at providing practical and operational responses to be addressed to the public authorities and civil society bodies responsible for implementing anti-poverty policies.

Along the way, the project evolved. It was augmented by considerations on the relationship between human rights and the ability to have one’s voice heard – in contemporary democracies, people experiencing poverty find it hard to speak out, or indeed are silenced – and on questions relating to the distribution and democratic management of resources, such as the recognition and defence of common goods or the introduction of a basic income.

Three working groups were set up to address these issues, meeting regularly over a two-year period from November 2010 to November 2012. The first group focused on the relationship between human rights and poverty, the second on the challenges which present-day poverty poses for democracy, and the third on identifying and evaluating new strategies to combat poverty.

This work is therefore the outcome of meetings, exchanges of experiences and theoretical discussions between more than 50 experts from academic, associative and trade union circles, and from individuals who, for various reasons, can be regarded as direct witnesses of contemporary poverty. This



explains why one of the features of this guide is its great diversity of opinions – a diversity which is evident in each of its pages and which in the subsequent editing process, we have been unable and indeed unwilling to completely eliminate.

All those who took part in the project provided new complex elements in order to broaden its scope, avoiding any schematic or black-and-white simplification of the real situation.

The first requirement was not to limit our analysis to extreme poverty, but rather to also take into account the impoverishment and growing insecurity of the living conditions of millions of European citizens, some of whom have hitherto never been faced with material difficulties.

Looking at the many causes and effects of old and new forms of poverty in Europe, the working groups made the point that it was essential to re-establish a relational approach to these problems, capable of taking into account the inequalities and examples of social and economic polarisation, addressing poverty from a systemic and political viewpoint, not as the side-effect of an unchangeable reality.

This led to a questioning of certain publicly stated attitudes focusing on the depletion of resources, referring to public debt as the result of a collective error, to be redeemed by everyone having to make sacrifices, with austerity as the only practical way forward and no conceivable alternative. Rather, the crisis we are experiencing, and the rise in poverty which is its inevitable consequence, was seen by the groups as the result of mistaken choices which need to be corrected and which stemmed from an exercise of power which for far too long has failed to include social justice and full respect for human dignity among its priorities.

Subsequently, the analysis of the challenges which societies based on human rights have to address was extended to encompass the intolerable processes of privatisation and waste of the resources which are essential to a dignified life, and the injustices which public institutions run the risk of exacerbating by moving further away from their prime duty of preserving the peace and well-being of all citizens.

Part I of this guide begins with an analysis of the inequalities in wealth distribution and of their effects in terms of insecurity and rising poverty (Chapter 1); it then looks at the negative consequences of all forms of categorisation, leading to exclusion, ghettoisation and social stratification (Chapter 2); lastly, it lays the foundations for new anti-poverty strategies, exploring the issue of the various forms of social interdependence, offering a different interpretation of the concepts of development, efficiency and security (Chapter 3).

Following on from this overview of the problems and reference concepts, Part II takes a detailed look at current trends in Europe. It makes a critical analysis of the way in which poverty is generally defined and measured (Chapter 1); it highlights the contradictions between the promotion of human rights (Chapter 2), democracy (Chapter 3), and the reality of the contemporary situation in which rising inequalities put paid to any prospect of genuine social cohesion; it explores the “irrationality” of the current management of material and non-material resources (Chapter 4); and lastly, it shows the errors of the taxation and redistribution policies pursued in most European countries in terms of their lack of progressivity in order to ensure social justice (Chapter 5).

All this analysis was carried out with one constant question in mind: what is the answer to the dramatic situation of poverty and impoverishment in Europe, where hope and confidence appear to have been exhausted, where supposedly inviolable rights are increasingly being called into question and where societies are fragmented by manifestations of intolerance and xenophobia, further adding to the isolation of the weakest?

There is no simple solution. But it is possible to redefine the goal we must strive for if human dignity is to be upheld and protected, in all contexts and in all circumstances.

Fully aware that the positive, constructive part of any approach is often the most difficult, the experts taking part in the project sought to lay the foundations of a new strategy to combat poverty and inequalities and to come up with concrete proposals for the measures to be taken.

Part III of this guide therefore begins with a new definition of poverty (Chapter 1), taking into account:

- the idea of the interdependence between social categories, dismissing all forms of criminalisation and stigmatisation of the most disadvantaged;

- the idea of equal access to resources guaranteeing collective “security”;
- the objective of the well-being of all, which requires us to move away from a targeted and condition-oriented approach and which must be pursued in accordance with the context, putting in place genuinely inclusive democratic processes.

The new strategy to combat poverty and inequalities (as redefined here) is based on reference concepts of a new type – “shared social responsibility”, “common goods” – which the guide explores in detail and which provide the opportunity to take a fresh look at the role of public institutions (Chapter 2).

Lastly, the final section puts forward a series of concrete proposals giving substance to this new strategy (Chapter 3). These proposals are divided into three groups, according to the macro-objectives to be achieved. These are:

- effective exercise of human rights and inclusive democratic processes, having a tangible impact;
- equitably shared access to material and non-material resources classified as common goods, in which the need to avoid waste is taken fully into account;
- material security guaranteed for all, through the introduction of progressive taxation to promote social justice.

The proposals put forward by each of these groups are closely interconnected. Although some might be longer-term, none are utopian: all could genuinely be put into practice.

The meaning of this work is clear: we can and must do better to combat poverty and inequalities, for ourselves and for future generations. It is not a question of being charitable towards the weaker sections of society, nor of responding to social tension by criminalising or victimising part of the population. What is at stake is the future of our societies, the need to give priority once again to protecting the dignity of all citizens in Europe. We have to reduce the disparities and injustices that are undermining community life and whose consequences in terms of violence and devastation could prove to be incalculable.

This collective work offers avenues to be explored in order to do what is necessary to bring about social justice and to lend support – by means of the data, theories and practical examples given in this guide – to the initiatives already taken by citizens who refuse to believe that the current state of affairs is beyond redress and who call for the recognition of common goods, respect for rights, a fight against waste, and the sharing of resources. Accordingly, we hope that this guide will be widely read, advance discussions on this question and open up avenues to combat poverty and inequalities more effectively, and move further along the path towards well-being for all.

# **Part I**

**The causes and consequences  
of poverty in Europe today:  
in search of a new approach**

# I. The fight against poverty or inequalities?

1960



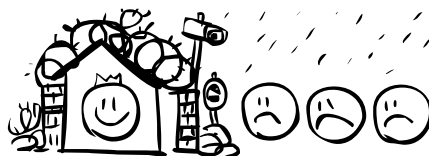
1980



2000



2020



## 1.1. A few words of introduction on the question of poverty

If we are to address the question of how best to combat poverty and protect human dignity in 21st century Europe, we must first of all define what poverty is and what it represents in the Europe of today.

A multitude of definitions exist for the concept of poverty, based on numerous parameters. However, in recent years an ever-growing number of people have been affected by this phenomenon, including certain groups of people who previously thought they were sheltered from it. Therefore it is increasingly difficult to grasp the essence of contemporary poverty in Europe.

Alongside poverty as commonly defined, we must today consider the processes of impoverishment, the erosion of employment and economic security, and the downward adjustment of the standard of living shared by a growing number of Europeans, including the middle classes. Until a few decades ago, being poor meant primarily not having a job. Today, in view of the increase in the working poverty, there is an unprecedented shift in the link between work and standard of living: the arduousness of work no longer brings with it the certainty of emancipation.

The result is the loss – for an ever-larger number – of economic independence, which enabled people to feel that they were able to make choices and be full players in society. This is giving rise to a “malaise of dispossession” which, as its victims are unable to understand its very origins, can be expressed as a “war among the poor”.

In order to understand impoverishment, we need to look at the exponential rise in inequality between the extremes of

society. In a context of increasingly unequal distribution of resources, rather than a lack of resources, the interdependence between social classes tends to take the form of transfers of wealth from the bottom to the top, rather than the other way around, as Luciano Gallino<sup>1</sup> and other writers have shown. The rise in poverty also comes about through legal means, for example by means of a tax system that is supposed to provide resources to be distributed but actually serves to ensure the growing concentration of those resources at the top.

In this sense, this guide views poverty from a systemic and relational perspective, going beyond the definitions of poverty as an individual problem. Today's mechanisms of producing social injustice through legal means – and the feeling of frustration that this engenders among European citizens – are undermining the foundations and values on which rest decades of democracy and human rights. In Part II we take a critical look at approaches that treat those living in poverty as criminals or that seek to victimise them, and in Part III we put forward the concept of shared social responsibility to replace that of individual responsibility.

## 1.2. From “how to get poverty off our conscience” to “how to push the greatest number into poverty”

The “Art of ignoring the poor”, to quote the famous phrase of John Kenneth Galbraith,<sup>2</sup> is not a new one. Ancient Greece had already developed strategies to try to justify inequalities in wealth distribution, so as to counteract the discomfort the rich always feel when they live side by side with the poor, in the same society. As Galbraith showed, the first liberal theory made a quantum leap in this approach. Poverty was no longer viewed as a pathological factor to be overcome, instead becoming a positive element, the crucial stimulus for economic growth. In other terms, there was a shift from an approach that sought to hide the problem of poverty to one that emphasised its positive role and necessity.

In the late 19th century, Émile Durkheim caused a sensation when he claimed that crime was something normal and that it had a role to play in social cohesion. Two hundred years earlier, Adam Smith had argued, without giving rise to the same uproar, that poverty was a functional part of the development of the economy and well-being. He maintained that general well-being derived from the desire we all share to increase our wealth in order to improve our living conditions, or in other words, from the greed of the rich and the poor's desire to escape need. Smith argued that the market, through its ability to allocate resources in the best possible way, could perform this miracle. The market, which guided private interests and passions, led individuals to channel their resources towards what was most beneficial to society: as soon as they realised that a particular type of investment was not profitable, they looked elsewhere. Through the market, men would naturally be driven by their own interest and their passions to allocate the resources available to a society as closely as possible to what, from an theoretical point of view, was best for society as a whole.

Belief in the functionality and moral nature of the way the market operates, which is still widely prevalent, leads to the following view: when everyone is allowed to follow their own interest, then the material well-being of the whole of society improves. In this context, poverty is seen as a key driving force for improving living conditions in society as a whole and for each individual member: it is the stimulus that drives all people to roll up their sleeves and produce things to sell on the market, thereby making everyone richer, with more goods at their disposal. For, if desire is indeed the driving force for a market that is intended to enable everyone to become richer, or rather to make the rich richer and the poor less poor, poverty also plays a role by driving those experiencing it to accept jobs and make sacrifices that, even though they give rise to remuneration, may be unbearable from a well-being perspective since clearly the attractiveness of paid employment decreases when wages are reduced and pressure and stress increase.

This approach prevailed in the West during the last two centuries and has made a striking comeback over the last three decades. And it does not appear to be on the wane, despite the serious economic decline that the world has been experiencing in recent years. Even though it does not, strictly speaking, advocate ignoring poverty, as Galbraith says, this approach encourages poverty to be viewed not as a political or social problem, but as a purely individual one. Viewed in this way, the fact that there are people experiencing poverty simply means

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1 Gallino L. (2012), *La lotta di classe dopo la lotta di classe. Intervista a cura di Paola Borgna*, Editori Laterza, Rome.

2 Galbraith J.K. (2007), “De l'art d'ignorer les pauvres”, “Les droites au pouvoir”, *Manière de voir, Le Monde diplomatique*, No. 95: 54-57.

that there are people who are unable (or who do not work enough) to take advantage of the opportunities offered by the market. In this cultural (and, we might add, ideological) context, anti-poverty policies seek merely to assist individuals who are kept, by market mechanisms, in a situation of exclusion, and therefore of poverty, even where they are ready to accept low wages and difficult working conditions, fully aware that job insecurity and competition between individuals are driving wages down. In contrast, such policies deliberately exclude all forms of assistance to “undeserving poor” people who refuse to accept such conditions. The latter do not deserve help and indeed should even be punished since their refusal to accept the conditions of the labour market, and therefore to be productive, is a barrier to the potential enrichment of society as a whole. This “functionalisation” of poverty is summed up in the idea, widespread in recent years, that the rich are more enterprising, invest and spend more if they pay less tax,<sup>3</sup> and people experiencing poverty are more willing to work (if their laziness is not properly addressed) when they are given less or indeed no assistance. This tends to negate any redistributive policy.

The history of the last two centuries has revealed the error of this reasoning. Recent developments have once again dramatically shown that when policies designed to contain and regulate the market are relaxed, there is an impressive process of polarisation and wealth concentration. However, let us put this to one side for the moment, and consider the following: even if we accept “Smith’s hypothesis” – to call it that for convenience’s sake – that the market is the best means of distributing wealth in a socially advantageous way, there is no escaping the fact that this distribution has unacceptable social and political costs. Because, as the advocate of this theory clearly saw, the optimum allocation of resources has a cost – the negation of the personality and dignity of those obliged to accept worsening wages and working conditions. It is a fact, but an unspoken one, that Smith had no problem acknowledging that unskilled work destroyed know-how and that individuals who were obliged to accept such work condemned themselves to forgoing all personal development.<sup>4</sup>

As Alexis de Tocqueville, another noble proponent of liberal thought, acknowledged some years later, if, by relying on the market for resource allocation, it is in practice possible to achieve the best possible distribution, then one also creates the conditions whereby the individual:

no longer belongs to himself, but to the calling which he has chosen. It is in vain that laws and manners have been at the pains to level all barriers round such a man, and to open to him on every side a thousand different paths to fortune; a theory of manufactures more powerful than manners and laws binds him to a craft, and frequently to a spot, which he cannot leave: it assigns to him a certain place in society, beyond which he cannot go: in the midst of universal movement it has rendered him stationary<sup>5</sup>

Almost two centuries later, the situation has become worse. Very often, people are no longer engaged in a commercial relationship but find themselves, in ever increasing numbers, locked in a form of marginality. Against a backdrop of growing economic relations and accelerated movements of goods and capital made possible by technical progress, high-speed transport and the revolution in information technology, the lives of citizens appear to slip down the list of priorities of contemporary societies, where the imperatives of the market each day encroach further on the sphere formally assigned to regulation policies.

In this context, the prospect of widespread poverty would appear to be incorporated into socio-economic forecasts as a “normal” starting point. Greece today provides us with a perfect illustration of this. Poverty is once again seen as being necessary for the functioning of societies, as in Smith’s theory, but this time in a new version: to ensure market performance it is not enough for a marginalised section of society to live in poverty; a growing proportion of the population, individuals and whole families, must change their habits and accept a deterioration in their living conditions. And at the same time, the scope for negotiation between the rationale of the economic system and human needs is constantly shrinking.

In such a scenario, states are supposed to comply with approaches and obligations that, as each day passes, move further and further away from their initial mission, to ensure the well-being of their citizens. Reforms that might in principle be appropriate, such as the introduction of a budgetary balance requirement in European constitutions, seem to have as their “natural” consequence the requirement for the population, already suffering the consequences of the

3 One example: the Danish national reform programme (May 2011) suggests that the 2009 tax reform, which lowered the upper marginal income tax rate, meaning that “some 350 000 tax payers will no longer be paying this rate”, should create approximately 19 000 full-time workposts, although it does not specify how this reduction will automatically help the employment situation. Available at [http://ec.europa.eu/europe2020/pdf/nrp/nrp\\_denmark\\_en.pdf](http://ec.europa.eu/europe2020/pdf/nrp/nrp_denmark_en.pdf).

4 Smith A. ([1776] 1981), *An inquiry into the nature and causes of the wealth of nations*, Liberty Fund, Indianapolis.

5 Tocqueville A. (de) ([1840] 2005), *Democracy in America*, The Echo Library, Fairford (UK), pp. 441-42.

crisis, to make new sacrifices and do with less and less. Such measures run the risk of preventing the use of public money to finance non-commercial services that do not generate financial gain. But quality of life cannot be measured on the stock market or in terms of GDP, and any use of public finances to safeguard this aspect without addressing the needs of the population presupposes an undermining of social protection systems, and a failure to take into account collective goods and lower wages. Henceforth, even those in paid employment (that is, those unaffected by the phenomenon of the working poor) can no longer be sure of being shielded from poverty; the social allowances are no longer a right but have become rare commodities.

The boundaries between groups in poverty and groups not in poverty, in particular within the working classes, are becoming more and more blurred. The approach of creating a division between the deserving poor and the undeserving poor is changing. Europe is not only undergoing a profound transformation of structures and class relations, but is also seeing a large proportion of the population being affected by economic insecurity.

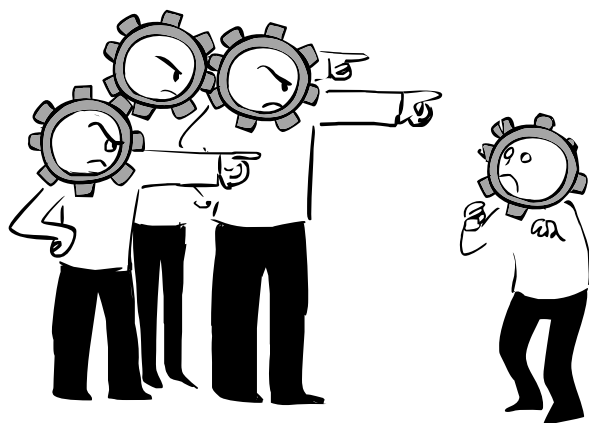
For all these reasons, we can no longer truly say that poverty is solely seen as an individual problem and that people experiencing poverty are considered to be themselves to blame for their situation. How could this be the case when more than 100 million people in Europe run the risk of falling into poverty?

What is true, however, is that poverty is not dealt with as a political and social issue in the way it deserves to be. Today, poverty is publicly defined as a collateral systemic effect, to be assessed in terms of costs and benefits, to be addressed, where this is possible, without making any changes to the conditions that caused it in the first place, and by following an approach that could not be any further from the principles of social justice, social cohesion and equity.

If we are to properly address the question of poverty, we need to acknowledge that it is one of the consequences of specific forms of social and economic interdependence, established and modified by political decisions. Without taking into account the increase in inequality and the mechanisms that give rise to this, it is impossible to make a serious analysis of contemporary poverty. Until we do this, we would merely be undertaking yet another study on poverty, just like thousands of others that have done nothing to eradicate poverty. This is why the following section will focus in greater detail on inequalities.

### 1.3. The unequal distribution of wealth and its consequences: economic uncertainty and proliferation of poverty

#### ► Growing poverty and income inequality

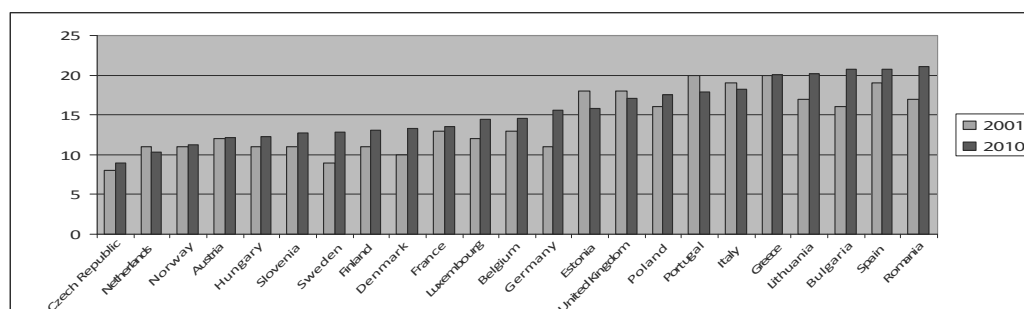


Since the early 2000s, poverty in terms of income has affected a growing number of people in Europe. The key indicators in this field show that it has particularly increased in the Scandinavian countries, certain new European Union member states, such as Romania and Bulgaria, and in Germany, Spain and Belgium (Figure 1). In all, it is estimated that within the European Union there are more than 115 million people who risk falling into poverty or social exclusion. In Russia, in 2009 the proportion of the population with an income below the national subsistence minimum<sup>6</sup> was 13.2%, that is, almost 19 million people.<sup>7</sup>

6 In Russia, the official evaluation of the poverty level is obtained from income distribution modelling rather than from the results of household surveys. See: Prokofieva L. (2012), "Social justice and poverty in Russia", in *Redefining and combating poverty – Human rights, democracy and common goods in today's Europe*, Trends in social cohesion No. 25, Council of Europe Publishing, Strasbourg.

7 Ibid.

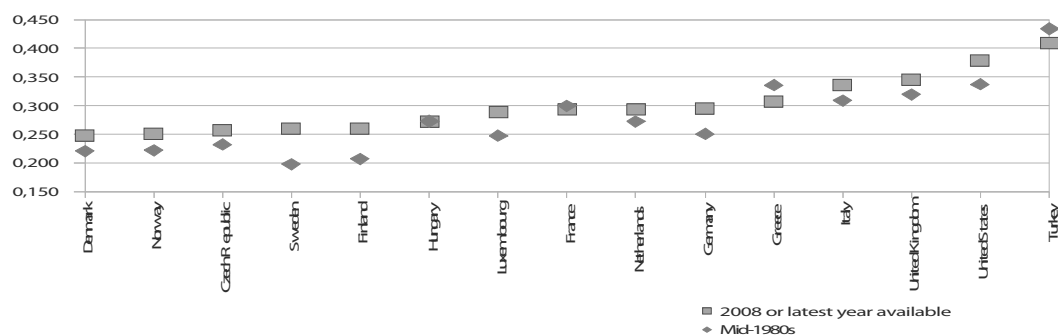
**Figure 1: Trends in the poverty rate in terms of income (threshold of 60% of median income) between 2001 and 2010**



Source: Eurostat, At-risk-of-poverty rate by poverty threshold, age and sex [ilc\_li02]

In parallel, there has been an increase in income inequalities. These rose between the mid-1980s and the late 2000s in European countries where inequalities were traditionally relatively weak: in the Scandinavian countries, particularly Sweden and Finland; in new EU members such as the Czech Republic; and also in the Netherlands, Germany, Italy and the United Kingdom. The Gini coefficient<sup>8</sup> fell in only two countries that initially had very high levels of inequality – Turkey and Greece. However, despite falling over the last 20 years, they remain much higher than in the Scandinavian countries (Figure 2).

**Figure 2: Trends in the Gini coefficient between the mid-1980s and the late 2000s**



Blue rectangle: The reference year is 1985, except for Sweden (1983), the United States, France and Italy (1984), Finland, Luxembourg and Norway (1986), Greece (1988), Hungary (1991) and the Czech Republic (1992).

Red diamond: 2007 for Denmark, Hungary and Turkey, and 2008 for other countries.

Source: OECD (2011d), *Divided we stand: why inequality keeps rising*, OECD Publishing, Paris

Other indicators also reflect the level of income inequality in Europe. In the late 2000s in Denmark and various post-socialist countries such as Slovenia and the Czech Republic, the richest decile of the population had an income roughly five times higher than that of the poorest decile. The figure was more than seven times higher in Greece, in certain countries in continental Europe such as Switzerland, Germany, the Netherlands and France, in new EU member states such as Estonia and Poland, and in countries in northern Europe such as Norway and Iceland. In the United Kingdom and countries such as Portugal, Spain and Italy where inequalities were at their most glaring, the income of the richest decile was ten or eleven times higher than that of the poorest.<sup>9</sup>

<sup>8</sup> The Gini coefficient is the indicator most often used to measure the level of distribution inequalities. The higher the coefficient, the greater the inequality. If it reaches a value of 1, this means that all income is concentrated in the hands of a single person. In contrast, a coefficient of 0 would mean absolute income equality. In most European countries, the Gini coefficient has increased.

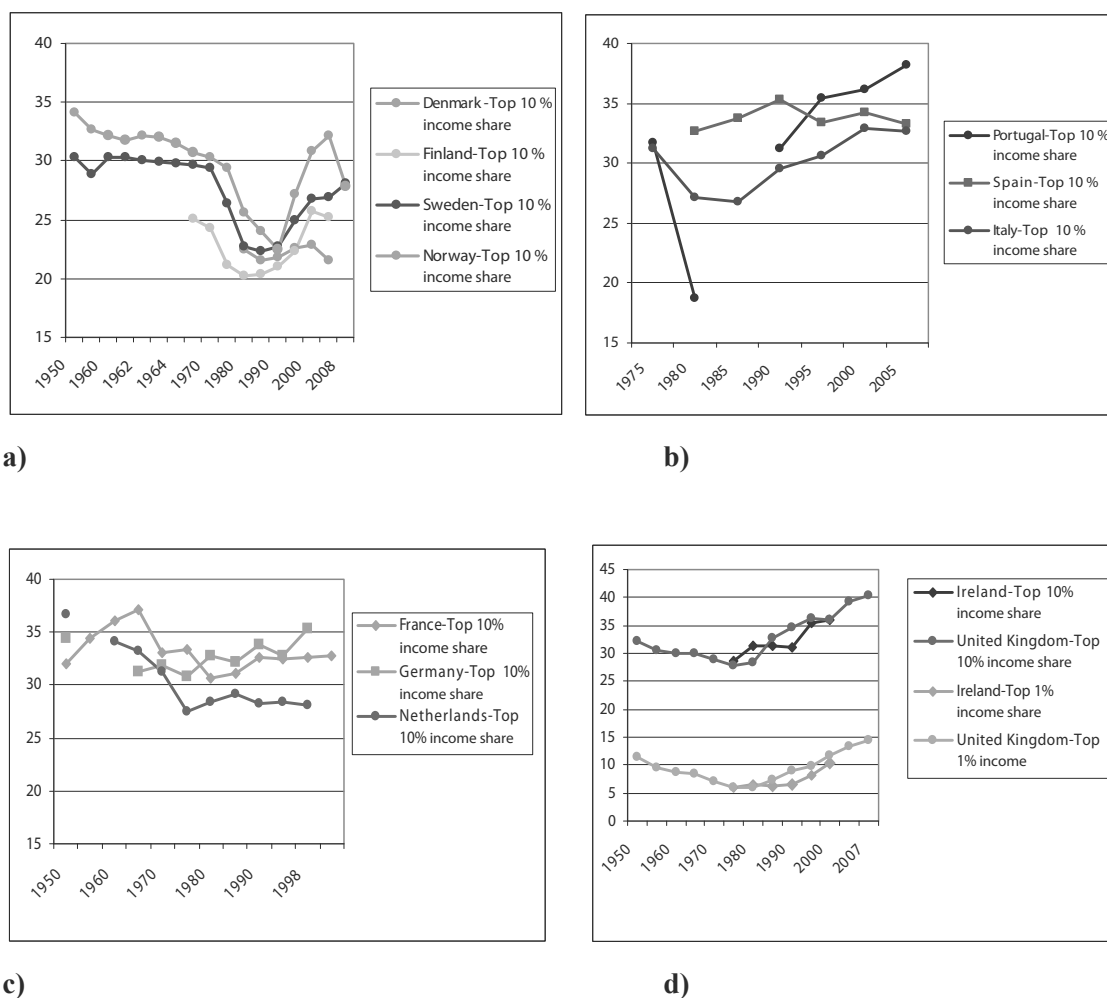
<sup>9</sup> United Kingdom 1:11.7 and Spain 1:11.9, in OECD (2011d), *Divided we stand: why inequality keeps rising*, OECD Publishing, Paris.



## ► Concentration of income among the highest paid

For almost a decade, some researchers<sup>10</sup> and policy makers<sup>11</sup> have shown growing interest in studying high incomes. These studies show trends in the income share of the wealthiest and offer partial insight into wealth concentration. The figures available show that the income share of the highest paid fell significantly up to the late 1970s in most European countries, but that from the 1980s this trend was reversed, according to the statistics of European countries for which data are more readily available.<sup>12</sup> In the early 1980s, the Scandinavian countries had the least pronounced concentration of income, although almost a quarter of total revenue was concentrated in the highest paid 10%. Since then, the income share of the wealthiest has risen considerably (Figure 3a). In the early 2000s in Sweden, more than 30% of total revenue was concentrated in the highest paid 10%.

Figure 3: Income share of the top 10% (and the top 1% in the UK and Ireland)



Source: "The world top incomes database", based on the studies of F. Alvaredo, T. Atkinson, T. Piketty and E. Saez, op. cit.

There has also been a rise in the income of the wealthiest in south-west Europe (Figure 3b) and to a lesser extent in countries such as Germany and France, where the concentration of wealth has always been high (Figure 3c). In Portugal the rise has been particularly significant, making it one of the EU countries with the highest concentration of income. However, the increase has been the most pronounced in the United Kingdom and Ireland (Figure 3d). In 2007 in the UK, more than 40% of overall income was concentrated in the wealthiest 10%,

10 Particularly since the publication of the studies on this subject by Anthony Atkinson, Thomas Piketty and Emmanuel Saez, among others. See, for example Piketty T. and Saez E. (2003), op. cit.

11 On 5 and 6 December 2011, the European Commission held a high-level conference on Inequalities in Europe and the Future of the Welfare State, with many contributions focusing on the issue of high incomes.

12 Data collected on the website "The world top incomes database", based on the work of F. Alvaredo, T. Atkinson, T. Piketty and E. Saez, available at [g-mond.parisschoolofeconomics.eu/topincomes/](http://g-mond.parisschoolofeconomics.eu/topincomes/), accessed 13 December 2012. The data used come from the tax authorities and do not include capital gains.

the highest concentration level in that country since the beginning of the 20th century. In that same year, 1% of the population accounted for 15% of income, 10% more than in the late 1970s. Such findings make one wonder about future developments and the consequences that this will entail.<sup>13</sup>

### ► Inequalities in the distribution of wealth and capital income

In order to have a clearer picture of wealth distribution within a society, we also need to take into account inequalities of assets (material and financial) – in other words, to focus on a household's net worth. Data on assets show that in several European countries there is a much more unequal distribution than in the case of income. While the Gini coefficient remains below 0.40 in measuring income inequality in countries such as Finland, Sweden, the United Kingdom, Italy and Germany, it easily goes beyond that threshold in the case of asset inequalities. Data collected by the Organization for Economic Co-operation and Development (OECD)<sup>14</sup> show, for example, that in the early 2000s, 10% of the population in Germany and Sweden owned more than 50% of national net worth.

Table 1: Distribution of household net worth, early 2000s

Statistics source	Finland	Germany <sup>15</sup>	Italy	Sweden	United Kingdom
	HWS 1998	SOEP 2002	SHIW 2002	HINK 2002	BHPS 2000
Positive net worth	83	63	89	68	82
Nil net worth	2	29	7	5	6
Negative net worth	15	9	3	27	11
Top 10%	45	55	42	58	45
Top 5%	31	38	29	41	30
Top 1%	13	16	11	18	10
Gini coefficient	0.68	0.8	0.61	0.89	0.66

Source: OECD (2008), "Growing unequal? Income distribution and poverty in OECD countries", OECD Publishing, Paris. Available at [dx.doi.org/10.1787/423884073432](https://dx.doi.org/10.1787/423884073432)

The concentration of assets is also reflected in the distribution between types of income received. According to a study carried out by the OECD in 2011,<sup>16</sup> the proportion of financial income in households' global revenue increased in most of the organisation's member states. However, unsurprisingly, this rise is to be seen primarily among the wealthiest in the population, who own the most assets. The same is true of income from real estate, with the benefits being seen primarily amongst those who own the most. The rise in the financial income share of overall revenue is particularly visible in the Scandinavian countries, but can also be seen in other countries in Europe, such as France, Germany and to a lesser extent, the Netherlands and the Czech Republic.

13 Ibid.

14 OECD (2008), *Growing unequal? Income distribution and poverty in OECD countries*, OECD Publishing, Paris.

15 Most financial assets and non-housing debt are recorded only for values exceeding €2 500.

16 OECD (2011a), *An overview of growing income inequalities in OECD countries – Main findings*. OECD Publishing, Paris, available at [www.oecd.org/social/socialpoliciesanddata/49499779.pdf](http://www.oecd.org/social/socialpoliciesanddata/49499779.pdf), accessed 13 December 2012.

## Inequalities and wealth in Germany<sup>17</sup>

In Germany, income distribution is becoming more unequal. Between 1991 and 2007, the share held by the upper decile rose from 20.7% to 24%, and that of the five lowest deciles fell from 32.9% to 30.6%.<sup>18</sup>

In order to understand this trend, we need to look at income sources. The following table clearly shows that the share of capital income (corporate profits, self-employment income and financial assets) is growing at the expense of earned income.

Table 2: Distribution between earned income and capital income in Germany

Earned income and capital income before and after redistribution, 1991-2007		
	1991	2007
Gross earned income	71,00%	64,30%
Disposable household earned income	48.10%	41.00%
Gross capital income	29.00%	35.70%
Disposable household capital income	29.80%	34.10%

Source: Destatis, Schäfer, *Zukunftsgefährdung statt Krisenlehren – WSI-Verteilungsbericht 2010*, Wirtschafts- und Sozialwissenschaftliches Institut (WSI) der Hans-Böckler-Stiftung, Düsseldorf, 2010 accessible sur : [http://www.boeckler.de/pdf/wsimit\\_2010\\_12\\_schaefer.pdf](http://www.boeckler.de/pdf/wsimit_2010_12_schaefer.pdf) ,, p. 638

The increasing share of capital income in national income reflects the changes in the composition of the assets of the upper deciles: the share of earned income is decreasing, while the capital income share is increasing.<sup>19</sup> This is also a consequence of the negotiations on a wage freeze in key production sectors. Furthermore, while national wealth (which includes all financial assets, tangible assets and basic commodity property) doubled between 1991 and 2007, indebtedness continues to grow, although at a slower rate during the 2000s.<sup>20</sup>

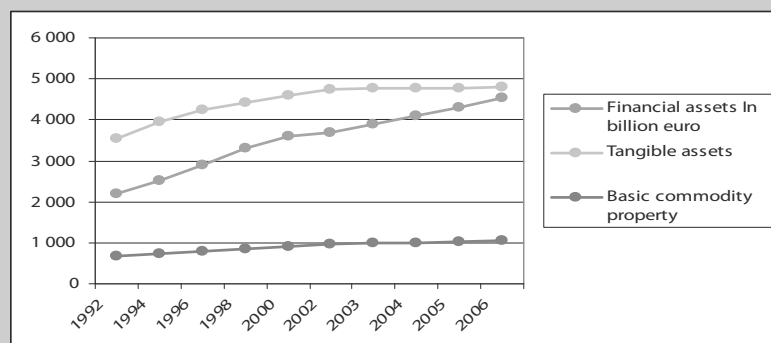
while the lower 7 deciles owned 9% of all assets. Forty percent of society owned nothing or only very little. Moreover, between 2002 and 2007, only the assets of the top decile had increased while the assets of each of the 9 lower deciles had decreased. This tendency is also shown by the Gini coefficient for asset distribution, which increased from 0.777 in 2002 to 0.799 in 2007.<sup>21</sup> Property and inheritance therefore play a key role in wealth inequalities.

In 2007 the wealthiest decile owned 61.1% of all assets (the wealthiest 1% owned 23% of all assets),

The composition of assets is changing, as dividends grow in importance. All types of assets (financial assets, business assets and basic commodity property) have increased over time, but not all to the same extent.

Figure 4: Wealth development in Germany, late 2000s.

(assets of private households in absolute figures)



Source: German Federal Bank (2008), Allianz Dresdner Economic Research, Bundeszentrale für politische Bildung (ed.): *Zahlen und Fakten. Die soziale Situation in Deutschland. Einkommen und Vermögen*, Bonn.

17 Extract of Scholz A. (2010), "Social inequalities and redistribution", report drafted in the framework of the Council of Europe project "Human Rights of People Experiencing Poverty".

18 Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung (2009), *Jahresgutachten 2009/2010. Die Zukunft nicht aufs Spiel setzen. Analyse zur Einkommens- und Vermögensverteilung in Deutschland*, p. 316.

19 Corneo G. (2008), *Einkommenskonzentration in Europa*, available at [www.wiwi.fu-berlin.de/institute/finanzen/corneo/dp/EinKonz.pdf](http://www.wiwi.fu-berlin.de/institute/finanzen/corneo/dp/EinKonz.pdf), accessed 13 December 2012.

20 Federal Ministry of Finance (2010), *Datensammlung zur Steuerpolitik Ausgabe 2010*, Berlin. National wealth, after subtracting payables, doubled between 1991 and 2007 from €4 746.3 billion to €9 532.1 billion.

21 Frick J.R. and Grabka M.M. (2009), *Gestiegene Vermögensungleichheit in Deutschland*, Deutsches Institut für Wirtschaftsforschung, Wochenbericht des DIW Berlin No. 4/2009.

Financial assets – the only assets that increased their share over time – changed their composition during this period: while bank deposits decreased from 48.5% in 1990 to 33.9% in 2006, the share of securities grew from 22.5% to 35.1% and the share of insurances grew from 21.6% to 25.5%.<sup>22</sup> Securities have accounted for a growing share of financial assets, as a result of a tax system that is favourable to such income, but their distribution is unequal.

Social mobility, as measured by mobility in earnings, was relatively weak in Germany in the mid-2000s: covering a three-year period, a fairly large proportion

of people remained in the same income quintile. Based on the SOEP (German Socio-Economic Panel Study), the OECD gives for the three bottom quintiles values close to the average of 17 OECD countries; however, for the two top quintiles values are among the highest.<sup>23</sup> A comparison of mobility in earnings in 1992/1995 and 2004/2007 shows that mobility in earnings is decreasing, especially at the upper and the lower margin of the income spectrum. This means that for people in the lower income group, it becomes increasingly difficult to improve their situation, while for the rich it becomes more likely to keep their social position.<sup>24</sup>

Clearly, income inequalities do not depend solely on market forces; redistribution by the state – via primarily social transfers, taxation and public services – also has its role to play. We need to measure the impact of direct taxation and transfers on the level of inequalities and poverty, and the impact on equality of public investment in education, health care, housing, and so on. However, the figures given above suffice to show that in European societies inequalities in income and assets are increasing.

### ► A rise in insecure living conditions: insecurity and the working poor

The definition of insecurity (or the lack of basic security) adopted in several official documents, in particular in the texts produced by the European Parliament<sup>25</sup> and the European Commission, echoes the definition proposed in 1987 by Joseph Wresinski, the founder of ATD Fourth World:

A lack of basic security is the absence of one or more factors that enable individuals and families to shoulder their basic responsibilities and to enjoy their fundamental rights. Such a situation may become more extended and lead to more serious and permanent consequences. Extreme poverty results when the lack of basic security simultaneously affects several aspects of people's lives, when it is prolonged and when it severely compromises people's chances of regaining their rights and of reassuming their responsibilities in the foreseeable future.<sup>26</sup>

Insecurity is a complex condition. Several factors may add to it: unstable employment (job insecurity), the lack or inadequacy of social protection (lack of status), and the lack of regular income.<sup>27</sup> The resulting insecurity may be material, economic, status-related or legal, not to mention related to the burden of stigmatisation and loss of social dignity.<sup>28</sup>

More generally, it involves a feeling of insecurity, a fear of what the future might hold.<sup>29</sup> However, this feeling is not confined to a particular section of the population. Zygmunt Bauman believes that fear of the future is a feature of industrialised (and today financialised) societies.<sup>30</sup> Apart from the few “winners” at the top of the social scale, it is the whole of society that fears losing tomorrow what they have today, since neither a job, one's income nor even legal status can be guaranteed to last forever. Consequently, it is the vast majority who, because of this insecurity, are now to a certain extent in an uncertain and fragile situation.

Several factors, particularly the political and economic choices that have been made, have led to this widespread situation of insecurity.

22 Bundeszentrale für politische Bildung (2008), *Zahlen und Fakten. Die soziale Situation in Deutschland. Einkommen und Vermögen*, BPB, Bonn. Available at [www.bpb.de/files/JYRIHO.pdf](http://www.bpb.de/files/JYRIHO.pdf), accessed 13 December 2012.

23 OECD (2008), op. cit.

24 Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung (2009), op. cit.

25 European Parliament, Report of 15 January 2002, EP 305.708, A5-0009/2002, on illiteracy and social exclusion (2001/2340(INI)). Available at [www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A5-2002-0009+0+DOC+XML+V0//EN#\\_part5\\_def2](http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A5-2002-0009+0+DOC+XML+V0//EN#_part5_def2), accessed 13 December 2012.

26 Wresinski J. (1987), “Grande pauvreté et précarité économique et sociale”, *Journal officiel*, Paris, p. 14.

27 Cingolani P. (2005), “La Précarité”, coll *Que Sais-Je ?*, Presses universitaires de France, Paris.

28 Thomas H. (2010), “Les vulnérables, La démocratie contre les pauvres”. Available at [www.reseau-terra.eu/article933.html](http://www.reseau-terra.eu/article933.html), accessed 13 December 2012.

29 Council of Europe (2007), *Reconciling labour flexibility with social cohesion – The experiences and specificities of central and eastern Europe*, Trends in Social Cohesion No. 17, Council of Europe Publishing, Strasbourg, available at [www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/Trends/Trends-17\\_en.pdf](http://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/Trends/Trends-17_en.pdf), accessed 13 December 2012.

30 Bauman Z. (2005), *Liquid life*, Polity Press, Cambridge.

In the present context, for example, work is seen as a production factor, the cost of which must be reduced. This approach, which pays no heed to the consequences it has on the standard of living and working conditions of employees, has led to a deterioration of working conditions. It involves paying only for the time that is worked, and, because of insecurity and lack of wage continuity, keeping workers in a state of subordination.<sup>31</sup> It is very difficult for alienated workers, competing with each other and fearing that they could lose their job at any time, to assert their rights.

In 2009, 8.4% of those in employment were living below the relative poverty threshold,<sup>32</sup> through lack of sufficient income. Wage income inequalities are first and foremost linked to the considerable differences in hourly wages,<sup>33</sup> and aggravated by inequalities in working time – part-time work has increased significantly over the last 10 years: from one sixth (15.9%) of total employment in the European Union in the late 1990s, to one fifth (20%) in 2010.<sup>34</sup> Recent OECD studies have highlighted the impact of part-time work and self-employment on employment income inequalities: the impact is particularly significant in the United Kingdom and Ireland, but is also felt in Poland, Luxembourg, Germany, the Netherlands and France.

A growing number of workers are also affected by the marked increase in fixed-term contracts. In the European Union, the percentage of workers under such contracts rose from 11.8% of the working population in 1999 to 14% in 2010.<sup>35</sup> Added to this job insecurity is another kind, specific to immigrant workers in an irregular situation, whose uncertain administrative status obliges them to accept poorly paid and often dangerous jobs. Examples are the farmworkers employed in Andalusia (Spain),<sup>36</sup> in the Rhône valley (France),<sup>37</sup> Apulia (Italy)<sup>38</sup> and many other regions of Europe. Studies have shown that thousands of them work in conditions that endanger their health, for wages that fall well below the statutory minimum in the host country.

The expansion of temporary work and short-term contracts calls into question many of the social gains that have been won. Competition between workers on short-term contracts (temporary or fixed-term) and those on permanent contracts leads to a levelling down of working conditions to the lowest common denominator, to the detriment of employees. In the Fiat factory in Pomigliano d'Arco in Italy, for example, it has enabled employers to impose accelerated production conditions – first of all on temporary workers, and subsequently on all employees.

This also applies to workers who are in an irregular administrative situation: competition between the “undocumented” and “nationals” once again leads to a levelling down of working conditions. Is there not ultimately a risk that this lack of security will spread to the whole of European society?

#### The new social classes in today's crisis<sup>39</sup>

During the globalisation era, a process of class fragmentation took place that has posed a set of challenges for democratic governance. At the top, in terms of income, alongside traditional representatives of capital, an elite of absurdly affluent and powerful figures emerged as global citizens, able and eager to influence governments wherever they could. For several decades, the elite, stretching from the multi-billionaires in Silicon Valley to the oligarchs in Russia and Ukraine, encompassing the

hedge-fund managers, property tycoons and so on, have dominated political discourse. No prospective prime minister or president in a European country has risked offending them, and almost all politicians rush to court them. This elite is effectively detached from any nation state and, unless it favours their long-term interests, is detached from national or local democracy. From time to time, one of their ilk falls foul of the law. But curbing their collective political and economic power should be a central objective of any democratisation. If the re-embedding phase of the global transformation

31 Cingolani P. (2005), op. cit.

32 Eurostat, *In-work at-risk-of-poverty rate by age and sex*. Available at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_iw01&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw01&lang=en), accessed 13 December 2012.

33 OECD (2011d), op. cit.

34 Eurostat, *Persons employed part-time*. Available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tps00159&plugin=0>, accessed 13 December 2012.

35 Eurostat, *Employees with a contract of limited duration (annual average)*. Available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tps00073>, accessed 13 December 2012.

36 Hellio E. (2008), “Des mains délicates pour des fraises amères”, le GISTI, *Plein droit*, No. 78, October 2008, available at [www.gisti.org/spip.php?article1286](http://www.gisti.org/spip.php?article1286), accessed 10 December 2012.

37 Decosse F. (2008), “Le nouveau serf, son corps et nos fruits et légumes”, le GISTI, *ibid*.

38 Leogrande A (2008), *Uomini e caporali*, Arnoldo Mondadori, coll. Strade Blu, Milan; Médecins sans Frontières (2005), “I frutti dell'ipocrisia. Storie di chi l'agricoltura la fa di nascosto”, March 2005.

39 Taken from Standing G. (2011a), “The interdependency of democracy and social cohesion: strengthening representation and democratic participation through public dialogue and civic engagement”, Issue Paper for Working Session 1B, Council of Europe, Strasbourg.

is to occur, it will be about re-regulating in favour of new forms of social solidarity, about reconstructing social protection in favour of the emerging mass class in the economic system and about redistributing the key assets in favour of it, as a way of reversing the historically remarkable growth of inequalities in the globalisation era.

In terms of income, wealth and political influence, the group that is below the elite and other representatives of financial and productive capital is the *salariat*, those with above-average incomes, but also with a wide array of enterprise benefits and long-term employment security. This group is shrinking and is under fierce attack, affected by the financial crisis, austerity packages and the extension of labour market flexibility into their ranks. Nowhere is this more the case than in Greece. . . .

Below the *salariat* in terms of income is the old manual working class, the *proletariat* which has been dissolving for decades. One can almost say that the democracy built in the 20th century was designed to suit this class, as was the welfare state in its various forms. Trades unions forged a labourist agenda, and social democratic parties tried to implement it. We may be exaggerating slightly, but that agenda has no legitimacy in the 21st century, as the industrial proletariat has become part of our history.

Below the dissolving proletariat a new class has been emerging: the *precariat*. It is a class-in-the-making. It is internally divided, just as the proletariat was initially internally divided and in several respects remained so. Its internal division is what makes it the new *dangerous class*, and which makes an understanding of it so crucial to debates about democracy. Essentially, the *precariat* consists of millions of people who have insecure jobs, insecure housing and insecure social entitlements. They

have no secure occupational identity, and do not belong to any great occupational community with a long-established social memory that could give them an anchor of ethical norms. Being urged to be “flexible” and “employable”, they are induced to act opportunistically. Mostly they are *denizens*, not *citizens*, in that they have a more limited range of effective rights than citizens.<sup>40</sup>

The *precariat* can be divided into three main “varieties” . . . The first variety are those who are drifting from working-class backgrounds into a zone of precariousness, the second, those emerging from the schooling system over-credentialised for a flexi-job life on offer, and the third are the *denizens*, migrants and others, such as the criminalised, who are in a status that denies them the full rights of citizens. In general, the *precariat* is cut off from the classic circuits of capital accumulation, and from the logic of collective bargaining between corporations or other employers, as capital, and workers, as stable providers of stable labour. The *precariat* cannot see itself represented in any existing class-based political party, including social democratic parties, and cannot relate to old notions of fixed workplaces, the pillar of industrial democracy as conceived in the 20th century, and even beforehand. . . . It is essential to appreciate that the *precariat* is a group that is desired by global capitalism. While there have always been those living a precarious existence, today’s *precariat* is an integral part of the production system, with distinctive relations of production and consciousness of specific insecurities. This is why it makes sense to depict it in class terms and why we should think of what has been happening in our democracies in terms of the *precariat*. It is a dangerous class precisely because all three varieties or components in it are disengaged from conventional 20th-century political discourses.

### ► Social immobility and child poverty

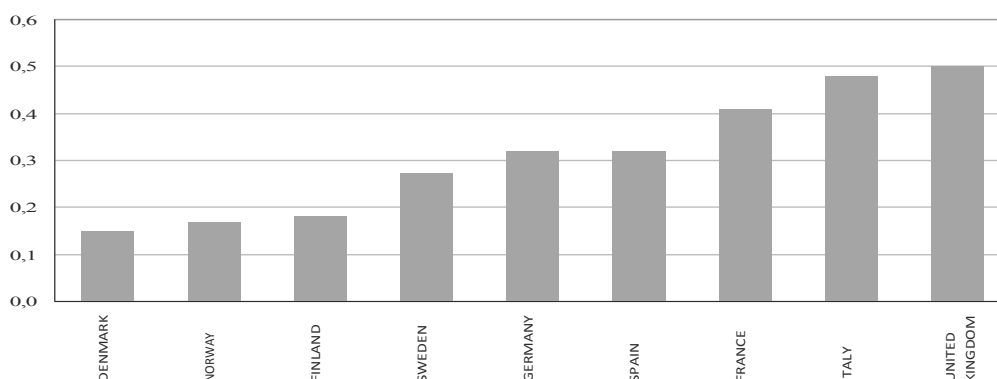
The social and economic inequalities we have been discussing exacerbate social immobility. While just a few decades ago, the new generations could hope for an improvement in their social position relative to that of their parents, today they no longer have that hope and can see only worsening conditions. In an immobile society, one’s position on the social or income scale remains relatively unchanged from one generation to the next – contrary to what is the case in a mobile society. Relative social mobility can be analysed by looking at changes in socio-professional categories, income, wealth or education. But a category-based analysis can be confusing if we look at recent developments in European countries, as social structures can be very different from one country to another, and the structure of society can change considerably between two generations.

Studies carried out by organisations such as the OECD<sup>41</sup> show that in all countries for which data are available, intergenerational income levels remain fairly static, although this is more pronounced in some countries than in others.

40 Standing G. (2011b), *The Precariat – the new dangerous class*, Bloomsbury, London/New York.

41 OECD (2010), “A family affair: intergenerational social mobility across OECD countries”, in *Economic Policy Reforms 2010: Going for Growth*, available at [www.oecd.org/social/labourmarketshumancapitalandinequality/economicpolicyreformsgoingforgrowth2010.htm](http://www.oecd.org/social/labourmarketshumancapitalandinequality/economicpolicyreformsgoingforgrowth2010.htm)

**Figure 5: Intergenerational earnings elasticity in Europe in the mid-2000s.<sup>42</sup>**  
**The link between individual and parental earnings**



NB: The height of each bar measures the extent to which sons' earning levels reflect those of their fathers. The higher the value, the greater is the persistence over earnings across generations and therefore the lower is the intergenerational earnings mobility

Several researchers have observed a gradual increase in social mobility over the last 50 years in many European countries, with the exception of the United Kingdom, where those born in the 1970s would appear to find it comparatively harder to change social position than those born in the 1950s. However, the *Observatoire des inégalités*<sup>43</sup> warns against making any too hasty conclusions, suggesting that greater attention be paid to “circulation” or “exchange” mobility,<sup>44</sup> which takes into account the impact of changes in the structure of employment. In France, “circulation” mobility has increased only slightly in recent decades: it rose from 37% to 43% between 1977 and 1993, and then fell back to 40% in 2003.

The transmission of a social position from one generation to another comes about first of all through the transfer of material wealth in the form of donations and inheritance. In this way, parents transmit a legacy to their descendants together with the associated advantages, such as the income it generates or accommodation free of charge. While during the “30 glorious years” (the 30 years from 1945-1975 following the end of the Second World War), the capital accumulated throughout one's life often exceeded what one had inherited, the same cannot be said for the generations born in the 1970s and afterwards: inheritance became the prime means of access to wealth and, in several countries, is once again taking the place it had in the 19th century,<sup>45</sup> thereby reinforcing social immobility and maintaining social inequalities.

#### The example of Germany

At the beginning of 2000, the annual total amount of inheritance received in German was €36 billion – or €50 billion if donations are included.<sup>46</sup> In 2002, there would appear to have been fewer bequests in the lower quintile (10.2%) than in the upper quintile (23%) and that the average bequest amount was much higher in this latter quintile

(€158 692) than in the former (€59 804). Taking all bequests into account as reflected in tax statistics, most were of an average amount. In 2007, 185 000 people, including those who pay no taxes because of tax rebates, received a bequest or a donation. The amount of bequests and donations that were significant for tax purposes came to approximately €32 million. In 61% of cases, the amount received was in the region of €50 000 or less. These 61% of

42 Ibid.

43 Maurin L. (2010), “Une jeunesse déclassée”, *Observatoire des inégalités*, 17 December 2010.

44 Circulation mobility (or exchange mobility) is the amount of mobility accounted for by exchange movements up and down the occupational structure between individuals from different social backgrounds. Social mobility can be subdivided into two parts: structural mobility and circulation mobility. Part of mobility can be linked to changes in social structure (fewer farmers, more managerial staff, etc.) as a result, for example, of technical progress, changes in households' demand for goods and services, etc.: this is structural mobility. Individuals find (or do not find) a position in accordance with these changes. The other part of mobility is not linked to these changes but to the permutations among individuals from different social backgrounds (the son of a manual worker becomes an engineer while an engineer's son becomes a manual worker). This circulation mobility seeks to measure social fluidity, that is, the relative likelihood, depending on one's social background, of reaching a given social position. See [brises.org/notion.php/mobilitestructurelle-nette/fluidite-sociale/mobilite-sociale/reproduction-sociale/notld/69/notBranch/69/](http://brises.org/notion.php/mobilitestructurelle-nette/fluidite-sociale/mobilite-sociale/reproduction-sociale/notld/69/notBranch/69/) (in French only).

45 See Piketty T. (2010), “On the long-run evolution of inheritance: France 1820-2050”, working document, Ecole d'économie de Paris.

46 Kohli M. et al. (2005), “Zusammenhänge und Wechselwirkungen zwischen Erbschaften und Vermögensverteilung. Gutachten für das Bundesministerium für Gesundheit und Soziale Sicherung (BMGS)”. DIW, Berlin. Available (in German) at [www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/forschungsprojekt-a348-zusammenhaenge-und-wechselwirkungen-zwischen-erbschaften.pdf?\\_\\_blob=publicationFile](http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Publikationen/forschungsprojekt-a348-zusammenhaenge-und-wechselwirkungen-zwischen-erbschaften.pdf?__blob=publicationFile), accessed 13 December 2012.

cases corresponded to 16% of the total inherited amount. At the top of the scale, 12% of those receiving inheritances received over €200 000, or 59% of the total amount. And among these, 4.5% inherited more than €500 000 euros, or 41% of the total amount.<sup>47</sup> Obviously, this does not tell us who the individuals who inherited these large sums were. But the wealth distribution pattern would seem to indicate that they were not the children

of the 30% who own nothing. Rickens estimates that in the coming years, 1% of children will inherit one quarter of all wealth (this estimate may not be far from the actual figure, given that 1% of the population owns 23% of all assets).<sup>48</sup> These bequests are taxed only very lightly, whereas a third of children will not inherit anything at all and will be able to attain material well-being only through work, which in contrast is heavily taxed.

Alongside the inheritance of material goods is the transmission of non-material advantages or disadvantages that reinforce the social status quo. Non-material inheritance comprises the cultural capital that is transmitted, that is, the linguistic, cultural and behavioural codes to which greater or lesser value is attached or that, in contrast, are stigmatised by the educational system and by employers. Accordingly, this transfer may help or hinder academic success, and subsequently access to employment and, therefore, a wage.

But non-material inheritance also comprises social capital: the number and quality of one's social relationships can facilitate or hamper access to training and employment. A young person who is fully integrated into a network of highly paid professionals can benefit from these links to find it easier than others to land a well-paid job. The same network can also facilitate access to information enabling parents to draw up a strategy for their children (for example, by getting them to learn from an early age languages that have a high employment market value). Differences in fully understanding the functioning of the education system and the labour market also add to non-material inheritance inequalities.<sup>49</sup> This is also true of homogamy, the tendency to choose a partner from the same social group as oneself. All these are contributory factors to the reproduction of inequalities.

How preferences are formed also depends on the expectations of the family and society. As Bourdieu and Passeron put it:

Depending on whether access to higher education is viewed collectively, even if only diffusely, as something impossible, possible, probable, normal or typical, the whole conduct of families and their children will vary, as they tend to opt for what is "reasonably" permitted to hope for.<sup>50</sup>

Individuals will therefore internalise the expectations of those around them, and in a relatively immobile society, these will more naturally tie in with the path taken by their parents.

In Europe, children's academic success still depends to a large extent on their parents' social background (Figure 8). Inequalities in access to education differ from one country to another, depending on accessibility and the quality of what is on offer. In the United Kingdom, recent studies<sup>51</sup> have shown that in the top 200 schools, only 5.1% qualified for free school meals (an indicator of a low-income background), as compared with the national figure of 13.6%, and that most of those filling the best-paid jobs came from independent schools, even though only 7% of the nation's pupils attend such schools. One of the factors that has been identified as a source of inequality in education is precisely the co-existence of a private system, in which parents pay for quality, and the state-run system of uneven quality, with the best schools being concentrated in the more expensive neighbourhoods and therefore less accessible to children from low-income families. In terms of education, the Scandinavian countries are often singled out as an example; here, less well-off families do not have to pay for access to an education system in which differences in quality are less pronounced. Universal access to high-quality education is therefore a mobility factor. Reducing inequalities between schools also strengthens the social mix, as parents

47 Destatis Statistisches Bundesamt Deutschland [German Federal Statistics Office] (2009), "Finanzen und Steuern. Erbschaft- und Schenkungsteuer" 2007, Statistisches Bundesamt, Wiesbaden. Available (in German) at [www.destatis.de](http://www.destatis.de).

48 Rickens C. (2011), "Ungerechte Besteuerung. Warum Deutschlands Reiche immer reicher werden" [Unfair taxation. Why Germany's wealthy are getting ever richer], *Spiegel online*, 11 April 2011. Available (in German) at [www.spiegel.de/wirtschaft/unternehmen/ungerechte-besteuerung-warum-deutschlands-reiche-immer-reicher-werden-a-753245.html](http://www.spiegel.de/wirtschaft/unternehmen/ungerechte-besteuerung-warum-deutschlands-reiche-immer-reicher-werden-a-753245.html), accessed 13 December 2012.

49 Nunn A. (2013) *Fostering social mobility as a contribution to social cohesion*, Council of Europe Publishing, Strasbourg.

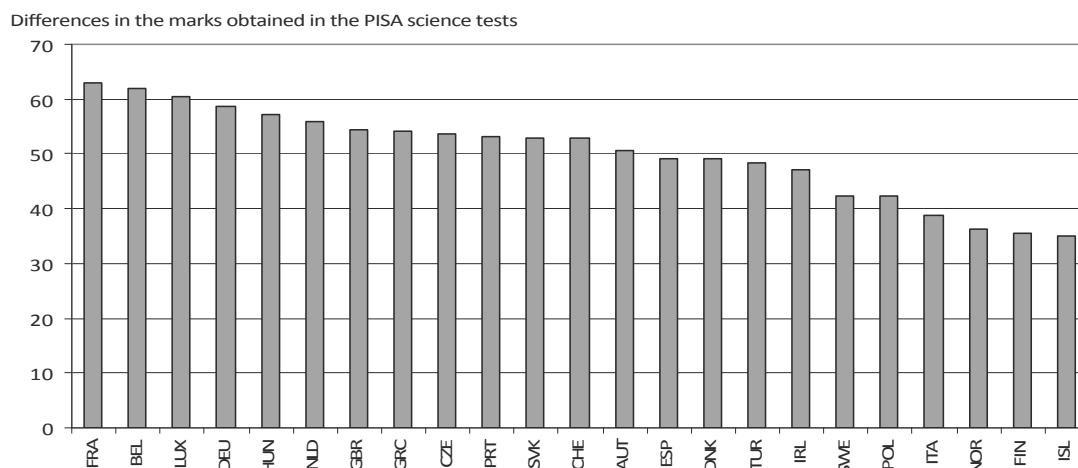
50 Pierre Bourdieu and Jean-Claude Passeron quoted by Bernard Lahire, "Comment la famille transmet l'ordre inégal des choses", *Observatoire des inégalités*, 10 January 2012.

51 Sitton Trust (2008) and Milborn Report (2009) quoted by The New Economic Foundation (ed.) (2011), "Why the rich are getting richer", New Economic Foundation, London.



with higher incomes have less reason to pay for better quality education – and in this way the child’s social capital is enriched, with his or her network expanding through contact with other social groups. Accordingly, high-quality education accessible to all helps not only social mobility and the reduction of inequalities, but also social cohesion.

**Figure 6: Parental influence<sup>52</sup> on secondary pupils’ results in the PISA test, 2006<sup>53</sup>**

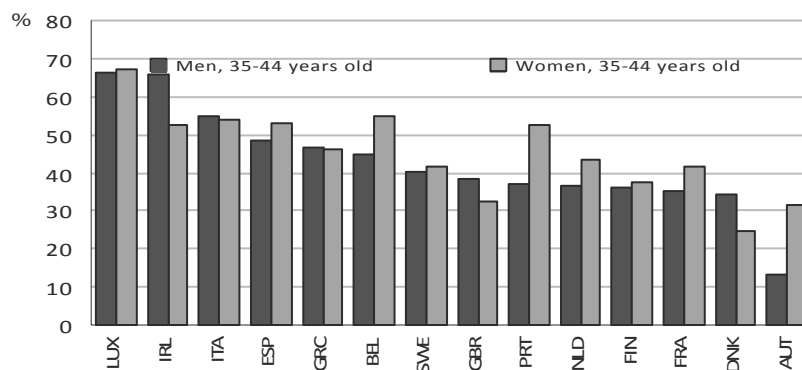


NB: The individual background effect is the difference in performance in the PISA science test associated with the gap between the upper and the lower quartiles of the average distribution on the PISA index of economic, social and cultural level of the student.

A high level of education can facilitate access to the labour market and a good salary: despite the economic crisis, those who have completed higher education do find it easier to get a job and on average earn higher salaries. Nonetheless, the crisis and the increase in the number of graduates have led to a devaluing of their degrees: the same qualification no longer gives access to the same type of job it did 30 or 50 years ago, or indeed the same stability.

Almost everywhere in Europe there are significant differences in employment rates according to educational level. As the figure below shows, access to higher education is strongly influenced by social background. Persistence in higher education over two generations is particularly pronounced in the countries of southern Europe (Italy, Spain and Greece). In contrast, in the Scandinavian countries, there is less of a difference in remuneration and the employment rate between those who have attended higher education and those who have not. And in some of these, there is less persistence in higher education.

**Figure 7: Persistence in higher education across two generations (2000s)**



Source: OECD (2010), *Economic Policy Reforms: Going for Growth 2010*. Available at [www.oecd.org/social/labourmarketshumancapitalandinequality/economicpolicyreformsgoingforgrowth2010.htm](http://www.oecd.org/social/labourmarketshumancapitalandinequality/economicpolicyreformsgoingforgrowth2010.htm).

52 Socio-economic gradient, taking into account distribution differences among countries.

53 OECD calculations taken from the OECD’s PISA 2006 database.

Many factors contribute to mobility or stability in access to higher education. The first is financial, as high enrolment fees may be an obstacle to going to university; but it is not the only one. Also taken into account are the results obtained at primary and secondary level, the ability to afford additional tutoring to have a greater chance of being accepted by high-quality universities, and the choices made by students and their parents (dictated by the level of perception of the risk involved, the extent of familiarity with the education system and the labour market, and by how committed parents are to helping their children become economically independent, and so on).<sup>54</sup>

Cumulative persistence between parents and children in the education field hampers inter-generational employment and income mobility. The less educated are more often affected by unemployment and have lower wages. Furthermore, they will find it harder to change jobs, since occupational inflexibility is still the norm in most European countries. In contrast, material and non-material inheritance makes it easier to obtain a first job and to progress (parents can finance long transition periods, such as placements for which there may be little or no remuneration).

Certain types of discrimination also accentuate social immobility. The discrimination experienced by people living in poverty is associated not only with their place of residence (living in a low-income neighbourhood may be a disadvantage in the competition for jobs), but also with linguistic, cultural or behavioural codes. Discrimination on the ground of national origin is now well documented: a survey carried out by the University of Evry<sup>55</sup> confirmed that in France, someone with a Moroccan name had fewer chances of getting certain jobs.

Certain measures taken in recent years in some European countries, such as the lowering of inheritance tax or increased education fees, reinforce this social immobility trend. If this is to be reversed, it is essential for everyone to have access to high-quality public services. As we have seen, this is true in the case of education, but it also applies to other areas, such as health care. Universal high-quality services not only enable everyone (including the wealthiest) to have a better quality of life, as emphasised by Pickett and Wilkinson,<sup>56</sup> they also encourage social mixing and strengthen social cohesion. In addition, they help in the fight against certain forms of discrimination.

However, given the growing insecurity of working conditions, the rise in unemployment, the concentration of wealth and increasing inequalities, there is a risk that social mobility will mean a move down rather than up, particularly for young people born in the 1980s and afterwards, who fear that their living conditions will deteriorate in comparison with those of their parents.

### The new child poverty

Social immobility is even more disturbing when we see the poverty in which millions of children live today. Everyone is aware of the difficult conditions for children in the context of the economic and financial “crisis”, and the way in which these conditions compromise their future – to such an extent that in many cases we could legitimately speak of a negation of childhood. Yet the right to childhood was formally established in the 20th century, giving the impression that children’s rights are inviolable.

The 1959 UN Declaration stated that “without distinction or discrimination on account of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, whether of himself or of his family” (Principle 1) and “the child shall enjoy special protection, and

shall be given opportunities and facilities, by law and by other means, to enable him to develop physically, mentally, morally, spiritually and socially in a healthy and normal manner and in conditions of freedom and dignity” (Principle 2).

Is it not astonishing to see the great distance between these words and the actual reality experienced by immigrant children detained in European detention centres, with this detention being legitimised by European Directive 2008/115 EC? Or by the children sent back to Libya by the Italian police between 2009 and 2010 (there were many children in the boats turned back in the Mediterranean)? Or indeed by the Ukrainian, Moldovan or Romanian children abandoned by their mothers, who were obliged to work for families in the richer countries to enable their children to be able to go to school and have a minimum level of material well-being? The suffering of these “social orphans”, and

54 In France, the children of manual workers, the unemployed and employees accounted for 56% of pupils in the first year of secondary school in 1995, but only 16% of those enrolled in the preparatory classes for the Grandes Ecoles in 2002 and 12.4% of the students of the prestigious Ecole nationale d’administration for 2009/11. See “Les inégalités en France”, *Alternatives économiques*, Special Issue No. 43, March 2010, p. 34.

55 Quoted by *Alternatives économiques*, *ibid.*

56 Wilkinson R. and Pickett K. (2010), *The spirit level. Why equality is better for everyone*, Penguin Books, London.

the increasing number of suicides among them today, have been well documented.<sup>57</sup>

However, migrant children or the sons and daughters of immigrants are not the only ones living in intolerable conditions in today's Europe. Even in the richest European countries, millions of children have lost all prospects for the future because of their poverty. Back in 2007, UNICEF warned against the uncertain and insecure living conditions of too many children in the world's richest 24 countries. In its latest report of 2012<sup>58</sup> on the situation of minors in the richest 35 countries, it spoke of child poverty in times of crisis and estimated that there were more than 30 million children living in poverty.

The reduction of resources allocated to social security, education and health care has more serious consequences for children than for adults, whether in temporal or existential terms, because for them, difficulties in the present put their future at risk.

This violation of children's rights appears to be seen as just one of the collateral effects of the present dif-

ficulties, to such an extent that it is almost forgotten that the effects of the crisis on the population depend above all on the political choices made regarding priorities and the redistribution of resources. So we are not just talking about the failure to uphold a right. This backward step should provide us with a warning about the possible threat to the "sanctity" of childhood referred to in western writings in recent decades. There is a risk that violations of children's rights will become the norm, both in official discourse and in the public psyche.

According to the Greek UNICEF Committee and the University of Athens, there are 400 000 children suffering from hunger in Greece. In some districts of Lisbon, Portugal, the number of children arriving at school without having had breakfast is rising considerably; in Naples, Italy, there are children working for €50 a month. Is it possible, given the urgent need for action, that we are unable to do anything, even if only discuss the measures to be taken at national and European level (if necessary by reassigning resources earmarked for other sectors)?

## 1.4. The inability to envisage a future society

The increase in economic and social polarisation and the deterioration of living conditions are part of a lack of long-term vision that places the priority on cohesion and social solidarity, or simply social harmony. This lack of value-based outlook, leading to imbalances in all sectors and at all levels, makes it impossible to envisage the basis on which to build the future of our societies. But has there ever really been an alternative vision?

### ► Is history repeating itself?



After 1945, as everyone acknowledged that poverty had been one of the main triggers of the Second World War, there was a marked tendency in various countries and contexts to develop development and welfare policy comprising a redistribution of wealth, education and health-care reform and the introduction of universal rights. Achieving socially acceptable levels in various areas of life seemed to be a widely shared policy objective. And this was reflected in the Marshall Plan and its boost to employment in Germany, the "war on poverty" in the United States, the

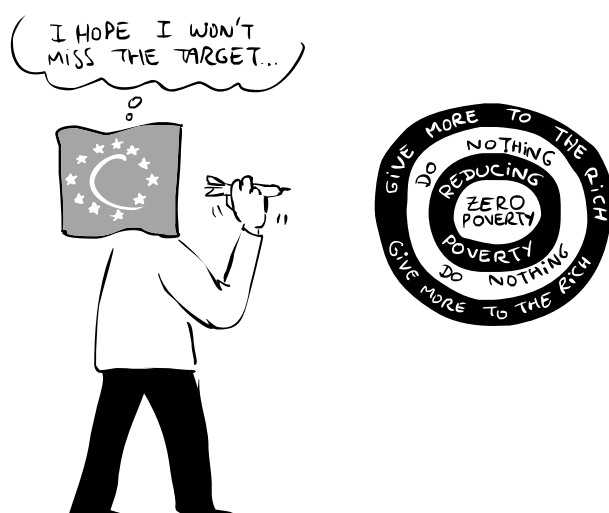
57 See *Left Behind, Dossier sugli orfani bianchi rumeni*, L'Albero della Vita Onlus, 2010. Accessible at <http://www.alberodellavita.org/download.php?t=publications&id=5>.

58 Innocenti Research Centre (2012), *Measuring child poverty: new league tables of child poverty in the world's rich countries*, UNICEF.

governments' commitment to growth, and supply and demand in employment in France, Italy and Japan. For the developed countries, the period 1950 to 1973 represents the "golden age", according to the renowned statistician Angus Maddison. A golden age born of a specific political and institutional arrangement, made up of supervised liberalism, mutual support and co-operation, clear rules of interaction, a political commitment to the full exploitation of resources, and active redistribution and taxation policies. At that time, budgetary management was seen as a means of ensuring macroeconomic balance, marking a break with the prevailing pre-war principle of budgetary balance whatever the state of the economy. This was also the period in which a whole series of social rights were conceived and laid down in various national, European and international regulatory texts. By means of diverse and long-term strategies developed by different political parties, the active and acknowledged role played by trade unions in collective bargaining, and the support provided by non-governmental organisations (NGOs) to vulnerable social groups, technical models for promoting social choices began to take shape.

After 1975, there was a significant change in the political, economic and ideological context. The conservative revolution of Reagan and Thatcher became the backdrop for all public policies promoting liberalisation, deregulation, privatisation and a return to commodification. Little by little this trend was followed in all European Union countries, bringing about a gradual and lasting reduction in earnings, a fall in the wage share in GDP, a concentration of wealth and an erosion of the labour market. As the post-socialist countries joined the European Union, the process accelerated considerably. There are many reasons for this. With the transition, living standards – which in the post-war period were more or less guaranteed, along with full employment – went into free fall, with policies being dominated by extreme forms of neoliberal ideology. While joining the EU was the hope of many citizens, the integration criteria<sup>59</sup> took no account of any of the social dimensions, which meant that the accession of the new member states led to a significant fall in the average level of all EU social indicators. This compromised the initial official targets of the Lisbon Strategy (full employment, the "learning economy" and eradication of poverty), which were made less ambitious with the revised Lisbon Agenda of 2005. From 2007 onwards, it became clear that the trend was not for the new member states to move closer to the social conditions in place in the older members, but the opposite. The crises experienced by Greece, Portugal and Ireland are fairly clear indications of a regression among the older member states, bringing them down to the level of the conditions in the new members – but this could be just the tip of the iceberg. The reversal in the ideological trend, shored up by the policies being pursued, has revived the principles that led to the Great Depression and the Second World War. And the same principles seem to produce the same effects. Be that as it may, the EU is firmly trapped in a developing crisis and some countries are now showing macroeconomic indicators of the same level as, if not lower than, those of the Great Depression.

### ► Erosion of prospects



At first sight, the fight against poverty is a priority in Europe. The EU and its member states are resolutely committed to combating poverty and social exclusion. In its social agenda 2005-2010, the European Commission decided to make 2010 European Year for Combating Poverty and Social Exclusion, in order to reassert and consolidate the commitment made by the EU upon launching the Lisbon Strategy to make "a decisive impact on the eradication of poverty". The declaration sets out the following guiding principles:

59 The criteria laid down by the Copenhagen European Council of 1993, further clarified by the Madrid European Council in 1995: stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union; the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union; creating the conditions for the country's integration through the adjustment of its administrative structures.

### The European Union and the objectives and guiding principles for the year 2010<sup>60</sup>

1. The objectives and guiding principles of the European Year shall be as follows:

(a) Recognition of rights — recognising the fundamental right of people in a situation of poverty and social exclusion to live in dignity and to play a full part in society. The European Year will increase public awareness of the situation of people experiencing poverty, particularly that of groups or persons in vulnerable situations, and will help to promote their effective access to social, economic and cultural rights as well as to sufficient resources and quality services. The European Year will also help to combat stereotypes and stigmatisation;

(b) Shared responsibility and participation — increasing public ownership of social inclusion policies and actions, emphasising both collective and individual responsibility in the fight against poverty and social exclusion, as well as the importance of promoting and supporting voluntary activities. The European Year will promote the involvement of public and private actors, inter alia, through proactive partnerships. It will foster awareness and commitment and create opportunities for contribu-

tions by all citizens, in particular people with direct or indirect experience of poverty;

(c) Cohesion — promoting a more cohesive society by raising public awareness of the benefits for all of a society where poverty is eradicated, fair distribution is enabled and no one is marginalised. The European Year will foster a society that sustains and develops quality of life, including quality of skills and employment, social well-being, including the well-being of children, and equal opportunities for all. It will, moreover, ensure sustainable development and solidarity between and within generations and policy coherence with EU action worldwide;

(d) Commitment and concrete action — reiterating the strong political commitment of the EU and the Member States to make a decisive impact on the eradication of poverty and social exclusion and promoting this commitment and actions at all levels of governance. Building upon the achievements and potential of the OMC on Social Protection and Social Inclusion, the European Year will strengthen the political commitment, by focusing political attention on and mobilising all interested parties, in the prevention of and fight against poverty and social exclusion and give further impetus to the Member States' and the European Union's action in this field.

Despite this statement of ambitious targets, it would appear that one of the characteristics of the present is the erosion of prospects and a rapid devaluation of the idea of European social construction. Although individual and collective memory may seem very short, this trend is so powerful that it can easily be seen in everyday life. A 38-year-old middle-class Greek lady said, "When my brother and I were about 20, our parents told us that we knew nothing about life's difficulties. They had lived through the Greek civil war, could not afford to pay for studies and struggled to feed themselves. Thirty years later, it really seemed that progress had been made and the difficulties seemed to be a thing of the past. But today, we have lost our jobs, we cannot pay for our children to have the education we have; their situation is much closer to that of our parents than to our own, and I wonder what I will be telling them when they are 20 – perhaps 'you don't know anything about life's difficulties, we lived through the crisis, we had no job, it was a struggle to survive.' But it may be even worse than now. Who knows?" It is astonishing that this is happening at a time when the EU and the world have never been so rich, when there have never been so many educated people and so many sophisticated technical sources of well-being. And it is just as astonishing that these political choices have been made from a wide range of possibilities, since what is happening is neither natural nor inevitable. There are errors in many of the ideological justifications for the reforms being implemented, based on the idea that resources are limited, since no account is taken of the empirical evidence that shows that the amount of resources is not decisive in the prospects for development. Analyses clearly show that the availability of resources is not in itself a guarantee of economic development, that the lack of resources can encourage everyone to pull together and that the organisation of society plays a much more decisive role than resources. If we look back further into history, it is clear that resources have never been more plentiful.

But this is not the only paradox of these choices. It is evident that within the EU we are creating "superfluous" resources and this deserves to be comprehensively discussed since it concerns all types of resources – human, material, financial, cognitive, and so on.

Why is that? Because of ignorance or a lack of commitment on the part of politicians? Or are the latter deliberately leading our societies into decline? Are they intentionally making living

60 Decision No 1098/2008/EC of the European Parliament and of the Council of 22 October 2008 on the European Year for Combating Poverty and Social Exclusion (2010), adopted by the European Parliament and the Council and published in the *Official Journal of the European Union*, L 298 of 7 November 2008.

conditions worse, by restricting access to education and health care, attacking human rights, adversely affecting the lives and health of populations, and eroding the very foundations of altruism, namely justice and fairness?

### ► **Deregulation and its consequences for democratic societies**

The current rise in poverty and inequalities has been significantly encouraged by a trend towards deregulation that has affected all European countries to a greater or lesser extent. Even though it is only when the banking and financial sector is concerned that the problematic nature of these deregulations becomes clear, the fact is that these deregulations are already underway in connection with the labour market and social rights. Instead of helping to compensate for or replace outdated or inadequate regulations, deregulation can, because of its systemic nature, give rise to a sort of vacuum in which powerful private groups manage to substitute social rationality with their own interests, presenting them as beneficial for all. While a deregulation process may play a particular role in certain specific contexts and for a short period, imposing it systematically over a long period creates a vacuum that is quickly offset by unwritten and obscure rules of which the public are unaware. The widespread and lasting deregulation affecting contemporary Western societies leads to lower bargaining power for trade unions, and consequently less capacity to represent the interests of vulnerable groups, and to weaker representation of democratic institutions. Political parties become hierarchical structures, the governing bodies of which acquire greater influence: they lack a strategic long-term vision, and the mechanisms whereby basic requirements can be brought to the fore are blocked. The gap between the official targets and the actual results of the policies pursued becomes ever wider and reflects the growing distance separating politicians and the interests of the majority. The growing power of non-elected entities, such as the market and the financial sector, transforms the political landscape and imposes their views on society, hiding behind vague concepts such as globalisation. This becomes even more evident in the post-socialist countries: let us not forget the social protection reforms undertaken in the early 21st century or the tax cuts that spread throughout the whole region. But the best examples of the deregulation approach imposed by a non-elected power are undoubtedly the measures taken by the prime ministers in Italy, Spain, Portugal and Greece. Alongside this process is the erosion of the trade unions, brought about by a restructuring model that, building on the increasing power of small and medium-sized enterprises, encourages greater labour flexibility and short-term contracts, causes higher unemployment, and gives rise to passivity and disengagement. To this should be added the specific impact of so-called austerity and anti-crisis measures. In a context of social fragmentation trade unions, deprived of any political commitment to consolidate or simply protect their role, are forced into a defensive position.

The general trend to deregulation is encouraged by the media, frequently the mouthpiece of the powerful and which are, because of their great dependence on financial groups, subject to censorship and self-censorship.

All these processes threaten the very essence of democracy – a democracy which at times, as in the proposed referendum on austerity measures in Greece, seems to inspire fear, with all that this entails in terms of loss of legitimacy of the national political institutions and a loss of confidence in representative procedures.

### ► **Unsustainable consumption based on waste**

Most goods manufactured for consumption – the latest model of car, designer shoes, the latest smartphone – do not correspond to an essential need. And yet, from the state's point of view, these goods are necessary insofar as their production helps ensure growth of the national economy. This is a purely quantitative view of "growth" (production for production's sake), which is now a totally irresponsible way of thinking. The need for private goods has been artificially created, by manipulating demand through massive investment in marketing. Marketing is designed to convince consumers that they need superfluous goods, supposedly satisfying their wishes, and therefore perceived as useful. By inflating consumption, marketing can contribute to the debasing of common goods (for example, the advertising for bottled drinking water). As Tim Cooper notes:

The pressure to consume in industrialised countries is such that the future is heavily discounted: people value goods and services for immediate consumption far more highly than those for consumption at a future date. Moreover, prospective consumers primarily consider the short-term personal benefits of purchasing goods and services, disregarding any longer-term environmental or social cost.<sup>61</sup>

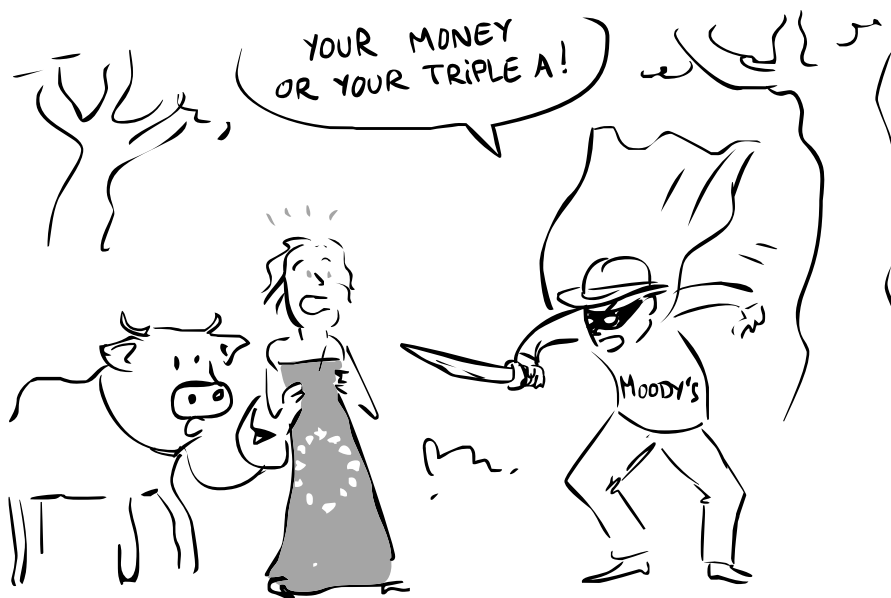
61 Cooper T. (2011), "Common assets and environment: the future contribution of consumption to progress and well-being", *Trends in Social Cohesion*, No. 22, pp. 129-45.

The isolated individual, cut off from his or her community, quite naturally succumbs to this manipulation, being functional to the production needs of the market, whose role is to sell its products to the “lonely crowd”.<sup>62</sup> The individualistic fiction promoted by the liberal tradition (the myth of Robinson Crusoe) brings about a disconnection between needs and what is required to survive (which can be satisfied in various ways, but without a quantitative change) and creates a need by basing it on what can satisfy it (supply-side economics). Quantity takes precedence over quality, since the more a need is induced, the bigger it becomes and it generates more income. It is precisely in order to create new needs that marketing strategy has been refined. By encouraging egocentrism and narcissism, marketing has produced forms of behaviour that have devastating environmental consequences. The isolated individual finds satisfaction in objects rather than relationships and mutual assistance that form the foundation of social relations. His or her main relational perspective is made up “objectively” by the price that has to be paid in order to satisfy his or her increasingly complex needs.

Marketing also serves to promote the public sector. When the sum total of produced goods is too large, public intervention is sometimes imperative in order to address this overabundance (e.g. building roads and car parks for vehicles). Targeted marketing by the state is frequently referred to as “propaganda”.

Unfortunately, ecology and “systemic” thinking, which show that these approaches are devastating for community life, are notoriously absent in contemporary politics.

### ► Virtual wealth and material poverty: the financial system and its practical consequences



Because of its ability – shored up by institutions – to produce money, the financial system has become the spearhead of the process we have just described. What once were public goods and guarantees today have become financial assets with a negotiable value in a global capital market in which, to say the least, social reproduction is of little importance. A good example of this can be seen in the way private pension funds have become the fuel for major financial transactions. Or the way in which the right to own a house, another old right, has become a mass of mortgage debt enabling banks to lawfully transfer to their own coffers a proportion of families’ resources.

But this process, termed “financialisation” is not only transforming citizens’ old rights and social services into assets quoted on the financial and property markets, it is also colonising new mercantile spaces. Natural assets such as air, water, land and energy are suffering the onslaught of new financial colonisation that puts them and their users in the hands of an intensive mode of accumulation of materials and waste. Alongside this, social relations that were traditionally alien to the market, such as care, are also turning into an opportunity to make profit, justified

62 Riesman D., Glazer N. and Denney R. (1950), *The lonely crowd. A study of the changing American character*, Yale University Press, New Haven.

by the dissolution of social relations provoked by the commodification and financialisation of everyday life.

The significant tensions affecting the whole sphere of reproduction are the result of all these regressive processes of colonisation of all the dimensions of social life. These tensions can be seen as a form of widespread lack of basic security, expressed in the need to live from day to day, taking us back to the continuous present that has always been the lot of the dispossessed. While this lack of basic security affects society as a whole, it produces its most visible effects on the lives and bodies of those who have not adapted or who have no access to the sphere of market production. The expropriation of common and public goods that are essential for a dignified existence has dramatic consequences for the majority of the population. This was recently emphasised by Gallino: “In the process of the financialisation of the economy, profits, advantages and dividends are spent in a socially unproductive way, with the double negative effect of simultaneously increasing private wealth and public poverty.”<sup>63</sup>

### ► Public debt and private debt

Debt is without any doubt a further factor leading to impoverishment and inequality. There are almost daily references in the media to the public debt, but what is the relationship between this debt and household indebtedness?

Since the beginning of the 2000s, public debt has accounted for a growing proportion of the economies of many European countries; but it is also true of private debt. A recent study by the McKinsey Global Institute<sup>64</sup> shows a marked increase in household indebtedness in several European countries between 2000 and 2008: in the United Kingdom, it rose from 105% to 160% of disposable income, in Switzerland from 166% to 180%, and in France from 48% to 69%. However, in Spain and Italy the increase is even more marked: from 69% to 130% (a rise of 88%) and from 34% to 60% (a rise of 76%), respectively. The housing bubbles played a key role in this. In Spain, there were more than 58 000 families evicted from their homes in 2011 as a result of repayment inability.<sup>65</sup> In Ireland, also hit hard by the housing bubble, property prices have fallen by more than 60% over the last five years<sup>66</sup> and many homeowners have been unable to repay their loans.

The number of over-indebted people is on the rise in many countries, exacerbated it would appear by the crisis, rising unemployment and falling wages. Over-indebtedness is a complex concept, which is defined differently from one country to another. According to a 2007 recommendation by the Committee of Ministers of the Council of Europe,<sup>67</sup> “over-indebtedness means ... the situation where the debt burden of an individual or a family manifestly and/or on a long-term basis exceeds the repayment capacity.” In France,<sup>68</sup> the number of cases of over-indebtedness filed with the Banque de France rose by 5.5% between September 2010 and August 2011, and individuals or households unable to repay represented 55.8% as opposed to 35.2% before the crisis.

Increasingly, people experiencing poverty are defined by their debt. At the same time as the transition from stable to insecure employment, another shift has occurred: workers are no longer defined by what they do, but by what they possess. It is now virtually impossible in Europe to live without incurring substantial debts: following the rise in enrolment fees, students have to borrow to pay for their studies; if you want to buy somewhere to live, you have to take out a loan; increasingly, cars are being bought on credit, and the same is true for many other goods; and even medical care in many cases requires people to get into debt. Debt is rapidly becoming the norm.

In many cases, “debtfare” is taking the place of welfare. In other words, as the goods provided by the state free of charge or at low cost up to now – education, housing, transport, and so on – are now available only at a substantial cost, the only solution for most people seeking to meet their fundamental needs is to get into debt.<sup>69</sup>

63 Gallino (2012), op. cit.

64 Roxburgh C. et al. (2011), *Debt and deleveraging: the global credit bubble and its economic consequences*, McKinsey Global Institute, p. 24.

65 EFE (2012), “Los desahucios alcanzan un récord durante 2011 con 58.241 expedientes”, *El País*, 30 March 2012. Available at [economia.elpais.com/economia/2012/03/30/actualidad/1333098223\\_088804.html](http://economia.elpais.com/economia/2012/03/30/actualidad/1333098223_088804.html), accessed 13 December 2012.

66 O’Carroll L. (2012), “Ireland’s house prices at lowest levels since 2000”, *The Guardian*, 3 January 2012. Available at [www.guardian.co.uk/business/2012/jan/03/ireland-house-prices-2000-levels](http://www.guardian.co.uk/business/2012/jan/03/ireland-house-prices-2000-levels), accessed 13 December 2012.

67 Recommendation CM/Rec(2007)8 of the Committee of Ministers to member states on legal solutions to debt problems, adopted by the Committee of Ministers on 20 June 2007.

68 Alet C. (2011), “La spirale du surendettement des ménages”, in “La dette et ses crises”, *Alternatives économiques* (online), special issue No. 91, December 2011.

69 On the question of “debtfare”, see “Stato del debito. Etica della colpa”, interview with Christian Marazzi and Ida Dominijanni, *Il Manifesto*, 3 December 2011.



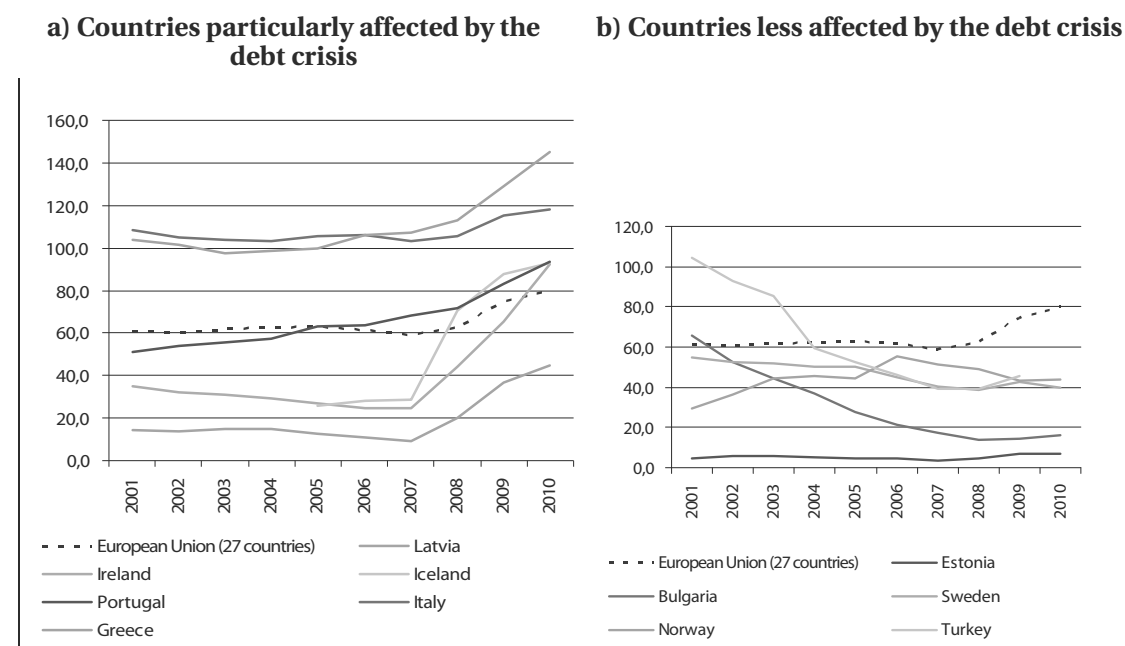
The fact that it is now increasingly common to see people in debt is a sign that an anthropological sea change is taking place. Personal debt operates first and foremost as a disciplinary mechanism: if you are in debt, you have to work. Students leaving university laden with debts have to take the first well-paid job that comes along. They cannot have a break before continuing to study, because their debts have to be repaid. In this respect, debt functions as a work ethic, but a shortsighted one, as it acts as a barrier to the possible development of higher abilities.

Personal debt also acts as a moral force placing the onus firmly on the individual. People in debt are personally responsible for their debts – it is not by chance that the German word for “debt”, *Schuld*, as Nietzsche pointed out, also means “guilt” – even when they have borrowed to satisfy their basic needs. The guilt of those in debt serves to justify the austerity policies for which they are constantly made to shoulder the responsibility.<sup>70</sup>

Lastly, the fact that personal debt is becoming widespread highlights the extent of inequalities in Europe. If the slogan “We are the 99%” launched by the Occupy Wall Street movement has struck such a chord throughout the world, it is because it puts into words the dramatic division that exists between the vast world of debtors and the small group of creditors. A society based on debt inevitably promotes inequality. Economics books have traditionally presented the equality promoted by the capitalist social order as being based on trade – workers are the owners of a commodity (their labour power) and find another owner on the market; together they freely exchange their goods at their true value – and this image of justice, freedom and equality associated with the relationship between workers and proprietors has persisted despite the many criticisms levelled against it. When the foundations of society are based not on trade but on debt, as is increasingly the case today, it is social inequality that is promoted, together with injustice and a restriction of freedoms.<sup>71</sup>

Public debt, unlike personal debt, does not place the onus on the individual, but strengthens social hierarchies. In Europe, especially northern Europe, the division of public debt among countries is readily explained by the well-known fable of the grasshopper (the carefree borrower) and the ant (the provident lender). But this analogy ignores the hierarchy of borrowing and lending countries. In many cases, state debts have served to enrich large corporations, or indeed individuals, but the responsibility for reimbursement falls on the whole population. The latter becomes responsible for and even guilty of acts and decisions in which they have played no part. Public debt functions like an instrument withdrawing wealth from the majority and turning it over to the rich, thereby accentuating inequalities (Figure 10).

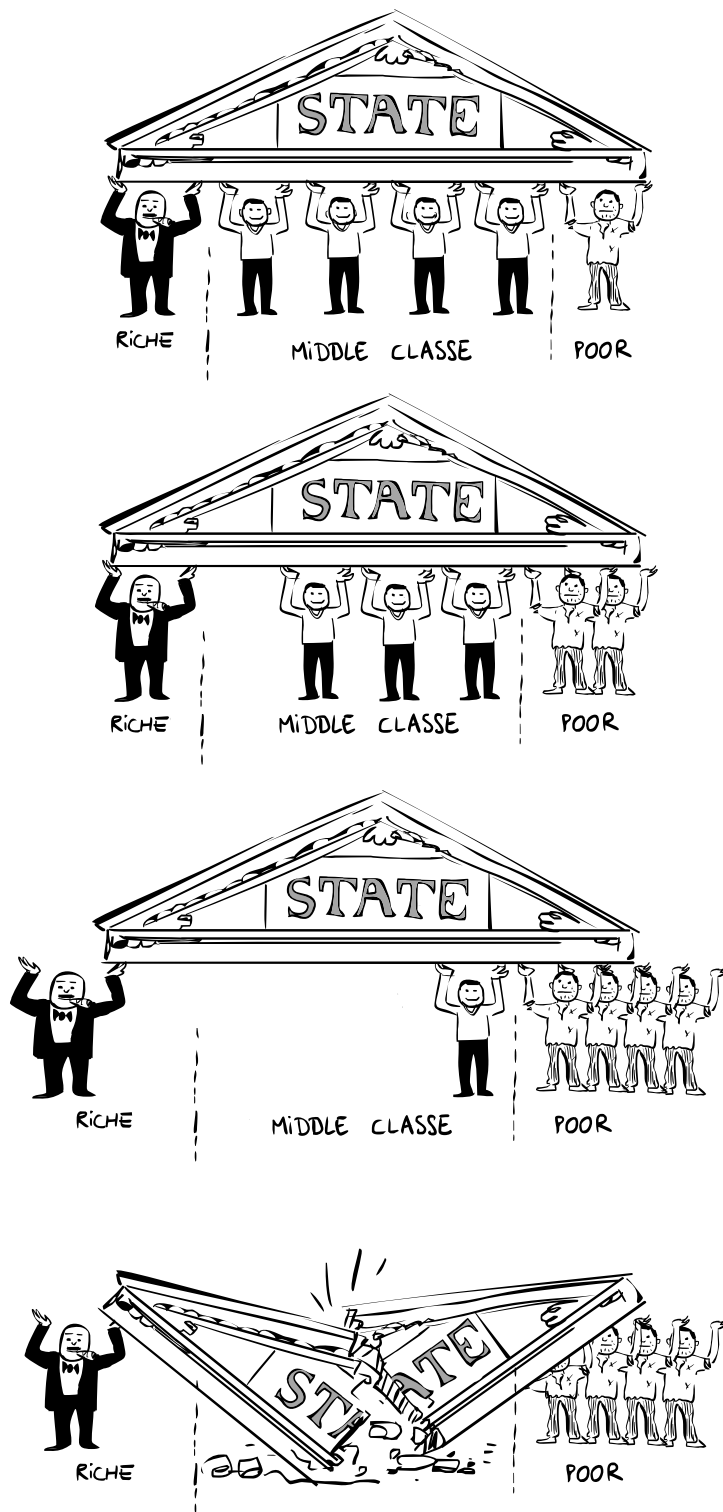
Figure 8: Impact of public debt (in % of GDP)



Source: Eurostat, “Government consolidated gross debt”, gov\_dd\_edpt1

70 On the Nietzschean moral analysis of today’s debtors, see Lazzarato M. (2012), *The making of the Indebted Man*, MIT Press, Cambridge, MA.  
 71 On the capitalist ideology of trade and inequality in societies founded on debt, see Graeber D. (2011), *Debt: the first 5,000 years*, Melville House, New York.

## 2. The consequences of poverty in today's Europe: a problem that concerns the whole of society



One way of denying the relationship between poverty and inequality is to underestimate the various forms of interdependence among social stakeholders, regarding those living in poverty as a category per se, with its own characteristics that are independent of the rest of society. By means of this artifice, it is possible to create other sub-groups, each with its own specific experience of marginalisation, and to append to it a specific form of discourse. In this guide, we seek to overcome this approach by means of a complex analysis of

poverty, highlighting the causal relationship between the groups in poverty, the groups not in poverty and institutions. The processes of polarisation and separation among population groups – with serious consequences for those at the bottom of the social scale – must be analysed as the result of a social model that produces and stigmatises poverty and that, at the same time, describes it in such a way as to hide or obscure the fact that both the causes and consequences of poverty are a problem concerning the whole of society.

### ► A classification of the “poor” that does not reflect the real situation

People experiencing poverty, persons in extreme poverty or in very insecure situations, the excluded, the sub-proletariat, the homeless, people on the fringes of society, people living in “Fourth World” conditions, vulnerable people, persons in sub-standard housing, casualties of modern society; the list goes on. There are countless categories, administrative, political, academic or used by the media, to which destitute individuals and groups are consigned. Each is defined in its own way, with varying degrees of accuracy, depending on the context and the point in time. They refer, depending on circumstances, to levels of malnutrition or income, to housing standards, even to sociological or psychological aspects. It may be important, where “poverty” is concerned, to do what sociologist Émile Durkheim recommended, that is, throw off “the yoke of these empirical categories which, from long continued habit have become tyrannical.”<sup>72</sup>

In this way, the dividing up of social reality according to these practical (that is, action) categories leads to dividing lines in the dynamic processes of impoverishment and tends to set apart groups and individuals. The segmentation of groups in poverty is therefore scarcely any more meaningful than the distinction between emigrants and immigrants.<sup>73</sup> The overwhelming majority of poor people are from the working classes, meaning all those social groups from manual workers to lowly clerks, extending up to the humblest members of the lower middle classes.<sup>74</sup> Although heterogeneous, these groups share some common features and in this respect, poverty relates more to a continuum than a division. They are extraordinarily porous lines that divide a workman in an insecure situation from a homeless man, or an unemployed woman addicted to drugs from a prostitute or an inmate of a women’s prison. As several studies have shown, many individuals occupy such different positions in succession as they go through life.<sup>75</sup>

If this is so, where exactly is the dividing line between people experiencing poverty and the others? Is there a limit that could be set once and for all to define the poverty? The answer to this is quite clear: the “poor” do not form a social group existing independently of how other social groups or institutions define it. As early as 1908, the German sociologist Georg Simmel wrote:

One is poor in the social sense only if receiving support. . . . The poor person does not come about as a social type through a certain level of want and deprivation but through receiving support or should be receiving it through social norms. Thus to this way of thinking, poverty in itself and for itself is not to be defined as a fixed quantitative condition but only in terms of a social reaction that appears after a certain condition<sup>76</sup>

This relational definition of poverty makes it possible to understand the variations in the definition of poverty at different times and in different places. In many cases, the poor merchant, the poor artist, the poor employee and so on are not defined first and foremost by their poverty but by their activity. It is only at the point when they are given support that they change category. Simmel goes on to say “that is what is dreadful in this poverty – as distinct from being merely poor – which everyone has to sort out for themselves and which is only a coloration of an otherwise individually qualified situation – that there are people who are poor in terms of their social position and nothing more.”<sup>77</sup>

The great diversity in life paths and the relational nature of the definition of poverty should prompt us to avoid using administrative categories associated with assistance to the people experiencing poverty, in order to be able to frame policies that are more in tune with the actual situation of the individuals concerned.

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72 Durkheim E. (1938), *The rules of sociological method*, translated by Solovay, S. and Mueller, J., University of Chicago, Chicago.

73 Sayad A. (1999), *La double absence. Des illusions de l'émigré aux souffrances de l'immigré*, Seuil, Paris.

74 Hoggart R. (1957), *The uses of literacy: aspects of working class life*, Chatto and Windus, London.

75 See in particular Bourgois P. (2010), “Violences étatiques et institutionnelles contre le lumpen aux Etats-Unis”, in Bruneteaux P. and Terrolle D. (eds), *L'arrière-cour de la mondialisation. Ethnographie des paupérisés*, Editions du Croquant, Bellecombe-en-Bauges, pp. 125-50.

76 Simmel G. (2009), *Sociology. Inquiries into the construction of social forms*, translated by Blasi, A.J., Jacobs A.K. and Kanjirathinkal, M.J., Brill, Leiden [Duncker & Humblot, Leipzig 1908], p. 439.

77 Ibid., p. 489.

The fact that poverty is viewed as an isolated phenomenon (or worse still, deriving solely from an inability to manage one's own life) is a sign of poor governance: this way of looking at things compartmentalises social realities in terms of administrative action, overlooking any systemic approach.

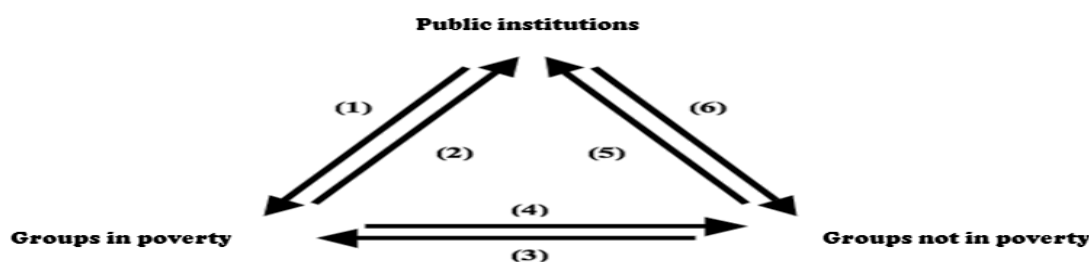
The answer has been to tackle poverty (or the problem of “poor” people) by means of a statistics-based approach. It is partly because of this that despite the countless statistical calculations and reports that set out to identify, classify and categorise the people experiencing poverty, the results in terms of eradicating or at least reducing poverty have been minimal. This is not to mention the fact that the prevention of poverty, as called for in Article 30 of the revised European Social Charter, is seldom high on the political agenda.

Targeted policies ignore the causes of poverty and its relationship and interdependence, on multiple levels, with a concrete approach to securing well-being for all (and not merely “well-being for the greatest number”).<sup>78</sup> Such policies do not seek to modify the framework of relations in which poverty emerges, but rather to moderate its effects in the short term, leaving it to the labour market to stabilise situations in the long term.

### ► Poverty, inequalities and power relationships

It is surely impossible to grasp all of poverty's different facets if we consider only the people suffering from it. The focus needs to be broadened to include the relationships and interdependencies existing in society. To illustrate this approach, we shall analyse three types of two-way relationships: those between poor groups and the public institutions responsible for dealing with poverty, and the relationships between the latter (both poor groups and the public institutions) and the other social groups in a more privileged position in terms of the distribution of wealth and capital. As the three focal points of this system are never stable in either time or space, there are an infinite number of possible configurations. In order to explore these, we propose to break these relationship systems down into six series of observable interaction between the different poles, although we shall not forget that the relationships between any two poles are never independent of those with the third.<sup>79</sup>

Figure 9: Relations between Public institutions, Groups in poverty and Groups not in poverty



*Paths 1 and 2:* Public institutions and groups in poverty. Patrick Bruneteaux and Daniel Terrolle<sup>80</sup> write that, historically, and because of the Christian tradition associating Christ with the “poor”, there has always been an oscillation between hostility and hospitality, assistance and repression towards the poor, thereby emphasising the ambivalent registers of the public intervention observable in path 1.

When France introduced its Hôpital général system in the mid-17th century, followed by the setting up of workhouses in England in the early years of the 18th century, a model of enforced assistance spread (across Europe, then to the United States and Australia) with the intention of rehabilitating the people experiencing poverty, locking them in and forcing them to work in

78 This utilitarian concept implies that it is enough to do as much as one can for the well-being of a part of the population, while at the same time having to accept the misfortune of the others – the majority – who have to miss out on well-being or happiness. See Galbraith, J.K. (2007), *op.cit.*

79 This diagram is not intended to create new barriers between social groups and institutions, it is merely designed to help understand social relationships.

80 Bruneteaux P. and Terrolle D. (eds) (2010), *L'Arrière-Cour de la mondialisation. Ethnographie des paupérisés*, Editions du Croquant, Bellecombe-en-Bauges, p.41.

order to improve their behaviour.<sup>81</sup> The aim of this “great confinement” was to transform these persons into proletarians, and to discipline them so that they adopted the behaviours expected of them by those in charge of the organisation of production.<sup>82</sup>

Nevertheless, in the course of the 18th century, this formula came to seem less and less appropriate. The growing numbers of people experiencing poverty, largely due to economic reorganisation, made charity insufficient and confinement impossible. Obsessive concern about numbers consequently devalued charitable giving and accelerated the process whereby dealing with poverty became a secular matter as well as a social issue.<sup>83</sup>

Work indeed occupies a very central position in this view. The elites of the day, influenced by the physiocrats, who considered that states’ wealth depended on their population, had the intention of doing away with idleness, both that of the nobility and of the “poor”. As the political role of Europe’s urban middle classes increased, a representation of societal organisation in line with their own ethics imposed itself, based mainly on work and labour.<sup>84</sup>

This situation, however, raises the question of those people who are no longer able to work: the elderly, workers with illnesses or those who have fallen victim to changing economic circumstances. Those who are “poor” are no longer seen merely as people who have done something wrong. It is no longer simply a question of individual responsibility. Poverty is now, in contrast, perceived as a result of collective factors that affect individuals as part of a group (the sick, the elderly, the victims of economic depression) and that provide the uncertain background characteristic of the workers’ condition.<sup>85</sup>

Each state looks for its own paths to follow, but almost everywhere social insurance programmes have been introduced for people in employment, and social assistance programmes for those temporarily or permanently unable to work.

During this phase, when public responsibility for the risks of poverty emerged, arguments continued to rage. The idea won over a number of reformers, experts and politicians, but encountered suspicion, even hostility, from a large proportion of the working class movement (which favoured a mutual benefit system, as in France and the United Kingdom), and from employers (especially small firms), small farmers, craftsmen and traders. This option was nevertheless perceived by social elites as the only way of putting an end to the poverty and destitution that persisted in industrial societies. This was an ethical and philosophical need as much as a practical one, for it was believed at the time that poverty was fertile ground for those ideologies that sought to disrupt the established social order. A large number of writers have referred to this question of the balance of power between groups in poverty and public institutions when explaining the huge 20th-century success of the welfare state, both in the United Kingdom and France and in its varying forms elsewhere. In a classic work, for example, Frances Piven and Richard Cloward give an explanation of the development of social policies in the United States (1930s and 1960s) and their regression as a result of social conflict. When social disorder erupts, (the federal and individual states’) governments tend to allow social programmes. In less agitated times, in contrast, they pay more attention to the arguments of taxpayers, employers and groups hostile to such policies.<sup>86</sup>

In a slightly different register, Gøsta Esping-Andersen shows that it is the combination of worker mobilisation and the access to power of social-democratic type political groups that determine the size and extent of the redistributive nature of the welfare state.<sup>87</sup> The balance of power between those in control of the means of production and those putting them to use (in other words, between capital and labour) determines the level of redistribution, social groups’ aspirations and interrelations, the degree of conflict, and the type of social institutions that dominate. The role and form of public intervention reflects these relationships.

Path 2, however, is itself ambivalent. Depending on how it is configured, such mobilisation may give way to resistance and avoidance. Historian Arlette Farge gave a good account of the riots that

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81 On this subject, see Foucault M. (2001), *Madness and civilization: a history of insanity in the age of reason*, Routledge Classics, London.

82 On this subject, see Rabinow P. (1995), *French modern: norms and forms of social environment*, University of Chicago Press, Chicago.

83 Procacci G. (1994), “Governing poverty: sources of the social question in nineteenth-century France”, in Goldstein J. (ed.), *Foucault and the writing of history*, Blackwell, Oxford, pp. 206-19.

84 See Weber M. (1958), *The Protestant ethic and the spirit of capitalism*, Charles Scribner’s Sons, New York

85 Merrien F.X., Parchet R., and Kernén A. (2005), *L’Etat social. Une perspective internationale*, Armand Colin, Paris, p. 75

86 Piven F.F. and Cloward R. (1971), *Regulating the poor. The functions of public welfare*, Vintage Books, New York.

87 Esping-Andersen G. (1990), *The three worlds of welfare capitalism*, Princeton University Press, New Jersey.

occurred sporadically during the revolt of groups in poverty against police repression,<sup>88</sup> and it is not insignificant that the early days of the French Revolution saw hospitals and prisons providing the first targets for the Parisian mobs. In the present day, we are sometimes surprised at how often certain homeless people turn down the chance to go to emergency shelters theoretically designed for them. We need to look at detailed ethnographical studies to realise that the violence (usually, but not exclusively, symbolic) that these institutions exert on them repel them to the point to which they prefer to get by on the streets rather than be cared for at an institution.<sup>89</sup> Similar forms of avoidance can be observed among migrants and refugees, sometimes alternating with episodes of collective resistance.<sup>90</sup>

It is probable that, however configured, mobilisation, resistance and avoidance coexist. Nevertheless, depending on the circumstances, it is one or the other of these kinds of action that dominates. It is therefore important to turn our attention now to the relationships that groups in poverty have with those that are not poor.

*Paths 3 and 4:* Groups in poverty and groups not in poverty. There are two kinds of relationships that may be described as symbiotic, although they are of course not completely free of tension. One is charity, the other political integration. In the West, charity long functioned as the justification for domination. The theology of the dominant groups was based on this natural order legitimised by religion. For Christians, relieving other people's poverty was a way of atoning for their own riches. Solidarity with the "poor" was a moral duty (path 3), and in return the poor accepted the inequality of their conditions (path 4). Variations on this principle are also found in other religions, such as Islam, which has its *zakat*, the obligation to give a portion of one's assets to the poor in the community. Although it is now often promoted through the media by religious charitable organisations, charity continues to play a not insignificant part in helping people in poverty. The same is true of its secular counterpart, philanthropy, which enables wealthy businessmen or artists to feel better about their personal riches,<sup>91</sup> and to such an extent that this kind of private intervention sometimes exceeds that of states and international organisations.<sup>92</sup> It will be noted here that this development along path 3, more common in the US than Europe, differs radically from that along path 5, since direct private financing contrasts with redistribution by the state, via taxation.

A less unequal kind of symbiotic relationship is based on political integration. The setting up of contemporary systems of government (parliamentary democracies, fascism, communism) very much depended on the kinds of alliances that had been forged among the different social groups, that is, small farmers, unskilled workers, the middle classes and the landed aristocracy, and the respective influence of each of these groups.<sup>93</sup> For example, in order to bring about political systems more favourable to them, middle-class traders had greater need of the support of unskilled workers. And it is surely not insignificant that it was precisely at this point in time that assistance to people experiencing poverty became a secular matter for institutions to deal with. Paths 3 and 4 were based on a political trade-off: support in exchange for solidarity. Similar processes can be seen today in Latin America, particularly in Brazil, Argentina, Bolivia, Venezuela and Ecuador.<sup>94</sup> There, groups in poverty are not viewed as separate and distinct groups, but as the most dominated section of society, requiring other social groups to show forms of political solidarity.

In contrast, the situation is different when the symbiotic relationships described above are weakened. Then the redistribution policies historically associated with such exchanges lose their integrating virtue. Nancy Fraser says of these policies that, by leaving intact the deep-seated structures that give rise to class inequality, they help to give the most disadvantaged class an appearance of deficiency and insatiability, always needing more assistance, and even make it look like a privileged group undeservedly benefiting from special treatment and generosity.<sup>95</sup> This phenomenon is of course intensified and strengthened when the groups concerned combine this social situation with a different ethnic or cultural origin.

88 See in particular Farge A. and Revel J. ([1988] 1991), *The vanishing children of Paris: rumor and politics before the French Revolution*, Harvard University Press, Cambridge, MA.

89 See, among others, Bruneteaux P. (2006), "L'hébergement d'urgence à Paris ou l'accueil en souffrance", *Sociétés contemporaines* 3/2006, No. 63, pp. 105-25, and Soutrenon E. (2001), "Faites qu'ils (s'en) sortent..."; *Actes de la recherche en sciences sociales* 1/2001, No. 136-137, pp. 38-48.

90 See Hmed C. (2007), "Contester une institution dans le cas d'une mobilisation improbable: la grève des loyers dans les foyers Sonacotra dans les années 1970", *Sociétés contemporaines* 1/2007, No. 65, pp. 55-81.

91 Guilhot N. (2004), *Financiers philanthropes. Vocations éthiques et reproduction du capital à Wall Street depuis 1970*, Raisons d'agir, Paris.

92 Annual donations from the Bill and Melinda Gates Foundation to health programmes worldwide are reported to exceed World Health Organization (WHO) expenditure.

93 Moore B. (1966), *Social origins of dictatorship and democracy: lord and peasant in the making of the modern world*, Beacon Press, Boston.

94 See Webber J. R. (2011), *From rebellion to reform in Bolivia*, Haymarket Books, Chicago; Vommaro G. (ed.) (2008), *La "carte rouge" de l'Amérique latine*, Editions du Croquant, Bellecombe-en-Bauges; Katz C. (2008), *Las disyuntivas de la izquierda en América latina*, Ediciones Luxembourg, Buenos Aires; and Ellner S. (2010), *Rethinking Venezuelan politics*, Lynne Rienner Publishers, Colorado.

95 Fraser N. (2005), "Qu'est-ce que la justice sociale?", *La Découverte*, Paris, p. 33.

This can also occur even within groups experiencing poverty. Some people in these groups may see others experiencing difficulty as lazy or as taking advantage of the system. In this way a “war among the poor” can emerge and become a seedbed for racism and xenophobia.

The many ways in which “poor” African Americans who depend on social assistance programmes are condemned, regarded as falling into the hotly disputed<sup>96</sup> category of the “underclass” in the United States or into the more specific one of “welfare queens” (young single mothers allegedly living off benefit fraud), offer a clear illustration of how redistributive policies can help to create groups that all the evidence subsequently seems to show as being irreducibly different from the rest of society.

When income disparities are too wide, the symbolic barriers that usually suffice to keep groups in poverty away from “nice” neighbourhoods are no longer enough. These are then coupled with physical barriers, particularly in the form of “gated communities” or fortified homes. Monitored access, armed guards, gates, walls and CCTV both protect residents from predatory behaviour and widen the social divide.

Although not always taking such extreme forms, predatory behaviour against more favoured groups is also observed in most Western cities, especially those undergoing “gentrification”. This term is used to describe the process whereby white middle and upper-class people reoccupy the run-down centres of major cities previously home to African Americans, and a parallel process is also happening in most major European cities. This temporary, and undesired, sharing (often described as “socially mixed housing”) gives rise to conflict on a daily basis, and to a violence matching the social violence of these segregation processes.

*Paths 5 and 6:* Groups not in poverty and the state. The state is not cut off from the rest of society.<sup>97</sup> Its form and format, like its methods of action, very much depend on the balance of power between social groups. In different times and under different governments, the question of redistribution, meaning the financing of social policies through taxation, arises in quite different terms. Today, these relationships are to be found in a context of a huge concentration of wealth, when policy makers are subject to growing pressure from private interests, whether banks, industrial lobby groups or others. There are two types of petitions received regarding poverty: requests for guarantees of social integration and requests for guarantees of security.

The first fairly broadly corresponds to the development of the welfare state, and reflects the forms of political symbiosis already described. Powerful working-class movements bring to power governments that are favourable to them or that act under constant pressure from them. These set up tax systems that differ in form, but are all based on a proportion of income. Sectors hostile to taxation are unable to prevent these powerful political processes (path 5). Social expenditure grows, for the population as a whole, with large sums being transferred to those of more modest means through assistance policies.<sup>98</sup> Through these policies, public institutions guarantee for the groups that are not in poverty a stable social order, safeguarding their position (path 6). This is the thesis defended by numerous Marxist writers in the 1970s (especially Nicos Poulantzas in France), but which was also defended by Jürgen Habermas, who considered that the function of the welfare state was to reduce the impact of crises, including any crisis of legitimacy.<sup>99</sup> Social policies are the end result of political discussion, of which contemporary examples may be found in such countries as Argentina and Brazil.

The second kind of relationship between groups in poverty and public institutions is observed when a change occurs in the political balance of power between groups in poverty and those not in poverty. This results in an increased reluctance to pay taxes, particularly to fund the poorest people. Integration policies give way to the logic of positive discrimination, targeting specific groups defined as “less well-integrated”. With path 6, this movement translates into a shift from equality to equity. This philosophy, tending to restrict the access of the middle and upper classes to the redistribution of social benefits (family allowances, public health system, and so on), is one of the main reasons for their challenges to and their disaffection with the tax system, as observed in the United States and United Kingdom.

The corollary of this concept is the renewed placing of responsibility for the poverty issue on the individuals experiencing poverty. Through a subtle effect of history, the thinking surrounding

96 See Wacquant L. (1996), “L’“underclass” urbaine dans l’imaginaire social et scientifique américain”, in Paugam S. (ed.), *L’Exclusion: L’état des savoirs*, Paris, La Découverte, pp. 248-62.

97 Lacroix B. (1985), “Ordre politique et ordre social”, in Leca J et Grawitz M. (eds), *Traité de science politique*, tome 1, PUF, Paris.

98 Castel R. (1999), *Les métamorphoses de la question sociale. Une chronique du salariat*, Gallimard, Paris, pp. 675 et seq..

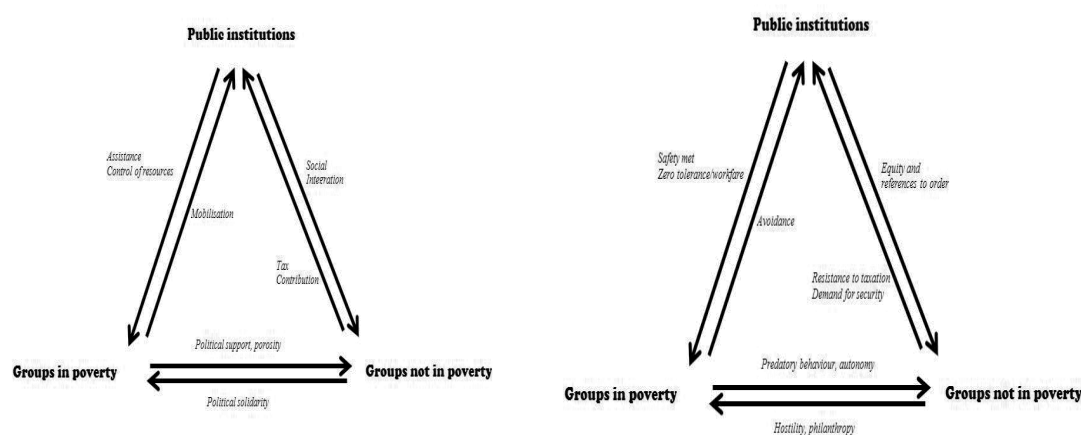
99 Habermas J. (1975), *Legitimation crisis*, Beacon Press, Boston.

the “welfare queens” targeted first by the Reagan and then by the Clinton administration is very similar to the view taken in Elizabethan England of the “undeserving poor”. Similarly, the various ways in which people are made to work, such as “workfare”, are reminiscent of the strong discipline exerted in workhouses.

Greater conflict between groups in poverty and other groups also flows from the petitions put forward on security grounds by the latter (path 5). Whether the petitioners are “local citizens’ committees” campaigning against prostitution and drug dealing in Italy, groups of traders wishing to get rid of the homeless people on the streets of city centres, or groups of flat owners trying to stop teenagers from congregating in the entrance halls to their blocks, the authorities receive large numbers of petitions asking them to intervene. This is fertile ground, in different ways and at different times, for political references to order (path 6), reflected in real life by public order policies (this time on path 1).

The information – inevitably of an exploratory and incomplete nature – presented in this guide offers an argument for reintroducing into the study of “poverty” the relationships among public institutions, groups that are in poverty and those that are not. If we take this view, we can include realities and situations that are nationally and historically different, and we can highlight the main kinds of relationships observable. To illustrate this thesis, we include below a summary table of two different configurations: that of the welfare state developed in Europe after the Second World War and another, more contemporary one.

Figure 10: Two states of affairs: Social state and liberal state



### ► What poverty means in terms of exclusion

The EU defines social exclusion resulting from poverty as a denial of human dignity and fundamental rights, which includes the right to sufficient resources and social protection enabling the effective enjoyment of the rights to health, housing, employment and training. Similarly, the European Parliament has stated that “poverty and social exclusion are violations of human dignity and fundamental human rights, and the central objective of income support schemes must be to lift people out of poverty and enable them to live in dignity”.<sup>100</sup>

On a different level, in the words of Hannah Arendt, social exclusion can be defined as the difficulty in securing the plural dimension of inclusion that “assures us of the reality of the world and ourselves”<sup>101</sup> and that makes it possible to be effective in what one says and does. Lacking the resources and opportunities available to others, which guarantee social integration, those excluded from society live in a vacuum emptied of values in which their actions and words have no effect. The key indicators of social exclusion include the violation of social and political rights, which cannot be separated from situations of economic deprivation, violence and social

<sup>100</sup>European Parliament Resolution of 20 October 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe. Available at <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0375&language=EN>.

<sup>101</sup>Arendt H. (1958), *The human condition*, University of Chicago Press, Chicago, p. 50.





isolation.<sup>102</sup> Accordingly, the fight against poverty is a sphere in which the concept of the invisibility of fundamental rights takes on particular importance. The right to vote, for example, like other rights of relevance to civic and citizen participation, is an essential aspect of social inclusion, as stated in Article 30 of the European Social Charter.<sup>103</sup>

Social exclusion is difficult to define on the basis of objective criteria:<sup>104</sup> it is a multidimensional phenomenon in the same way as poverty, which presupposes, in the light of the values promoted in contemporary consumer societies, that one is not seen as a good consumer or as a “productive” individual, regardless of whether or not one has a job.

The concept of social exclusion must be examined by looking at the relationships associated with poverty. When people are excluded from accessing particular areas or goods (material and non-material), or from making their voice heard, it is because of the action or inaction of someone else or institutions; accordingly, it is possible to modify the level of exclusion through changes in social and economic priorities, and through political action. Looking at the situation of the increasing number of poor people today, they are perfectly “inside” the work system, even though at the same time they are excluded from accessing dignified living conditions or the various expressions of citizenship. Migrants in an irregular situation, the majority of whom work in the underground economy, even though they ensure the operation of whole sectors of the economy in many European countries, are nonetheless often the first to be excluded from public and social life.

Those excluded are denied the solidarity of others, because solidarity itself presupposes identification with the other person's situation. Even though poverty and inequality are now increasing everywhere and it is becoming ever more difficult, as we have seen, to draw a clear dividing line between those affected by poverty and those who are not, exclusion does not appear to be on the wane. In contrast, the different types of exclusion build up one on top of another, creating a climate of insecurity and fear, and the public dimension of outreach and inclusion seems to be receding for everyone.

In unequal and polarised societies, between the two extremes there are many differentiated levels of inclusion/exclusion. Housing conditions are a good example. A person may be fully or partially excluded, depending on the quality of his or her housing, or the opportunities for acquiring housing. For example, there are people who, while not homeless, live in deterritorialised ghettos, as we shall see, and live in conditions that maintain social exclusion.

102Fondación Foessa e Caritas Española, *VI informe sobre exclusión y desarrollo social en España 2008, Presentación*. In this publication, exclusion and social development in Spain are analysed from various angles, in order to highlight the complexity of these phenomena. Although much of the report focuses on the specific situation in Spain, many of the considerations and data it contains could be useful for a Europe-wide discussion. One example is the proposed definition of social exclusion, based on the three dimensions of participation: economic, political and social. Accessible at <http://crisi.creuroja.org/Uploads/docs/VI%20Informe%20sobre%20exclusi%F3%20i%20desenvolupament%20social%20a%20Espanya.pdf>.

103ECSR, *European Roma Rights Centre (ERRC) v. France*, Decision on the merits, 19 October 2009, Comp. No. 51/2008, paragraph 111.

104Atkinson T. et al. (2002), *Social indicators. The EU and social inclusion*, Oxford University Press, Oxford.

## ► Public spaces: stratification, deportation and ghettoisation

Economic and social stratification is also seen in the way space is organised. The political division and categorisation of space is a fundamental part of the contemporary Western political model. This is particularly evident when the urbanisation process reaches unprecedented levels. According to UN Habitat, the global urbanisation rate rose from 29% in 1950 to 50% in 2009.<sup>105</sup>

The configuration of towns and cities reflects the power relations and political agendas of those in authority: when social cohesion and the well-being of all do not feature among the policy priorities, then urban spaces are bound to reflect other inequalities and polarisations.

The sidelining of public space particularly affects undocumented migrants employed without a contract and subject to the permanent risk of deportation; European citizens victims of a “permanent expulsion” policy or forced “voluntary” repatriation; the homeless people moved on from public areas such as stations, subways, doorways, and so on as a result of town-planning policies designed to transform these places into showcases of consumer society: this is what it is all about. But it is also happening in the suburban satellites and in urban areas where any opportunity for the people that are being marginalised to stay or meet up is being removed; the mobile “corridors of exile”<sup>106</sup> or border camps; worksites where the vulnerable labour force is constantly being replaced. This is the reality of poverty in the towns and cities of the rich countries, a reality which now includes the proliferation of shanty towns in de-industrialised cities, the cities of the marginalised, the cities of transit: made of makeshift, flexible structures, ready to be dismantled and reassembled temporarily elsewhere, inhabited by these “residents in limbo” which the urban poor of the South, and now increasingly also of the North, have become. And lastly, the permanent “corridors of exile”, the tented camps for refugees and displaced or internally displaced persons, where the lives of the eternally displaced come together in an area of great disarray.

This refers to an area where life is put on hold, an “existence in limbo”: every physical body, whether human, animal or vegetal presupposes a spatial existence, but the beings in question (especially when having to cope with poverty) appear not to be authorised to have this spatial existence. They are, as it were, in limbo. In recent decades, part of the world population has been condemned to an atopic transit existence, a sort of constantly renewed existence in limbo. While the territory of the national state, the very space of the citizen, was once the spatial setting for a labour force constituted to meet the labour needs of the large cities undergoing industrialisation – at a time when the ever-growing shadow of colonialism was experimenting with practices of domination and exploitation which were at times tantamount to annihilation and extermination – it is now, as a result of this existence in limbo, what we may term a “postcolonial” space that is gradually taking shape, a space where there is no longer any clear boundary between the territory of the nation state and the colonial space of confinement. In this way, these people “in limbo” have become invisible and their invisibility is not necessarily linked to their being from elsewhere or from being permanently excluded from the labour market. Rather it is inherent in the economic and political power arrangements, which instead of producing docile and disciplined bodies is producing what we might call immaterial bodies. Amid the mixed and superimposed structures of sovereignty, no longer simply national, meeting the needs of belated capitalism constantly seeking to exclude from the labour market a superfluous labour force, we find a “population in transit”, for which no space is set aside, other than in the form of an internal frontier to their own physical existence.<sup>107</sup>

## ► Social polarisation against equality in dignity: European values under increasing pressure

The increase in inequalities, in parallel to the rise in poverty and insecurity, undermines the fundamental values of Europeans as championed by the Council of Europe and the EU. What meaning do principles such as “social cohesion”, “democracy” or even “human rights” have in a divided society? The very concept of society presupposes a minimum level of reciprocity and sharing between individuals. Can we still talk about society when the differences between living conditions go beyond a certain threshold?

<sup>105</sup>Urbanisation is one of the most hotly debated issues worldwide in today's political and intellectual context. Opinions vary, with some believing that the process has not improved the living conditions of the urbanised community, leading rather to the transformation of whole areas into slums, bringing with it ghettoisation and social exclusion, while others emphasise the aspects associated with progress and improved living conditions of those in urban areas. However, from the shanty towns of Mexico City, to the deprived suburbs of Paris, the world is full of far-from-positive examples of the relationship between urbanisation and well-being. For further information on the debate over the contemporary urbanisation process, see, for example, International Federation of the Red Cross (2010), *World Disasters Report 2010. Urban risk*, IFRC, Geneva.

<sup>106</sup>Agier M. (2011), *Le couloir des exilés*, Editions du Croquant, Bellecombe-en-Bauges.

<sup>107</sup>Sossi F. (2007), *Migrare. Spazi di confinamento e strategie di esistenza*, Il Saggiatore, Milan; Sciarba A. (2009), *Campi di forza. Percorsi confinati di migranti in Europa*, Ombre Corte, Verona.

In the mid-19th century, Tocqueville said quite unequivocally that being forced to accept just any job whatever standard of living it made possible, and which today may not always preclude falling into poverty, destroys social cohesion and gives rise to two parallel societies: the society of the rich and the ever-growing society of those obliged to destroy themselves in order to escape poverty. This has led to a polarisation in both numerical and qualitative terms: between these two societies “there is no similarity and their differences get bigger every day”. Those belonging to the former are connected to the latter like “the two rings at the ends of a long chain”. Each person is assigned a position from which it is then impossible to move. In material terms, this is reflected in the fact that they go to different places and use different services. In a polarised society with poor public services, the wealthiest are prompted to pay for quality. They turn to other health services, send their children to other schools, and so on. In this way, two parallel worlds co-exist.

But what are the consequences of this for the principle of living in equal dignity in Europe today? There are three key dimensions to consider here.

The first concerns the constraints imposed on procedural and electoral democracy by competing requirements and pressures from supra-state stakeholders – both political (the European Court of Justice through private law) and economic (large corporations and the financial institutions) – undermining the independence of civil society in the field of tax, social and economic policies. When rights and public goods themselves are no longer guaranteed, procedural and electoral democracy can end up weakening its own power in the taxation and regulatory sphere. The capitulation to the technocrats by the democratic governments of Italy and Greece – because of high spreads or poor ratings – is, in many people’s eyes, a good illustration. And yet, this is just the culmination of a long process of corrosion caused by poorly governed global competition. Rights have become the defenceless victim of changes in the economy.

In parallel – this is the second point – the state is asked to develop, consolidate and implement rights, taking into account the requirements coming from societies that are richer in diversity, so as to enable individuals to follow their preferred paths freely (and equally), and to exercise control over the vital processes and activities deriving from “post materialism” in ways yet to be defined.

Having the guarantee of being housed and free of any debt in order to take part in cultural life, being in a position to shape one’s consumption modes and social relations, exercising some degree of control over basic human activities (health care, work, leisure, and so on), all these can now be considered intangible dimensions of dignity in equality that should be set down as rights. But how can we make sure that these possibilities are not the sole preserve of the more affluent social groups? The first requirement of the new pluralism suggested by a globalised world is to be able to fully live one’s social life on an equal footing with everyone else.

However, globalisation – the third and final consideration – while raising expectations and increasing the choices and information available (via the Internet, amongst others), has stratified positions and the sources of material security. The latter include assets, income, education, stable housing, choice of place of residence, access to cultural venues and events through which the new preferences and values take shape.

In short, by raising hopes that are not fulfilled and nurturing feelings of exclusion, globalisation opens the door to social tensions that are potentially stronger than ever, with equality having grown faster in the field of tastes than material possibilities. This paradox gives rise to unproductive and untenable tensions, putting modern society into a state of systemic crisis.

The dynamics of the globalised market oblige us to live in a society in which an ever-larger part is destined to marginalisation, to a life without prospects or dignity, so that the other part can develop in both material and personal terms. This is unacceptable and not only from a moral point of view. Utilitarianism came about as a moral approach to justify such a situation: in line with this way of thinking any action that increases the collective wealth, regardless of the harm it may cause others, is morally right. It is also unacceptable from a political point of view. A minority that benefits from wealth and is able to ensure personal development is obliged to defend itself militarily from the foreseeable, inevitable reaction, individual or collective, of those who are condemned to abasement. But no commercial production of wealth can, politically speaking, justify a permanent need for barriers to protect the rich from the rage of the poor.

The impressive polarisation that the commercialistic approach has made possible in terms of material enjoyment (40% of global wealth is now held by 1% of the population, the 20 richest people owning as much as the poorest billion), combined with the enormous police apparatus designed to criminalise marginalisation, has undermined the legitimacy of this approach. And this loss of legitimacy adds to a vicious circle: the awareness of those living in poverty (and more recently also

of the middle classes) that they are no longer able to improve their lot, increases their anger, forcing the richer groups to adopt defensive policies to criminalise the groups in poverty. And when the latter understand that it is not just market forces that confine them to the margins, but that repression too has its role to play, their anger is expressed in increasingly violent ways, transforming the punitive approach into a self-fulfilling – and in the eyes of the richer groups, self-justifying – prophecy.

It therefore becomes clear how the current situation places European values under pressure and why the construction of a political Europe comes across such difficulties vis-à-vis the pressure of market priorities.

The greatest risk is a reversal of the long process of European integration and the emergence of a human community harbouring a feeling of resentment, with no opportunity for developing democracy and rights, and continuing to live in insecurity.

### A more egalitarian society is better for everyone

In their now famous book *The Spirit Level*,<sup>108</sup> researchers Kate Pickett and Richard Wilkinson look at 11 different social and health care fields from an inequality point of view: physical health, mental health, drug addiction, education, prison population, obesity, social mobility, trust and community life, violence, teenage pregnancy rates and child well-being. They conclude that in each of these areas, the least egalitarian countries are the ones experiencing most problems.

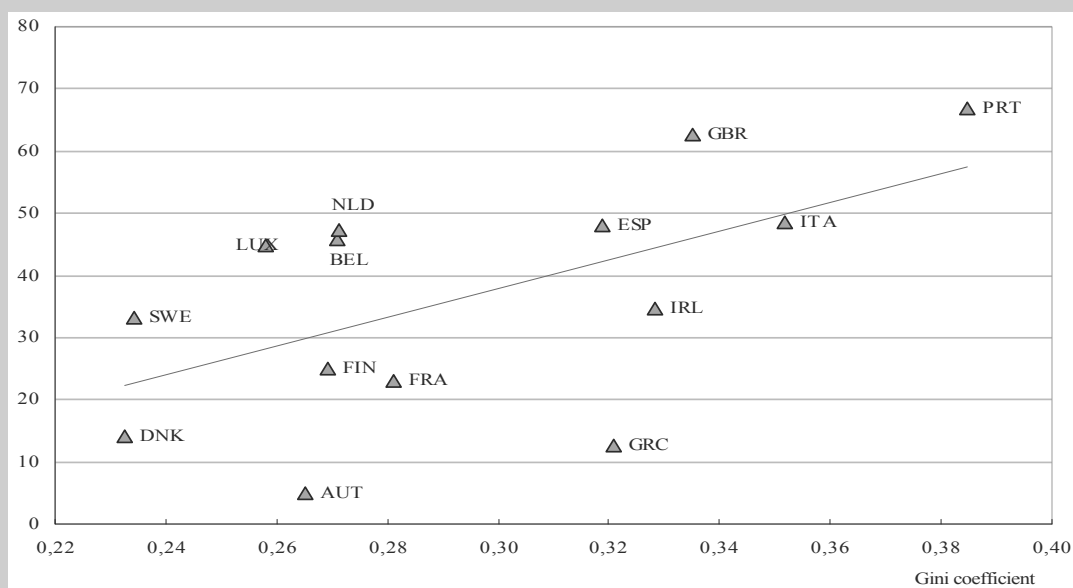
First of all, a divided society is more likely to see the emergence of violent conflicts. In the triangle of relationships shown above, the demand for security is also higher: gated communities, designed

to ensure distance from the poor, abound. The most unequal societies are also those recording the highest homicide rate, according to Pickett and Wilkinson,<sup>109</sup> and the largest number of prisoners.<sup>110</sup> Added to this, we find reduced trust in others and greater fear of others and of the future. In a polarised society, it is the majority of the population that is faced with insecurity and a sharp deterioration in living conditions.<sup>111</sup>

The OECD's studies on social mobility tend to confirm these two researchers' analyses. Some of this institution's recent publications show a close link between social immobility and economic inequalities. This correlation could be explained by the difficulty people find in climbing the "social ladder" when the distance between the rungs is too great, and also by various social mechanisms, discussed above.

Figure 11: Intergenerational social mobility tends to be lower in more unequal societies

Persistence of earnings, corrected for distribution differences (wage variation, in percentage points)



Source: OECD calculations from the SRCV-UE 2005 database and OCDE (2008), *Growing unequal? Income distribution and poverty in OECD countries*, OECD, Paris

108Wilkinson and Pickett (2010), op. cit.

109Ibid., p. 135.

110Ibid., p. 148.

111Bauman Z. (2005), op. cit.

In less unequal societies, social mobility is encouraged by the availability of high-quality public services. For example, again according to Wilkinson and Pickett, in a more equal society, education and health care systems are of the highest quality for all. Consequently, life expectancy and physical health are better preserved in more equal societies such as Sweden, Norway and Belgium, and less so in more unequal societies such as the United Kingdom, the United States and Portugal.<sup>112</sup> Furthermore, it is claimed that average school performances, calculated on the basis of results in maths and reading tests, are higher in a country that is only very slightly unequal such as Finland.<sup>113</sup>

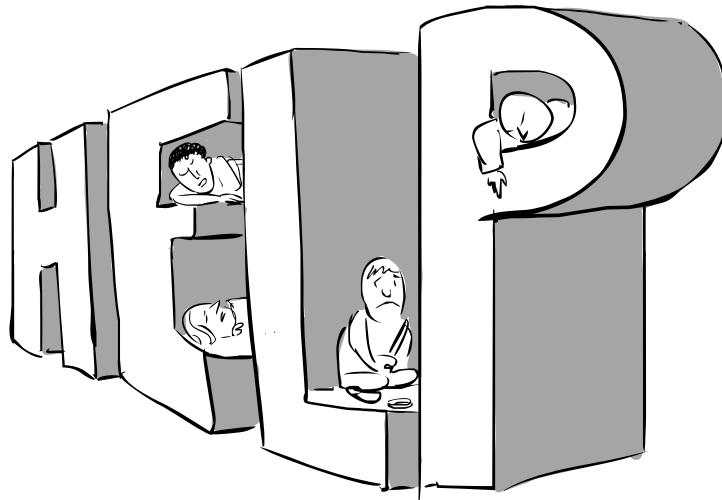
From these few examples, and from the vast literature dealing with this question, we conclude that reducing inequalities and strengthening public or community services will benefit not only those experiencing poverty, but also the better-off sections of the community. A less unequal society would be better for everyone.

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<sup>112</sup>Wilkinson and Pickett (2010), op. cit.

<sup>113</sup>Ibid., p. 106.

### 3. How to combat poverty in today's Europe



The above analysis shows that it is imperative to seek solutions that take account of the level of complexity of the problem. Poverty and impoverishment cannot be addressed through the concepts of charity or criminalisation that absolve the authorities of all responsibility. We need to rethink our social interrelations in a systematic and structural way, by reviewing the methods used for selecting social priorities and sharing responsibilities.

Preventing and combating poverty in the 21st century requires at least three levels of analysis in order to redefine responsibilities: we need to rethink the methods, revisit certain key concepts and explore the definition of poverty. This is absolutely essential if we are to make poverty a “common” problem and a political issue, and if the various social players are to become fully aware of their responsibilities.

#### ► Taking a fresh look

First of all, rather than measuring poverty, we need to assess it in relation to the objective of social cohesion, which should then be reflected in political processes designed to ensure the well-being of all.

Whereas measurement equates to a statistic, evaluation involves understanding the extent of inequalities in access to the different components of well-being. These components, both material and non-material, should be defined in relation to each context, making the fight against poverty practical and feasible, encouraging the shouldering of responsibilities above and beyond the circle of public institutions and NGOs, which already have the task of assisting the people experiencing poverty.

Moreover, referring to poverty as a “negative externality” that devalues property in the outskirts of cities is particularly indicative of the dangers of social conflict and disintegration inherent in the inappropriate treatment of interdependence issues. The idea that society is made up of a network of interdependences opens up interesting avenues for avoiding these dangers. Viewed in this way, poverty is a clear result of inequality, which itself derives from exclusion and a misallocation of resources.

As we shall see in Part III, the concept of commons or common goods offers a promising social vision of combating poverty, tying in perfectly with the concept of interdependence. Commons are not merely a set of shared resources. We understand Commons to mean the particular kinds of resources that need to be protected from exploitation for private profit, because they are essential for ensuring a dignified life for each member of a human community. Linking these two ideas would be something truly creative with a social utility having nothing to do with mere consumption of resources.

Increasing the “social utility” is the consequence of the management of common goods on the basis of a clear vision of shared priorities. Sharing priorities via a “community of interest” (“commoning”) is a truly dynamic process of transformation. This is where commons show their hybrid nature, a mixture of having and being: a material good that one has and the shared experience in which one is a stakeholder. Using a resource as a common good (for example, creating a community garden on an abandoned piece of land) transforms not only the resource itself but also the participants (“commoners”), because the experience of sharing is extremely enriching. This gives some insight into the genuine promise of “commoning” as a social institution. Sharing, which presupposes duties towards the common good and to others, may result in changes not only in the minds of the commoners (who hitherto thought perhaps only of defending their rights), but also in the degree of power that they could develop.

### ► **Promoting another concept of development and other reference values**

The shift that we now need to accomplish – politically and not just theoretically – is to change the dominant wisdom from the absolute domination of the subject (as owner or the state) over the object (land, the environment, resources in general) to a focus on the interdependence between subjects and between them and the resources; from an individual view of rights to a “community of responsibilities” to others and to resources. We need to make the idea of reciprocal care more widespread. We need a new common understanding, recognising that each person’s survival depends on the interrelations within a community or living environment. The first change to consider is the shift of focus from quantity to quality as a key concept of a holistic view. The qualitative differences in survival belong to the sphere of social interdependences and reciprocity. The ecosystem is the model, a community of individuals or social groups interconnected by a horizontal network of mutual relations in which power is dispersed rather than concentrated. By rejecting the idea of hierarchy (and competition) for a participatory and co-operative model of human self-fulfilment, we are advocating the idea that everyone should have access to the living space to express their own potential, including those recognised as being the weakest. It is only in such an environment that the idea of rights for all can be achieved in practice. In this way of thinking, commons are not commodities but a concept of reality that defies the apparently unstoppable trend to privatisation or corporatisation of goods that were originally intended to ensure human dignity. This does not mean a return to bureaucratic, authoritarian or collusive public management, nor a pre-modern idea of enclosures. Instead, what is desirable is to build up, on the basis of the concept of commons, a multitude of solutions tailored to the different European contexts, which can meet the requirements of inclusion and well-being of all, freeing citizens from the ideology of a zero-sum game between the state and the market. By asserting that there is a legitimate political space between the two, this alternative approach could help overcome the lack of social vision of the future.

### ► **Changing the concepts of efficiency and security**

We therefore need to come up with a concept of development that takes account of quality, sustainability, social justice and ecology and that places human beings and their well-being at the very heart of all social, economic and political decisions or plans. Achieving such an objective entails a change in certain economic, political and social concepts, such as “efficiency” and “security”. Efficiency, in a commercialistic society, means boosting profits and dividends, even if they are not distributed fairly, thereby increasing social injustice and inequalities, as happens in the dynamic processes created by financial and speculative movements.

Nonetheless, it is possible for efficiency to be given a radically different meaning.

In the commons approach, the experience of sharing spaces, objectives or better still, ideals encourages the placing of greater importance on equal access to and allocation of goods, rather than on their production. This shift of focus is essential. Clearly, the neoliberal approach, which has given rise to so many disparities, is based on a concept of distribution founded on the “trickle-down effect”: if the wealthy get richer, then growth and productivity gains will ultimately

and indirectly also benefit the people that experience poverty, rewarded with the remains of the banquet. This is not only questionable from a moral point of view, it is quite simply wrong. Interdependence shows that too plentiful a banquet for the rich results in economic and ecological crisis, and consequently greater suffering for people in poverty.

The commons approach is opposed to this. At present in the West we have overproduction, an excessive “stock of growth”. If we distributed what we have already (the stock) more appropriately, this would strengthen the abilities of the beneficiaries, and this in turn would create the conditions for a democratic collaboration in the vital process of deciding what and how to produce. Obviously, efficiency, as understood today, cannot be a criterion in this way of seeing things. As it is based on the idea of maximising wealth, it cannot be dissociated from the principle of the “biggest cake possible” since the key question is equal slices. This does not mean that there is no problem of good and bad “commoning”. However, this will not be resolved by conceptual, primarily quantitative, tools devised from the outmoded standpoint of permanent growth. The criteria for good “commoning” are qualitative: we need to identify the best possible commoners, those who fit in best in the relational chain forming commons. These qualitative criteria cannot be universal and static (as the concept of efficiency is), but are of necessity dynamic and contextual, as they have to decide on the ability to share a given common good in a given context with given people. Only by studying current practices will we be able to speak intelligently about this issue, as the experience of sharing is extremely complex. But this should not prevent us from acknowledging that seeking methods of creating institutions that will make it possible to democratically perform functions of mutual care and shared responsibilities is a social and intellectual challenge we must take up, rather than giving in to the logic of the right to permanent private accumulation, without any concern for the disparity of resources.

With regard to the concept of security, its “defensive” meaning must be modified to take in a concept that is compatible with the values of justice and social cohesion and, clearly, the language of universal rights.

Today, as we shall see in Part II, security necessarily entails the defence of one group against others, identifying “enemies” often perceived as different, dangerous and in competition for seizing goods. In contrast, security can be understood as being the result of sharing, as a right based on equity and reciprocity. The right to security is the right to give meaning to one’s life in a context of interdependence, the very foundation of a life in dignity.

Both the feeling and practical aspects of security must be developed by means of equal access to fundamental rights and goods – including common goods – such as democratic procedures, knowledge and public spaces in a virtuous circle in which each component is interconnected. The path to this concept of security must go hand in hand with a cessation of the production of anxiety and fear, which is what is produced by current economic processes, and by no longer making scapegoats of migrants and of people that are experiencing poverty and/or that are being marginalised. The media and official discourse have an enormous responsibility in this regard.

Only once the energy of society is focused on the real difficulties inherent in social cohesion and social justice will this new concept of security become the basis of a common objective to bring about the well-being of all.

### ► Laying the foundations for new strategies

If we are to effectively combat poverty and inequalities, we need to develop new strategies on new foundations. The starting point of the proposals discussed in this guide are the concepts of well-being for all, shared social responsibilities and commons. With these concepts we may rethink the concepts of efficiency and interdependence, in order to redefine priorities and give direction to the changes in social dynamics.

All these concepts are based on the principle of quality, a principle that is overlooked by the quantitative and positivist focus of the currently prevailing social sciences and the law. Common goods, for example, require paradigms of understanding that are based on access and sharing in a specific context, concepts that are beyond what modernity allows us to grasp, since the latter is based on placing the onus on the individual, exclusion, abstraction and standardisation. For centuries, the West has thought and acted as if it were alone, cut off from all other communities and beyond ecosystems. This deeply ingrained ideology limits our perception of reality and prompts people to take action as though, on a finite planet, there could be infinite growth. This illusion is largely responsible for the major ills of our societies.



By analysing poverty and inequalities from the point of view of shared social responsibilities, well-being for all and commons (and a pooling of resources) we should be able to lay the foundations for new strategies in which action to combat poverty can focus on the source of the problem and change the mechanisms that produce and reproduce poverty and inequalities.

By looking at the whole of society in terms of these criteria, we can help resolve a dramatic problem for the survival of a society of respect and diversity. In Part II we shall endeavour to explore these questions further and, in Part III, put forward a number of proposals in greater detail.

## **Part II**

# **Present-day context and current trends: a critical appraisal**

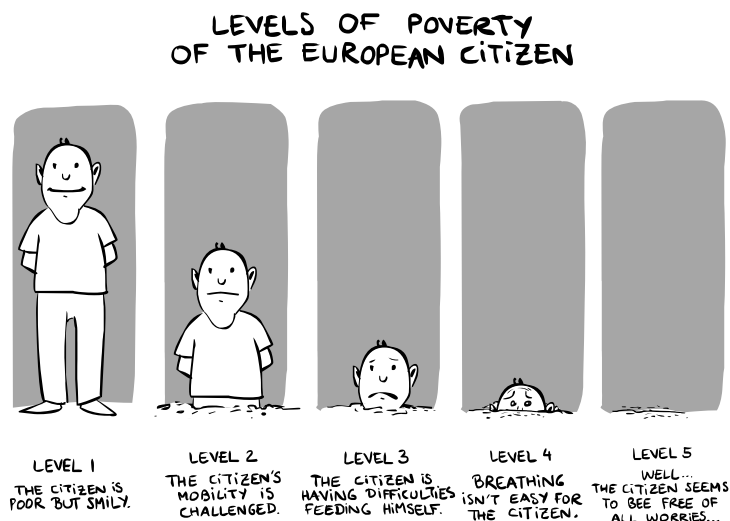
## Introduction

Part II of this guide, as indicated earlier, offers a critical appraisal of the current situation.

We shall therefore consider, in greater depth, some of the issues addressed in our introductory summary, starting with an analysis of definitions of poverty and their limitations and going on to look at the relationship between poverty and human rights, poverty and democracy, poverty and resource management, and poverty and government redistribution policies.

Our various conclusions concerning the current context and trends will serve as the basis for our third and final part, in which we shall seek to shape new strategies for combating poverty and achieving decent living standards in this, the 21st century.

# 1. Definitions and measures of poverty in Europe



Anti-poverty policies are shaped by the way in which they define and measure the phenomenon of poverty. By using simplifying indicators, they choose and promote solutions that are unable to cope with the complexity of the subject. If the only factor addressed is whether or not someone has a minimum income, for example, a policy of support will be adopted that provides income top-up, designed to guarantee an immediate level of consumption. This approach ignores all ideas of society's shared responsibilities. Not to mention the fact that no account is taken of the deprivation of resources that must of necessity be shared when one lives in society.

The first step towards finding viable and effective solutions is to identify the many and varied dimensions of poverty. For this reason we give priority, in this part, to dealing with definitions and measurements of poverty in Europe.

## ► Material poverty in terms of income

Statistically, material poverty is defined as falling below a given threshold.

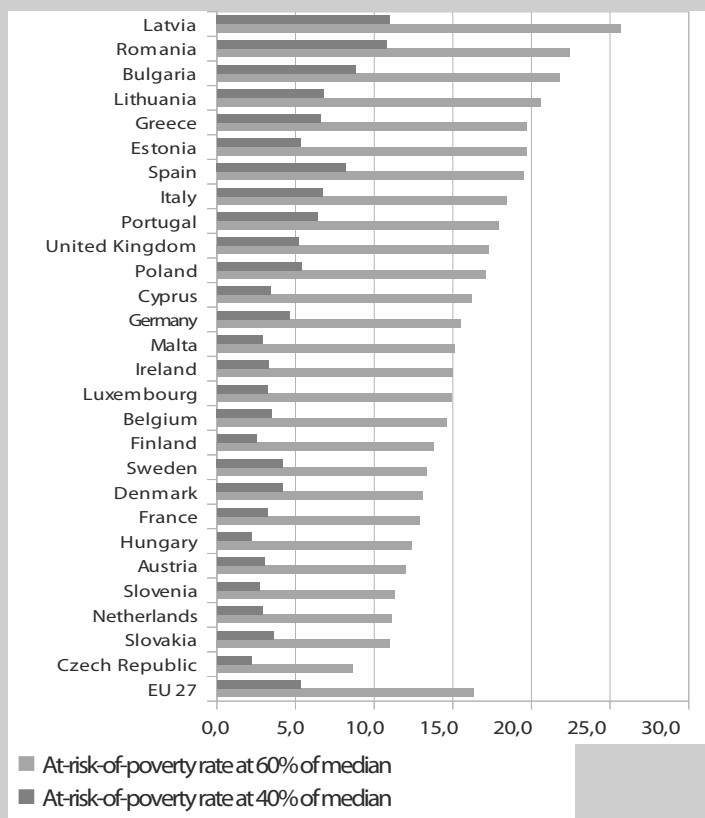
The first of these is the “absolute threshold”. Globally, the measure of poverty most commonly used is an absolute income threshold. The World Bank and the United Nations (in its Millennium Development Goals, or MDGs), sets this threshold at US\$1.25 per day, supposedly the minimum sum needed in order simply to survive. But this sum has no regard for the context in which poverty is found. It does not take into account a society's typical lifestyles or access to public services that ensure that people have the resources needed for a decent standard of living. This way of measuring poverty has attracted robust criticism, particularly in the research writings of Sanjay Reddy and Thomas Pogge,<sup>1</sup> for whom this approach is neither meaningful nor reliable, and does not reflect true human needs. In response to these criticisms, the World Bank started a debate on the multidimensional nature

<sup>1</sup> Reddy S. G. and Pogge T. W. (2009), “How not to count the poor”, in Stiglitz J., Anand S. and Segal P. (eds), *Debates in the measurement of poverty*, Oxford University Press, Oxford.

of poverty.<sup>2</sup> Additional indicators for employment and nutrition (measured in terms of minimum food energy intake) were added to the MDGs. Whilst these indices yield valuable data on extreme poverty worldwide, they would appear to be only partly relevant to poverty in Europe.

Another threshold is the “relative threshold”. The EU has developed a number of statistical tools for assessing the scale of poverty in the different member states. Although there are numerous indicators, the reference index remains a given percentage of median income. In 2000 the European statistical office Eurostat adopted a threshold of 60% of median income [Figure No 12], with the poverty rate or “at-risk-of-poverty” rate indicating that proportion of the population below this threshold. This marks a cut-off line between “poor” and “non-poor”. This is a convention, the choice of which has implications for the results obtained.

Figure 12: Poverty threshold at 40% or 60% of median income



Source: Eurostat 2009, indicator, ilc\_li02

In the EU, the percentage of the population with an income below 60% of the national median income is more than 16%, or almost 80 million people. If one takes an income below 40%, the poverty rate falls to 5.3%. The gap between the two thresholds, 40% and 60%, provides a measure of the scale of “marginal” poverty situations, which varies from one country to another.

Compare, for example, the situation in Estonia and Portugal: if we apply 60% as the threshold the poverty rate appears to be higher in Estonia (19.7% as against 17.9% in Portugal); but if we take the threshold as 40%, the converse applies (6.4% in Portugal compared with 5.3% in Estonia).

Use of a threshold that introduces a cut-off between people in poverty and people not in poverty overlooks a number of factors, causing difficulties when the aim is to devise policies with the long-term objective of eradicating poverty. Using this kind of index means, first, that no correlation can be made between economic growth and the scale of poverty. A poverty rate calculated in proportion to the total population presupposes that the gains from growth are distributed in

2 Multidimensional Poverty Measurement Workshop, August 2010. More information available at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:22728226~menuPK:2643937~pagePK:64020865~piPK:51164185~theSitePK:336992,00.html>.

the same way over the whole income spectrum.<sup>3</sup> This ignores the “stock” effect, that is to say the effect that existing property and capital assets may have on ability to gain from an increase in overall wealth.<sup>4</sup> It is a known fact that the proportion of income earned directly from employment is steadily decreasing, whilst that derived from assets – which the poorest in society do not have – is steadily increasing. Now that the concentration of assets in Europe has reached the levels described in Part I, it makes sense to question the value of this index as a measure of how much the poorest gain from increases in their wealth.

Second, the erosion of middle-class earnings (above the poverty threshold), reflected in a reduction of median income, is not taken into account, and this may create the illusion that poverty has gone down when the living conditions of people experiencing poverty in fact remain unchanged.

Third, it does not reveal a possible increase in poverty in tandem with an increase in inequalities: poverty and wealth may increase at both ends of the spectrum without affecting median income or the percentages of that median income, constituting the poverty thresholds.

Fourth, it does not reveal the disparities in wealth between one country and another: countries with very different levels of wealth may score the same for poverty rates. For example, the poverty rate in Hungary appears slightly lower than in Denmark (12.4% compared with 13.1% with a threshold of 60%), whereas it corresponds to an annual income of € 844 compared with €4 960 for Denmark, when 11.6% of Hungarians but only 1.3% of Danes<sup>5</sup> suffer, for example, severe housing deprivation.

Fifth, no account is taken of inequalities in inherited wealth (in Germany, in 2007, 10.2% of cases of inherited wealth were in the bottom quintile and 23.0% in the top quintile), or of differences in the composition of asset-related income, even though these reflect different inequalities in income, as is apparent from the table below, based on the seven income categories identified in the German tax system.<sup>6</sup>

Table 2: Inequalities by origin of income in Germany (2006)

	% of total taxed income**	Mean income (€)	Median income (€)	Income inequalities in 2006 (ratio of median to mean income)
Miscellaneous *	3.8	7 615	6 595	0.87
Employment	76.3	35 627	29 202	0.82
Capital assets	2.0	6 351	1 888	0.30
Agriculture and forestry	0.8	13 869	3 478	0.25
Real estate	0.8	1 639	376	0.23
Business operations	10.3	22 948	4 555	0.20
Self-employment	6.0	31 786	5 484	0.17

Sources: Tax statistics; Destatis, Statistisches Bundesamt Deutschland [German Federal Statistics Office] (2011), “Finanzen und Steuern. Jährliche Einkommensteuerstatistik. Sonderthema: Sonstige Einkünfte. 2006”, Fachserie 14, Reihe 7.1.1, Statistisches Bundesamt, Wiesbaden, available at [www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Publikationen/Fachveroeffentlichungen/FinanzenSteuern/Steuern/LohnEinkommensteuer/Einkommensteuerstatistik2140711067004.property=file.pdf](http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Publikationen/Fachveroeffentlichungen/FinanzenSteuern/Steuern/LohnEinkommensteuer/Einkommensteuerstatistik2140711067004.property=file.pdf).

\* Primarily retirement pensions

\*\* Excluding tax and social security contributions

3 Senate of the French Republic (2008), “La mesure de la pauvreté et de l’inclusion sociale”, Les Documents de travail du Sénat, série Etudes économiques, June 2008.

4 According to J. Stiglitz, for example, 1% of the population of the US takes in a quarter of the nation’s income every year; but if one looks at wealth rather than income, 1% controls 40%. Twenty-five years ago the corresponding figures were 12% and 33%. See Stiglitz J. (2011), “Of the 1%, by the 1%, for the 1%”. *Vanity Fair*, May 2011.

5 Eurostat “Severe housing deprivation rate by age, sex and poverty status”, 2011 indicator, ilc\_mdho06a, available at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_mdho06a&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mdho06a&lang=en).

6 The level of inequality is obtained by dividing median income by mean income. The lower the value, the higher the level of inequality.

Sixth, income-driven mobility cannot be identified. Again looking at Germany, we see from a comparison of the periods 1992 to 1995 and 2004 to 2007 that mobility falls off more markedly at the two ends of the income spectrum. In the lowest-income quintiles, it is becoming harder and harder for people to improve their situation.<sup>7</sup>

Seventh, “negative income”, in other words the level of individual or family indebtedness, is ignored. Yet this can seriously hamper the ability of the poorest to improve their situation, especially when housing prices soar out of control and there is a fall in the number of social-housing dwellings being built. In Germany national wealth (capital assets and real estate assets) doubled between 1991 and 2007, but debt levels rose at the same rate. In France, according to the National Institute of Statistics and Economic Studies (INSEE), in 2008 31% of households filing for over-indebtedness relief were living below the poverty line, and 60% said their income had declined significantly during the previous 12 months.<sup>8</sup>

**Table 3: Links between material difficulties, low take-up of banking services and over-indebtedness in France (2007-2008) (as % of all households)**

	All households		Households with little take-up of banking services		Households filing for over-indebtedness relief	
	2007	2008	2007	2008	2007	2008
Unpaid bills (housing-related)	9	8	15	17	52	58
Financial hardship	12	12	31	32	23	29
Poverty in terms of living conditions	12	12	27	28	54	65
Significant drop in income (2007-2008)		14		14		41
<i>Job loss or reduced hours *</i>		51		44		62
<i>Retirement *</i>		14		11		15
<i>Marriage / Separation*</i>		6		7		6
<i>Other</i>		29		38		17
Divorce / Separation 2007-2008		3				

\* Main reason given for loss of income.

From the above: 17% of households with little take-up of banking services in 2008 and 58% of households filing for over-indebtedness relief in the previous 12 months had unpaid housing-related bills in 2008.

Data: households in metropolitan France included in the SRCV panel data in 2007 and 2008.

Source: INSEE, 2008 statistical survey of incomes and living conditions (SRCV).

And lastly, the poverty rate says nothing about the link between the poverty line and the thresholds laid down for entitlement to social benefits (social housing, free healthcare, and so on).

### ► **Material deprivation: a problematic non-monetary indicator**

One of the indicators used in the EU’s Europe 2020 Strategy is “material deprivation”. This measures poverty in terms of whether or not people have access to nine goods and services regarded as a minimum set of requirements for survival: people are considered to be poor if they do not enjoy access to more than four of these. But this indicator, which pays more heed to the multiple dimensions of poverty than the previous one, nonetheless assumes consensus about what

7 German Council of Economic Experts (2009), 319/320.

8 See [www.insee.fr/fr/themes/document.asp?ref\\_id=ip1352](http://www.insee.fr/fr/themes/document.asp?ref_id=ip1352) (English summary at [www.insee.fr/en/themes/document.asp?reg\\_id=0&ref\\_id=ip1352](http://www.insee.fr/en/themes/document.asp?reg_id=0&ref_id=ip1352)), accessed 13 December 2012. Figures show that in 2008, 24% of households in the Q1 had debts (mortgage loans: 6%, consumer credit: 17%, both together: 1%) compared with 68% in the Q5 (mortgage loans: 36%, consumer credit: 13%, both together: 19%).

materially constitutes the essentials for a decent standard of living. By using possession of certain goods as one of the determining factors, this indicator ignores the role of individual choices and reduces poverty to an inability to consume.

Furthermore, this type of indicator takes little account of lifestyle differences across countries, even though, as pointed out by the European Anti-Poverty Network (EAPN), perceptions of which goods and services are essential for a decent standard of living vary, even within the EU. So essential goods and services can only be defined in terms of the possibilities open to the society concerned. This means that inequalities of access need to be taken into account.

#### Indicators of the Europe 2020 Strategy

##### *St1: People at risk of poverty or exclusion (t2020\_50)*

This indicator counts the number of persons who are at risk of poverty, severely materially deprived or living in households with very low work intensity. Persons present in several sub-indicators are counted only once.

##### *St2: People living in households with very low work intensity (t2020\_51)*

Persons aged 0-59 where the working-age members in the household worked less than 20% of their potential during the past year.

##### *St3: People at risk of poverty after social transfers (t2020\_52)*

Persons whose equivalised disposable income is below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers).

##### *St4: Severely materially deprived people (t2020\_53) (as % of the population)*

“Material deprivation” covers a set of variables relating to economic difficulties, durables, housing and living environment. Severely materially deprived persons cannot afford at least four out of nine cost items. They cannot:

- pay rent or utility bills;
- keep their home adequately warm;
- meet unexpected expenses;
- eat meat, fish or a protein equivalent every other day;
- take one week’s holiday a year away from home;
- buy a car;
- buy a washing machine;
- buy a colour TV;
- afford a telephone.

#### ► Choice of related indicators

More complex indicators are sometimes used in addition to those described above. In its Millennium Development Goals Report 2010, the UN ties the goal of reducing poverty to improvements in employment and the alleviation of hunger. With regard to employment, the indicators used look at unemployment rate and the “working poor”, and the proportion of self-employed persons and family workers in the active population.

In their anti-poverty and social exclusion targets for 2020, three EU member states make explicit reference to employment indicators. Germany is targeting the long-term unemployed, Denmark is seeking to reduce the number of households with low work intensity and Sweden hopes to reduce the proportion of its population represented by economically inactive persons, the long-term unemployed and workers on long-term sick leave. Poland, for example, which has set itself the target of a 1.5 million cut in the number of people at risk of poverty or exclusion or living in a household with low work intensity, says in its Europe 2020 national reform programme that poverty can be combated most effectively through the labour market, suggesting that the country’s goals for poverty reduction should be pursued in conjunction with those for employment (target of 71% employment). That says much about the generally accepted link between poverty and the absence of paid work: policies of poverty reduction turn into policies for employment. But the equation of “work = escape from poverty” has been challenged for many decades now – a challenge justified by the increasing numbers of the “working poor”. In 2009, 8.4% of those in work in the EU were below the poverty line (60% of median income).<sup>9</sup>

<sup>9</sup> Eurostat, “In-work at-risk-of-poverty rate by age and sex”, available at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_iw01&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw01&lang=en), accessed 13 December 2012.



Housing conditions also feature in indicators frequently used to measure poverty (two of the material deprivation indicator's variables make reference to housing). Which, again, poses the question of what exactly is "a home"? The phenomenon of homelessness does not only cover people sleeping rough. It also covers situations that are less clearcut and harder to quantify, such as temporary accommodation in hostels or with friends, or imprisonment.

### Housing exclusion: the ETHOS grid

ETHOS (European typology on homelessness and housing exclusion) is a classification of housing exclusion, developed by FEANTSA, the European Federation of National Organisations Working with the Homeless. It distinguishes between the situations of being "roofless" as opposed to "homeless", in insecure accommodation or inadequate accommodation.

Conceptual category	Operational category	Generic definition
Roofless	1 People living rough	1.1 Living in the streets or public spaces, without a shelter that can be defined as living quarters
	2 People in emergency accommodation	2.1 Night shelter
Homeless	3 People in accommodation for the homeless	3.1 Homeless hostel, 3.2 temporary accommodation
	4 People in women's shelters	4.1 Women's shelter accommodation
	5 People in accommodation for immigrants	5.1 Temporary accommodation in reception centres,
		5.2 Migrant workers' accommodation
	6 People due to be released from institutions	6.1 Penal institutions
		6.2 Medical institutions
	7 Persons receiving longer-term support (due to homelessness)	7.1 Residential care for the homeless
7.2 Subsidised accommodation		
7.3 Temporary subsidised accommodation		
7.4 Supported accommodation		
Insecure accommodation	8 People living in insecure accommodation	8.1 Temporarily with family/friends
		8.2 No legal (sub)tenancy
		8.3 Illegal occupancy of a dwelling
8.4 Illegal occupancy of land		
9 People living under threat of eviction	9.1 Legal orders enforced (rented)	
	9.2 Re-possession orders (owned)	
10 People living under threat of violence	10.1 Police-recorded incidents	
Inadequate housing	11 People living in temporary / non-conventional structures	11.1 Mobile homes
		11.2 Non-conventional buildings
		11.3 Temporary structures
	12 People living in unfit housing	12.1 Occupied dwellings deemed unfit for habitation (under national legislation or building regulations)
		13.1 Highest national norm of overcrowding
	13 People living in extreme overcrowding	

Source: FEANTSA, ETHOS 2007, available at [www.feantsa.org/files/freshstart/Toolkits/Ethos/Leaflet/EN.pdf](http://www.feantsa.org/files/freshstart/Toolkits/Ethos/Leaflet/EN.pdf)

Poverty is also measured by education and health-related indicators. And there are cross-cutting indicators that assess poverty on the basis of sex, age, type of activity or by citizenship groups. But these multiple indicators do not cover all the dimensions of poverty. Those measuring participation in political life, for example, are rarely taken into account when poverty reduction programmes are put into practice.

## ► Other definitions and additional indicators

Various non-governmental organisations have suggested other definitions and indicators of poverty in recent years.

*Caritas* lists eight criteria for measuring poverty: income, health, living conditions (housing, taking into account exposure to noise and pollution), education, participation in active life, participation in social life, residential or administrative status (for immigrants) and family (or social) origins.

The *Joseph Rowntree Foundation* adds two further criteria. The first is degree of access to services and more especially to a bank account, insurance, travel and social services (including access to social services for those living in rural areas). The second covers level of social cohesion, measured in terms of economic polarisation, satisfaction with local life, exposure to crime, participation in political and public life, clusters of poverty, pregnancy rate, number of young people with a criminal record, anxiety levels, and so on.

The *EAPN* makes the point that it is important to take account of criteria such as indebtedness, the length of periods of poverty and difficulties in accessing public services, and it comments that basic requirements vary depending on the country concerned and the level of social protection. It also points to the differences in perceptions of which goods and activities are necessary, and to what extent, and introduces a cultural dimension into the measurement of poverty.

## ► Definition of subjective poverty

The idea of subjective poverty refers to households' perception of their ability to "make ends meet" (that is to say households deemed to be in a state of "livelihood insecurity") and to the amount of money they need in order to live not in luxury but decently; by comparing this against their declared income it is possible to ascertain whether or not the family has the resources it needs. It is also possible to rate their lack of consumer satisfaction, bearing in mind that the idea of matching consumption to income presupposes that every individual or family has relatively well-defined consumption criteria. This type of measurement has the advantage that it takes account of socio-economic risk, certain specific vulnerability factors (difficulty in covering certain expenses, indebtedness), along with other related concerns (joblessness, lower pensions) and the effects of inflation. However, this indicator, from the very wording of the question (are you able to "make ends meet") suggests to the survey respondent a close link between poverty and the ability to consume. So this approach is only useful for measuring the dimensions of poverty that are linked to purchasing power and consumption.

The indices commonly used, whether based on income thresholds (absolute or relative to income) or on subjective perceptions, all estimate people's degree of satisfaction with regard to consumption. Apart from the fact that they tend to concentrate on measuring purchasing power, the drawback of these measurements is that they categorise people experiencing poverty as a group of under-consumers who lack the material resources they need. The other factors taken into consideration (as is sometimes the case with multidimensional approaches) include isolation and the lack of social contacts, treated as individual characteristics and not as the result of the dynamics of exclusion.

## ► The "capabilities" approach

Amartya Sen, economist and Nobel Prize winner, takes a different view. He advocates the "capabilities approach", which provides a better analysis of the complexities of the phenomenon, looking at an individual's basic resources and how he or she is able to escape poverty. According to this theory, capabilities are what enable individuals to do or be what they want ("human functionings"). A famine victim, for example, does not have the same capabilities as someone on hunger strike, though both of them are deprived of food; the first cannot feed himself or herself, whilst the second can but chooses not to. Accordingly, poverty is defined as the inability to make choices, for example a state of affairs that deprives someone of the capabilities that would ensure him or her a decent quality of life. Sen sees a need to rethink the concept of human dignity and to try to assess the quality of life that a state guarantees its citizens.

This approach no longer takes material deprivation as the reference indicator; what matters is to identify "what people are actually able to do and to be".<sup>10</sup> This prompts Sen to devise well-being

10 Nussbaum M. (2003), "Capabilities as fundamental entitlements. Sen and social justice", *Feminist Economics*, Vol. 9, No. 2-3, pp. 33-59.

and poverty indicators that show full regard for human diversity and are closely linked to the exercise of personal freedoms. They are therefore particularly useful in measuring the relationship between human rights and poverty. But this theory also presupposes that in addressing the question of the rights of people experiencing poverty we must ask how poverty affects the capabilities of those afflicted by it. And we must press for poverty to be redefined as deprivation of the capabilities essential for a person to live his or her life in dignity.

Based on Sen's theories, it is possible to develop a concept of dignity that is not associated solely with minimum respect for fundamental rights – the right to food, to life – rights that are violated only in cases of extreme poverty.<sup>11</sup> The capabilities approach makes it possible to measure forms of poverty (risk) existing in wealthy countries and the rights violations that go with them.

Following Sen's reasoning, Martha Nussbaum sets out her list of the various central human capabilities of which people may be deprived. She focuses on the ability to enjoy a long life in good conditions (of quality of life, health, mind, including "play" and control over one's environment); to develop one's senses, imagination, thought and practical reason; to engage in all forms of interaction (with the world of nature, other species and public life); and to participate, criticise and influence decisions essential to a life of dignity in the 21st century.

Nussbaum believes that the capabilities approach offers a better indicator of poverty than those still used all too often by institutions; that it moves from the language of welfare to the language of rights; that it opens the way for a redefinition of the concept of freedom, stripping it of its identity as an abstract ideal and negating the idea that it is enough for officialdom to do nothing in order for the problem to go away; that it allows us to go beyond analyses based only on the idea of needs, an idea covering desires and expectations that are a social construct; that it allows a pluralist concept of equality of opportunity to be devised; that it emphasises the value and power of individual and collective choices; and that it strengthens the role of education as a teacher of critical thinking – and not of spoon-fed knowledge – because education develops the individual's ability to make choices on basic issues and develops the ability of political decision-makers to think imaginatively.

### ► Developing a relational definition of poverty

From the point of view of this guide, all the various methods of assessing poverty we have just considered suffer, to varying degrees, from the same limitation: the theories from which they derive are not able to show the relationships of interdependence that have been the cause of poverty in the past and remain so more than ever today.

This essential shortcoming can adversely affect anti-poverty initiatives, including the "capabilities approach".

None of these methods, even the capabilities approach, clarifies the social and economic interdependencies that are responsible for poverty; nor do they apply, as we shall in Part III, the principles needed to explore alternative forms of social organisation as a way of combating poverty, for example shared social responsibility, well-being for all and the basic model used to define common goods or goods essential to a life of dignity. But Sen's theory, as reflected in his latest work,<sup>12</sup> is not at odds with the views expressed in this guide. We need to merge the "capabilities" conceptualised by Sen and Nussbaum into a broader, "common" dimension. The approach we are suggesting and shall develop in Part III will start from a relational perspective, taking into account the inequalities and power relationships that permeate through all societies and are decisive in the causation, definition and indeed the management of poverty. But first of all we must continue our analysis, looking first at the relationship between human rights and poverty.

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11 Geneviève Koubi writes that when the approach is centred on situations of extreme poverty, reference may be made to a right to subsistence for each and every one; but nowadays this right, recognised essentially worldwide, is viewed in minimalist terms: subsistence does not mean a decent quality of life. See Koubi G. (2004), "Poverty as a human rights violation", *International Social Science Journal*, 2004/2.

12 Sen A. (2009), *The idea of justice*, Belknap Press/Harvard University Press, Cambridge, MA.

## 2. Human rights and poverty



Since the dawn of the modern age, the language of rights has underlain Western thinking.

Our conception of rights has evolved gradually: beginning as a legitimate individual-related claim, it developed in the second half of the 20th century into the idea of protection for the individual against violence and the arbitrary exercise of power, including that resulting from democratic elections. After the horrors of world wars and especially of totalitarian regimes, there was a need to guarantee a body of rights regarded as fundamental, safeguarding the dignity of human beings against all eventualities of the kind seen in the past and against political change by drawing a “never again” line that the violations and barbarities of the preceding decades would never again be allowed to cross.<sup>1</sup> This system has been refined over subsequent decades, thanks largely to campaigns promoting social rights (and also women’s rights and those of other disadvantaged groups), to the point where all dimensions of human life are taken into account. We shall see that human rights must intrinsically have the properties of indivisibility, universality and substantive integrity if they are to be effective.

Hence this brief introduction to illustrate that one cannot address the problem of poverty, its causes and consequences, without considering human rights, this product of European culture and Western history on which, formally at least, all our contemporary democracies are built. No one can deny the fascination of the idea that every human being, regardless of nationality, residence, social or legal status, has fundamental rights that must be respected by all. So we shall look at the links that exist between human rights and poverty in regard to human dignity, emphasising the power of fundamental rights and the need to uphold and enforce them so that social justice too can progress. But we shall also take account of their inherent limitations, showing that there is an urgent need to transcend these, by adopting an approach to rights that is less individual and – again – more relational and collective.

<sup>1</sup> Ferrajoli L. (2001), *Diritti fondamentali. un dibattito teorico*, Laterza, Rome/Bari.

## 2.1. Introductory thoughts on rights and poverty

### ► Poverty, dignity, rights

Although one's idea of poverty and the violations of the associated rights varies depending on the country concerned and the moment in time, a general definition of poverty can nevertheless be put forward that encompasses both the idea of human rights violations and the conditions that prevent those rights from being exercised. And let us not forget that poverty is also a consequence of these violations.

The issue of how to eradicate poverty has been placed at the heart of the debate on human rights by many associations and NGOs<sup>2</sup> and by internationally renowned philosophers like Thomas Pogge.<sup>3</sup>

Numerous reports have explored the question of the link between rights and poverty in depth. The United Nations Committee on Economic, Social and Cultural Rights has taken the following view:

In the light of the International Bill of Human Rights, poverty may be defined as a human condition characterised by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.<sup>4</sup>

The idea that poverty is a violation of human dignity has also entered academic debate and community associations and institutional circles. And yet it is still difficult to agree on a single definition of this idea of dignity. The human rights texts that mention it are themselves the fruit of very different approaches. In this guide the idea of human dignity refers to the actual ability to make subjective choices with a view to living a life of dignity. In the final part of our guide we shall look in greater depth at the relational dimension of human dignity, which has so far received the least attention.

Respect for dignity presupposes respect for people's humanity (they must not be exploited for the benefit of others), a guarantee that their basic needs are met, and the ability for all to develop their full potential.<sup>5</sup> But poverty can affect each of these three components of human dignity, as explained below.

The individual can be reduced to the status of a mere object: poverty in its most extreme forms can lead to total invalidation of the individual (slavery, whether traditional or modern; sexual trafficking and prostitution; organ trafficking, and so on). But the undermining of an individual's dignity can also take the form of rejection and loss of social respect in the case of people in extreme poverty, to the point where they are ostracised and placed in a position of servitude and insecurity, where they are denied the enjoyment of fundamental rights and reduced to the status of objects or beasts.<sup>6</sup>

Poverty can lead to the individual's vital needs being ignored: the right to care, to food, to housing, and so on. The social rights enshrined in international and European law seek to guarantee a basic set of goods that are deemed essential. These may fall under the scope of the protection of dignity in that they make it possible to insist that the competent authorities provide access to the economic, social and cultural benefits necessary for a decent standard of living.<sup>7</sup> The European Committee of Social Rights (ECSR) has stated that the right to social and medical assistance, guaranteed by Article 13 of the revised Social Charter, is "of fundamental importance to the individual" because it "goes to the very dignity of the human being" and because "health care is

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2 See for example, Amnesty International (2010), *From promises to delivery. Putting human rights at the heart of the Millennium Development Goals*, IOR 41/012/2010, Amnesty International Publications, London.

3 Among this author's works we might mention Pogge T. (2002), *World poverty and human rights: cosmopolitan responsibilities and reforms*, Polity Press, Cambridge, and Pogge T. (2005), "Recognized and violated by international law: the human rights of the global poor", *Leiden Journal of International Law*, Vol. 18, No. 4, pp. 717-45.

4 Committee on Economic Social and Cultural Rights, "Poverty and the International Covenant on Economic, Social and Cultural Rights: 10/05/2001", Geneva, May 2001.

5 Fabre-Magnan M. (2008), "V° Dignité", *Dictionnaire des droits humains*, PUF, Paris.

6 Report by Leandro Despouy (1996) delivered to the UN Sub-Commission on Prevention of Discrimination and Protection of Minorities, which describes poverty as "the new face of apartheid and the new face of slavery" in that it has the effect of creating a "caste" of sub-humans who cannot exercise their rights. Accessible at <http://www.unhchr.ch/huridocda/huridoca.nsf/%28Symbol%29/E.CN.4.Sub.2.1996.13.en?Opendocument>.

7 Mayorga Lorca R. (1990), *Naturaleza jurídica de los derechos económicos, sociales y culturales*, Pub. Jurídica de Chile (2nd ed.), p. 183.

a prerequisite for the preservation of human dignity”.<sup>8</sup> In this respect, poverty can be described as inhuman and degrading treatment, even though few courts as yet do more than acknowledge the theoretical truth of this and do not punish this violation.

The individual’s personal development is also hampered: the idea of dignity takes us beyond an overly restrictive approach to poverty that focuses on survival. It enables us to look at the social, civic, cultural and political aspects of poverty: “people living in poverty don’t just face deprivation, they are trapped – excluded, denied a say, and threatened with violence and insecurity”, and they do not have the freedom to make life choices.<sup>9</sup>

The Universal Declaration of Human Rights is a good example of how the indivisibility of rights can be promoted. With its recognition in the Preamble “of the inherent dignity and of the equal and inalienable rights of all members of the human family”, it makes dignity the founding principle of human rights. Various national constitutions have subsequently made human dignity the most fundamental quality to be safeguarded.

### ► “Poor people’s rights” or universal rights?

Even if we approach poverty via the question of rights and dignity, there is always the risk of falling into paradoxes and categorisation. If poverty per se is defined as a violation of human rights, how can people that live in poverty and are excluded live with dignity and have their rights respected? Looking at things in this way, dignity and respect for rights must surely mean that the persons concerned have escaped at least partially from poverty and social exclusion? Are not dignity, rights and escape from poverty all interdependent? And if we talk about “poor people’s rights”, is there not a danger that this may turn into talk about “poor rights”?<sup>10</sup> Or that we may view poverty as an immutable condition and action against poverty as a strategy for rendering it bearable – through the exercise of rights that are inevitably devalued and that are inadequate safeguards of dignity? People facing poverty might therefore feel that they are being given second-class rights, with political and civil rights being reserved for the rich, whose prime concern is not to ensure their daily survival.

Accordingly, any re-think of rights means, as we shall see later on, that we must look at ways of encouraging the assertion of existing rights – and the emergence of new rights – in a form that is universal.

But first let us see how poverty is taken into account in European human rights texts.

## 2.2. European human rights texts and their limitations

### ► Texts on human rights in relation to poverty

In legal terms, poverty is by definition a violation of the right to protection against poverty, enshrined in Article 30 of the European Social Charter that, unfortunately, is not binding Europe-wide because not enough member states have signed it. For this reason we must look at the indirect effects of poverty on other human rights.<sup>11</sup>

The American Declaration of Independence in 1776, and France’s Declaration of the Rights of Man and of the Citizen in 1789, confirmed the existence of certain inalienable and universal rights.

In 1948 the United Nations signed the Universal Declaration of Human Rights and, in 1966, two international covenants were drawn up, one of them guaranteeing the protection of civil and political rights and the other the protection of economic, social and cultural rights. Other texts, such as the International Convention on the Rights of the Child or the Convention on the

8 ECSC, 8 September 2004, *International Federation of Human Rights Leagues (FIDH) v. France*, Complaint No. 14/2003, (paragraphs 30 and 31).

9 Amnesty International (2009), “Demand dignity. Human rights = less poverty”, ACT 35/003/2009, May 2009, available at [www.amnesty.org/fr/library/info/ACT35/003/2009/en](http://www.amnesty.org/fr/library/info/ACT35/003/2009/en).

10 In his introductory remarks to the OHCHR seminar on the Draft Guiding Principles on Extreme Poverty and Human Rights: The Rights of the Poor (Geneva 2009), Jean-Baptiste Mattei, ambassador and permanent representative of France to the Office of the United Nations in Geneva, said that “the point is not to define the rights of the poor, rights that are specific to a category of human beings, but to work towards real access to all human rights for all people.”

11 See for example Despouy (1996), report to the UN, op. cit.

Elimination of All Forms of Discrimination against Women, were drawn up to guarantee human rights both universally and in specific contexts.

For Europe, 1950 saw the signing, under the auspices of the Council of Europe, of the European Convention for the Protection of Human Rights and Fundamental Freedoms, since ratified by 47 countries. In 1961 the European Social Charter (revised in 1996) added to the list of fundamental rights to be guaranteed. During this same period, many European countries worded their constitutions in a way that reflected the principles of human rights that are indivisible, universal and inviolable.

Forty years later the European Union adopted its Charter of Fundamental Rights, combining in one text all the civil, political, economic and social rights acknowledged in Europe.

Without overlooking the various human rights texts concerned with poverty worldwide,<sup>12</sup> our guide focuses in this part on the European texts promoted by the Council of Europe,<sup>13</sup> namely the European Convention on Human Rights (“the Convention”) and the European Social Charter (“the Charter”), and on the relevant case law of the European Court of Human Rights (“the Court”) and the ECSR.

### ► Poverty-related rights in the European Convention on Human Rights

Unlike the Charter (Article 30), the Convention does not include a right to protection against poverty. It is in any case supposed to be concerned only with civil and political rights, not with social rights.<sup>14</sup> On second reading, however, it becomes apparent that the Convention does deal with poverty, albeit largely indirectly. The rights listed do actually include some that have a direct bearing on social issues (right to education, Protocol No 1, Article 2; protection of property, Protocol No 1, Article 1; prohibition of slavery and forced labour, Convention, Article 4); whilst others have an indirect influence on certain aspects of poverty.

Unlike social rights, civil and political rights impact only indirectly on people living in poverty. One may also wonder whether the method used to monitor violations of individual rights is best suited for combatting with poverty. In the case law, the rights that have a theoretically and practically established link with poverty are the right to life, the prohibition of torture and inhuman treatment (Article 3), the right to respect for private and family life (Article 8, in which one can include the right of parents to bring up their children whatever their resources and the right to housing and a healthy environment), the right to liberty and security (Article 5) and the prohibition of discrimination (Article 14).

#### Bringing about a definition of rules for “minimum living standards”

Case of *M.S.S. v. Belgium and Greece*: in its now famous judgment of 21 January 2011 the Grand Chamber<sup>15</sup> held that the poor living conditions that the asylum seeker had to endure during his time in Greece constituted a violation of Articles 3 and 13 of the Convention, and that whilst the national authorities had no obligation to guarantee a certain standard of living, the conditions in that country constituted a breach of the duty to provide basic accommodation and food. Moreover, in sending the asylum seeker back to Greece under the rules of the “Dublin II” system, Belgium too was

in breach of the Convention. But it is the wording of the conclusion that marks a new point in the case law: the conditions in which asylum seekers are held in Greece – living in the streets without food or shelter, in insecure conditions and with no entitlement to work – inherently constitute inhumane treatment. At this stage, one is not far from a statement that the state’s failure to provide the minimum conditions for a life of dignity constitutes a violation of the Convention – something that would help other groups that are victims of exclusion, such as the Roma, undocumented migrants and homeless persons. But we are not quite there yet. The judgment in question is specific to this particular case. The judgment does not give

12 For details of the UN’s work on poverty issues, Despouy (1996), op. cit..

13 For an analysis of the relationship between the Charter of Fundamental Rights and poverty see Gerds J. (2012), “Human rights of people experiencing poverty in Europe” in *Redefining and combating poverty – Human rights, democracy and common goods in today’s Europe*, Trends in Social Cohesion No. 25, Council of Europe Publishing, Strasbourg.

14 The report by Chantal Gallant (Rapporteur on social rights for the Council of Europe’s Steering Committee for Human Rights), “Recent developments in the field of social rights”, pp. 10-19, offers an overview of the various rights recognised by the European Convention on Human Rights.

15 *M.S.S. v. Belgium and Greece*, 21 January 2011, Application No. 30696/09. This judgment was debated by the European Parliament on 15 February 2011, as agenda item “State of European asylum system, after the recent decision of the European Court of Human Rights”.

a definition either of the minimum conditions that every state must guarantee. Setting guidelines on the strict guaranteed minimum to be provided in order to combat “extreme poverty” would make future decisions considerably less random. The

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Court might draw here on the expertise of other organisations such as the World Bank, the OECD, Eurostat<sup>16</sup> or the case law of the ECSR. An approach more consistent with Article 3 would be extremely helpful in measures to combat poverty.<sup>17</sup>

As we shall see in the next chapter, the right to vote and stand for election can be an effective way of combating poverty, especially for social groups that are marginalised or ignored. The rights under the Convention that broadly guarantee participation in political life are freedom of expression, the right to free elections and the right of assembly and association. But these rights too are often denied to people experiencing poverty keen to have a voice.

### Limitations of democratic rights for minorities, vulnerable groups and people experiencing poverty

People living in poverty face many practical obstacles to their exercise of the right to vote. There was a recent instance of this in the case of *Mółka v. Poland*,<sup>18</sup> where the applicant, a man with a disability, complained that he had been unable to vote in local elections because there was no wheelchair access to the polling station. This case also shows up the limitations of Article 3 of Protocol No. 1 to the Convention: because it does not apply to “legislative bodies”, local elections are not covered. And as it is usually local authority decisions that impact directly on the rights of people experiencing poverty, this is a major shortcoming.

The importance of the right to stand for election was also illustrated in a recent Grand Chamber judgment which ruled that the barring of Roma and Jews from standing for election to the House of Peoples and the Presidency of Bosnia and Herzegovina was a violation of that right under Article 14 (prohibition of discrimination) in conjunction with Article 3 of Protocol No. 1 to the Convention.<sup>19</sup> It is a well-known fact that in former Yugoslavia the Roma lived in appalling conditions, most of the time unable to work except in the underground economy, and without proper housing or access to education or health care. This vulnerable situation can be explained in part by the fact that they have no political standing, so their needs can be ignored – once again, if minorities speak up forcefully in democratic forums this can significantly help to combat poverty. This judgment, being one of the firmest commitments to uphold the principle of non-discrimination, is welcome. The constitutional measures taken here were the result of long negotiations by the ethnic groups to end the

war in the Balkans, and the crux of the compromise that led to peace with the Dayton Accords of 1995. The respondent state argued that unequal treatment was justified in view of the specific characteristics of that state.<sup>20</sup> But nothing placing obligations on states in this regard has been identified to date.

Given that the main inadequacies of participation in political life in Europe today derive from a rising level of voter apathy, especially amongst disadvantaged groups, rather than from national operating rules, we would do well to think about ways of removing existing obstacles. We should identify indirect forms of exclusion from participation in political life and consider possible incentives.

Article 11 of the Convention guarantees freedom of assembly and association, individually and with others, in all forms including membership of a trade union. The United Nations and the International Labour Organization have said that solid partnerships can make a positive contribution to the fight against poverty. But in order for that to happen, partners must be independent of the state and their work must be encouraged and accepted. The prohibitive part of Article 11 provides a guarantee for NGOs to be able to work on behalf of vulnerable people.<sup>21</sup> In this classic field of civil and political freedoms it therefore seems that the protection of the law is sufficient. But while for NGOs that turn the spotlight on instances of social injustice, the guarantee that their work cannot be prohibited is of prime importance, the obligation to promote their work is equally important, if not more so. If the right is to be made reality, states need to create legal, political and financial structures that will give a voice to persons living in poverty – and they must listen to them. It is not enough in itself

16 The index used by Eurostat – 60% of median income in the reference country – could therefore be backed up by legal considerations of the meaning of the right to life and by the idea that poverty is one form of inhumane treatment to which society subjects an individual. For the Eurostat definition see Eurostat (2010), “Combating poverty and social exclusion: a statistical portrait of the European Union 2010”, Brussels, pp. 37 ff.

17 See also Turmen R. (2007), “Human rights and poverty”, in Caffisch L. et al. (eds) (2007), *Liber Amicorum Luzius Wildhaber: Human Rights – Strasbourg Views*, Engel, Kehl/Strasbourg/Arlington.

18 Decision of 11 April 2006, Application No. 56550/00.

19 *Sejdić and Finci v. Bosnia and Herzegovina*, 22 December 2009, Applications Nos. 27996/06 and 34836/06, paragraph 50.

20 Ibid. Judges Mijovic and Hajiyevev only partly agreed, while Judge Bonello disagreed.

21 In the case of *Moscow Branch of the Salvation Army v. Russia*, the Chamber established that foreign religious charities were also entitled to make a collective complaint. See judgment of 5 October 2006, Application No. 72881/01, paragraphs 71–98.



to guarantee the individual and collective freedom to form organisations because people experiencing poverty, unlike workers who can organise themselves in trade unions, often lack the political and economic means to make themselves heard. To date the Court has not identified the slightest breach of the positive obligation laid upon states in Article 11; on the contrary, it constantly emphasises the defensive nature of this provision.<sup>22</sup> The Court

says, moreover, that Article 11 does not guarantee “any particular treatment of trade unions, or their members” and that it “leaves each State a free choice of the means to be used” to ensure that trade unions or their members can be heard.<sup>23</sup> Where trade union membership is not sufficiently powerful to negotiate members’ needs, the state has no obligation to act, because the right to collective bargaining is not a part of the freedom to form trade unions.<sup>24</sup>

### ► The European Social Charter’s approach to poverty

For more than 30 years the European Social Charter did not include the right to be protected against poverty. Only in 1996 was a “right to protection against poverty and social exclusion” added to Article 30 of the revised Charter. And Article 31 introduced a further element of essential relevance in this area: the right to housing. The Charter had previously dealt with poverty only indirectly, through specific social safeguards such as the right to social welfare services, health protection, vocational training, work and fair remuneration. The original idea was to guarantee a number of essential individual rights and at the same time encourage national governments to put these guarantees into practice. But it became apparent that the European Social Charter was structurally inadequate, because it had no procedures for individual or collective complaints and member states did not take the enforcement mechanism as seriously as the one of the Convention.<sup>25</sup> The Charter also proved to be a text unable to help people living in extreme poverty.<sup>26</sup> So in 1996 a collective complaints procedure was introduced. More than 10 years on from the revised Charter’s entry into force, there are two questions to be asked. Do the new provisions as interpreted by the ECSR provide the necessary level of protection to help lift people experiencing poverty out of poverty? And has this population group been given proper access to fundamental human rights?

#### Practical application and limitations of Article 30 of the European Social Charter

In accordance with the ECSR’s case law, member states have a range of obligations to combat poverty. These include taking positive measures to ensure that poverty is in fact reduced. But it seems sometimes that the actual monitoring process does not match the theoretical schedule. For example, in a very recent “Conclusion” on Ireland, the ECSR approves the national anti-poverty plan, even though the member state’s report contains no information on exclusion.<sup>27</sup> France was also declared to be in conformity with Article 30 between 2005 and 2007,<sup>28</sup> despite the ECSR’s finding, at the same time, that French policy on poverty reduction and housing breached this article<sup>29</sup> – not to

mention the fact that the statistics showed the Paris suburbs to have exceptionally high levels of poverty and exclusion.<sup>30</sup> In Portugal, 19% of the total population, 25% of children and up to 29% of elderly people were living below the at-risk-of-poverty threshold in 2005. The European Roma Rights Centre (ERRC) lodged a complaint against that country, alleging serious breaches of Articles 30 and 31,<sup>31</sup> yet Portugal was declared to be in conformity with the Charter because it had drawn up an anti-poverty plan. For its part, Belgium – even though the relevant Conclusion had said that the country had one of the five highest poverty rates in Europe, had not achieved any significant reduction in poverty during the reference period and neither the Brussels-Capital Region nor Wallonia had submitted poverty reduction programmes – was

22 *Sørensen and Rasmussen v. Denmark*, 11 January 2006, Applications Nos. 52562/99 and 52620/99, paragraph 58; *Wilson, National Union of Journalists and others v. the United Kingdom*, 3 July 2002, Applications Nos. 30668/96, 30671/96 and 30678/96, paragraph 41 onwards. By “positive right” the Court means the individual right to join associations; by “negative right” it means the right to opt out of such associations or not to join them. See *Gustafsson v. Sweden*, 28 March 1996, Application No. 15573/89, paragraph 45.

23 See *National Union of Belgian Police v. Belgium*, 27 October 1975, series A No. 19, pp. 17–18, paragraph 38 et seq.

24 Turmen R., “Human rights and poverty”, in Caflich et al. (eds) (2007), *Liber Amicorum Luzius Wildhaber: Human rights – Strasbourg views*, Engel, Kehl/Strasbourg/Arlington, p. 460.

25 Brillat R. (2009), “La Charte sociale européenne révisée: le défi des droits sociaux face à la pauvreté”, in Decaux E. and Yotopoulos-Marangopoulos A. (eds), *La Pauvreté, un défi pour les human rights*, A. Pedone, Paris, p. 62.

26 For an extreme description of poor people’s rights as “poor rights” see Imbert P. (1995), “Droits des pauvres, pauvre(s) droit(s)? Réflexions sur les droits économiques, sociaux et culturels”, *La Revue*, Vol. 55, p. 97.

27 RESC, Conclusions 2009, Ireland.

28 RESC, Conclusions 2009, France.

29 RESC, *International Movement ATD Fourth World v. France*, Decision on the merits, 5 December 2007, Complaint No. 33/2006, paragraph 169 onwards, paragraph 174.

30 RESC, Conclusions 2009, France.

31 RESC, *European Roma Rights Centre (ERRC) v. Portugal*, decision on admissibility, 17 September 2010, Complaint No. 61/2010.

declared to be in conformity on the basis of its federal anti-poverty plan.<sup>32</sup>

All these examples show that there is room for improvement in the case law. The monitoring procedure does not require member states to prove that poverty has in fact declined in their countries. In most cases they merely had to show that they had drawn up action plans to combat poverty. And the ECSR has not, it seems, evaluated in any detail the content and impact of the plans presented. Accordingly, it has not been too hard for member states to prove that their national policies are in conformity with the Convention.<sup>33</sup> Only Italy's strategy was declared not to be in conformity, but that decision was largely because the report did not provide sufficient information.<sup>34</sup> In any case, no percentage target has been set by which member states must reduce poverty levels each year. In the latest case law the ECSR asks member states more urgently "for more information ... about the impact, the practical consequences and the results of the measures [taken to reduce] poverty and social exclusion."<sup>35</sup> As work on the monitoring of this right has begun only recently, the ECSR may need more time to put together a clear list of obligations. It may also be able in future to compare earlier data and track changes over a longer timeframe.

The case law on the collective complaints seems to tell a different story regarding the legal scope of Article 30. In all cases brought before the ECSR, it found that there were breaches of the right to protection against poverty on the ground of housing programmes that were deemed inadequate. On closer examination, none of these decisions relate solely to Article 30, but rather to the right to housing stipulated in Article 31. In the case of *International Movement ATD Fourth World v. France*,<sup>36</sup> the ECSR held that the violation of Article 31 meant that there was also a violation of Article 30, on account of an insufficient national housing policy. In the case of the *European Roma Rights Centre (ERRC) v. France*,<sup>37</sup>

the lack of a national policy of housing for Roma and Travellers was deemed to constitute a violation of the Charter. Italy's housing policy was judged discriminatory as regards the right to protection against poverty for Roma and Sinti, and "especially those evicted people who were rendered homeless without any social assistance from the Italian authorities in a context of isolated ghettos with highly substandard conditions and inadequate public infrastructure or services".<sup>38</sup> In these three decisions the ECSR found a violation of Article 31 by virtue of the terms of Article 30. But nowhere is this link taken into account as such. Furthermore, member states are not required to show that participation measures do actually enable people living in poverty to have a voice. They are under no obligation to take measures to involve population groups in decision-making and to set up democratic participatory structures. Giving direct voting rights to representatives of the most disadvantaged people in society is not something routinely done in all member states, though it would further the defence of their interests. However, one decision on a collective complaint, by making reference to the indivisibility of human rights, opens the way to a firmer commitment on participation.<sup>39</sup>

More generally, member states should be required to give a voice to persons living in poverty in all areas of importance, as part of their action against poverty. The chief difficulty lies in proper monitoring of the overall strategy, because the indices used do not make it possible to differentiate between programmes that are effective and those that are not. From the case law it is clear that the mere existence of anti-poverty plans is enough for a country to be declared in conformity with the Charter. But the case law provides very few guidelines for member states to improve the effectiveness of their policies. No priorities are stipulated – apart from access to housing. The margin of discretion allowed, the limits of which are not yet clearly established, means that it is sometimes hard to identify the specific obligations arising under Article 30.

Another aspect of action against poverty merits attention: the prohibition of discrimination against people experiencing poverty ("povertyism"). Article E of the revised Charter says that "The enjoyment of the rights set forth in this Charter shall be secured without discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national extraction or social origin, health, association with a national minority, birth or other status." Together with Article 30, this provision could provide protection against discrimination prompted by poverty.

The right to housing, then, is stated in paragraph 31 of Part I, and Article 31 in Part II contains three separate obligations: member states undertake to "promote access to housing of an adequate standard, prevent and reduce homelessness with a view to its gradual elimination, and make the price of housing accessible to those without adequate resources." Member states must, in respect of each of these obligations, adopt the necessary legal, financial and operational means, maintain meaningful

32 RESC, Conclusions 2009, Belgium.

33 With one exception, all decisions have so far concluded conformity with Article 30 or the Committee has deferred its conclusion because of insufficient information.

34 RESC, Conclusions 2009, Italy.

35 RESC, Conclusions 2009, Slovenia.

36 Decision on the merits, 5 December 2007, Complaint No. 33/2006, paragraph 169 onwards.

37 Decision on the merits, 19 October 2009, Complaint No. 51/2008, paragraphs 95-96.

38 RESC, *Centre on Housing Rights and Evictions (COHRE) v. Italy*, Complaint No. 58/2009, paragraphs 136-140.

39 RESC, *European Roma Rights Centre (ERRC) v. France*, Decision on the merits, 19 October 2009, Complaint No. 51/2008, paragraph 99.

statistics and undertake regular reviews of the impact of the strategies adopted, establish deadlines for achieving the objectives of each stage, and pay close attention to the impact of their policies on vulnerable groups.<sup>40</sup> The parties must make available the necessary level of resources, which may have to be considerable. If those resources are not sufficient to set up an overall national housing programme, member states must show that they have made maximum use of available resources to guarantee this right.<sup>41</sup> The ECSR has subsequently formalised these obligations in its case law.

### Practical application and limitations of Article 31 of the European Social Charter

Article 31, paragraph 1, says that everyone has the right to housing of an adequate standard. "Equal treatment must be assured to the different groups of vulnerable persons, particularly low-income persons, unemployed, single parent households, young persons, persons with disabilities including mental health problems."<sup>42</sup> Although in free market economies the state has no direct control over private sector housing, it must ensure that everyone has access to adequate housing. This may be done through national, regional or local measures and by housing construction programmes.<sup>43</sup>

The central obligation is to provide "adequate" housing – a term that needs interpreting. The ECSR has applied three criteria here: firstly, the dwelling must be safe from a health and hygiene point of view and have "basic amenities, such as water, heating, waste disposal, sanitation facilities, etc., and electricity". Secondly, it must not be overcrowded "in light of the number of persons and the composition of the household in residence". Lastly, there must be "protection from forced eviction and other threats."<sup>44</sup> Article 31, paragraph 1 does not constitute an obligation directly in respect of people in poverty but includes a general safeguard to ensure a high standard of housing for the population as a whole. Therefore, it is also relevant to overall planning policy, available housing stock and the provision of public services. However, its impact will be greatest on the poorest groups of the population, as the standard of their housing is usually the lowest. Member states are also required to provide protection against homelessness, by two types of measures: measures to find accommodation for homeless people and preventive action to eliminate homelessness altogether (Article 31, paragraph 2). The parties' margin of discretion is limited in that they "must strike the balance between the general interest and the fundamental rights of the individuals, in the particular case of the right to housing and its corollary of not allowing individuals to become homeless."<sup>45</sup> Regarding preventive action,

the ECSR focuses primarily on limiting the number of evictions. This has to be done primarily through a policy aimed at reducing this risk, and then through strict regulations and procedures to be applied in cases of eviction.<sup>46</sup> Member states must put overall, co-ordinated plans into operation to prevent the non-payment of rents. To that end the ECSR attaches importance to programmes of debt clearance.<sup>47</sup> If homelessness is to be reduced there must be programmes providing an adequate number of places in emergency shelters with decent conditions.<sup>48</sup> The final paragraph of Article 31 deals with the obligation to provide persons without adequate resources with affordable housing. To the ECSR this means the provision of social or private sector housing that is "financially accessible". Member states must adopt appropriate measures for the construction of housing and must introduce housing benefits for the disadvantaged sectors of the population.<sup>49</sup> People must not have to wait too long for housing.<sup>50</sup> According to the ECSR, "affordable housing" means that housing costs (rent and/or other costs) must be sufficiently low that everyone can, on a long-term basis, maintain a minimum standard of living as defined by the society they live in.<sup>51</sup> Article 31 of the Charter has everything that Article 30 lacks to give this human right powerful backing in law: a clear focus, specific wording and a precise interpretation in case law. For example, non-conformity with Article 31 has been identified in six of the thirty-two conclusions on member state reports. Monitoring of the reports is hampered, however, by the fact that the conclusions are often deferred because member states do not supply enough information in their reports (there are 20 such cases at present). They need to be persuaded that it is in their interest to provide sufficient data if they want to find ways of improving the situation. A further obstacle is that member states are free to ratify only part of the article – Andorra, Lithuania and Ukraine have not signed paragraph 3. This leads to different protection standards in the various European countries and it conflicts with the purpose of this article, which is to encourage countries to frame an overall, co-ordinated housing policy as a way of combating poverty.

40 RESC, *European Roma Rights Centre (ERRC) v. France*, Decision on the merits, 5 December 2007, Complaint No. 33/2006, §60.

41 RESC, *ibid.*, paragraph 61 onwards; *Autisme Europe v. France*, Decision on the merits, 4 November 2003, Complaint No. 13/2002, paragraph 53.

42 RESC, Conclusions 2003, Italy.

43 RESC, *European Roma Rights Centre (ERRC) v. France*, Decision on the merits, 19 October 2009, Complaint No. 51/2008, paragraph 23.

44 RESC, Conclusions 2003, France.

45 RESC, *European Roma Rights Centre (ERRC) v. Bulgaria*, Decision on the merits, 18 October 2006, Complaint No. 31/2005, paragraph 54.

46 RESC, *European Roma Rights Centre (ERRC) v. Greece*, Decision on the merits, 8 December 2004, Complaint No. 15/2003, paragraph 51; based on Article 16 of the Charter.

47 RESC, *International Movement ATD Fourth World v. France*, Decision on the merits, 4 February 2008, Complaint No. 33/2006, paragraphs 81-83.

48 RESC, *European Federation of National Organisations working with the Homeless (FEANTSA) v. France*, Decision on the merits, 5 December 2007, Complaint No. 39/2006, paragraphs 105-108.

49 RESC, Conclusions 2003, Sweden.

50 RESC, *International Movement ATD Fourth World v. France*, Decision on the merits, 5 December 2007, Complaint No. 33/2006, paragraph 131.

51 RESC, Conclusions 2003, Sweden.

On paper the Charter guarantees direct and general protection against poverty. Focusing on the multidimensional and inter-relational phenomenon of poverty is the only effective way to sustainably combat poverty. The fact of declaring poverty to be an intrinsic violation of human rights – something unique in international law so far – presupposes a firm commitment to the upholding of human dignity. But until this legal standard is able to improve the situation of persons living in poverty, it is nothing more than an empty promise.

Because the Charter has received less attention than the Convention, we need to create sound legal mechanisms to ensure that it is strictly and fully applied in the fight against poverty. Its scope needs to be wide in order to reach all those afflicted by poverty.

And, as we shall see later on, its application *ratione personae*, as stipulated in the Appendix of the Charter, excludes from its scope foreigners who are not nationals of other states parties, including stateless persons or persons not legally resident in the country.<sup>52</sup>

Finally, the practical impact of the Charter's application in the member states is very hard to assess, because the reforms introduced are the result of long and complex decision-making processes and there is a dearth of information on this point. But it is clear that it is so far rather limited, since only 15 member states have accepted Article 30 and only 12 have signed at least part of Article 31.<sup>53</sup> The countries that have ratified the provisions are essentially those that have the lowest poverty rates, especially the Scandinavian countries. Reluctance to ratify the Charter seems to be proportionate to the scale of the effects it would produce if applied. The 1961 Charter and the revised Charter place only "international obligations" on member states: they are subject only to an international system of monitoring that requires them to submit reports on their compliance with the obligations of the Charter.<sup>54</sup> National courts cannot directly invoke the Charter's guarantee of human rights, causing some authors to describe it as a "code of conduct".<sup>55</sup> Unlike the Convention, the Charter is not directly applicable in the member states, regardless of the national system for implementing it. The ECSR's Conclusions do not have the binding character of the Court's judgments, even though they do have an impact on international law in that they interpret provisions set out in the Charter.<sup>56</sup> The Charter does not, in practice, make provision for any penalties, such as damages.

The collective complaints procedure introduced in the revised Charter is one step towards the thorough protection of human rights. But the Charter still has less of an impact than the Convention when it comes to the right to protection against poverty. At the time of writing this publication, only 12 collective complaints referred to a violation of Article 30 and the Committee has noted an actual violation in 5 of these cases. This poor results stress the need to have a larger number of NGOs representing people experiencing poverty being informed of the procedure. But this also shows that there is still much to do in combating poverty.

#### "Collective complaints": advantages and limitations

The collective complaints system was conceived as a supplement to the examination of government reports that is the basic mechanism for monitoring the Charter's application.

The collective complaints procedure is not unknown in international law, though it is restricted to a number of specific situations. Those who championed it sought to follow the example of the International Labour Organization (ILO), widening it to include

NGOs. The guiding thought was to secure a greater involvement of the social partners and NGOs.

Complaints are collective in two respects. Firstly, individuals cannot refer cases to the ECSR: those lodging a complaint must be "collective" entities, either empowered as of right (international or national organisations of employers and trade unions, international NGOs that have consultative status with the Council of Europe and have been put on a list established for this purpose by the Governmental Committee), or representative national NGOs within the jurisdiction of a contracting state and having particular competence

52 See also Article 13, paragraph 4 and Article 19, paragraphs 4, 5, 7 and 8; for more details see Blanpain R., Colucci M. and Wiebringhaus H. (eds), *International encyclopaedia for labour law and industrial relations*, Kluwer Law International BV, The Netherlands, p. CoE-19, paragraph 52.

53 See also the updated "Acceptance of provisions of the Revised European Social Charter (1996) table, at [www.coe.int/t/dghl/monitoring/socialcharter/Presentation/ProvisionTableRevJuly2012\\_en.pdf](http://www.coe.int/t/dghl/monitoring/socialcharter/Presentation/ProvisionTableRevJuly2012_en.pdf), accessed 13 December 2012.

54 See Part III of the original Charter and Part IV, Article C of the Revised Charter. The reporting requirements are set out in greater detail in Part IV of the 1961 Charter.

55 Smyth J.F. (1968), "The implementation of the European Social Charter", *Mélanges offerts à Polys Modinos – problèmes des droits humains et de l'unification européenne*, A. Pedone, Paris, p. 293.

56 Kahn-Freund O. (1976), in Jacobs F.G. (ed.), *European law and the individual*, Elsevier, Amsterdam, pp. 205 ff.

in the matters governed by the Charter, provided that state has made a declaration acknowledging their competence. Up to the end of 2011 only one country, Finland, has made such a declaration.

Secondly, the complaint is collective by virtue of its purpose: it has to indicate the degree to which a contracting party "has not ensured the satisfactory application" of a Charter provision that it has accepted. The explanatory report is clear that "complaints may only raise questions concerning non-compliance of a state's law or practice with one of the provisions of the Charter. Individual situations may not be submitted". No special situations may be considered (proceedings purely *in rem*).

After a procedure that is mainly written and in which both sides state their case, the ECSR gives its verdict on whether or not the Charter provisions have been complied with. Lastly, the matter is referred to the Committee of Ministers, which "shall adopt a resolution by a majority of those voting", on the basis of the ECSR's report. If the ECSR finds that the Charter has not been applied in a satisfactory manner, "the Committee of Ministers shall adopt, by a majority of two thirds of those voting, a recommendation addressed to the contracting party concerned". The explanatory report on the Additional Protocol to the European Social Charter providing for a system of collective complaints states that the Committee of Ministers "cannot reverse the legal assessment made" by the ECSR, but its decision "may be based on social and economic policy considerations". The final decision therefore lies with the policy-making organ.

The upshot of the procedure is that the measures adopted are not binding on member states. There is, however, a monitoring procedure operated by the ECSR: the state to which a recommendation has been addressed must, in its next routine report, indicate which measures it has taken to comply with the recommendation.

The ECSR has also reminded member states of their obligation to accept the consequences of a declaration of non-conformity. When an incompatibility with the provisions of the Charter is identified, it is up to the national legislative or regulatory body concerned to bring the national legislation into line with the Charter. Thus the Committee has said that "it is for the national courts to decide the matter in the light of the principles the Committee has laid down on this subject or, as the case may be, for the legislator to enable the courts to draw the consequences as regards the conformity with the Charter and the legality of the provisions at issue".

The collective complaints procedure put in place to monitor compliance with the European Social Charter is atypical: it brings together trade unions and employers' associations to protect social rights (which already happens in the ILO), but it involves NGOs too, which is new.

This "procedural innovation" was prompted by two considerations: firstly, the repeated refusal to

extend the competence of the European Court of Human Rights to the provisions of the Social Charter, for example by setting up a chamber within the Court specialising in violations of social rights; and secondly, international insistence on the special nature of social rights as rights that are "non-justiciable". This latter argument explains why the 1966 International Covenant on Economic, Social and Cultural Rights comprises monitoring only on the basis of national reports, ultimately carried out by the Committee on Economic, Social and Cultural Rights (CESCR).

Collective complaints are therefore appeals "by default", and there would appear to be less justification for them since 1 December 2008. On that date the General Assembly of the United Nations accepted the principle of an additional Optional Protocol to the ICESCR allowing individuals to lay breaches of their social rights before the CESCR.

The Council of Europe might do well to follow the UN's lead and allow individual complaints to the ECSR. But the collective complaints procedure should not be discarded, because it has many advantages.

First of all we should point out how successful it has been: between 1998 and 2011, 75 complaints were lodged (plus 5 more in January 2012). Whilst the complaints do not relate to all the rights guaranteed by the Charter, numerous violations have been identified on matters as diverse as child labour, action against poverty and workers' rights. It is true that the collective complaints procedure is a flexible and effective instrument. Flexible, because it allows issues of law to be raised fairly informally without, in the case of associations, needing to identify strategic cases or needing to name individual complainants, who might subsequently have to bear the consequences of a complaint, something particularly important where the situation of vulnerable persons is at issue. Effective, because this objective monitoring makes for a global assessment of the economic and social consequences of laws and policies. In this way, collective complaints avoid the undesirable feature of individual proceedings, namely the need to refer a "polycentric" case to the courts. "Polycentric" situations are those in which the repercussions of judicial decisions extend not just to the parties concerned, but beyond them. Resolving a case with budgetary implications is a typical polycentric problem: where a social right has been violated, every decision to allocate a sum of money to a given budgetary function reduces the sums available for the other budget lines. When it comes to social rights, a decision to allocate funds for housing, for example, may shrink the budgets for health or education. Consequently, the judiciary have trouble understanding cases where there are complex consequences that affect more than the immediate parties and the situations brought before the court. With collective complaints, however, a comprehensive issue is referred to the ECSR, which can then scrutinise it objectively and suggest overall reforms.

So the collective complaints procedure is a useful and effective tool. But it is not the only one, and other procedures might be envisaged: for example, the

possibilities opened up by the additional protocol to the ICESCR, which, once it enters into force, will enable cases to be referred to the CESCR by “individuals or groups of individuals, under the jurisdiction of a state party, claiming to be victims of a violation of any of the economic, social and cultural rights set forth in the Covenant by that state party”. Not only can a group submit communications to the CESCR, which is more or less to be expected given the rules applying to other UN committees, but the ability to lodge a complaint on behalf of individuals or groups of individuals is a significant advance that should make it easier for NGOs to act as intermediaries for



the most disadvantaged groups in society. “Collective action” is therefore allowed, in the sense of a procedure whereby a person who is in their own right a complainant can, on behalf of a group with the same interests, bring proceedings to have the individual rights of the group’s members recognised.

This procedure, which will come into force with the additional protocol, is something new that the Council of Europe might usefully emulate in order to protect the most vulnerable people in society for whom going to court, although vital to secure their rights, is not an easy option.

As we have seen with regard to the European Convention on Human Rights and the European Social Charter, whatever the strengths and weaknesses of the existing rules, rights need to be guaranteed by real access to justice.

In every case it is therefore necessary to decide how the obligation of accountability with regard to rights can be discharged and how best it can be done. Whatever the mechanisms chosen, however, they must be accessible, transparent and effective.

This prompts us to consider how the discharge of these obligations can be verified. Are the courts the best way of protecting the rights of people experiencing poverty?

► **The limitations of litigation**

There are several legal avenues for action against human rights violations resulting from poverty, namely:

- referral to courts or expert committees, which will rule on cases dealing with individual situations (individual actions);
- referral to courts or expert committees, to have government policies scrutinised (collective complaints, constitutional appeals);
- periodic review of government reports.

Each procedure has its own rules and peculiarities. The main difference is the authoritativeness of the decisions reached, which is greater when they come from a court.

	<b>Committees</b>	<b>Courts</b>
Individual complaint	Right of individual complaint to UN committees (Human Rights Committee, Committee on the Elimination of Racial Discrimination, Committee on the Elimination of Discrimination against Women. In due course: CESCR (when the optional protocol comes into force)	National courts  European Court of Human Rights
Review of government policies	European Committee of Social Rights (collective complaint)	National constitutional courts (verification of the constitutionality of laws)
Report-based monitoring	UN committees  European Committee of Social Rights	

When we look at the obstacles facing persons living in poverty, it is often not the level of protection of their rights that is the problem, but the difficulty they have in accessing those rights. As Hannah Arendt well knew, “the right to have rights” is of the greatest importance in combating exclusion.<sup>57</sup> Recently, Judith Butler also showed how important it was to allow people to use their rights.<sup>58</sup> One way of achieving this could be to guarantee what we might call “access rights”, rights guaranteeing people the enjoyment of human rights. It might be through direct procedures, such as the right to legal aid, or indirect, for example the right to vote. The bottom line is that we must check that existing guarantees are adequate to enable persons living in poverty, often the least visible and the least considered, to make themselves heard.

The right of access to the courts to defend one’s rights is guaranteed in Europe by the European Convention on Human Rights (Article 6) and by national constitutions. Accordingly, members of the public must be able to go to court to resolve disputes over social matters.

The basic idea is that in all (civil) cases the ability to go to court is guaranteed. Not all that long ago, access to the courts was often denied to particularly vulnerable groups.<sup>59</sup> Nowadays these reasons of inadmissibility to strike out an application no longer exist as such, and it was doubtless one of the Convention’s goals to guarantee this universal right. But it is the right to legal aid that has since emerged as the essential feature of the right to access to the courts. If people without resources are denied this access, it directly hampers their ability to lift themselves out of poverty.<sup>60</sup> Even so, legal aid is granted only where it is “indispensable for an effective access to court”. And it is given only in “deserving” cases, which leaves some discretion for member states.

All in all, the Court believes that:

the question whether the provision of legal aid is necessary for a fair hearing must be determined on the basis of the particular facts and circumstances of each case and will depend inter alia upon the importance of what is at stake for the applicant in the proceedings, the complexity of the relevant law and procedure and the applicant’s capacity to represent him or herself effectively<sup>61</sup>

#### Legal aid and the role of NGOs

The member states of the EU and Council of Europe have all instituted legal aid procedures. But comparison of the various national systems reveals fundamental differences across countries in the way this aid is conceived and organised: some grant it only to the destitute, whilst others try to make legal advice and justice accessible to all. The income thresholds and other criteria determining eligibility for legal aid are set by the state. In Spain, the monthly income for the household must not be more than twice the minimum wage, set each year. In Germany, legal aid is granted to persons who wish to bring proceedings but lack the necessary means (*Bedürftigkeit*) and have no other options (for example legal insurance, or legal advice funded by a tenants’ association or trade union). The application for legal aid is considered by the court. One way of improving legal defence might be to have litigants assisted and represented by civil society organisations (trade unions, collec-

tives) and NGOs. The expertise of these bodies and the intellectual and material resources they possess can be powerful tools for defending the rights of the poorest people in society. Such bodies may provide advice, but they could also play a wider role before the courts. Take, for example, the solution adopted for the additional protocol to the International Covenant on Economic, Social and Cultural Rights (Office of the United Nations High Commissioner for Human Rights). This text, which has not yet come into force, allows referrals to the Committee on Economic, Social and Cultural Rights by “individuals or groups of individuals, under the jurisdiction of a state party, claiming to be victims of a violation of any of the economic, social and cultural rights set forth in the Covenant by that state party”. Accordingly, NGOs will be able to submit complaints on behalf of individuals or groups of individuals whose social rights have been violated. This is a significant advance that should make it easier for NGOs to represent the most disadvantaged groups in society.

There can be other obstacles to access to justice. In cases involving individuals’ means of survival (for example, eviction from rented accommodation, withholding or suspension of social benefit

57 For an overall view, see Gündoğdu A. (2006), “Right to have rights’: Arendt and Agamben on politics of human rights”, available at [http://www.learningace.com/doc/259744/38737ba18f56cf337900e45a2ac1d83b/gundogdu\\_righttohaverrights](http://www.learningace.com/doc/259744/38737ba18f56cf337900e45a2ac1d83b/gundogdu_righttohaverrights).

58 Butler J. (2004), *Precarious life: the powers of mourning and violence*, Routledge, London/New York.

59 In the Golder case, the first to deal with this right, a prisoner was denied any kind of appeal under the prison rules against a decision taken by the prison authorities. The Court ruled that “one of the universally ‘recognised’ fundamental principles of law” had been breached. See *Golder v. the United Kingdom*, 21 February 1975, Application No. 4451/70, paragraph 35.

60 This right, not explicitly mentioned in the Convention, was established in the *Airey v. Ireland* judgment of 9 October 1979, Application No. 6289/73, paragraph 26.

61 ECHR, *Steel and Morris v. the United Kingdom*, 2005.

payments, deportation of an asylum-seeker to a country where that person's life will be in danger), the time frames imposed by the justice system may be incompatible with the urgency of the situation. Then there is the formality of the courts. Courts rule in accordance with the law and must base their decisions on rigorous legal arguments that, in large part, will depend on the submissions of the parties (that is to say, the applications made by litigants). But these formal rules that, overall, offer protection to litigants, may result in the situation of vulnerable people being misunderstood: poorly advised, or not advised at all, they may have formulated their application to the court badly, or missed the deadline for an appeal, and as a result they may miss out on their rights. Given this, perhaps a conciliation procedure or the use of a mediator might be preferable.

Further, there is the question of judicial self-restraint. Courts often take refuge in the separation of powers argument in democratic systems, claiming that it is for parliament to make budgetary choices – the judge has no power to rule on economic or social matters. This is what happens, for example, in the supreme courts of Ireland and the US. Other judges, while not saying that they have no competence at all, may use the same argument to claim only limited jurisdiction. As in the European Court of Human Rights, they say that a measure of discretion has to be left to the political authorities. This interpretation is seen in Canada, Germany, France and Israel, where the constitutional courts have justified their choice of limited jurisdiction by claiming that parliament is sovereign and is the only body with the power to decide on social measures.

This timidity on the part of the courts contrasts with the dynamic attitude of the various committees involved in social rights (UN Committee on Social, Economic and Cultural Rights, the Council of Europe's Committee of Social Rights, and so on), which readily declare that poverty is a violation of human rights, that countries have an obligation to act and that measures taken to guarantee in practice the right to housing can be monitored in a manner that is reasonable, appropriate and effective.

#### The French example of the enforceable right to housing (DALO): limitations of an established procedure

The French Act of 5 March 2007 sought to find answers to the housing crisis France had been experiencing for many years, by introducing an "enforceable right to housing" (DALO).

The idea of an "enforceable right" to housing is quite complex. It sets out to acknowledge the importance of the right to housing by introducing administrative and legal procedures designed to help disadvantaged people to find housing.

In that sense this act is consistent with national constitutions and European and international law that declare housing to be a human right.

As of 2007, French law provides that "the right to decent and independent housing . . . is guaranteed by the state for all persons living lawfully in France permanently as defined by decree in the Conseil d'Etat, who are unable to gain access to or retain housing by their own efforts. This right shall be exercised through friendly settlement or, where necessary, through litigation".

Administrative mediation committees, comprising government representatives, housing professionals and associations, have been set up nationwide. Persons in poor housing may take their case to a committee if they meet the statutory requirements of eligibility for rented social housing but have been offered nothing suitable following their request for housing. Cases may also be brought before a committee without any time-frame conditions if the applicant, acting in

good faith, finds himself or herself homeless, under threat of eviction with no provision of alternative accommodation, accommodated or housed temporarily in a welfare establishment, housed in premises that are unfit for habitation, unhygienic or dangerous. The same applies if the applicant is housed in premises that are patently overcrowded or cannot be classified as decent housing, if he or she has at least one child who is a minor, if he or she is disabled or has at least one disabled dependant.

After reviewing the file, the committee decides to classify the applicant either as a priority case for housing or placement in hostel-type accommodation, or as a non-priority case. If the committee decides that the applicant for housing is a priority case in urgent need of accommodation it determines, from the applicant's needs and capacities, what kind of housing is required and, if appropriate, what kind of welfare diagnostic or back-up measures are needed, and it forwards its decision to the *Préfet*. If the committee decides that the applicant for housing is not a priority case in urgent need of accommodation, it can make a suggestion on how the case may be pursued further.

The *Préfet* (as the representative of the state) implements the committee's decision, after consulting with the social housing providers.

Applicants who have brought their case before a committee but not been given housing may take their case to an (administrative) court, if the mediation committee has acknowledged them as a priority case in urgent need of accommodation and they have not been offered a home or accommodation appropriate to their needs and capacities.



If the court finds that the application for a home or accommodation has been classified by the mediation committee as a priority case needing to be resolved urgently and that the applicant has not been offered housing appropriate to his or her needs and capacities or a proposal of accommodation, the court will give instructions for the applicant to be rehoused or accommodated by the state (order served on the *Préfet*).

The court order may also require payment of a "coercive fine" (a penalty payable for each day of non-compliance). The amount of this fine goes into an urban development fund for social housing, not to the poorly housed individual.

The right to housing is not, however, enforceable against private individuals: thus squatters, for example, do not have the right to remain in the premises they are occupying. On the contrary, French law has tightened up considerably in this respect and the *Préfet* now has increased powers to have squatters evicted from land or premises they have occupied. French courts have taken the view that illegal occupation of premises cannot be a legitimate means of claiming the right to housing, even where the occupants are in a situation of hardship and have applied for housing, and notwithstanding their "legitimate desire ... to draw the attention of the authorities to their difficulties in finding housing" (Paris Appeal Court, 2010). Accordingly, the right to housing is enforceable only against the state, on terms that are all the more restricted in that there is no "universal right to housing".

The fact that the coercive fine that a court may order is paid not to the poorly housed person, but into a public fund limits the scale of the DALO procedure's effectiveness. Various innovative strategies have been devised to get around this: for example, compensation claims have been brought, on the basis of ordinary law procedures, to obtain judgments against the state for failure to execute rehousing orders and for failure to enforce the enforceable right to housing properly. These procedures have been well received by the courts of first instance. Elsewhere, it is clear from official reports that persons declared to be priority cases for housing due to a threat of eviction not only receive no help with rehousing from the *Préfet* but are, moreover, evicted with the help of the law enforcement agencies (that is, on the *Préfet's* authority). The state itself therefore does not always discharge the obligation incumbent upon it.

Set up at the same time as the enforceable right to housing by the act of 5 March 2007, the DALO monitoring committee produces an annual report on the implementation of this right and routinely announces alerts. Its 2011 report is especially important on that sense.

The figures collected under the DALO Act are impressive: 6 000 cases a month are registered for France as a whole (62% of them in Paris and the Paris region). Requests

for a home constitute 85% of cases and 15% are for accommodation. Of these, 45% of applications were approved and 18 400 households found a home or accommodation after invoking the enforceable right to housing. However, 27 500 decisions have not been acted on in a timely fashion (85% of them in the Ile-de-France region, which has a severe housing shortage), and the administrative courts have issued 4 600 orders a year, serving notice on *Préfets* to act on their decisions.

The monitoring committee's report shows that the DALO Act is very unevenly implemented: it points the finger especially at some *départements* that do not discharge their obligation to rehouse people and praises others for their good practice. The monitoring committee makes the point that "the enforceability of the right to housing must not be reduced to an appeals procedure: it is first and foremost an obligation to achieve results. It is for the state, as guarantor of the DALO Act, to equip itself with the necessary means to ensure that citizens can be decently housed without needing to submit an appeal or, where an appeal is submitted, that the decisions of the mediation committees and courts are acted upon". It states in this context that most of the suggestions made since 2007 to improve the effectiveness of the right have had no response from the authorities.

Five years after the DALO Act was passed, the findings of the official reports are serious. The monitoring committee readily asserts that "the state's disregard of the law is worse than a year ago", pointing out that the rate of rehousing, which had been only 50% in the Paris region, fell still further in 2011:

Appeals in respect of accommodation are multiplying in many *départements*, and mediation committee decisions are still having little effect. Sometimes they are quite simply ignored by the *Préfet*. In some *départements* the *Préfet*, failing to implement the DALO rehousing decision, opts to have the police enforce the decision to evict. The state is abusing the purpose of coercive fines, which have become a routine way of financing social services.

The figures are particularly worrying, it is true. According to the latest report of the Fondation Abbé Pierre,<sup>62</sup> France has 3.6 million people who are homeless or very badly housed, including 685 000 with no home of their own (no fixed abode, living in extremely insecure types of premises: building site huts, partially completed housing, converted farm buildings, and so on). About 2.8 million people have no or poor amenities (2.1 million) or live in overcrowded conditions (800 000). By analogy with the criteria used in the DALO Act, "ill-equipped" describes accommodation in buildings that are unhygienic or semi-derelict or have at least two of the following defects: inadequate heating or poor insulation, water leaks, unapproved electrical fittings, no sanitary installations or kitchen area. For more than 5 million people, their housing status over the medium

62 Fondation Abbé Pierre (2011), "L'état du mal-logement en France", report on the state of inadequate housing in France [in French only]. Available at [www.fondation-abbé-pierre.fr/index.php?id=498](http://www.fondation-abbé-pierre.fr/index.php?id=498).

or long term is uncertain. The total number of people in poor housing or with uncertain housing status can be estimated at 8 million. Added to this are the one million or so people experiencing multiple difficulties.

This overall, persistent situation accounts for the severity of the conclusions expressed by the ECSR. In its latest report, the ECSR finds that despite the passing of the DALO Act, the situation in France is still not in conformity with Article 31, paragraph 1

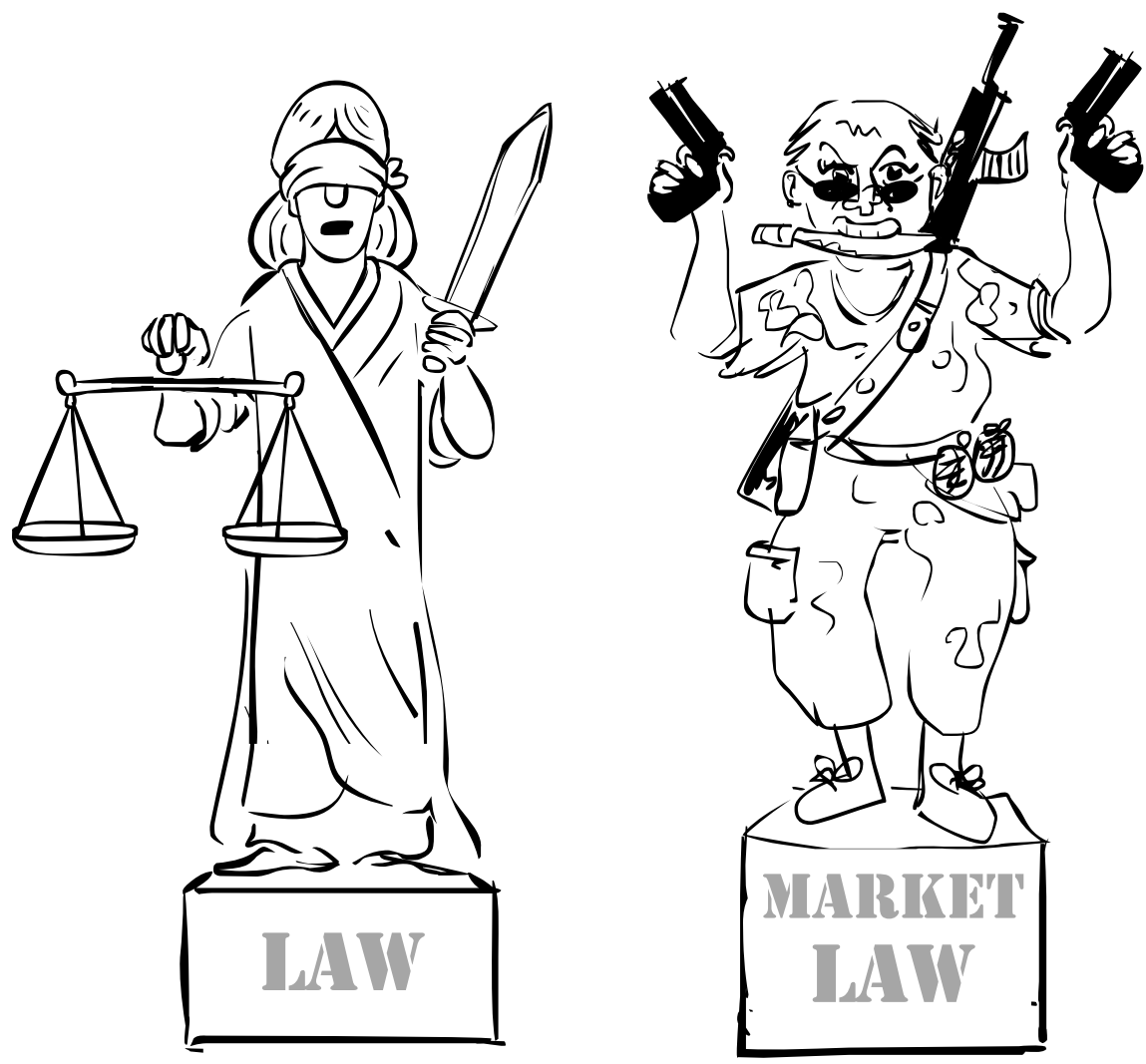
of the Charter, because of the situation of unfit housing and the lack of suitable amenities in a large number of dwellings. The ECSR also points to the particular situation of the homeless, foreigners and Roma and finds that this constitutes a violation of Article 31 (right to housing). It concludes that the French situation is still not in conformity with Article 31, paragraph 3 because of the shortage of social housing at an affordable price for the poorest people and low-income groups.<sup>63</sup>

Accordingly, even when fundamental rights are protected by the law and access to justice appears guaranteed, judicial procedures can still struggle to ensure that these rights are indeed enforced.

In fact, many serious questions remain unanswered about whether it is really possible to have human rights enforced by the law. We shall now look at one of these, one that is especially important: the question of responsibility.

Who is responsible for ensuring that laws on the statute book are upheld and enforced? It is a particularly thorny issue in the context of action against poverty.

► **The question of responsibility in the enforcement of human rights**



63 ECSR (2012), "Conclusions 2011 (FRANCE). Articles 7, 8, 16, 17, 19, 27 and 31 of the Revised Charter", January 2012, Council of Europe Publishing, Strasbourg. Available at [www.coe.int/t/dghl/monitoring/socialcharter/conclusions/State/France2011\\_en.pdf](http://www.coe.int/t/dghl/monitoring/socialcharter/conclusions/State/France2011_en.pdf), accessed 14 December 2012.

Official recognition of rights and the fact that they must be upheld presupposes identification of those responsible for guaranteeing and breaching them. The human rights-based approach enables us to move beyond claims that disadvantaged people are responsible for their own plight. If we consider poverty as a violation of rights, as the cause of that violation, the state is primarily responsible for ensuring that these rights are upheld, for protecting the holders of those rights and for making them a reality.

Firstly, the state must uphold rights: it has an obligation to refrain from doing anything itself to infringe the rights of individuals, including their social rights. It must not exercise any form of discrimination in the application of social rights, whether on the basis of gender, disability or nationality. A social security system that paid benefits only to its own nationals or to married couples, for example, or a collective eviction of Roma encampments, would infringe this obligation.

The state then has a “positive” obligation to protect holders of these rights against any violations carried out by others, in particular by introducing legislative safeguards and appropriate legal remedies. This positive obligation covers, for example, protection against any infringement by third parties of the right to adequate housing (eviction by a landlord) or the enactment of laws banning child labour. This all goes to show that social rights are not vague notions, untranslatable into law and not subject to appeal, but real subjective rights that individuals must be able to invoke against others, in the context of private relationships.

Lastly, the state has an obligation to make the rights real, which means an obligation to take action. Accordingly, it has a duty to implement welfare programmes and fund the building of housing and schools. This obligation necessarily entails financial demands. And since it would be unrealistic to expect every state to deliver on all guaranteed rights immediately, a “minimum core obligation” has been defined for all rights enshrined in international agreements.

Although the obligations of the public authorities have been set out in a variety of texts, one may wonder how much room for manoeuvre countries have in a globalised economy. Since 2008, many governments have highlighted the difficulties they have in taking action, given the crisis and the lack of transparency of financial markets, relocations/offshoring, and so on. This averred powerlessness leads to political crisis, because a large part of the population no longer trusts governments to ensure the well-being of all. However, regardless of whether this powerlessness is real or just an excuse, responsibility for guaranteeing human rights remains principally with the state. In the words of the United Nations Committee on Economic, Social and Cultural Relations,<sup>64</sup> even when available resources are demonstrably inadequate, the obligation remains for states to ensure the widest possible enjoyment of rights in the prevailing circumstances. The human rights approach differentiates between the “inability to act” and “simple unwillingness to act”, and the crisis is not a good enough reason for states to fail in their duty to uphold human rights.<sup>65</sup>

#### The new limitations of state action in a globalised world

The economic crisis that erupted in 2007 revealed a profound power shift that placed a number of supranational players above the level of the state.

During the 1990s, competition over taxes and earnings was still limited, and countries following other models of growth based primarily on innovation and human capital could, up to a point, stay out of it. But the increasing importance of private law, underpinned by the rulings of the European Court of Justice, subsequently undermined some of the institutions and practices associated with these safer and more established models of growth – challenging, for example, the legality of (*erga omnes*) voluntary collective agreements in

the Nordic countries or the right of industrial partners to choose their pension fund<sup>66</sup> in Germany. But there is another far greater power above state level, involving neither stakeholders nor institutions – the ever-greater weight of rumours and countries’ credibility in financial markets. It used to be that successful integrated growth models based on innovation had a high debt-to-GDP ratio (South Korea, Finland and France). But as the number of poorly transparent players in financial markets has increased, these models have become problematic and, in countries less able to compete in advanced technology and exports, state control over expenditure can dwindle very fast, as we have seen recently in the countries of southern Europe. This will probably lead to a fresh erosion of rights, as social spending is cut and the partial equilibrium (in the Marshallian sense) between private and public finances shifts.

64 CESCR, General Comment No. 3 on “The nature of states parties’ obligations” (Article 2[1] of the Covenant) (5th session, 1990), UN Doc. E/1991/23 (1991).

65 UN Human Rights Council, Report of the Independent Expert on the question of human rights and extreme poverty, Magdalena Sepúlveda Carmona: *Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development*, A/HRC/17/34, 17 March 2011, p. 5.

66 CIPD (2010), Institute of Personnel and Development, *European Commission versus Germany*, EUECJ C-271/08 accessible at: [http://judgmental.org.uk/judgments/EUECJ/2010/%5B2010%5D\\_EUECJ\\_C-271\\_\\_08.html](http://judgmental.org.uk/judgments/EUECJ/2010/%5B2010%5D_EUECJ_C-271__08.html).

In any case, the human rights approach to poverty puts the emphasis on obligations and insists that all stakeholders with obligations, including states and international organisations, must be accountable for what they do in relation to international human rights law. Furthermore, the fact that “classic” human rights are commonly seen as something that concerns the individual in his or her relations with the state makes it difficult to address the question of private stakeholders who may play a part at different levels in the upholding or violation of human rights – large corporations, for example, which nowadays are often more powerful than the state. Human rights are applicable to private stakeholders only through the state. And since the state has only limited powers here and must also take account of the rights of these private stakeholders, human rights play only a minor part in the private sector.

When it comes to action against poverty, it is therefore the state that in the first instance must ensure the enforcement of human rights, through legal and institutional mechanisms. But these may prove inadequate, and other players must then be brought into the equation. All social stakeholders, including those with no direct responsibility for violations or inadequate application of these rights, have a duty to improve matters, if they have the means to do so. The need to construct an innovative debate on shared social responsibility will be addressed in Part III of this guide.

But let us stay for the moment with the links between human rights and poverty and ask ourselves what essential characteristics human rights must have in order to be effective in protecting human dignity and combating poverty.

## 2.3. How to implement rights in the context of action against poverty?

If rights are to be effectively exercised in the context of action against poverty, a number of features of these rights must be respected, and we shall examine these now. The first is indivisibility: normally implicit in theory, it means that there must be no separate treatment in practice. The second, equally important, is universality. This is threatened by selective application and by the many forms of discrimination existing in our societies (and which rely on the principle of separation implicit in the notion of citizenship). For this reason we must devote a few lines to the danger which all forms of negative discrimination pose to human rights.

The basic characteristic of human rights that must be respected is substantive integrity. It refers to the various ways in which a right is applied, depending on who exercises it (a Roma, a person living in poverty or a company director, for example).

All these characteristics must therefore be respected if we want human rights to be an effective tool for protecting human dignity. But reality can be very different from principle, as we shall see.

### 2.3.1. Indivisibility and interdependence versus a separate conceptualisation of human rights

If poverty is now expressed in terms of human rights, this is primarily thanks to the change which came about in the 20th century in the way human rights were understood: whilst the fundamentally liberal 18th-century declarations on human rights focused for the most part on individual freedoms (freedom of thought, of speech, of religion, freedom from arbitrary arrest, the right to property), the texts adopted during the 20th century all emphasise the fragility of the individual and the need to protect human beings in the flesh. In other words, human beings in the “abstract”, who in order to develop required only freedom of action and freedom of thought, have been replaced in modern-day declarations by “tangible” human beings who must be protected against fear and suffering.

Human physiological needs (food, shelter, rest) are recognised in contemporary texts. Economic and social rights – the right to exercise an occupation (right to work, right to collective bargaining, right to strike and freedom of association), the right to receive protective social benefits to cushion the shortcomings of the free market (right to housing, right to social welfare, right to health-care services) – were added in the 20th century to the civil and political rights formulated two centuries earlier. It is now the view that there is no such thing as the pre-social state, and that everyone is part of a community, even if it is only the family unit. Thomas Humphrey Marshall, author of the famous distinction between civil, political and social rights, does not actually make a distinction in his writings where he analyses the way in which rights were applied in the United Kingdom between the end of the 19th century and the period after the Second World War. He spoke of “economic civil rights to contract” to describe in a few words the substance of what could be considered at the time (middle to late 19th century) as a gradual movement of



## REFERENCE ADDRESS

integration through work – a movement that he associated with the legitimate rights of trade unions and the progress their struggle had achieved in terms of social rights – in a context where universal suffrage had been won and there were emerging demands for broader protection by the state. Between the immediate post-war period and the 1970s, this perspective widened, as reflected in the introduction of state subsidies for apprenticeships, unemployment insurance managed by the trade unions, parental leave and care services, working time legislation, subsidies for independent schools, and so on. The availability of public funds for these measures was a direct reflection of the popular view that the state should promote increasingly egalitarian citizen participation.

Accordingly, contemporary texts on human rights stress the indivisibility and interdependence of rights, reflecting a global understanding of what it means to be human. Civil and political rights safeguard the autonomy of the individual against the arbitrary exercise of power, and economic, social and cultural rights protect against “the hardships which an individual’s dependence on nature may cause him or her”.<sup>67</sup>

But the historical distinction between civil and social rights, still clearly apparent in the differences between statutory instruments in force in Europe and elsewhere, greatly limits opportunities for combating poverty through the law.<sup>68</sup> As we have said, basic social rights are not guaranteed in the Convention, where only a few rare social issues are addressed, without any commitment to respecting human dignity. And this gap cannot be filled by case law alone. Legislative measures will be needed if we are to take a firm human rights approach to poverty. The principle of respect for human dignity that, in the context of human rights, is universal, might be the central guideline in this new approach. In practice, that means concerning ourselves not only with recognition of the right to life, but also the right to a life lived in dignity.

Proper legal protection for human rights might be assured by taking into account the circumstances specific to each case – since we all live in complex and multidimensional worlds that determine our ability to make use of our rights. What meaning does the right to a private life have for people who are homeless? What is the value of the vote to people who are illiterate, unable to decipher the ballot paper or candidates’ manifestos, or too poor to afford the bus fare to the polling station? The principles of the indivisibility and interdependence of human

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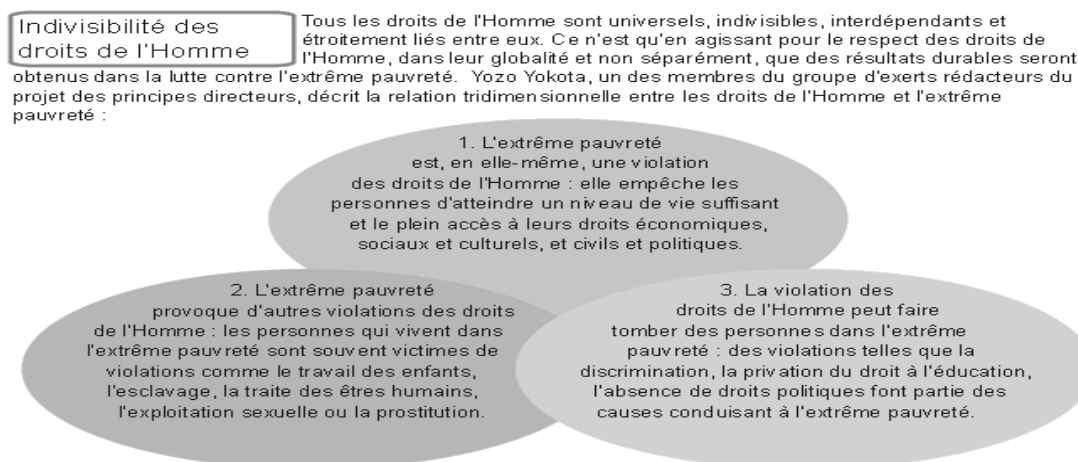
<sup>67</sup> Dijon, X., *Droit naturel*, PUF, Paris, 1998, p. 262.

<sup>68</sup> See also Tulkens/Van Drooghenbroeck (2008), “La place des droit sociaux dans la jurisprudence de la Cour européenne des droits de l’homme. La question de la pauvreté”, in *La Déclaration universelle des droits de l’homme 1948-2008: Réalité d’un idéal commun? Les droits économiques, sociaux et culturels en question*, ed. La Documentation française, Paris, p. 106.

rights must be upheld if they are to be effective. One fundamental right cannot be guaranteed if the others are violated.<sup>69</sup>

If we look at the causes and consequences of poverty, we see that respect for human rights necessarily requires them to be treated as a “package”. Violations of rights and poverty are part of a downward spiral circle that may be represented as follows (Figure 13).

Figure 13: Circular relationship between poverty and human rights violations



Source: ATD Fourth World (2009), Moving towards Guiding Principles on Extreme Poverty and Human Rights, available at: [www.atd-fourthworld.org/Moving-towards-Guiding-Principles,2227.html](http://www.atd-fourthworld.org/Moving-towards-Guiding-Principles,2227.html).

In many cases, a violation of social rights leads to a violation of civil or political rights, and vice versa. A few examples follow.

- *Material poverty and right to freedom* – an inadequate income can mean the curtailment of freedoms. Article 5 of the European Convention on Human Rights accepts, for example, the lawful detention “of persons for the prevention of the spreading of infectious diseases, of persons of unsound mind, alcoholics or drug addicts, or vagrants”. Articles of the same type have been used to justify the incarceration of persons charged with the offences of begging or vagrancy, and to restrict the freedom of movement of certain social groups. Within the European Union, Community law provides for restrictions on the freedom of movement of persons with too few resources.<sup>70</sup>
- *Material poverty and the right to family life* – Insecure living conditions are still, today, one of the reasons put forward to justify the removal of children from their families. The UN Committee on the Rights of the Child (CRC) observes that, in families experiencing poverty, the dread of having their children removed is so deeply entrenched that it is undoubtedly one of the features of poverty. Throughout Europe, this fear is part of the collective memory of the poorest families. The European Court of Human Rights has ruled that, whilst social services must indeed act to protect families living in acute poverty, children must be removed from them only as a last resort. On the matter of a placement prompted solely by the very insecure living conditions of the family concerned, in particular their housing, the Court<sup>71</sup> says that the role of the authorities responsible for social welfare protection is to help persons in difficulty who are not sufficiently familiar with the system, guide and advise them by informing them, amongst other things, about the various benefits available, how to obtain social housing and, in general, how they might overcome their difficulties. For immigrants, the right to family reunification depends in many cases on the family's resources: the family must have a minimum amount stipulated by the host country.
- *Material poverty and the right to political and social citizenship* – Poverty and, as a result, the violation of social rights is a frequent barrier to the enjoyment of political rights and full

69 Ibid.

70 Directive 2004/38/EC of the European Parliament and of the Council of 29 April 2004 on the right of citizens of the Union and their family members to move and reside freely within the territory of the member states.

71 ECHR, *Wallova and Walla v. Czech Republic*, 2006.

participation in social life. Although the right to vote is recognised in all member states of the Council of Europe, inadequate income may prevent the exercise of that right. The requirement to have a fixed abode may, for example, prevent people from appearing on the electoral register. Thus thousands of people without a fixed abode, such as Travellers and Roma, are deprived of their right to vote.

The examples given below show how closely the various types of rights are interrelated and highlight the need for them to be secured in their totality to ensure that each of them is effective individually.

Violations of the right to housing therefore merit special attention, in view of the violations of other rights to which they give rise. The following example, drawn from the experience of an Italian NGO, shows how ways can be found of avoiding serial violations.

**“No home, no rights”: the Italian situation and the role of *Avvocato di strada* in defending the rights of the homeless**

In Italy the requirement that one must have a registered abode has been an insurmountable problem for years. Every municipality must keep a public register from which it can verify the number and status of everyone living within its boundaries. Everyone is automatically registered at birth at their parents’ place of residence, and anyone who does not complete a census return is automatically removed from the register. So, logically, homeless people often do not have an official place of residence. In most instances this is because they have not been recorded in the census, but it may also be for one of the many other reasons that render people homeless: eviction, a court order to move out of the family home, or the end of a prison term. The seriousness of the problem is immediately apparent given that, under the Italian system, an official place of residence is the prerequisite for access to a whole raft of fundamental rights: treatment under the national health service, the right to social security, to vote, to sign on as a job-seeker, to draw a retirement pension, and to sign all manner of contracts – employment contracts or rental agreements. The problem has always been central to the work of the organisation *Avvocato di strada*, and it was the subject of its first lawsuit. In 2011, a man living in a night shelter referred the following case to the organisation: the city of Bologna was refusing to recognise the shelter’s address as his place of residence and this, he claimed, meant he was unable to sign on as a job-seeker or sign any kind of contract at all. The organisation then sued the city, arguing that under the Italian system residence was a fundamental right and not just an administrative title; they asked for the homeless man to be registered at the shelter’s address, the issue being not to determine whether or not this was a real home, but to secure him access to rights and services.

*Avvocato di strada* won the case and the judge ordered that the man be entered in the register – a decision that now stands as the reference and offers a clear illustration of how an authority can abuse its power. The judge also ordered the

city to pay the legal costs, enabling *Avvocato di strada* to buy its first laptop and a printer and so “open for business”.

This judgment sets an important precedent, but it does not extend to those who are entirely homeless – those persons sleeping rough. Since 2001 there have been more and more of these cases because there are not enough night shelter places. So the question of residence has arisen for them too and, in seeking to uphold their residence-related rights, *Avvocato di strada* has fought for the correct application of the relevant law, which dates from 1954 and says in Section 1.2: “Homeless persons are deemed to reside in the municipality where they are domiciled” – domicile being defined in Article 43.1 of the Civil Code as “the place where a person’s business and other interests are located”. The purpose of this law is to strengthen the tie between homeless people and the town or city in which they live. ISTAT, Italy’s national statistical institute, has introduced an innovative method of registering homeless people permanently living in a given municipality: it suggests that each municipality should include in its registers a fictitious street where such persons can apply to be officially resident. Although it does not exist, this street has the same legal validity as any other, thereby guaranteeing access to fundamental residence-derived rights. These invented streets have previously been christened “Hospitality Row”, “Homeless Avenue” or “Hostel Street”, something that – paradoxically – can become the source of fresh discrimination. But given that obtaining an official residence was only the first step towards integration, *Avvocato di strada* began to fight, through the courts initially, to secure the creation of this fictitious street in every municipality, and then through political action, pressing municipal councils to name these streets after prominent citizens who had themselves known poverty or had fought for equal rights. In Bologna, for example, the street is called via Mariano Tuccella, after a homeless man who died after being violently attacked; in Florence, via Libero Leandro Lastrucci, in memory of a man who spent his whole life defending the homeless. Thus, the principle is upheld that access to fundamental rights must be guaranteed, whether or not one has a roof over one’s head.

## 2.3.2. Universality versus selective application of human rights



What does the universality of rights mean? The idea of the universality of rights is generally contrasted with that of cultural relativism, which considers that the list of rights can change to reflect the pluralist nature of cultures and traditions. We shall not enter into this philosophical debate, but shall tackle the question of universality from the angle of access to rights: here, universality is understood as the principle that prevents a right from being denied to someone because they belong to a group identified on the basis of nationality, ethnic origin, gender, religion, economic and social status, for example. That does not mean, however, that rights can never be enforced on the basis of selective application.

The selective protection and granting of rights can, in fact, be a good thing in some cases where universal goals are pursued (in health care, earmarking more resources for more seriously ill patients, for example). But if we are seeking to uphold the principle of universality in the name of justice, it is important that this selection – in favour of individuals or specific groups – should operate only if it reasonably serves the objective of making rights universal (greater equality), as part of efforts to establish a body of rights for these groups – in such a way that this does not help to create a separate (civil) status. The problem is knowing whether, and in what circumstances, the granting of new rights to specific groups is beneficial to society as a whole, in making it aware of the significance of rights affecting new spheres of life or new sources of well-being. But the problem is also understanding what conditions will lead to an improvement – that is, that the individual and social dimensions of these rights coincide.

### The case of the Nordic countries: selective application which benefits everyone

When it comes to the status of women, an extremely significant example is provided by the Nordic countries, where fiscal and political strengthening of the welfare state has enabled rights that were specifically women's rights to evolve into universal rights. The growth of resources for care services – discernible in the Nordic countries in particular since the 1960s – initially reflected a progressive wish for women to take more of an active role in public economic life. Overtime, however, the realisation of the lower status of women, condemned to being mere housewives, led to recognition of the fact that free time

was needed for leisure activities and family life – resulting in the development of government aids for the individual and the reduction of working time.<sup>72</sup> This trend led to a reduction of inequalities in a number of areas.

This is an example of how to promote equality and dignity through government policies (tax and redistributive) that are universal in nature. In principle, when the ability to take on more than one role – in this case a paid job and work within the home – is also shared, this not only enriches interpersonal relationships (in this case the appreciation of men and women for each other), it also creates a greater ability for people to get involved, to play a more rewarding part in public life.<sup>73</sup>

72 Haagh L. (2011), "Basic income, social democracy and control over time", *Policy & Politics*, Vol. 39, No. 1.

73 One might add to Dowding's list of the revisions of sources of rights the extension of rights to new spheres of life, namely care, in Dowding K. (2007), "Are democratic and just institutions the same?", Dowding K., Goodin R.R. and Pateman C. (eds), *Justice and Democracy*, Cambridge University Press, Cambridge. Just as trade union action led to the creation of social security entitlements, action for women's rights created rights of care for all. So it is not simply a matter of the necessity, advocated by Nussbaum, of recognising the needs of others (people with disabilities and animal species, in her view): the fact of striving for that recognition tends to have a shared social value (starting from people with disabilities, one moves on to human vulnerabilities in general).



When we talk of fiscal fairness, it is essential to understand the degree to which government funding, above and beyond its globally progressive role, helps to expand selective rights for the protection of individuals into universal rights.

► **The imposition of conditions for access to aid and public services as a constraint on the universality of rights**

Apart from this kind of selectivity, which seeks to make benefits universal, any form of exclusion or selection in the practical application of human rights usually makes those rights less effective. This is apparent when we look at the conditions imposed for government aid in regard to access to social rights. Several cases provide evidence of this, for example in the United Kingdom where social benefits are increasingly paid only to persons living in poverty on condition that they change their behaviour to meet certain criteria laid down in the rules.

Cuts in public spending, the result of lowering taxes, have strengthened the tendency towards greater prominence of a selective method of welfare which is accompanied, in the case of people experiencing the consequences of poverty, by closer scrutiny of their resources and a more careful targeting of benefits. This model has proved effective in the United Kingdom, for example, for protecting the poorest stratum of society, but it has not reduced inequalities or raised the general level of material security. Moreover, whilst benefits under this new model are deemed to be accessible to everyone living in the same conditions, in practice stratification is such that applicants are hardly ever given the same benefits. In one and the same area, housing or health, for example, the eligibility rules are very different depending on whether you are relying on state or private sector benefits (for example if you have a bank loan or health insurance).

A more inegalitarian breakdown of income, and its corollary, more unequal contribution levels between the top and bottom of the income scale (two tendencies that reinforce one another), lead to more selective social benefits (and, from the point of view of principles, to social, economic, civil and political rights being treated separately). One wonders if, in this context, we can really describe the right of access to social benefits (and therefore to social rights) as a civil right.

Insofar as these benefits are means-tested, one might describe them as “selective rights”. But when behavioural criteria are also applied or when applicants are required to meet tight deadlines, personal dignity and the guarantee usually associated with the idea of a civil right are damaged. It will be noted too that these restrictions are always more marked in inegalitarian societies, where the rich fight to limit income transfers, and consequently to restrict access to various benefits.

Against such a background, this public advocacy of greater selection easily turns into moral preaching: people experiencing poverty must learn to cope with insecurity (lower benefits, a deregulated labour market, and so on), all of which is a legitimate part of public spending cuts. And it is a fact that employment incentive programmes are geared more towards specific career paths, accompanied by public investment in relevant training and access to employment.

More selective rights also strengthen paternalism and stigmatisation (the “deserving poor”), two phenomena that the welfare state theoreticians of the 1960s were already beginning to regard as relics of the past – and which seem odd in an era when, in specific social policy procedures, there is increasing concern that the dignity of applicants should be respected, a concern reflected in the language used: applicants are now “users”, users who must have a choice, and whose differences of language, ethnicity, gender, and so on must be taken into account in official paperwork. The problem is that the combination of private-style practices, (those of the free market economy), which tend to exclude already vulnerable groups, with public measures that have the power to exclude persons who do not meet the requirements from services that are in principle inclusive, it becomes structurally impossible and even absurd to try to promote the idea of equal dignity.

In the case of rights guaranteed through social services, for example, the multiplicity of conditions that have to be met makes applicants more dependent on those services, which runs counter to the avowed wish to enable people living in poverty to stand on their own feet. Applicants do not get to play a part in their own integration: they are forced to fill in forms and to meet a number of conditions – and even when these are met there is no sure guarantee of a positive response. And sometimes they come up against unlawful practices or find it impossible to assert their rights, as we see from the following examples supplied by defender associations:<sup>74</sup>

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74 See in particular the work done by the *Front Commun des SDF* Belgium and the European Union of Homeless. Available at <http://frontsdf.be/>.

- *The right to employment* – In order to be eligible for unemployment benefits, subsistence benefits or any other form of income support, people must show that they are ready to enter the job market, undergo training or sign a mentoring agreement; in other words, they must respond whenever contacted, failing which they will be removed from the list. These requirements take no account of a person's physical or mental exhaustion, of childcare difficulties, the incompatibility of working hours with family responsibilities, or the costs entailed in returning to work (transport, work wear, and so on). The required skills profile often takes no account of experience. And because the jobs on offer are insecure in nature (mandatory part-time, fixed-term contract, arduous work, and so on) they do not bring with them any financial security. Not to mention the fact that providing proof that one is actively seeking work in a climate where jobs are rare becomes a real challenge.

- *The right to food* – Food hand-outs (free or at a modest charge) depend more on the availability of food than on people's needs for healthy and appropriate food. In a comedy sketch produced by social workers in one European country, one sees a poor mother expressing fulsome thanks for the basket she has been given – though it does not contain the milk she had requested for her child. In some countries, persons living in poverty are forced to eat at the soup kitchen. Lastly, people often view scrutiny of their spending (budgetary guidance) as meddling.
- *The right to health* – It happens that people find themselves ineligible for free health care because their income is just a few euros higher than the ceiling set. There is very little data on the consequences for people experiencing poverty when they have to meet certain costs themselves (glasses, dental treatment, and so on).
- *The right to an official address*<sup>75</sup> – This is essential for obtaining or keeping the right to a benefit, retirement pension, and so on. Homeless people are often shuttled about from one department to another, over a long period of time. To them, rights exist in theory only.

To sum up, access for people experiencing poverty to each of the services and benefits that can “guarantee” their rights is subject to procedures, eligibility conditions, applications and appeals, and methods of implementation imposed by government authorities, social services or judicial bodies. In the name of anti-fraud measures, some of these procedures have been tightened up. Are these measures against poverty or against the people experiencing poverty?

### ► Universality of rights versus discrimination against migrants



The Human Rights Committee of the United Nations defines discrimination as:

any distinction, exclusion, restriction or preference which is based on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, and which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise by all persons, on an equal footing, of all rights and freedoms<sup>76</sup>

The perpetrators of discrimination may be ordinary citizens or institutions, and discrimination arising out of social factors may trigger discrimination by institutions and the judiciary (and vice versa). Poverty, social exclusion and discrimination are closely interrelated phenomena: people living in poverty or social exclusion are more likely to suffer

discrimination, and persons suffering discrimination are more likely to be socially excluded. This can create a kind of vicious circle: discrimination creates poverty, poverty creates discrimination. People living in poverty are very often the victims of rejection and deprecation. Defender associations are increasingly identifying new forms of discrimination. The term “povertyism” (mentioned earlier) is used to describe discrimination based on people's social background and standard of living. This is not always based on nationality or ethnic origin, but there is no longer any doubt that there is a close link between racism, xenophobia and people's living conditions.<sup>77</sup>

75 See box “No home, no rights” on *Avvocato di strada*, Part 2, Chapter 2.3: “How to implement rights in the context of action against poverty?”, above.

76 UN, Human Rights Committee, General Comment No. 18, 1994, UN Doc. HRI/GEN/1/Rev.1, paragraph 7.

77 Fresno J.M. (2005), “Addressing the interface between discrimination and poverty”, in *The Europe we want: views from those fighting poverty and social exclusion on the future development of the European Union*, European Anti-Poverty Network, Brussels, p. 62.

One form of discrimination that has the gravest consequences for access to human rights continues to be that based on citizenship, which some describe as the “last status privilege” of modernity.<sup>78</sup> Although a long philosophical tradition has sought to develop a cosmopolitan and inclusive approach to citizenship – “citizenship without community”<sup>79</sup> – this idea in fact remains essentially exclusive: like a commodity, citizenship is recognised on the basis of very specific criteria. It defines the parameters of a shared identity, but excludes persons who do not match them. Following the emergence of the nation-state, the citizen becomes one who holds that country’s nationality. He or she alone can claim the rights implicitly conferred by citizenship. Foreigners are excluded; they have a different status and different rights.

The European Union might be a post-national framework within which an “inclusive consciousness of cosmopolitan solidarity could be realised.”<sup>80</sup> So far, however, European citizenship has been seen only as a “summation” of the citizenships of the EU member states.<sup>81</sup> It reproduces national heritages along with the exclusions practised by member states. There is consequently a veritable hierarchy of individuals:<sup>82</sup> at the top are EU member state nationals, excluding the Romanians and Bulgarians, who enjoy citizens’ rights; below them come the Romanians and Bulgarians, whose status is “transitional” and for whom freedom of movement within the Schengen Area is limited to three months and access to rights in other EU countries is restricted; below them are foreign residents who have limited access to right of establishment or right to work wherever they want and have virtually limited access to citizens’ rights. Those with the most insecure status of all are asylum seekers and, even lower down the scale, undocumented migrants whose rights, even their fundamental rights, are often ignored.

Access to basic social services is often limited by law to persons covered by social security schemes and those entitled to certain specific benefits and services. Persons who are not citizens, or do not at least have a residence permit, are in a far more insecure position. They are often held in hostels or camps, are not allowed to work and, in some cases, risk deportation. The kind of assistance officially open to them is extremely limited, so they are likely to work in the “underground” economy. Efforts to find a common European solution, or at least to provide them with more agreeable forms of accommodation, have not come to much so far. Indeed, these issues have prompted a powerful populist and xenophobic response in quite a few countries.

#### Migrants in the revised European Social Charter

As we saw earlier, both the original and revised versions of the Charter do not protect individuals who are not nationals of a state party, stateless persons included, or persons who are not legally resident.<sup>83</sup> The Convention Relating to the Status of Refugees and the Convention Relating to the Status of Stateless Persons offer far less social protection than the Charter. This exclusion from the right to basic health care, housing, decent working conditions, equal treatment or even non-discrimination is hard to square with the principle of the universality of human rights. Or with

the principle explicitly stated in the Preamble, that human rights are indivisible, because it separates civil rights under the Convention, which are not restricted, from social rights under the Charter, which are. In the monitoring process, the Committee partially corrects this discrepancy by making reference to wider social groups living in an EU member state; Roma, for example, some of whom at least have the right of residence (EU nationals and permanent residents).<sup>84</sup> But this does not resolve the basic problem, because particularly marginalised groups such as undocumented immigrants or asylum seekers cannot appeal against violations of Articles 30 and 31 of the Charter.

It is not uncommon to find provisions included in legal texts that are discriminatory against non-nationals. The right to health care, for example, is not open to immigrants, and certainly not if they do not have a residence permit. This has prompted the WHO to comment that “health inequalities persist in the Region, both in migrant health status and access to health services”.<sup>85</sup>

78 Ferrajoli L. (1993), “Cittadinanza e diritti fondamentali”, *Teoria politica* 1993/3, p. 74.

79 Balibar E. (2003), *We, the people of Europe? Reflections on transnational citizenship*, Princeton University Press, New Jersey, p. 76.

80 Habermas J. quoted by Etienne Balibar, *ibid.*, p. 55.

81 *Ibid.*, p. 155.

82 Rodier C. (2008), “Européaniser pour mieux contrôler”, Rodier C. and Terray E (eds), *Immigration: fantasmes et réalités. Pour une alternative à la fermeture des frontières*, La Découverte, Paris, pp. 100-101.

83 See also Article 13, paragraph 4 and Article 19, paragraphs 4, 5, 7 and 8. For more details see Blanpain R., Colucci M. and Wiebringhaus H. (eds), *International encyclopaedia for labour law and industrial relations*, Kluwer Law International BV, The Netherlands, p. CoE-19, paragraph 52.

84 RESC, *European Roma Rights Centre (ERRC) v. France*, Decision on the merits, 19 October 2009, Complaint No. 51/2008, paragraph 111.

85 World Health Organization (2010), *Poverty and Social exclusion in the WHO European Region: health systems respond*, WHO Regional Office for Europe, Copenhagen.

The case of migrants provides an exemplary illustration of the relationship between failure to uphold the principle of universality in access to rights, poverty and the violation of human dignity. The European Anti-Poverty Network emphasises the “need for an approach based on human dignity and fundamental rights. EU member states’ policies are dominated by economic interests, which endanger respect for human dignity and fundamental rights and regard migrants as a mere workforce.”<sup>86</sup>

Violations of rights and the obstacles that limit access to rights are the reason why migrants are overrepresented in Europe’s groups experiencing poverty: their poverty risk is about 15% higher.<sup>87</sup> Europe had nearly 70 million immigrants in 2010, accounting for 10% of its population,<sup>88</sup> 2.3% of them refugees. About 40% of migrants living in an EU country are from outside Europe. And 75% of those living in Europe are concentrated in five countries: Germany, Spain, the United Kingdom, France and Italy.

These figures help us to appreciate the danger inherent in providing differing treatment to millions of people living in Europe. Certain eminent thinkers such as Etienne Balibar have warned against the risk of creating a “European apartheid”. But is this discriminatory access to fundamental rights not already a form of apartheid?

The right to decent employment, especially for such persons, is often ignored in Europe. Discrimination in access to employment formalised in national legislation against non-EU nationals is rarely justified and does nothing to further the principle of the indivisibility of rights. It is a major cause of poverty and social exclusion amongst migrants and their families and in certain minority groups.

Statistics show that migrants and their families generally find it harder to get work than members of the indigenous population, so they are more vulnerable to the risks of unemployment, insecure living conditions and social exclusion. In all the European countries, unemployment is higher amongst foreigners than amongst nationals. The gap widens when those foreigners are not nationals of an EU country. Immigrants are 2.7 times more likely to be unemployed than native-born citizens in the Netherlands, 2.2 times more likely in Belgium and 2.1 times more likely in Denmark.

Table 4: Unemployment rate of foreigners in Europe

**Foreign-born unemployment rate in Europe**

	Native-born (%)	Foreign-born (%)	Ratio
Netherlands	4.5	12	2.7
Belgium	7.4	16	2.2
Denmark	4.7	10	2.1
Sweden	8.4	16.5	2.0
France	8.8	17.8	2.0
United Kingdom	4.3	8.5	2.0
Germany	10.6	19.8	1.9
Spain	9.1	11.6	1.3

Source: Observatoire des inégalités, *Le chômage des étrangers et immigrés dans les pays riches*, le 17 juin 2008, available at [www.inegalites.fr/spip.php?article815](http://www.inegalites.fr/spip.php?article815).

Given the interdependence of human rights, this failure to uphold immigrants’ right to work undermines many other fundamental rights. The conditions placed on family reunification in

86 EAPN (2010), *Migration: a question of survival. An increasingly negative perception of migrants*, available at [www.eapn.eu/images/stories/docs/MAG/mag132en\\_web.pdf](http://www.eapn.eu/images/stories/docs/MAG/mag132en_web.pdf), accessed 14 December 2012.

87 Lelkes O. (2007), *Poverty among migrants in Europe*, Policy Brief, European Centre for Social Welfare Policy and Research, Vienna.

88 A definition of countries making up the Europe region is given at [esa.un.org/migration/index.asp?panel=3](http://esa.un.org/migration/index.asp?panel=3), accessed 14 December 2012.

the EU, for example, compromise the right to family life for persons who do not have the required level of income.

But one point needs clarifying. The fact that the right to decent employment is often ignored does not mean that this section of the population does not work. Statistics show that the majority of migrants living in Europe do work, often in parallel “markets” that are not regulated (as is often the case in the farming and care services sectors). Because of their uncertain status, immigrants are more prone to be blackmailed, denounced to the authorities and deported.<sup>89</sup> So they more often allow an employer to get away with pay, working time and employment terms that break the national labour laws and constitute a violation of internationally accepted human rights. The situation is worse still for undocumented immigrants.<sup>90</sup>

### New forms of slavery in Europe

Illegal work, associated with different levels of serious exploitation, is the lot of a significant proportion of immigrants working in agriculture, construction or, for women particularly, in care occupations and domestic work. It is clear at present that notwithstanding a stated intention to allow certain categories of foreign workers in, immigration policies everywhere – and especially in southern Europe – tend to encourage the presence of “clandestine” immigrants, with periodic regularisation of the status of those who manage to stay long enough without coming to the attention of the authorities. This is essentially because there is a strong tendency to allow entry to the country not to job-seekers, but to migrants who already have a job offer. Statistics show that in Italy and Spain, most legal immigrants have obtained their right of residence and work through regularisation of their previously irregular status; in other words, an exceptional measure that, at a given moment in time, legalises the *de facto* status of immigrants who are already working. The message our policies are sending out to would-be immigrants is therefore “be prepared to be ‘clandestine’ and cross the border ‘illegally’”. This process has gone hand in hand with a criminalisation of immigrants, in other words, by the introduction of laws that treat these people as “offenders” until and unless they prove otherwise.

In a situation where there are not enough regular jobs, and the workforce tends to drift into the “underground” economy and illegal markets, which usually pay better<sup>90</sup> (particularly in wealthy societies where indulgence in forbidden pleasures, drugs or prostitution, is rarely stigmatised), the idea that foreigner = deviant tends to become a self-fulfilling prophecy. A vicious circle is set up, derived from the reality of social relationships. The fact that in 20 years of legislative debate on immigration no mechanism has ever been suggested to facilitate legal entry for job-seekers leads one to suspect that some countries deliberately set out to attract a significant number of “irregular workers”. The system of illegal entry plus regularisation has rapidly become both a source of political legitimacy – because controlling immigra-

tion has become the prime electoral issue – and one of the pillars of market economics, with the spread of a kind of creeping economic racism.

A few years ago, the European Court of Human Rights addressed the issue of the exploitation of migrants in the case of *Siliadin v. France*, with reference to the obligations under Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms (prohibition of slavery and forced labour). The case concerned a young woman from Togo who had come to France on a promise of lawful entry and proper employment status. But on arrival in France, her passport was confiscated by her employer who “lent her out” to a couple who needed someone to look after their children and do the housework. The young woman was forced to work 15 hours a day, seven days a week, with no time off and no pay. She slept on a mattress in the children’s room and had no private space. With the help of a neighbour, she managed to recover her passport and then sued the couple. They were ordered to pay her the wages she was owed, along with damages and interest, but they were not judged to have violated any kind of fundamental right. The Court found that the young woman had been held in servitude and found France guilty of failing to implement the necessary safeguards against slavery and forced labour. The Court emphasised in its judgment that violence and threats – factors that, along with detention and physical or sexual abuse, are typical of slavery – include the non-payment or withholding of wages, the inability of the worker to pay off debts owed to the employer, confiscation of a passport and identity papers and, above all else, the threat of denunciation to the authorities. The working conditions imposed on immigrants that play on fear are becoming forms of exploitation that mean that the view of migrants as “essential producers of goods and services” (who nevertheless have no entitlement to state aid and benefits) is being replaced by a “neo-slavery view” that their status in society is “of a different order”.

We are seeing the emergence of a system based on minimal costs and obligations not only to employers but to the host country as a whole, and that benefits from such exploitation. Quite apart from the way it

89 Terray E. (1999), “Le travail des étrangers en situation irrégulière ou la délocalisation sur place”, in Balibar E. and Chemillier-Gendreau M. (eds), *Sans papiers : l'archaïsme fatal*, La Découverte et Syros, Paris, p. 17.

90 Certain ethnic groups have higher crime rates than others because of their strong associations with clandestine markets.

operates, the “neo-slavery” system differs from classic slavery chiefly in that it is spared what Marx earlier defined as an uneconomic burden: the requirement to provide for slaves’ needs. And the “master” is not the only one to have been relieved of this burden: the “national system” benefits too because with slave-like forms of employment, not only do immigrants “resign” at once when they cease to be useful, but they are also removed from the country, because it is common knowledge that the requisite labour can easily be replaced by the many migrants coming in. Under current legislation, no one is the property of anyone else, but individuals find themselves *de facto* unable to enforce the few rights they officially possess: they cannot act freely, for if they do, they may be punished or reported to the authorities. The power of the “master” lies nowadays in this ability to report people, which for the immigrant means the threat of deportation, and – another traditional

aspect of slavery – in the ability to emancipate the slave by regularising his status, through an official measure or by a fictitious offer of employment. The deliberate neo-slavery strategy of social integration operates along three parallel lines. Two of them are traditional – criminalising immigrants and making their living conditions insecure – whilst the third creates a social desert around them so that no one thinks to help them, as the young Togolese woman’s neighbour did. Insecurity, isolation and a state of poverty and fear are all things that drive workers, including those lawfully employed, into this neo-slavery system of integration. Even legal immigrants may be prey to the fear, if they lose their job, of falling into the abyss that “clandestine” status represents. In this sense the documented migrant is no more able than an undocumented migrant to protest against working conditions that the law defines as servitude.

If we are to be honest, the presence of a large number of undocumented immigrants would appear necessary these days if we are to maintain our lifestyles and living standards. It is the poor wages paid to undocumented workers that allows many businesses unable to afford statutory wage levels to survive, and enables families to meet their basic needs, which they cannot do under the welfare state. As pointed out by the authors of the European GALCA Project (Gender Analyses and Long Term Care Assistance), Italy’s choice of a neo-slavery model has enabled it to keep costs down and satisfy the national preference for a family-based system of welfare.<sup>91</sup> The Italian model has significantly lower costs than the Danish one, which relies on state-funded public and private-sector services, and the Irish model where, because there are relatively few elderly people and even fewer undocumented immigrants, it is essentially women who shoulder the burden of caring for dependent family members and often give up their jobs or cut down their working hours in order to do so.<sup>92</sup> So far this neo-slavery style of managing female domestic workers has enabled the Italians to resolve their problem, by keeping down both the state’s social expenditure and the cost of assistance to families.

So one might talk of a poverty ladder, with the bottom rung often occupied by workers with no residence permit, whilst the next rung up is occupied by workers who have a job-dependent work permit and are therefore susceptible to blackmail, because in some member states their ability to remain in the country depends on whether or not they have an employment contract. The pecking order, from the bottom up, is undocumented immigrants, legal immigrants, European nationals of the newer EU member states, and young European nationals. This is an order in which poverty, flexibility, replaceability and employment go hand in hand and are all part and parcel of the same scenario.

**Letter to the Council of Europe from migrants who climbed onto St Anthony’s Basilica in Padua, Italy in protest against the violation of their rights (excerpts)**

**Italian association *Razzismo Stop***

We shall tell our story as if it were one and the same story, even though our individual stories are very different from each other. In this country, Italy, the stories of each one of us were of little importance until they became, all together, the collective story of those who have been deceived by the 2009 wave of measures to regularise people’s status (*sanatoria*).

In 2009 the Italian Government began a wave of “regularisations”. We, for our part, tried to realise our ongoing dream of obtaining a residence permit, being able to rediscover or begin a life without fear, without problems, without the constant need to flee. But we were deceived. We believed the businessmen, lawyers, employers who told us we could start new jobs if we paid between 1 500 and 5 000 euros in social security contributions. But after we were promised these jobs, our residence permits never arrived, because the Italian Government announced a form of regularisation that applied only to domestic work and because the employers were fictitious.

91 GALCA Project, “Gender Analyses and Long Term Care Assistance”, Final report. Available at <http://www.fondazionebrodolini.it/en/node/412>.

92 Researchers for the GALCA Project calculated that women’s abandoning of paid work, or full-time paid work, in order to care for dependants, is the most costly choice. *Ibid.*, p. IX.

It is very hard living in Italy without a residence permit. You can be checked at any time, you can be locked up in a holding centre or ordered to leave the country at any time and, if you don't leave, you risk up to four years in prison. And living in Italy without a residence permit means you have to settle for working, when you have work, in all kinds of conditions, not only as regards pay but also and above all as regards the treatment, the blackmail you experience, because it is not easy to find somewhere to eat and sleep.

In Italy the fact that you are working doesn't count, there is no way of getting a residence permit unless you are legal, and you can't even report a boss who doesn't pay you, because this boss can get you deported. Here in this country, it is who you are that counts. And we are in an irregular situation. This is what allows the crooks to exploit us: because we are not protected, we have no means of protecting ourselves.

[There is] a veritable racket in residence permits that we and other foreigners living in this country have discovered. Because in Italy there seems to be no other way: either you put up with unfair treatment at work and in life generally because you don't have a residence permit, or you buy one, you pay in order not to lose it, you pay to renew it. And yet we are living in Europe, not in Benin City, Dakar, Casablanca, or even Bogota. And yet there is a real price list for the papers you need to obtain or renew a residence permit: you can buy a residence permit, you can buy an employment contract, you can buy an entry visa for a friend or relative. But this is not so much something illegal, against the laws currently in force. Rather it is something illegal that exists *because of* the laws.

No one seems able to do anything to stop this buying and selling of people's lives, to help us start to live in dignity. We are still liable to be deported, even though we could be witnesses in an important trial, even though we could be the only ones who really know all the people who have run this permits racket and are still running it. But the basic problem is that in the eyes of the law we should not exist, and if anyone does mention our existence, it is to accuse us of the crime of being undocumented migrants or of other similar crimes.

But we have finally been able to break this silence, largely because some (many) Italians have supported us and decided to help us, to make it possible for us to talk about our problem without being deported or arrested. We climbed up St Anthony's Basilica, the symbol of this city and one of Italy's most prestigious churches, and we resolved to stay there, to spend our days and nights there, until they listened to us. ... In this way we got the city authorities to meet us, but above all we got to tell the whole country what is going on in our lives and the lives of countless other people, what this immigration law is doing.

Today we are supported in our struggle by leading judges, teachers, lawyers and politicians. Even those who previously did not want to know are now having to open their eyes. It is decision time now: either we are left to languish in the shadows and the racket in residence permits continues, or dignity and justice are restored to us, to us and the community at large, to this country that is an important part of Europe.

### ► The case of the Roma: a revealing example of discrimination against minorities

The universality of human rights is sorely tested when it comes to European minorities, in particular the Roma. The Roma community, which endured one of the cruellest and certainly the least commemorated persecutions in history, is still trapped in unyielding stereotypes that are used to justify the worst kind of spatial and social segregation.

Take, for example, the great misconception that no one has any interest in correcting, namely that the Roma, by virtue of their culture, are "naturally" reluctant to settle in permanent housing. On this basis they are "legitimately" confined to encampments where the maintenance of human dignity is impossible. There are no real plans for absorbing this vulnerable population – which is hard to categorise – and which is obliged to transform this misconception into an actual lifestyle. This is extremely convenient when governments or sections of civil society are looking for a scapegoat. In this respect, there are no major differences between old and new EU member states, for example between France, Italy, Hungary and Bulgaria, or other Council of Europe members. A practical example is the management of what the Italians call *campi nomadi*; these are located on the outer edges of cities and their inhabitants are subjected on a daily basis to ethnic profiling; another example is the deportation of Roma from France, on the grounds that they contribute nothing to the economy, a practice routinely applied by governments since 2010, regardless of their political persuasions. Compare these situations with those experienced by Roma in Bulgaria, where, when communist rule ended, some of the former communist elites supported the creation of nationalist parties, including parties at regional level, and labelled ethnic minorities, particularly the Roma, as "disloyal" and "a threat" to national security, forcing the government to intensify economic pressure on them to leave the country. As a result, the spatial segregation of the Roma became greater, resulting in a patent worsening of their living conditions and increased suffering of mass unemployment and poverty. It was also made impossible for them to pass on their social customs and values to subsequent generations.

Even when the European institutions speak out against national discrimination against the Roma, governments seem to pay scant heed to the admonitions coming from Brussels or Strasbourg.

The Europe of social cohesion that – according to one Europa Press Release<sup>93</sup> saw 12 EU countries allocating a total budget of 17.5 billion euros to measures for Roma integration over the period 2007 to 2013, appears to have been overtaken by the Europe of security and police checks.

What is happening to the Roma – who often have the nationality of the country in which they are treated as a social problem – demonstrates that the dividing line between citizens and non-citizens is not always the one applied when it comes to recognising rights and limiting their universality: for some minorities, the fact of whether or not they are European nationals makes no difference when faced with discrimination on the part of institutions and the population, and its devastating consequences.

### 2.3.3. The gap in the application of rights

A rights-based approach requires us to think about how rights can be made a reality for everyone. In practice, as we have seen, rights do not apply to everyone in the same way. For some the right to food means access to organic produce, whilst for others it means not having to forage for food in dustbins. The right to retirement,<sup>94</sup> for someone who has been on minimum wage all his or her life, means a pension far lower than that drawn by someone who has earned a high salary. The rights are theoretically the same, but they pan out differently from one individual to another. This inequality identified in practice cannot be ignored in the context of action against poverty.

The right to work provides another example: in recent years the ways in which this operates in practice have moved steadily apart. Whilst in many European countries the earnings of a small minority have rocketed,<sup>95</sup> an increasing number of workers have fallen into poverty as pay levels have dropped and working conditions have worsened, entailing serious repercussions on several aspects of daily life and undermining dignity.<sup>96</sup>

While it would be impossible or indeed dangerous to impose total equality of conditions, and while the introduction of a subsistence minimum might draw attention away from the question of inequalities, we need to give thought to the fact that the discrepancies observed in the practical operation of rights threaten their effectiveness because they drain them gradually of their meaning.

In a society of inequalities, over-differentiation in the practical operation of rights jeopardises social cohesion. This differentiation, which has grown since the 1980s and is increasingly discernible in a variety of areas (income, employment, health, education), gradually opens up a fault line in society: good earners have access to different services from those available to people experiencing poverty. They can therefore decide to live in a parallel universe – different schools, different supermarkets and private clinics rather than public hospitals. Individuals' aspirations diversify, and areas of possible interaction and negotiation become fewer.

This differentiation is seen even where quasi-judicial bodies have defined the substance of certain rights such as the right to housing, with regard to which the United Nations Committee on Economic, Social and Cultural Rights says<sup>97</sup> that it must not be interpreted in "a narrow or restrictive sense that equates it with, for example, the shelter provided by merely having a roof over one's head or views shelter exclusively as a commodity. Rather it should be seen as the right to live somewhere in security, peace and dignity." From 1991 the Committee also lists a number of aspects to be taken into account when applying this right: legal security of tenure, availability of facilities essential to health, security, comfort and nutrition, affordability, habitability, accessibility, location and cultural adequacy.

93 See [europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/383#](http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/383#), accessed 14 December 2012.

94 Castel R. (2011), "Injustice sociale. Intégration, exclusion, domination. Quelles voies pour la critique?", Colloquy, Ecole Normale Supérieure, Paris, 29 and 30 May 2011.

95 In a country such as France, the average salary for the bottom 90% of earners grew from 16 049 euros a year in 1976 to 22 396 euros in 2007, an increase of almost 40% over 31 years. Over the same period, the average salary for the top 0.01% earners grew from almost 600 000 euros a year in 1976 to over 1 680 000 euros in 2007. See DADS Panel (1976-2007) and exhaustive DADS files for France (1994-2007) in Godechot O. (2011), "Finance, an inequality factor", available at [www.booksandideas.net/Finance-an-Inequality-Factor.html](http://www.booksandideas.net/Finance-an-Inequality-Factor.html), accessed 14 December 2012.

96 For the impact of flexible employment on income, social security entitlements, and on feelings such as pride, confidence and fundamental life decisions such as the decision to start a family, see Klammer U. (2006), "How to reconcile labour flexibility with social cohesion: some ideas to consider", in Council of Europe (2006), *Reconciling labour flexibility with social cohesion – Ideas for political action*, Trends in Social Cohesion No. 16, Council of Europe Publishing, Strasbourg, pp. 111-14, available at [www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/Trends/Trends-16\\_en.pdf](http://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/source/Trends/Trends-16_en.pdf), accessed 13 December 2012.

97 CESCR (1991), "The right to adequate housing", General Comment No. 4, UN Doc. E/1992/23, available at [www1.umn.edu/humanrts/gencomm/epcomm4.htm](http://www1.umn.edu/humanrts/gencomm/epcomm4.htm), accessed 10 December 2012.



These institutions may play a part in defining the substance of human rights, but that definition is primarily the business of the courts, the job of which it is to relate generic terms to specific cases. But the political, social and cultural background against which the courts operate may lead them to opt for a restrictive and inegalitarian definition of the substance if this right is not seen as socially legitimate.

Accordingly, the practical enforcement of this right has to be placed in context. As stated in Part I of this guide, poverty is defined in terms of the social, political and economic context and existing social inequalities. The formulation of rights as principles may be the same everywhere and they may operate very differently from one country or one region to another. In an attempt to reduce these differences, the substance of the right may be agreed on by the inhabitants of a given country or region through processes of deliberation. For example, the Council of Europe<sup>98</sup> has developed consultation procedures in which the public is invited to consider what poverty means in their town or city and what they personally can do to combat it. These exchanges may in time enable the substance of certain rights to be defined. And the work done by the public may serve as the basis for an institutional effort to reduce differences in the substance of rights before they get too big and threaten the very idea of society.

## 2.4. Conclusion: combating poverty by promoting human rights

Now that we have explored the relationship between poverty and human rights, we can draw more general conclusions about how effective human rights are in combating poverty, pointing to their potential and also to their “dark side”.

### 2.4.1. An effective tool for combating poverty

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When applied to the fight against poverty, the human rights approach offers a number of advantages:

*An obligation to act and the sharing of social responsibility:* As a moral benchmark, human rights possess considerable authority that is not dependent solely on their formal expression in standards.<sup>99</sup> The fact of regarding poverty as the result of human rights violations validates the expectation that certain institutions, primarily national authorities, have a duty to correct such violations. But society as a whole can also develop forms of active solidarity and action, based on this finding of a violation of rights and a feeling of injustice, which are solid foundations for the sharing of social responsibility. The idea of rights implies rejection of the idea that personal interest is the only measure of well-being and the only social value worth defending.<sup>100</sup>

*Indivisibility of rights and multidimensional nature of poverty:* If we believe that poverty damages human dignity, we can no longer separate civil and political rights from economic, social and cultural rights. If the conditions for upholding dignity are to be truly present, then all these rights must be combined. And the rights-based approach broadens our conception of the human person by also taking account of his or her aspirations.

*Less inequality, more universalism:* The rights-based approach should help us to devise universal and more egalitarian forms of redistribution. While it may be hard to ensure that two people have the same asset or the same resource, it is almost always possible to guarantee that both of them can exercise the same right and can perform the same action. The principle of the separation of rights<sup>101</sup> says, moreover, that certain rights cannot be guaranteed to certain persons if this is detrimental to other persons or other rights. The philosophy of human rights implies universal respect for all rights.

*Moving beyond the idea of people experiencing poverty as criminals and victims:* The rights-based approach enables us to move beyond the view that people living in poverty are criminals or victims, and helps to frame ideas, policies and practices for combating poverty that refuse to see it as the result of personal fault (which would excuse indifference) or of bad luck that is no one's fault, and that calls only for a response of welfare and charity.

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<sup>98</sup> See the SPIRAL website, <https://spiral.cws.coe.int>, accessed 14 December 2012

<sup>99</sup> On the debate over human rights as a source of inspiration and a moral basis for legislation, see Hart H. (1955), “Are there any natural rights?”, *The Philosophical Review*, Vol. 64, and Waldron J. (1984), *Theories of rights*, Oxford University Press, Oxford. See also Raz J. (2010), “Human rights without foundation”, in Besson S. and Tasioulas J. (eds), *The philosophy of international law*, Oxford University Press, Oxford.

<sup>100</sup> Sen A. (1987), *On ethics and economics*, Basil Blackwell, Oxford.

<sup>101</sup> Nagel T. (1993), *Equality and partiality*, Oxford University Press, Oxford.

*Moving beyond categorisation and stigmatisation:* The rights-based approach also enables us to avoid action that categorises and stigmatises people experiencing poverty. The principle of the unconditional nature of rights means that we must cease adopting an approach that categorises individuals, a feature of means-tested social measures. The language of rights acknowledges people as individuals and the application of rights enables the persons concerned to make independent choices on the basis of a life plan with specific individual factors taken into account.

*A perpetually evolving list:* The list of human rights is open-ended and can be updated at any time to reflect new social initiatives and trends, not only taking into account changes in poverty driven by political change, but also reflecting the emergence of new personal needs and the way in which the idea of “life in dignity” changes over time.

## 2.4.2. Limitations of the rights-based approach

Despite all these advantages, the human rights approach has a number of limitations that may be problematic in combating poverty and inequality.

### ► An approach that places the onus on the individual

Human rights are seen as individual, and this can reinforce the idea that poverty is a personal problem and not something that concerns society as a whole. Combating poverty by promoting rights, especially if this concerns only “negative freedoms”, may mean that we settle for simply preventing any obstacles to the exercise of rights, without doing anything positive to make them real and guaranteed. Generally speaking, the idea of individual rights may encourage the belief that combating poverty is the responsibility of the individual.

#### The individualistic conception of rights in history and how the idea of social justice was removed from science

The development whereby we in Europe progressed from a mediaeval to a modern view of the world may be analysed as a gradual process of the separation of human beings from their environment. Emerging with humanism (in the late 15th century), the view of the world as a mechanical assembly of separate parts took root in science and philosophy through the Scientific Revolution of the 17th century, ending the holistic mediaeval view based on the idea of community and man’s place as part of a life cycle with the earth at the centre of the universe. The modern mechanistic view, which came into being with Galileo, led, at the same time as the Industrial Revolution, to the spectacular technological and cultural “advances” typified by Newton and the Cartesian notion of reason. The mind was now seen as separate from the body (described as a machine) and from the natural environment (which was now something for physicists to study).

In this process, the individual moved to centre-stage at a time when the earth, thanks to the work of Copernicus, was losing its place at the centre of the universe. The individualistic view of the world known as “scientific positivism”, which evolved at the dawn of the modern age, found its way into legal and political thought, forming the dominant ideology that is still current and has never been abandoned despite multiple challenges from

academics, politicians and intellectuals. Positivism is essentially the belief in the existence of an ontological, “true” separation between facts and values, between what “is”, what can be analysed and described using scientific methods (Bacon), and what “should be”, the sphere where individuals are free to express conflicting points of view about the world as they would like it to be. Simply by thinking of the importance attached to upholding individual freedom of speech, one appreciates how central this view is to the modern concept of political freedom. This view of the world is unquestionably the origin of a fair amount of reductionist thinking. After Galileo’s contribution to the scientific debate, qualities that are not quantifiable – colour, smell, beauty, texture – but are nevertheless central to all human experience were excluded from the scientific sphere and confined to the arts, which was thought of as entirely separate. The world of science was concerned with quantifiable and measurable properties, the arts with non-reproducible quality.

Since the Scientific Revolution and the Reformation, social justice has been expelled from the core domain of private law.<sup>102</sup> The scholastic notion of law, still rooted in the Jesuit jurists of Salamanca (16th century), according to which there were two concepts of justice (distributive justice and commutative justice) was abandoned with the emergence of modern Western jurisprudence. Starting from Grotius (17th century), questions of justice were equated to questions of fairness in contractual

<sup>102</sup>See Gordley J. (1991), *The philosophical origins of modern contract doctrine*, Clarendon Law Series, Oxford University Press, Oxford.

exchanges entered into by individuals. According to this vision, distribution, which was intended to pertain to the whole of society and not just to its parts, was considered an exogenous factor and hardly ever criticised within the core of the law, made up as it is of contractual and property rights. After Grotius this “reductive” removal of justice from the distributive to the commutative sphere (from the whole to the parts) was assumed as natural, as common sense entering into the dominant wisdom: distributive justice was expelled from legal science. According to this dominant wisdom, shared and encouraged by the science of economics that evolved as an autonomous branch of knowledge during the 18th century,<sup>103</sup> issues of distribution cannot be part of a scientific discourse based on positivism, because distribution is entirely a matter of “what should be” and not of “what is”; of political values rather than empirically measurable facts. Under the influence of a predominantly individualistic view of rights, distributive justice became a matter of politics to be dealt with (if at all) by state institutions of public law.<sup>104</sup>

So individualism is at the core of modern political thought. And the idea that the law should protect individual rights itself derives from this line of thought: the individual has control over what happens to his or her body and must be protected in such a way that he or she has free and unhampered enjoyment of this kind of ownership, of this abstract

entity called a right. The notion of ownership, of possession – of an asset, a right or a piece of land – is firmly rooted in our philosophical, legislative and scientific tradition. We are convinced that we possess our assets (or rights) and have the enjoyment of them without restriction or sharing of responsibilities, as long as we do not damage the equivalent rights of anyone else (a natural or legal person or the state).

The fact that we hold most things of this world in common is totally overlooked by this perception that is highly reductionist and a misrepresentation of reality. Seeing the world as an algebraic total of separate factors removes the question of status and relationships from the radar, and this very simplistic take on reality, along with positivism, has been challenged since the start of the 20th century both by phenomenology and by “hard” science. The idea that society is a collection of individuals who hold rights and own property is also highly reductionist, because it is built on the highly improbable idea that living beings are self-sufficient, able to survive alone and without any connection to nature. For centuries we in the West thought and acted as if we were alone, cut off from community and independent of ecosystems. And this tragically narrows our perceptions of present-day reality. We behave as if a planet with finite resources can sustain infinite quantitative growth. That illusion is largely to blame for the current tragic state of our ecosystem.

The individualistic view of rights may also hamper a relational approach to the human condition over the longer term. For example, it may constrain the issue, urgently in need of an answer today, of whether rights can be guaranteed in the furtherance of intergenerational justice. A central concern of the doctrine of human rights should be the need to minimise a dereliction of duty towards future generations, who should in principle be able to rely on those of us alive today to make socially responsible provision for them tomorrow.

The system of “subjective rights” must be discussed in the light of the need to ensure rights or future generations (precautionary principle that applies, for example, in environmental, energy and health matters) and the imperative of understanding these as a body of long-term assets and institutions.<sup>105</sup> This is indispensable if future generations are not to be irreversibly impoverished and if we are to address current levels of wastage and destruction of resources and the environment that are clearly without precedent.

### ► Democratic legitimisation

Conflict can arise between rights established by law and the rule of the majority. The dynamics of democracy are a source of tension between majority power and the authority of law. That tension takes on practical form when, for example, a majority is able, in accordance with the principle of representativeness, to impose decisions that curtail the rights of certain social groups, producing an adverse effect on the latter’s living conditions. In this way, rights can become a strategic issue for the majority: where it feels threatened it may get these rights applied in a selective manner detrimental to the weakest.<sup>106</sup> And economic insecurity increases social tensions, intensifying

<sup>103</sup>See Blaug M. (1962), *Economic theory in retrospect* (1st edn), R. D. Irwin, Homewood, IL.

<sup>104</sup>Mattei U. (2012), “Providing direct access to social justice by renewing common sense: the state, the market, and some preliminary questions about the commons”, in *Redefining and combating poverty – Human rights, democracy and common goods in today’s Europe*, Trends in Social Cohesion No. 25, Council of Europe Publishing, Strasbourg.

<sup>105</sup>See Zagrebelsky G. (2011), “Nel nome dei figli se il diritto ha il dovere di pensare al futuro”, *La Repubblica*, 2 December 2011, available at <http://ricerca.repubblica.it/repubblica/archivio/repubblica/2011/12/02/nel-nome-dei-figli-se-il-diritto.html>, accessed 14 December 2012.

<sup>106</sup>Santoro E. (2009) “Ha da passa’ a nuttata: reasonable accommodation, a tool for defending social coexistence based on respect for rights in a pluralist society”, in *Institutional accommodation and the citizen: legal and political interaction in a pluralist society*, Trends in Social Cohesion No. 21, Council of Europe Publishing, Strasbourg.

the risk of a “war among the poor”, which governments sometimes tend to encourage to provide an outlet for public fears when they find it difficult to give the public tangible and effective answers.<sup>107</sup> Consequently, the most vulnerable groups become the prime victims of a crisis not of their own making.

#### When social rights are seen as a “zero-sum game”

The growing importance of social rights can be traced back to a positive development for those living in poverty, namely the emergence in the 18th century, in tandem with free market thinking and liberalism, of the idea of how state power should operate. It was at this time that it was realised that it was important to treat the population, previously seen only as a confused and ungovernable mass of individuals, as a resource on which the power of the state relied – the state’s job being chiefly to provide society with strong individuals, capable of working and ensuring that the pool of labour was maintained, improved and restocked.

At the end of the last century, social protection measures became deeply and seemingly irreversibly discredited, but they also lost what had previously been the very foundation of their development. The problem is not so much a gradual loss of sovereignty by the state, as is generally thought, but more the collapse of the triangular basis on which the state had been built: government, people and territory.

Nowadays the territory to be governed no longer has its own population or its own industries.

Migration issues are such that the population can be endlessly manipulated, enabling the economy to stay in phase with the volatility of investments. The state can very easily select its population: via a series of inclusive or exclusive measures, it can ensure that the population consists only of capable market players, without any need to discipline or support certain members of its original population who are unable to meet this criterion. There is no longer any need to produce “good” citizens and “useful” entrepreneurs: the state just needs to select them.

Company relocations and migration make it difficult and totally pointless, from the state’s point of view, to put money into improving the lot of its population. The political priority of the hour is to attract production investment, embarking on a race to cut production costs. This race is the reason for economic and social dumping, the consequences of which we are now experiencing: increasingly insecure youth employment, with young people at age 30 still unable to make life plans; the frightening prospect for many of a retirement pension that will mean a drastic reduction of their living standards; and also the realisation that our well-being now depends on the forms of neo-slavery to which immigrants are subjected.

For 200 years it seemed that the politicians’ role was to organise the game of economic, scientific and social progress, with all the players ending up better off. But here we are now in a situation where the players feel that the prizes being shared out are getting steadily and inexorably smaller. In the northern hemisphere, for the first time in the modern age, the younger generations, far from hoping for a better life than that of their parents and grandparents, are sure that they will have a harder time of it. Which makes one think that we are playing a zero-sum game, if not a negative sum game: everyone regards a resource given to someone else as one of which he or she has been deprived rather than an investment that will ultimately be to his or her benefit. We believe that we must minimise the bad things that have to be endured rather than manage the good things to come.

Believing, therefore, that social rights are a zero-sum game, Europeans are haunted by the fear that their social security system, already damaged by economic and financial globalisation, will be eaten away by the benefits given to immigrants and “scroungers” – today’s “undeserving poor”.

#### ► “Commodifiable” rights?

Against this background, social rights are the first to be sacrificed – not least because more than others they lack any form of democratic legitimisation – even though they are often necessary for the exercise of other rights.

The crisis currently in full spate gives us a chance to see what value governments really attach to social rights – and therefore to all rights: do they see them as inviolable or as demands that are met only insofar as available resources permit and in response to specific decisions? Sadly, it seems that the latter view prevails: that in a government’s view, rights are necessarily subject to market fluctuations and the legal status and social origin of the person concerned. Their substance would appear to vary according to context; these rights are guaranteed provided additional resources are made available.

<sup>107</sup>See, for example, Bauman Z. (2001), *Missing community*, Polity Press, Cambridge.

In our society, the consensus centres more on expensive vetting systems or the building of “walls” designed to keep one population group safe from another, in other words ghettos, more than on the creation of services that would guarantee that social rights are in fact applied to all.

Although classified as fundamental rights (guaranteeing dignity), social rights are in fact increasingly dependent upon specific situations and economic choices. And this tendency is becoming more marked, even though experience would seem to show that where they are powerfully protected, as in the Scandinavian countries, the economic crisis is less acute. At the 2011 World Economic Forum, these countries were held up as models of robust economic performance and sound management of the crisis. Shortly before the Davos meeting, Norway’s Foreign Minister, Jonas Gahr Støre, said of his country that taxes were very high, but the Nordic model had proved not only sustainable but also more effective in dealing with the crisis, and Norway was now one of the countries with the lowest rate of unemployment. In 2010<sup>108</sup> unemployment was 3.5%, compared with an average of almost 10% for the EU-27; and the rate of severe material deprivation was no higher than 3% in the Scandinavian countries, compared with more than 8% for the European Union as a whole.<sup>109</sup>

#### The ambiguous nature of social rights, sometimes regarded as economic rights

Civil and political rights can be seen as universal because they are the corollary of the anthropological model of the rational human being. Social rights, for their part, arose in answer to certain specific needs, and therefore fall within the sphere of consumer affairs, which liberal theory has always seen as ungovernable and a matter for individual free choice. At the beginning of the 19th century, conditions were ideal for this point of view to become established. Firstly, it seemed to sit perfectly well with the fundamental principles of liberal politics and, secondly, it was consistent with a socioeconomic context that made it possible to present the participation of people experiencing poverty in the production process as the best way of improving their lot, even if this participation were a result of coercion or, better still, if poverty obliged them to “discipline” themselves and take manual jobs in factories or other industries.

Another, more important factor must be taken into account, however: the decision to introduce social rights separate from any political considerations –

in other words, rights that were functional to the existing socio-political order rather than helping to change it, consumer rights rather than a political actor’s rights – triggered a mechanism that, as we are finding today, undermined the foundations of social solidarity. In order to obviate these difficulties, the range of social rights has steadily widened, in an attempt to offset the forced standardisation of preferences by an increasing number of rights that are guaranteed by state benefits. This process triggered what is commonly known as the “fiscal crisis”: we have reached a point where the level of taxation needed to fund the administrative measures required by standardisation and to meet more and more new needs no longer appears justified in terms of the services it procures. This strategy has had a paradoxical result in Western societies: it has at the same time prompted demands for assistance from the state<sup>110</sup> and opposition to this assistance in the name of “civil” rights – in other words, because the public have to be able to spend part of their income in the market. It would be a mistake to treat this opposition solely as a small-minded defence of property and certain privileges, even though this aspect is not negligible.

#### ► The reversibility of rights

Legal, political and social rights regarded as established are in fact under threat. Rights may be reversed in the context of “retrogressive” measures that can even restrict forms of social security. Such measures, which impact firstly on social, cultural and economic rights and secondly on civil and political rights, and which in practical terms lead to an increase in poverty, are incompatible with the idea of human rights and respect for human dignity.<sup>111</sup> Retrogressive rights have a significant impact on the increase in poverty.

The trend is especially visible in times of crisis, when social affairs budgets are cut – whilst defence spending and transfers of public resources to the private sector, banks in particular, are

108Eurostat, “Unemployment rate by sex”, code: tsiem110, 2010.

109Eurostat, “Severely materially deprived people”, code: t2020\_53, 2010.

110See Crozier M.J., Huntington S.P. and Watanuki J. (1975), *The crisis of democracy: report on the governability of democracies to the Trilateral Commission*, New York University Press, New York; Offe C. (1973), *Strukturprobleme des kapitalistischen Staates: Aufsätze zur politischen Soziologie*, Campus Verlag, Frankfurt; O’Connor J. (1973), *The fiscal crisis of the state*, St. Martin’s Press, New York.

111UN Human Rights Council, Report of the Independent Expert on the question of human rights and extreme poverty, Magdalena Sepúlveda Carmona: *Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development*, A/HRC/17/34, 17 March 2011, p. 6

maintained. At such times, it is not uncommon for governments to plead difficulties caused by the crisis to justify their failure to discharge their obligations in respect of human rights – rights that are supposedly inviolable, regardless of the country’s level of development.<sup>112</sup>

Rights must be more firmly entrenched institutionally than the procedures that ensure democracy and free competition. If rights can be easily circumvented, then there can be no guarantee of real equality that gives meaning to the commitment to democracy in the practical exercise of justice and in development policies.

Retrogressive processes have implications for various aspects of social life. For example, workers clearly lose their power to bargain over working conditions.

#### Power and contractual rights

Liberal theory has always seen contractual rights as natural rights forming part of the individual’s fundamental rights, in the same way as freedom of thought, speech or religion. The German sociologist Max Weber was the first to say that contractual rights were qualitatively and substantively different from other rights, and that they were causing damage to other areas of freedom. He went on to show that the reduction of compulsion by means of injunctions or prohibitions that contractual law supposedly permitted was often purely formal, or, indeed, that it served only the interests of those with the material means to use it. Whatever its legal form, the freedom to conclude contracts always allows the economically stronger party to set the terms to that party’s own advantage, terms that the person selling his or her labour can only accept or decline. It is obvious to Weber – who was mindful of the terrible conditions workers lived in at the start of the 20th century – that “the formal right of a worker to enter into any contract whatsoever with any employer whatsoever does not in practice represent for the employment seeker even the slightest freedom in the determination of his own conditions of work”. The same reasoning applies to any exchange of contracts between two parties whose economic and social power is very different. In the field of freedom to conclude contracts, “the statement *coactus voluit* [it is his wish, though coerced] applies with peculiar force just because of the careful avoidance of the use of authoritarian forms; “it is left to the ‘free’ discretion of the parties to accept the conditions imposed by those who are economically stronger by virtue of the guaranty of their property”. These ideas of Weber’s inspired 20th-century social security policies that,

by promoting collective bargaining and the right to work, broadly restricted contractual freedom in matters of employment.

But the time came when liberal governments in Europe were converted to the idea that civil life is itself market-dependent and that, consequently, society should be organised in a way that allows the market to operate in accordance with its own laws. For 20 years, states accepted this line of thought and did everything possible to make the law fit the demands of the market. Employment legislation, shaped in the 20th century to protect workers’ freedom, against themselves where necessary, is gradually being eaten away and aligned little by little with commercial law. Strong commercial law and weak employment law are the two pivotal features of legal globalisation endeavours. Strong transnational commercial law would seem, in fact, to imply weak employment law, because it is at odds with the protection that employment law provides. As the labour market becomes just one sector of the global market, employment law is adapting to the global market law, and the safeguards it used to provide in most European countries are disappearing, for the simple reason that because they are necessarily tied to local production and working conditions, they compromise the profitability of investments. Workers are back to where they were in the 19th century, which prompted Weber to write as he did, when working and living conditions were treated like any other commodity – “freely” negotiated by the parties and with the stronger party prevailing; this accounts for the increasing number of the working poor: because they have to settle for whatever wages are offered, they cannot afford a decent standard of living.

The challenge to established rights is also a threat to sectors and groups of people who are, officially, safe from such threats. These include for example children, who see their aspirations and hopes for the future destroyed by this process. This is blatantly obvious in the words of children living in the Loures District of Lisbon, Portugal, which reflect the anguish and insecurity they feel:

We’ve managed to keep our household going ... because everyone in my family works in agriculture and we watch what we spend. My dream is to be an IT specialist ... But I fear for my future if the economic crisis gets any worse ... If the crisis goes on I shan’t be able to continue my studies and I shall have to work to help my parents, or at least so that I don’t become an additional burden on the family.<sup>113</sup>

<sup>112</sup>Ibid., p. 5

<sup>113</sup>Interviews by Claudia Coimbra for the Council of Europe, Social Cohesion Research and Early Warning Division.

This is young Antonio, who is resigned to the fact that his right to study may have to be sacrificed due to circumstances beyond his and his family's control. In a climate of increasing poverty and uncertainty, it is becoming harder and harder for people to see their own situations in terms of social injustice and violated rights. This push towards lower expectations of a life in dignity – also taken on board by children in Europe – and this new insecurity are driving individuals to devise short-term survival strategies, placing the responsibility for their fate entirely on their shoulders, isolating them, making them feel it is their own fault, and discouraging reciprocity and a shared economy. The effect of this is to limit people's horizons, in terms both of time and social achievement – because in order for there to be any lasting motivation to come up with reasoned ideas for alternative economic rules, it is essential that people feel they share certain interests with others on a sustained basis.

### ► **Beyond the legal approach, social justice**

In conclusion, the potential of rights and the law for combating poverty cannot be fully realised purely by including statutory guarantees in the relevant texts, unless the political, social and economic aspects of those rights are also taken into account. The problems of the individual application, reversibility and democratic legitimisation of rights, and of invoking them as part of defensive strategies, show that there is no direct and systematic link between the formalisation of rights, the way they are dealt with by the courts, and social justice.

If we are to have social justice, priorities must be set and resources allocated accordingly. This is by no means an easy task. The positive pathways that have enabled more and more social groups over the course of history to attain well-being have often been preceded by protest movements and other action to force political and economic change. From this we conclude that truly democratic participation is one of the conditions needed to bring about greater social justice and in this way combat poverty. It is this aspect that we shall address in the next chapter.

### 3. Democracy and poverty



Is poverty compatible with democracy? There are two lines of approach to this question: poverty as incompatible with democracy's promise of equality, and poverty as a threat to the functioning and future of democratic political regimes. The former thesis is essentially philosophical or moral, since many democracies tolerate high levels of social and income inequality. The current situation in the United States provides a good example of how it is possible for liberal political rights to coexist with long-term mass poverty affecting specific social and ethnic groups and with the general impoverishment of a large part of the population. Depending on the period, this poverty has been either a focus of public attention (as when Lyndon Johnson declared his "war on poverty" in 1964) or, conversely, disregarded by governments and starved of public support (under the Bush and Clinton administrations, for example). The relationship between poverty and democracy is both political and moral. Is inequality acceptable in a society and what are the attitudes that legitimise such inequality?

The second line of approach relates more to the actual functioning of democratic regimes. The American political scientist Barrington Moore has demonstrated that the nature of political regimes (whether democratic, fascist or communist) depends on the potential for alliances historically forged among different social groups: the landed aristocracy, the bourgeoisie, the peasantry and workers.<sup>1</sup> In broad outline, liberal democracies emerged with the victory of the bourgeoisie traders (allied with town dwellers) over the landed aristocracy and peasantry. This opportunistic alliance explains in part the attentiveness of fledgling democratic regimes to the conditions of the urban working class. The latter's gradual institutionalisation, the disappearance of the communist model that had so long provided an incentive, and the weakening of working-class political movements have all considerably changed the relationship between democracy and poverty.

In contrast to earlier periods, today people experiencing financial insecurity or poverty are tending to withdraw from

1 Moore B. (1966), op cit.



democratic politics. The working classes are increasingly resorting to abstention (not to mention foreigners, who are usually prohibited by law from taking part in elections), as well as abandoning trade unions and political parties and remaining conspicuously absent from all forms of “participatory democracy”. Their belief in the ability of politics to “change lives” (that is, the everyday conditions of their existence) has unravelled, sometimes opening the way to fatalistic attitudes such as “they’re all the same”, “all corrupt”, and so on that can be seized on by some political groupings. This is taking place against a general background of a “crisis of representation” for the traditional political parties at a time of globalisation, which entails, amongst other things, the growth of new forms of nationalism and of withdrawal into identity-based politics. The breakthrough of the extreme right Golden Dawn party in Greece is one example: it combines rejection of the whole political class with practical initiatives such as anti-crime patrols in certain neighbourhoods (aimed in particular at immigrants and asylum seekers), escorting elderly people to the bank and distribution of food to those most in need.<sup>2</sup> In France, the Front National has long been developing similar strategies.

This chapter will explore the conditions for inclusive democracy and the terms of such inclusion.

### 3.1. Democratic participation and the mobilisation of people experiencing poverty: potential and limitations



#### ► The scope for democratic participation by people experiencing poverty

Democracy is freedom, said Rousseau – freedom to obey the laws that each individual has helped to bring about through democratic processes and freedom to live under a common set of rules that we ourselves have established. According to Rousseau, this type of freedom, as it cannot avoid taking others into account, is not absolute in the same way as the “state of nature” but is a moral and civil liberty of a higher order.<sup>3</sup>

Central to any discussion of democracy is the idea that it is a method of government for organisations or societies, enabling their members to take part in the decision-making process – to such a degree that it might be considered that they actually govern the organisation or society in question.

<sup>2</sup> See Genoux F. (2012), “Grèce: qui sont les néonazis du parti ‘Aube dorée’?”, *Le Monde*, 5 May 2012.

<sup>3</sup> Rousseau J.-J. (1762), *The social contract, or principles of political right*. Accessible at <http://www.constitution.org/jjr/socon.htm>.

In reality, the concept of democracy has become so narrow in Europe that it is now in danger of being restricted to the act of taking part in elections. This is due mainly to two increasingly important factors:

- derationalisation of social relations, excluding ever-larger groups from access to the material conditions of well-being and relegating them as “losers” to a state of poverty and vulnerability;
- derationalisation of public debate because ever-broader groups are denied the possibility of influencing decision-making mechanisms.

I AM  
QUESTIONING  
MYSELF...



Although “participation” is a long-established norm in many official documents produced by various national and international institutions, it is an extremely vague concept. When it comes down to it, the relative consensus in both theory and practice that participation is the ability to influence the decision-making process remains abstract. The lack of a sufficiently clear and potent idea of participation is even more evident in the case of the disadvantaged, who are already excluded from society or facing various forms of growing insecurity. For poverty, financial insecurity and disempowerment create a vicious circle: the greater the inequality, the less the participation; the less the participation, the greater the inequality.

Therefore, if we want to encourage participation of the weakest, we must begin by answering the question: What must be done to make sure that non-participants participate? This implies concrete answers to the further questions: participate in what? Participate in which bodies? Participate how?

Formally and institutionally, democracy has a number of well-defined ways in which citizens can channel and express their interests. The most obvious is “free and fair election” of the main political decision makers at all levels (local, provincial, regional, national and supra-national). There is also a range of well-established forms of political participation, such as contacting one’s representatives in person, by telephone, by e-mail and now through the Internet, joining a political party or taking part in direct policy-making initiatives such as referendums.<sup>4</sup> In addition to these direct and indirect political channels, there is an ever-expanding spectrum of groupings representing social, economic and other interests, together with their specific forms of lobbying, which include the funding of parties and election campaigns, sometimes involving dubious, or even illegal, activities.<sup>5</sup> Nor should we neglect “unconventional” forms of participation and political action, which have grown in importance since the 1970s and 1980s: demonstrations, boycotts, strikes, occupation of land and buildings, and so on.<sup>6</sup>

The existence of these “unconventional” forms may be interpreted as proof that democracy is thriving. But it should also be remembered that these protests can proliferate in both size and number during periods of widespread discontent and growing poverty and financial insecurity, such as we are now seeing in some European countries, and that they may well take more radical forms (sparking equally radical institutional reactions) once people become aware of the gulf between their needs and official policy and therefore begin to question the value of democracy itself.

Where the issue of poverty is concerned, these forms of political participation have also been shown by research to have a number of problems and shortcomings. In the past, in a context of growing urbanisation and industrialisation across Europe and elsewhere, the poorest sections of society began to organise themselves in strong trade unions and in parties – mostly secular

4 Among publications discussing these procedures, we may mention Millbrath L.W. and Goel M.L. (1977), *Political participation*, Rand McNally, Chicago; and Verba S. et al. (1978), *Participation and political equality*, CUP, Cambridge. See also International Institute for Democracy and Electoral Assistance (IDEA) (2008), *Direct democracy: the International IDEA handbook*, IDEA, Stockholm.

5 Pinto-Duschinsky M. (2002), “Financing politics: a global view”, *Journal of Democracy*, Vol.13, No. 4.

6 The first extensive study of these phenomena was Barnes S. and Kaase M. (1979), *Political action: mass participation in five western democracies*, Sage, Beverly Hills; the work by Berg-Schlusser D. and Kersting N. (2003), *Poverty and democracy: self-help and political participation in third world cities*, ZED Books, London, considers the third world.

(social democrats, socialists and communists) but sometimes linked to the Church (Christian Democrats). For such people, democratisation and the right to be heard, by voting or other means, represented a significant step forward, a means of improving their lot by trying to alter to their advantage the legal framework (laws on working time and conditions, for example), social welfare provisions and redistribution of tax revenue. The situation looks very different nowadays: democratic participation in political decision making has become an obstacle course, particularly for people suffering poverty and exclusion.

### Participation problems and pseudo-participation for people living in poverty

The existence of people living on or below the poverty line is evidence in itself that one of the promises of democracy – full participation for all on an equal footing – has not been kept. It would be useful to list the specific problems facing people experiencing poverty in this respect:

*Ill-defined scope for participation:* It is not easy for people on or below the poverty line to understand which areas of participation are important for social issues. In addition, there is the continuing confusion between participation for the purpose of combating injustice and participation in a cultural event, consumption or decision making. If participation by people experiencing poverty is to be seriously acknowledged, we need to consider the extent to which they can influence decision making on how resources, sources of well-being and public funds are allocated and how the implementation of decisions is monitored.

*Functional (mis)match between levels of participation:* Participation can play out at various levels: local, regional, national or European. However, to have a coherent framework of consultation, there must be a match between the method of participation and the level at which decisions are taken; otherwise participation will simply turn into consultation of a few target groups with no real impact. In the case of the minimum income and the rules governing taxation, for example, the local level is irrelevant, since such matters are decided nationally with pressure from lobbies, whether overt or covert. Participation cannot amount to merely convening “the poor” from time to time. It is a lengthy process requiring continuity of dialogue and debate and the ability to select the fairest solutions among those put forward.

*Underdeveloped methods of participation:* Methods of participation have not been properly developed, since generally speaking this is not a matter that is taken seriously. The procedure is most often assumed to be straightforward:

people are invited to attend the meeting, a list of participants is drawn up, and so on. But this way of proceeding breeds disappointment. Many organisations and members of the public have pointed to the inadequacy of such methods and insisted on their right to genuine participation, entailing a right to monitor the process, prior clarification of decision-making mechanisms, transparency, no rigging, and so on.

*Inadequate ability to participate:* For all matters relating to wealth distribution and the monitoring of its implementation, participating means being part of a complex process of coming up with possible choices. This implies a number of prerequisites such as basic knowledge, legislative frameworks, power to negotiate and financial engineering. In practice, demands to be part of this process are categorically rejected, especially when they come from people living in poverty.

More serious still, the experience of poverty that is suffered by individuals and communities often entails: a) no convincing previous living experiences; b) a tendency to cut their demands to the minimum; c) obscuring of possible areas of action to counter a future that shows every sign of being unfavourable. This all means that the preconditions for participation by the disadvantaged are much more complex than is generally suggested and this complexity must be taken into account. The need to involve mediators must also be recognised, since as a rule success is nowadays becoming ever more elusive in a difficult climate where a curtailment of rights – particularly affecting those whose access is already subject to conditions – seems inevitable, as we shall see.

The above series of obstacles generally results in purely formal, contrived participation concerning subsidiary matters and consisting of prevarications and empty rituals. But this is not all: this pseudo-participation stokes the disaffection of people who already feel disappointed and marginalised and may also fuel tendencies that appear to be more open to participation but are fraught with danger, such as nationalism, racism, stigmatisation and intolerance.

The question of democracy is therefore extremely important for anybody seeking to take a serious approach to poverty-related matters and, especially, to combating poverty. It is for this reason that we shall now discuss in detail individual aspects of the relationship between democracy and poverty, paying close attention to the various forms of participation in decision-making processes, their limitations and their downsides.

## ► Electoral alienation



The French comedian Coluche liked to repeat the following witticism: “As I see it, anyone unemployed going to vote is like a crocodile visiting a leather goods shop.” In this way, he humorously conveyed a state of affairs now observable in most European liberal democracies: the long-term unemployed, like people who are financially insecure, tend not to vote.

In fact, contrary to the democratic principle of “one man, one vote”, voting is subject to powerful social determinants. The three cycles of INSEE surveys on voter turnout in France (1986-1989, 1995-1998 and 2002), covering 38 500 registered voters in 2 600 municipalities, highlighted the structural factors of abstention: those most likely not to vote were persons with poor or no qualifications in both the manual and non-manual labour sector, wage-earners on temporary contracts and the unemployed. For example, among those with no qualifications, 20% “systematically” failed to turn out, as against 5% among graduates of universities or the *grandes écoles*.<sup>7</sup> This is also true of the United States: in the 2008 presidential election, among individuals who had not been to high school, 60.6% failed to register or vote, while for holders of advanced degrees this figure was only 17.3%. The same applies to income: 48.1% of those earning less than 20 000 dollars a year were unregistered or non-voters, as against 26.9% of those earning over 100 000 dollars a year.<sup>8</sup> In the United Kingdom too, voter turnout seems to depend on social and occupational status: in both 2001 and 2005, there was a 15 to 16 point difference between higher and intermediate managerial, administrative and professional occupations, on the one hand, and semi-skilled and unskilled manual workers, casual or lowest-grade workers, pensioners and others depending on the welfare state for their income, on the other.<sup>9</sup> There are similar findings even in countries where voting is compulsory, such as Belgium.<sup>10</sup>

This self-exclusion from the election process follows patterns that are now better understood by political sociology. Investment in politics depends primarily on an individual’s perceived empowerment. Political competence is based both on an ability to understand and reproduce

7 See Héran F. (1997), “Les intermittences du vote. Un bilan de la participation de 1995 à 1997”, *INSEE Première*, No. 546, September 1997; Clanché F. (2003), “La participation électorale au printemps 2002”, *INSEE Première*, No. 877, January 2003; Héran F. (2004), “Voter toujours, parfois... ou jamais”, Cautrès B. and Mayer N. (eds), *Le nouveau désordre électoral. Les leçons du 21 avril*, Presses de Sciences-Po, Paris.

8 Figures cited in Lehingue P. (2011), *Le vote. Approches sociologiques de l’institution et des comportements électoraux*, La Découverte, Paris, pp. 246-47.

9 Electoral Commission, *Election 2005: turnout*, available at [www.electoralcommission.org.uk/\\_data/assets/pdf\\_file/0006/47256/Election2005turnoutFINAL\\_18826-13874\\_\\_E\\_\\_N\\_\\_S\\_\\_W\\_\\_.pdf](http://www.electoralcommission.org.uk/_data/assets/pdf_file/0006/47256/Election2005turnoutFINAL_18826-13874__E__N__S__W__.pdf), p.27, accessed 14 December 2012.

10 Pion G. (2011), “L’abstentionnisme électoral en Belgique: données individuelles et agrégées à Charleroi”, *L’Espace politique*, 14 | 2011-2, available at <http://espacepolitique.revues.org/index2025.html>, accessed 14 December 2012.

political views (this depends, amongst other things, on education) and the (socially legitimate and applauded) feeling that one is justified in becoming involved in politics, that one has a right to talk politics and that one has the authority to tackle political issues in political terms – in other words, by using specifically political principles of classification and analysis rather than responding to individual cases on the basis of moral principles.<sup>11</sup> Conversely, a feeling of political incompetence results in withdrawal, manifesting itself in abstention, non-registration and lack of interest in general.

This tendency is counteracted only by the work of certain organisations able to combine community socialisation with political involvement,<sup>12</sup> as was long the case for the French Communist Party (PCF) and the Italian Communist Party (PCI). These organisations, which could count on their members' total commitment, from which they have benefited in elections, have experienced a gradual and continuous decline in Europe owing, amongst other things, to the professionalisation of politics, the shift to a post-Fordist mode of production and the collapse of reference models,<sup>13</sup> resulting in increased abstention.<sup>14</sup>

However, this phenomenon does not concern just the weakest stakeholders in society; it is a long-term trend that would now appear to be exacerbated by the recession and the uncertainty and insecurity of everyday life. Ever since the late 1960s, and especially today, a growing disaffection with politics can be seen in most Western countries, reflecting distrust of conventional representative processes. This distrust is often stronger among the disadvantaged than others and can turn into indifference towards a society unable to satisfy their expectations. This feeling is particularly prevalent among the younger generation, whose needs, interests and aspirations are not being reflected by official decision-making mechanisms. Some people equate the electoral process's loss of legitimacy with a new form of apathy, but many are highlighting innovative methods of involvement that are emerging outside institutional channels of political representation. This is a point to which we shall return in part III of this guide.

Whatever the case, it should be remembered that there is at least one category of people who might be eager to participate but who are excluded from conventional democratic procedures in virtually all European countries: migrants. The fact that they are excluded from the electorate adds to poor turnout in general in the neighbourhoods where they live. The more that people vote, the more voting is a topic of conversation, whether among friends, within the family or at work, and the greater is the chance that people who originally had not intended to vote would in fact do so. Conversely, the lower the voter turnout in a neighbourhood or within a social network, the more voting seems to be something abstract of secondary importance. In addition, many Roma and Travellers are not able to vote in practice, either because they can not officially register on the voter lists because they do not have identification documents or other reasons. For example, in Croatia, NGOs estimate that 25% of the Roma population has no identity document and therefore cannot vote. Roma are largely absent from elected bodies at local, regional, national and supranational level. The participation of Roma and Travellers in the European parliaments is extremely limited. It is only in some parliaments of Central and South-East Europe that Roma are present, including Bulgaria, Hungary, Serbia, "the former Yugoslav Republic of Macedonia" and Kosovo, where Ashkali are also represented. In the 2010 elections in Hungary, four candidates elected to parliament were of Roma origin. However, there is currently no Roma in the parliaments of Western Europe and the European Parliament has only one Roma parliamentary - Ms. Livia Járóka – from Hungary.

#### Votes for foreigners

While abstentionism is more obvious among the most disadvantaged, it is compounded by the fact that many of the latter are now non-EU immigrants denied the right to vote. Since 1992 and the Maastricht Treaty, all European Union citizens can vote in

and stand for municipal and European elections in other member states.

For non-EU nationals, the rules vary according to country. Ireland has allowed all foreign residents to vote in local elections since 1963, with no minimum period of residence. Sweden (1975), Denmark (1981),

11 See Bourdieu P. (1986), *Distinction: a social critique of the judgement of taste*, Routledge, London; and Gaxie D. ([1978] 1991), *Le cens caché. Inégalités culturelles et ségrégation politique*, Seuil, Paris.

12 Retière J-N. (1991), "La sociabilité communautaire, sanctuaire de l'identité communiste à Lanester", *Politix*, No. 13, pp. 87-93. See also Thompson E.P. (1963), *The making of the English working class*, Victor Gollancz, London.

13 On the decline of the French Communist Party, its causes and explanations, see Pudal B. (2002), "La beauté de la mort communiste", *Revue française de science politique*, Vol. 52 (5-6), pp. 545-59.

14 Braconnier C. and Dormagen J-Y. (2007), *La démocratie de l'abstention*, Folio Actuel, Paris.

the Netherlands (1983), Luxembourg (2003) and Belgium (2004) have granted the right to vote in municipal elections to all foreigners resident on their territories for between two and five years. Estonia, Lithuania, Slovenia, Hungary, the Czech Republic and Slovakia have taken similar steps. Spain, Portugal and the United Kingdom give the vote to nationals of particular countries, especially those belonging to their former colonial empires. For example, the United Kingdom allows citizens of Ireland and of the 54 Commonwealth countries to vote in all its elections, whether local or national. Despite recurrent discussion of the subject and a number of tactical pledges, Austria, Bulgaria, Cyprus, France, Germany, Italy, Latvia, Malta, Poland and Romania are still refusing the right to vote in local elections to non-EU citizens.

Two states grant immigrants the right to vote in more than just municipal elections: Denmark

(regional elections) and Sweden (county elections). Having expressed its concern at these tendencies in Europe, the Council of Europe states, in its recommendation on "Participation of immigrants and foreign residents in political life in the Council of Europe member states" (Rec. 1500/2001), that "democratic legitimacy requires equal participation by all groups of society in the political process" and points out, "Although the integration of immigrants and foreign residents has considerably increased in economic, social, cultural and educational terms, political participation has always given rise to controversy. Yet their participation in the political decision-making process promotes their integration in general, and facilitates their harmonious co-existence that is in the interest of both citizens and non-citizens in the host society". It concludes that "lack of integration can be a source of social tension and conflict".

### ► The role of traditional intermediary institutions

Democracy in the broad sense encompasses not only its institutional and functional dimensions but also the legislative aspect, based on the concept of rights. These rights can be claimed by individuals or groups, in tangible or intangible form. In Europe, with its various types of welfare state, there are services providing access to these rights, although they do have shortcomings. But there is often a lack of information about such rights, which are surrounded by too much red tape, and the staff in these services are not always pleasant or efficient – far from it – particularly when they are dealing with the most marginalised groups in society, which are sometimes victims of stigmatisation as well.

Until recently, political parties played an important mediating role, making the weakest social stakeholders aware of their rights and organising ways of submitting collective demands. But nowadays the most disadvantaged no longer make up the bulk of traditional political parties, including those considered left wing. Yet these parties were formed to represent workers, as their names indicate: the Labour Party in the United Kingdom (and its colonies), the Spanish Socialist Workers' Party (PSOE), the Socialist Workers' Party of Germany (the forerunner of the Social Democratic Party), the Italian Labour Party, and so on. In 1980, manual workers, accounting for only 15.4% of the adult population, made up 30% of the membership of the PSOE.<sup>15</sup> But from the early 1970s their number steadily declined, as indicated by the table below, indicating the changing proportion of working-class activists in the French socialist parties in relation to their percentage in the labour force.

Table 5: Evolution of the percentage of labor activists in the French Socialist organisations

	Percentage of manual workers in the French Socialist Party and SFIO*	Percentage of manual workers in labour force**	Ratio of manual workers in party to manual workers in labour force
1954	36%	33.2%	1.1
1963	27%		
1973	14%	37.2% (1975)	0.4
1985	10%	32.8% (1982)	0.3
1998	5%	24.8% (1999)	0.2

\* Source: Rey H. and Subileau F. (1991), *Les militants socialistes*, Presses de la FNSP, Paris, p. 69; supplemented by Subileau F., Rey H. and Ysmal C. (2001), "Les adhérents socialistes en 1998", *Cahiers du CEVIPOF*, 23

\*\* Source: INSEE (general census)

15 Tezanos J.F. (1981), "Estructura y dinámica de la afiliación socialista en España", *Revista de Estudios Políticos* (Nueva Época), No. 23, September-October 1981, pp. 117-52.

Similar trends are to be observed over the same period in Germany (where the percentage of manual workers in Social Democratic Party membership fell from 45% in 1952 to 23% in 1977), Austria and Italy.<sup>16</sup>

The decline in party members from the poorer sections of society has gone hand in hand with a loss of legitimacy of the ideology that these members espoused. The old (class) dividing lines have been expunged without any others having obviously taken their place. The group solidarity peculiar to the working-class world has now been supplanted by various forms of individualism (the “free-floating individual”, for example) more in tune with different social environments. Now, rather than bearing witness to the living and working conditions and life in their neighbourhoods, as was once the case, party activists are required to produce “informed” opinions and a variety of expert analyses of increasingly complex issues. The social misery for which these parties used to act as a channel no longer has any real outlet, to the point that we might almost speak of “social blindness” at a time when we should be taking the measure of how people experiencing poverty and impoverished actually live.

The same type of alienation can also be observed in the case of trade unions. For decades, joining a trade union was a reliable form of integration for unskilled workers, especially immigrants. For such people it was another powerful tool for improving their living conditions through legislative measures (regulation of working time and conditions, for example), social welfare provisions and redistribution of tax revenue. The strength of trade unions used to be measured by their membership and level of organisation (for elections, strikes, and so on). But nowadays, even in the unions, tensions are emerging. Young temporary workers, often but not solely from immigrant backgrounds, have difficulty understanding why older workers do their best to slow down production rates (an old strategy of working-class resistance), since they themselves will have their temporary contracts renewed only if, at the very least, they meet production standards. Cut off in practice from the unions, which they dare not approach if they want to be rehired, they also find it hard to understand why the unions concentrate first and foremost on defending the workers with permanent contracts, who are usually of domestic origin and whom they consider to be better protected. It is therefore the change in workplace conditions and relationships that explain some of the unions’ current difficulties – as well as the almost racist turn of some everyday disputes.<sup>17</sup> Attempts by some unions to take on the struggles of the most vulnerable workers (in the cleaning industry, building and catering) by providing them with logistical and campaigning support are an interesting approach that might provide a way out of this dilemma.<sup>18</sup>

There is therefore genuine cause for concern regarding equal opportunities in both conventional and non-conventional forms of political involvement. With the growth in the service sector, the offshoring of labour-intensive industries and globalisation in general, the grounds for concern have changed but have not diminished. Today, in many of the new forms of political activity and protest organised by NGOs or emerging through the Internet, we see the predominance of a (new) educated middle class<sup>19</sup> that is becoming poorer.

### ► Organisations and advocacy for persons facing poverty and impoverishment

Some institutions may act as intermediaries and advocates to defend the interests of people living in poverty before policy-making bodies, as, for example, in the case of the Danish Council for Socially Marginalised People, which is officially responsible for representing this group where political decision makers are concerned. However, the legitimacy of these institutions is very much contingent on their independence and the extent to which they are recognised by the individuals themselves and other public institutions. We must therefore, on the one hand, study the methods and democratic procedures for recording and pursuing the claims of the “disadvantaged” with due regard to the context in which they are made and, on the other, examine how the claims channelled through intermediary institutions are taken into account by political decision makers. The effectiveness of advocacy depends to a large extent on these two aspects. It is important that advocacy should not boil down to purely formal representation with no impact on policy decisions, which would be a waste of time and energy and would also increase the feeling of frustration and distrust of institutions (“we are being used”

16 See Merkl P.H. (1980), “The sociology of European parties: members, voters and social groups”, Merkl P.H. (ed.), *Western European party systems*, The Free Press, London, pp. 614-67.

17 See a detailed analysis of these mechanisms relating to working-class continuity in Beaud S. and Pialoux M. (1999), *Retour sur la condition ouvrière*, Fayard, Paris.

18 See Fantasia R. and Voss K. (2004), *Hard work: remaking the American labor movement*, University of California Press, Berkeley.

19 Della Porta D. (1995), *Social movements, political violence and the state*, Cambridge University Press, Cambridge.

is a comment often heard from members of associations or networks of marginalised people taking part in this kind of consultation).

#### Foreign residents' councils

While non-EU immigrants are mostly denied the right to take part in elections, the authorities sometimes set up formal or informal bodies for dialogue with immigrant groups, such as the foreign residents' councils in France and the Municipal Immigration Council (*Consejo Municipal de Inmigración*) in Barcelona, Spain. These bodies act first and foremost as channels for information, from the institutions to the communities and vice versa. They also offer empowerment to immigrant communi-

ties. As intercultural meeting places for discussion and exchange of experience between various action groups, they often aim to help organise networks. However, their role must not be overvalued. While they allow immigrant communities without any political rights to pass on some of their concerns to the institutional level, their purely consultative nature, their consensus-based decision making (that is, without voting) and their close supervision by local government usually prevent them from playing a full political role. They act more as a conduit than as an independent political body.

Advocacy for economically, socially and therefore politically weak groups has become more important over the past few decades. It can help them obtain material assistance, such as free meals, clothing, and so on (usually at local level), as well as advice and legal assistance where necessary. In addition to this, advocacy may also be instrumental in interesting people in the lot of particular groups or in specific problems, sometimes even contributing to reform and legislation in these fields. Participation by marginalised people should benefit from the support and advocacy of mediators such as NGOs.

Accordingly, a good many national networks, together with NGOs working in the social field, are involved at national and European level in a number of consultation processes for the drafting of important strategic documents such as national reform programmes, operational programmes and structural funds, and national action plans where clear recommendations are constantly being made. The shortcomings of consultation processes have been pointed out in both national and European documents such as the Austrian Government's *Standards of Public Participation*, the EU's *General principles and minimum standards for consultation*, the EAPN Ireland report *Building Effective Consultation and Participation*, and so on.<sup>20</sup> All these reports recognise that consultation processes are valuable but highlight the same failings.

The job of NGOs is generally to provide relief: they often work for separate (and sometimes competing) groups on projects in entirely unrelated fields. More serious still, NGOs are sometimes heavily dependent on their funders and often work on short-term projects with no continuity. And since in the field of social policy there is a great imbalance between lobbyists and service providers, the chances that the interests of vulnerable people will be defended are extremely slim.

It may of course be argued that the effectiveness of civic organisations is borne out by the changes they bring about in a society's structure of opportunities. If grassroots action is weak, the social construct represented by the opportunity structure will collapse and turn into a system of privilege permanently excluding individuals, groups and whole sections of society. Helping to consolidate the opportunity structure is therefore one of the main aims of citizen organisations and social capital.

However, if they are to play this role, civic organisations must be careful to keep their distance from both government and the market and make sure that they are free to act as they want, if necessary by seeking independent funding. Yet on the contrary, the current trend everywhere is towards keeping a tight rein on NGOs: they find themselves subordinated to governments and market structures and compelled to become almost economic and government organisations. This trend is borne out by the two mainstays of NGO work: lobbying and projects. As regards lobbying, it is standard practice for an NGO to be included in some sort of advisory forum. This is now a well-established custom in EU member states and one that was on the increase in the first decade of the 21st century, as already evidenced by various documents.

<sup>20</sup> See for example European Commission, "General principles and minimum standards for consultation of interested parties by the Commission" **COM(2002)704**. General principles and minimum standards apply from 1 January 2003. Available at [http://ec.europa.eu/transparency/civil\\_society/consultation\\_standards/index\\_en.htm](http://ec.europa.eu/transparency/civil_society/consultation_standards/index_en.htm).



The weaknesses of the “participatory” processes that have been highlighted are both contextual (justifying of decisions already taken, endless or simply empty talk, PR stunts, poor impact measurement, and so on) and procedural (inappropriate deadlines, pro forma procedure, no feedback, tendency towards technical exercises, unclear decision-making procedures). Although the significance of these weaknesses varies depending on the socio-economic context, the overall picture that emerges reflects similar tendencies all over Europe.

It is the social environment more than anything else that determines the type of organisation able to function in a given society. This dictates the characteristics and constraints of NGOs in a number of ways depending on the culture (including the civic culture), whether or not the social environment creates a climate of trust among people, the various forms of social control exercised by stakeholders, whether or not moral values and standards, laws, institutional rules, and so on are enforced, and whether or not the social environment encourages public discussion of key social issues.

**NGO mediation for the weakest social stakeholders and its limitations: the EAPN view**

National networks of the European Anti-Poverty Network (EAPN) have repeatedly indicated the limitations of the mediating role of NGOs, whether in the case of the 2010 European Year for Combating Poverty and Social Exclusion, national reform programmes, measures to combat the recession, allocation of structural funds, or national action plans for social integration. Participation by anti-poverty NGOs and the disadvantaged is inadequate. Contacts with decision-making bodies are limited to briefings and low-level consultation processes the impact of which is minimal or even non-existent. The need to focus policy as a whole on combating poverty and social exclusion and draw up a new social contract has not been recognised, since consultation is mainly with social welfare ministries and “poverty” departments. Citizen participation in policy formulation is ineffectual, as everybody knows, and the partnership is unsatisfactory. Because the phenomenon of exclusion is poorly understood, participation is limited to inclusion in form only of the disadvantaged – or NGOs representing them – in policy forums. In many people’s minds, participation thus boils down to simply being present or belonging to a body, without this having anything to do with social integration. The limitations of the NGOs’ mediating role are clearly illustrated by the following comments gathered in the course of EAPN work in various European countries:

EAPN Austria: “We were told not to take this exercise too seriously and particularly not to expect anything

of it in terms of impact, since policies were laid down by the government.”

EAPN Italy: “Civil society is never involved. Everything happens behind closed doors.”

EAPN Germany: “Participation seems limited to co-operation between public authorities. There may be other stakeholders, but actually it is the authorities who are running the show.”

EAPN Slovakia: “It was mainly interdepartmental co-operation coordinated by the Finance Ministry. . . . All the ministries, central authorities, regional governments, and employers’ and workers’ representatives were invited to take part.”

In their assessment of these shortcomings, the EAPN national networks recommended that greater emphasis be placed on the need for a more serious and meaningful involvement of NGOs in the allocation of Structural Funds process. In their view, participation is too frequently confined to dialogue between public bodies, often without any room for NGOs. The partnership principle should apply to both project level (design, monitoring, evaluation) and governance (inclusion in decisions), especially in monitoring committees and choice of methods (monitoring, evaluation, indicators), which presupposes programme structures and regulations facilitating implementation of this principle. To be effective, participation also requires involvement of a wide range of civil society organisations representing target groups – including social inclusion NGOs and people experiencing poverty – as well as anti-poverty networks/platforms (like EAPN) that lobby on integrated anti-poverty strategies.

In addition, there are grassroots bodies consisting mainly of people living in poverty; they defend the latter’s interests while asserting their independence from all institutions. These somewhat rare cases are usually the result of community action and lie halfway between social movements and mediation bodies. The example in the box concerns homeless people in Belgium, but similar initiatives have emerged in other parts of Europe.

## European unions for homeless people pioneered in Belgium

### DAK

The Daklozen Aktie Komitee or DAK (Homeless Action Committee) originated in Antwerp in early 1997 when a group of homeless people occupied an empty social housing block. Occupation of buildings, together with social initiatives (housing, catering) and cultural projects run by volunteers, was the focus of DAK activity for a number of years. Today, DAK represents the interests of homeless people. It is a type of union – still run by volunteers – that offers social and legal support but also tries to win political influence in a variety of ways. These include sending open letters to politicians and officials with responsibilities in this field, asking councillors to take action in the municipal council, filing complaints with higher authorities, writing leaflets and organising demonstrations, and endeavouring to attract media attention. At the same time it takes part, with the authorities, social services and various other stakeholders, in consultations on issues relating to homelessness, housing, services, and so on.

A few years later the DAK, after much internal debate, joined the official participatory network for the disadvantaged called Vlaams Netwerk van verenigingen waar armen het woord voeren (“Flemish network of associations where the poor speak out”). As its name suggests, this network consists of people experiencing poverty in various parts of Flanders. Members of the DAK and other associations meet in working parties to discuss issues such as housing, homelessness and energy access and define positions and policy proposals based on the views of the people affected. These proposals are then advocated by association members to the ministries responsible for housing, poverty and social welfare as part of a vertical consultation process. On the one hand, the DAK works with official bodies to promote participation by people experiencing poverty, but on the other, it follows its own entirely independent path. The watchword of its founder and president, Koen Calliauw, is, “A direct line from gutter to government”.

### The Front

In 1997 the Front commun SDF/Gemeenschappelijk Daklozenfront was created during the national campaign to allocate reference addresses to homeless people. It consists mainly of three organisations that are run by people with personal experience of poverty – Solidarités nouvelles (Charleroi), Chez nous/Bij Ons (Brussels) and the DAK (Antwerp) – and covers three regions: Wallonia, Flanders and Brussels. Since then, the Front has been busy promoting laws more favourable to

the homeless and ensuring the enforcement of those that already exist, such as the law on reference addresses. It publishes a “homeless person’s guide” in collaboration with the Belgian Federal Public Service for Social Integration. A good many authorities refuse to comply with the law or impose non-statutory conditions, with the result that many homeless people are denied their basic rights in Belgium. In the event of a blatant refusal to enforce the law by a local authority or Public Centre for Social Welfare (OCMW/CPAS), the Front responds collectively. It participates in national consultations on issues affecting the homeless. It is fully independent, but works with other stakeholders on various projects and is sometimes invited to take part in scientific research.

In 2010 the Belgian Government, which was holding the presidency of the European Union at the time, asked the Front to conduct a survey of the situation of homeless people in the various EU countries for the European Consensus Conference on Homelessness held on 9 and 10 December 2010. Homeless people and their associations in eight countries eventually took part in this survey. During the meetings organised in this connection, the principle of establishing a participatory European network of homeless people was adopted. This was in fact one of the recommendations made in the survey report *2010 European Consultation of Homeless People*. The consensus conference jury, in its own report (*Policy Recommendations of the Jury*), recommended setting up participatory networks for homeless people so that they could take part in decision-making as individuals and service users and participate in the framing of policies for the homeless.

### European Union of Homeless (EUH)

In May 2011, at the invitation of the Front commun SDF and with support from the Belgian Anti-Poverty Network, some of the homeless citizens from various countries who had taken part in the 2010 survey met again in Brussels. After two days of discussion, they decided to set up a participatory European network to promote policies for the homeless, to be called the European Union of Homeless (EUH). The founder members of EUH were Armutsnetzwerk (Germany), Daklozen Aktie Kollektief (Netherlands), Comité des sans-logis (France) and Front commun SDF (Belgium). Shortly afterwards, the Belgian Secretary of State for Poverty provided a grant to set up the organisation (as follow-up to the consensus conference). In February, a fifth member joined the EUH, Á Varos Mindenkie (Hungary).

The EUH faces many challenges, the main one being how to win political influence at the European level. The EUH wishes to remain independent, develop its own projects and positions and make its individual voice heard.

## ► Breaking the silence: spontaneous movements and new forms of self-organisation

Despite the practical obstacles to participation in public life inherent in contemporary democratic processes and despite the problems specific to people on the far fringes of society, in Europe we are witnessing the emergence of more and more movements in the fields of housing, social rights, unemployment and undocumented migrants on the initiative of financially insecure people and

groups affected by poverty and general insecurity. Their styles of action vary: requisitioning of empty housing, strikes by undocumented workers (in the catering, building and cleaning industries), or occupation of official premises (job centres, for example). Some manage to attract support from political organisations and trade unions, while others do not. Some result in legislative initiatives; others run out of steam or disappear only to re-emerge at a later date, like the so-called “riots” that have recently blown up in Greece, Britain, France and Italy on grounds that were specific to each case but which all gave rise to clashes between citizens (often, but not always, from the most disadvantaged groups in society) and the police, and to acts of destruction. These actions are not directly political in nature and are often treated as ordinary offences, “sub-politics”, and so on. Yet the almost perfect correlation between the places where they occur (and where those who take part in them live) and the “deserts” of voter turnout and party membership ought to raise questions as to their political significance. We should remember that popular uprisings in town and country were the usual course of action before the organising of the working-class movement imposed a more structured range of action, particularly through strikes and demonstrations.<sup>21</sup>

Immigrants are a special case for, as we saw regarding rights, they experience a specific form of exclusion (or differential integration), which sometimes looks like apartheid at the European level. Depending on their legal status – the worst case undoubtedly being that of an individual “in an irregular situation” – such people may be obliged to disappear completely or partly from the public sphere, where their voices are hardly ever heard. The principle of democracy, which implies participation in the choice of rules to be followed, therefore seldom applies in their case: they are denied a vote almost everywhere, and when they try to organise to make themselves heard by other means, speaking out is nevertheless harder for them than for other people.

The “right to rights”, Judith Butler suggests,<sup>22</sup> is not a right that can be enshrined in law or a state’s constitution and therefore not a right that can be laid down or granted by the state. On the other hand, there are situations where this obscure, unobtrusive, “right” comes to light: when those who are denied it take action to claim it. The example given by Butler is of the 2006 street demonstrations by undocumented Hispanic immigrants in Los Angeles, where the protesters sang the US national anthem in Spanish, violating the principle of “one language for one people” that every nation-state basically seeks to establish. Maybe this example is drawn from too conventional a field of action: individuals who make themselves visible in a sphere that has hitherto disregarded them, proposing a new and inclusive “we”, and who, by showing themselves in public, declare their presence to be a right.

But there are also rather less conventional ways of making one’s presence felt in the public sphere.

#### Action by immigrants in Rosarno, Italy

“We are workers who have had to leave Rosarno because we claimed our rights. We were working in inhuman conditions. We were living in disused factories with no water or electricity. Our work was underpaid. We would leave our sleeping quarters every morning at six and not return until eight in the evening, and all that for 25 euros, which we didn’t even get the whole of that amount . . . We couldn’t expect any help; because we are invisible and do not exist for the authorities in this country, it would never have come. We showed our faces; we took to the streets to proclaim our existence. People wouldn’t see us. How can someone demonstrate who doesn’t exist?”<sup>23</sup>

On 7 January 2010, in the small town of Rosarno in the Italian province of Reggio Calabria, the seasonal African workers employed to pick oranges and tangerines, having suffered further intimidation from gunshots when leaving work, entered en masse the

main streets in the area and staged a revolt, damaging cars and road signs, assaulting some passersby and knocking over dustbins. In the following days, the police arrested some immigrants, but were nevertheless unable to prevent local residents from engaging in a veritable manhunt. The Interior Minister’s response was to bundle all immigrants in the area away to detention centres. Having accused undocumented immigrants of being responsible for these acts of violence, he then realised that many of them actually possessed residence permits. At the end of January, having arrived in Rome, a number of these immigrants set up an action group and at their very first meeting decided to publish a statement headed “Tangerines and olives are not heaven-sent”, in which they explained the reasons for their revolt: exploitation akin to slavery, derelict buildings or disused factories as sleeping quarters, *caporali*<sup>24</sup> who drastically reduced their already meagre daily pay, occasional gunshot intimidation and, generally, total social and political invisibility.

21 See Thompson E.P. (1963), op. cit., and Farge J. and Revel J. ([1988] 1991), op. cit.

22 Butler J. and Spivak G.C. (2007), *Who sings the nation-state? Language, politics, belonging*, Seagull Books, London.

23 “I mandarini e le olive non cadono dal cielo”. Statement from the meeting of African workers of Rosarno in Rome (Italy, January 2010), [www.storiemigranti.org/spip.php?article680](http://www.storiemigranti.org/spip.php?article680), accessed 14 December 2012.

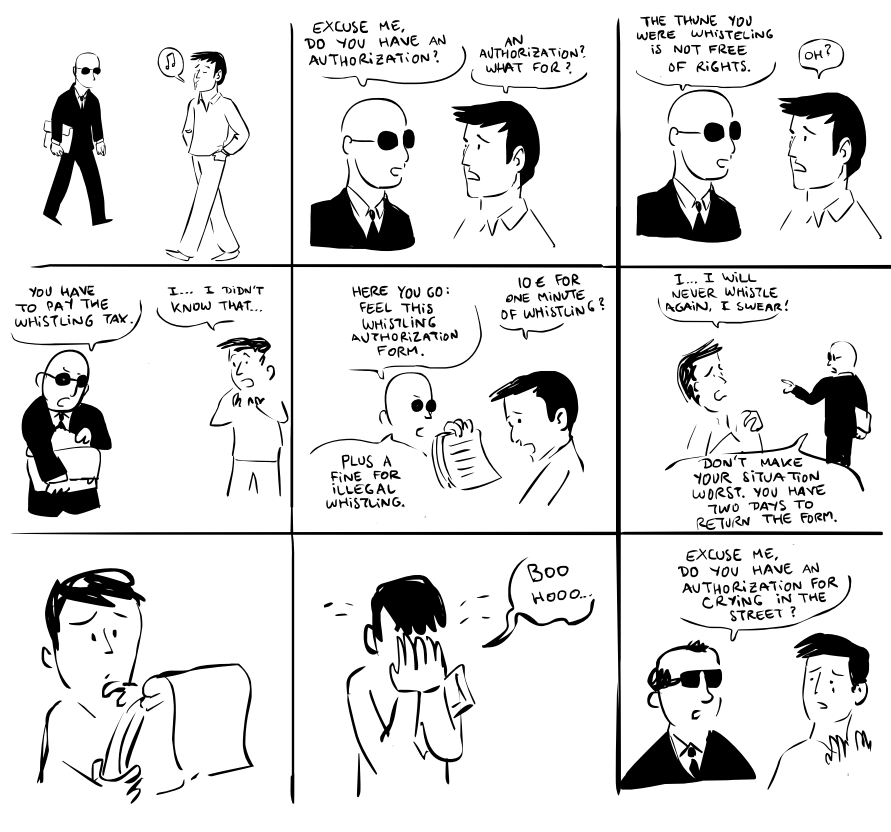
24 A *caporale* is a person who recruits workers, takes them to their place of work and extorts a pay-off from them at the end of the day.

Often “the one who speaks when s/he is not to speak, the one who part-takes in what s/he has no part in”<sup>25</sup> does not respect constitutional rules for speech and “partaking”. His or her speech, which will inevitably be conflictual, may take the shape of a silent gesture and his or her “part-taking” of illegal forms of behaviour. This action is not necessarily meant for the public space of the *polis*; it circumvents and turns upside down the rules that define this citizen as “poor” and “having no part”.

“How can someone demonstrate who doesn’t exist?” ask the “African workers of Rosarno”. This is a loaded question that begs the equally loaded question: how can men and women not exist who work, produce goods and services, sleep and eat and whose lives and bodies intersect with public space? This is not just a question of visibility. Focusing on this aspect alone would mean running the risk of answers (suggesting, or at least seeking, possible areas of action) based on old criteria that are no longer enough to provide a complete picture of reality. In today’s world, the dividing line between scope for action and “silencing”<sup>26</sup> is not entirely congruent with that between public and private space, or even between an area of free movement and one of close confinement. Non-existent lives – such as those of the “African workers of Rosarno” who, after having demonstrated, ask how they could have done so since they did not exist – occupy the same space, albeit in a state of suspension, a state of limbo, as existent lives. To fail to see their revolt as a means of action able to mould the disparate stakeholders into a single unit through improvised subversion of their state of limbo, their invisibility and their non-existence, would amount to reproducing the “order” of the *polis* within those “walled democracies,”<sup>27</sup> whose walls are often the lives and bodies of individuals. This is an order where the only course of action available is to make a vague appeal to human rights – rights that, as we have seen, seem not to be guaranteed by any form of sovereignty, whether that of the nation-state or that of today’s many and various political set-ups.

The question of spaces for living and working is therefore central to the relationship between democracy and poverty. The apportionment and hierarchical organisation of space is a consequence of the tensions and power struggles within societies. Over the past few decades, Western cities have managed their spaces and the lives within them mainly on the basis of defensive principles advocated by one section of the population and based on a misconception of security, a misconception reflected in policy choices the roots and consequences of which will be studied below.

### 3.2. “Security”, poverty and space



25 Rancière J. (2001), “Ten theses on politics”, *Theory & Event*, Vol. 5, No. 3.

26 A commonly used term in post-colonial criticism.

27 Brown W. (2010), *Walled states, waning sovereignty*, Zone Books, New York.

This guide has so far discussed the growing problem of material and existential insecurity and the insecurity that arises out of exposure to poverty and financial uncertainty. Yet the predominant meaning of security in official discourse, the media and public opinion is generally rather different: it has more to do with fear of others and the need for protection. Economic instability is a growing source of conflict and social tensions and sometimes also – although there is no automatic link – of crime. Yet it is not usually those against whom security measures are directed who are responsible for the situation. The fact remains that this misconception of security that is being used to justify a defensive attitude is now spawning a redefinition of urban space and, as a result, ways of living together in contemporary European societies.

### ► Control, criminalisation and penalisation of poverty: a vicious circle

A coercive response to poverty is not a specifically modern phenomenon,<sup>28</sup> but it was with the development of industrial capitalism that the association between poverty and crime really gained ground. Changes in the legal status of both landownership (with the introduction of intensive farming) and commercial and industrial property (with the rapid development of ports, warehouses and the construction of large-scale workshops), gradually created a division between the illegality of property and the illegality of rights. “The way in which wealth tended to be invested, on a much larger scale than ever before, in commodities and machines presupposed a systematic, armed intolerance of illegality,” writes Michel Foucault. “With the new forms of capital accumulation, new relations of production and the new legal status of property, all the popular practices that belonged, either in a silent, everyday tolerated form, or in a violent form, to the illegality of rights were reduced by force to an illegality of property. In that movement which transformed a society of juridico-political levies into a society of the appropriation of the means and products of labour, theft tended to become the first of the great loopholes in legality.”<sup>29</sup> Minor illegalities previously tolerated as a sort of right *in rem* were now pursued as offences pure and simple and punished as such. This was the foundation of the judicial systems and penal institutions that developed at that time and that would be directed principally towards punishing behaviour associated with people living in poverty. It is worth remembering this given the latter’s overrepresentation in Western prisons today – coupled with the fact that “white-collar” crime goes largely unpunished (for example, in France, in 2000, the risk of being sent to prison for individuals of the same age was 4.8 times higher for manual workers than for senior executives, and manual workers accounted for 50% of the prison population as against 3.3% for senior executives).<sup>30</sup>

The 1970s saw the emergence of law and order policies that, while they did not explicitly target people experiencing poverty, were to speed up the process of their criminalisation. The “war on drugs”, for example, launched by President Richard Nixon in 1971 and continued by his successors was to result in an upsurge in the number of jailings for drug use, primarily targeting those most vulnerable to police checks, that is, individuals taking drugs on the street. In 1975, one federal inmate in four was behind bars on a narcotics conviction; 20 years later, the figure had leapt to 61%.<sup>31</sup> A similar process has been observed in Europe, although it happened later – from the early 1990s in particular – and incarceration played a smaller part. In Norway, for example, the percentage of narcotics convictions rose from 14% in 1979 to 32% in 1997;<sup>32</sup> in France, the number of individuals charged with narcotics offences by the police increased 48-fold between 1974 and 2008.

With variations in tone and timing, security became political in most European countries: whatever their political colour, all governments made it a key election issue. In 1979, Margaret Thatcher came to power in the United Kingdom on a law-and-order platform promising more police officers, more criminal laws and more prisons. Twenty years later, New Labour went further down this road with its election slogan “Tough on crime, tough on the causes of crime”, a slogan adopted to a large extent in 1998 in Germany by Gerhard Schröder, the SPD candidate for Chancellor, who was subsequently obliged to back-pedal owing to reservations in his own party and his allies, the Greens. In France, the Socialist Prime Minister, Lionel Jospin, elected in June 1997, after declaring that “security is the first freedom”, embarked on a path that would be steadfastly and determinedly followed by his conservative opponents when they returned to power in 2002.

This rise of the security issue has been reflected in a proliferation of laws cracking down on minor offences and a more emphatic deployment of police to enforce them. In France, the Internal

28 From the Middle Ages onward, “vagabonds”, “idle persons”, “beggars” and other “vagrants” were a prime target of policing measures. At the time, it was a question of both ensuring order in the streets and standardising public behaviour. See Napoli P. (2003), *Naissance de la police moderne. Pouvoir, normes, société*, La Découverte, Paris, p. 48.

29 Foucault M. (1975 [1995]), *Discipline and punish: the birth of the prison*, Vintage Books, New York, pp. 85-87.

30 Cassan F., Toulemon L. and Kensey A. (2000), “L’histoire familiale des hommes détenus”, *INSEE Première*, No. 706, April 2000.

31 Wacquant L. (2009), *Punishing the poor: the neoliberal government of social insecurity*, Duke University Press Books, Durham, p. 63.

32 Christie N. (2000), *Crime control as industry: towards gulags, western style?*, (3rd edn), Routledge, London.

Security Act of 18 March 2003 now criminalises gatherings in the entrance halls of blocks of flats, “passive soliciting”, “aggressive begging” and “habitual fare evasion”. In the United Kingdom, the Liberal Democrat Deputy Prime Minister, Nick Clegg, was alarmed at the “thousands of offences” newly classified as criminal by his Labour predecessors. In Spain, the new Criminal Code (*Ley Orgánica 10/1995* of 23 November 1995) provides for much harsher punishment of certain offences, including those related to drugs.

Underpinning these policies are usually perceptions of the relevant groups as being quite simply “different”. As David Garland stresses, “the offender is “the alien other”, belonging to a distinct racial or social group and whose attitudes and culture – and perhaps even genes – bear little resemblance to ours. This is a criminology that trades in images, archetypes and anxieties, rather than in careful analysis and research findings – more a politicised discourse of the unconscious than a detailed form of knowledge-for-power. ... Punitive policies are based on characterisations of offenders as “yobs”, “predators”, “sex beasts”, as “evil” or “wicked”, as members of an “under-class”, each of these being suitable enemies for a ruling culture stressing family values, individual enterprise and the limitations of welfarism”.<sup>33</sup>

#### Broken windows syndrome: from social protection to control

We are currently seeing tighter control of the financially insecure within social agencies themselves. “The laudable concern for greater efficiency in welfare support leads to putting deprived populations under a supervision that is all the more strict and punctilious as the various bureaucracies entrusted with treating social insecurity on a day-to-day basis – unemployment offices, social services, state health insurance, public hospitals, social housing, etc. – systematise their information gathering, interconnect their data banks, and co-ordinate their activities,” explains Loïc Wacquant.<sup>34</sup> One implicit aim of this improved co-ordination is to prevent the same individual from applying to different agencies in different capacities<sup>35</sup> – and therefore to prevent beneficiaries exploiting the system. This is particularly marked in Holland, where tax- and social-service files have been interconnected since 1998. In other countries, such as Belgium and France, these connections may be less systematic, particularly at local level.

The supervision of the unemployed is no exception to this trend. Admittedly, they have been subject to this supervision for as long as they have been receiving benefits. In the late 19th century, trade union relief funds were already drawing a distinction between workers who deserved support and workers whose efforts to find employment were deemed inadequate. But with the growth of “workfare” from the mid-1990s, this control became a paramount public concern almost everywhere in Europe. The liberal leanings generally shared by the domestic political and administrative elites, now converted to

the demands of budgetary discipline and convinced of the pernicious effects of the welfare state, made this issue a priority.<sup>36</sup> It would now be necessary to reduce the cost of large-scale unemployment benefit by restricting the number of people entitled to claim it. The “bogus jobless”, “fraudsters”, “welfare claimants” and anyone deemed to be taking advantage have accordingly become targets for stricter control. Tougher requirements for jobseekers are gradually being introduced in all European states, justified by a moral rhetoric reminiscent of Elizabethan England and its condemnation of the “undeserving poor”. Depicted as being responsible for their own misfortunes, they are required to find a solution (that is, accept whatever they are offered), failing which they are permanently or temporarily prevented from signing on or they lose their benefits.

But this is not all.

The social-bureaucratic procedure inherent in social welfare policies has changed tack over the past few decades to incorporate the “zero tolerance” policies popularised and put forward as a model in the 1990s by the then mayor of New York, Rudolph Giuliani. The theoretical foundation for these policies was laid by the New Right’s chief criminologist James Q. Wilson and the political analyst George Kelling in an article published in the *Monthly Review* in 1982. The very title of the article, “Broken Windows”, already suggests a close link between urban decay, neglect and crime. According to their behavioural ecology standpoint, if an urban environment is allowed to decay and acts of vandalism are allowed to take place undisturbed, the environment will quickly become the scene of criminal behaviour. If someone breaks a window in

33 Garland D. (1996), “The limits of the sovereign state: strategies of crime control in contemporary society”, *British Journal of Criminology*, Vol. 36, No. 4; and Garland D. (1997), “The punitive society? Penology, criminology and the history of the present”, *Edinburgh Law Review*, Vol. 1 No. 2.

34 Wacquant L. ([1999] 2009), *Prisons of poverty*, University of Minnesota Press, Minneapolis, p. 105.

35 According to the sociologist Erving Goffman, individuals’ different images of themselves, conveyed in their interactions with others, are reduced, behind their backs, to a single perception. See Goffman E. (1961), *Asylums: essays on the social situation of mental patients and other inmates*, Doubleday, New York.

36 Dubois V. (2007), “État social actif et contrôle des chômeurs: un tournant rigoriste entre tendances européennes et logiques nationales”, *Politique européenne*, 2007/1, No. 21, pp. 73-95.

an empty building (the example that gives the article its name) and the pane is not quickly replaced, all the other windows will soon be broken, which will lead to an escalation in criminal behaviour. Someone will break into the building, which will end up vandalised. If we are to believe Wilson and Kelling, urban decay – the result of official neglect – will make people think that it is easy to commit offences and will accustom the community to an ever higher level of criminal behaviour, encouraging the emergence of criminality.

The recipe for crime prevention implicit in this view is clear enough: instead of simply meting out punishment once offences have been committed, the police should prevent them by “maintaining order”. We must maintain order and the shared values that foster a sense of community, thereby naturally protecting our cities from crime. To prevent crime, no “broken windows” should be left in public view: we should deal severely with anyone perceived as being socially marginal or a threat to society. It may be noted that our two zero-tolerance theoreticians are not interested in the reasons behind

“deviant” behaviour (they do not endeavour to determine whether it is an expression of social injustice, for example, or whether it suggests a problem that needs to be solved): the only thing that matters is to ensure that “antisocial” conduct cannot occur in public.

In short, young cannabis users (who, 20 years ago, were treated as potential health-service users) as well as young social-movement activists, immigrants, graffiti artists (who, 20 years ago, would have been part of the art market) and homeless people have all become “window breakers”. The image of the delinquent has therefore changed: delinquents are no longer “at-risk individuals” needing to be re-socialised but “individuals who pose risks” because of their lifestyle. Control strategies are therefore no longer targeting “deviants” or “delinquents” but categories of individual conjured up on the basis of information gathered by experts in bureaucracies that only yesterday were viewed as organs of social integration. Now it is individuals in these categories who are subject to surveillance, containment and dissuasion.

Such forms of “official intolerance” were condemned by Peter Schieder when he was President of the Parliamentary Assembly of the Council of Europe:

The entire political class in most of our countries – left, right or centre – has, in varying degrees, embraced repression as the principal mechanism for dealing with both crime and immigration. Tougher punishment and more police are vote-winners; preventive measures – never mind long-term social investment in schools, jobs and youth programmes – are not. Immigration is discussed almost exclusively in negative terms, as a threat to our security, to our affluence, to our cultural identity, even to our values.<sup>37</sup>

In this respect, the policy focus on “the poor” – understood as encompassing all the disparate sections of the domestic and foreign underclass – is suggestive of punitive populism both real and symbolic in its effects: real when legislation is enforced (even if mitigated by opposition from courts or the police) and priority is given to punishing drug users; symbolic when, as sometimes happens, it is just lip service and empty talk that will not be followed up by any practical action.

### ► The security trend: “law and order” in management policies for public space

The primary consequence of the policies discussed above is to limit access to public space to a number of groups; in most European countries, this space generally being the preserve of social groups who possess economic value as producers or consumers.<sup>38</sup> The commercialisation and privatisation of public space thus results in exclusion of the less well-heeled and criminalisation of use of this space for non-commercial purposes. Potential consumers take precedence, and people who do not consume or whose presence might jeopardise consumption are excluded. Thus the concept of “prevention by design” is used to introduce forms of planning aimed at banishing “undesirables” from particular places.

“Welfare queens” and “underclass” in the United States, “racaille” and “sauvageons” in France, “chavs” in the United Kingdom, “chusma” and “yonqui” in Spain, “plebaglia” in Italy, and so on; these are the terms now being employed in public debate to designate groups to be stigmatised – terms that clearly betray the social racism of those who use them.<sup>39</sup> In urban spaces, these groups are subject to particularly intrusive forms of control.

37 Schieder P. (2005), “Exploiting or overcoming fear? The temptations facing politicians addressing citizens’ insecurities”, in *Security through social cohesion: deconstructing fear (of others) by going beyond stereotypes*, Trends in Social Cohesion No. 11, Council of Europe Publishing, Strasbourg.

38 MacLeod G. (2002), *From urban entrepreneurialism to a “revanchist city”? On the spatial injustices of Glasgow’s renaissance*. Antipode, Blackwell Publishers, Oxford, pp. 602-04.

39 The riots that rocked the United Kingdom in summer 2005 are a perfect example. Websites such as “ChavScum” ([www.chavscum.co.uk](http://www.chavscum.co.uk)) sprang up, travel agencies advertised holidays in “chav-free” islands, self-defence classes were offered “to protect yourself from chavs” and there were campaigns calling for their “sterilisation”. The *Daily Mail* of 12 August 2011 ([www.dailymail.co.uk](http://www.dailymail.co.uk)) even suggested “clubbing these looters like baby seals”. One can imagine the outcry if the word “chavs” were replaced by “women”, “homosexuals”, “blacks” or “Jews”. See Jones O. (2011), *Chavs: the demonization of the working class*, Verso, London.

### Public space, homelessness and immigration

A number of researchers<sup>40</sup> distinguish between external public space, internal public space and quasi-public space, in which they include private spaces theoretically open to all, such as shopping centres and, in some countries, transport-related spaces such as stations. These three types of space abound with conflict, in which the interests of the most marginalised population groups, particularly homeless people, are seldom taken into account. Yet public space plays a large part in the lives of homeless people: it is a place where they engage in all sorts of daily activities, including personal hygiene; it is also where they can find resources (salvaged materials, begging, sale of street newspapers) and is a place for socialising. Not to mention the fact that, since emergency accommodation is often inadequate or perceived as unsafe owing to official supervision, theft, and so on, thousands of people are forced to sleep on the street – in France, according to the Abbé Pierre Foundation,<sup>41</sup> some 33 000 habitually sleep in places not intended for habitation (streets or makeshift shelters) or in emergency lodging.

The exclusion of homeless people is particularly apparent in quasi-public spaces: access is often controlled by security guards and behaviour monitored by security companies; besides which, their regulations often expressly disbar homeless people. In the Budapest metro, for example, the terms of use state, "Persons disturbing other passengers because of intoxication or dirty clothing can be excluded from using the metro."<sup>42</sup> Exclusion may also occur more subtly, by requiring a rail ticket for access to a station waiting room for instance.

But access to public space can also be restricted through the facilities available. Julien Damon<sup>43</sup> raises the case of public benches: whether in parks, gardens or transport facilities, benches have become less comfortable (it is no longer possible to lie down on them), which prevents people from using them for too long. This method of discouraging people from staying long in a place penalises all users and

contributes to the general population's disaffection with public space.

Security companies often use violence when expelling people. Physical abuse of homeless people has been recorded, particularly in stations, such as Brussels-Midi in Belgium.<sup>44</sup> A number of studies show that in many European countries, violence is more marked when private security companies are concerned – the researchers Tosi and Petrillo,<sup>45</sup> for example, report that in the Naples railway station, private security staff are more aggressive towards marginalised groups than are the local and state police.

A number of cases have been noted of locally elected representatives or managers of quasi-public spaces having openly stated that they intended to keep homeless people out of their constituencies or areas. Hartmut Mehdorn, then head of German Railways, stated in 2001 that "railway stations are not the right place for homeless people."<sup>46</sup>

Lastly, we should not overlook the undocumented immigrants who are trying to reach a European country and get stuck at strategic crossing points such as ports and borders. While waiting to cross, they wander the streets, shelter in disused buildings or settle for short periods in makeshift camps (for France: in Calais or in Paris in public gardens near the Gare du Nord and Gare de l'Est;<sup>47</sup> for Greece, in Patras)<sup>48</sup> – camps that are meant to be unobtrusive but whose continued existence is entirely dependent on official and police tolerance, since the authorities or the police could decide to remove them at any moment, as a result of which the foreigners would be confined in detention centres or condemned to settle elsewhere in the neighbourhood. With no alternative solutions, they are subject to police harassment that is supposed to act as a deterrent, but they remain invisible to the population at large. The head of a mayor's office stated that "every local authority along the [Calais] coast has its camp of immigrants, but if these immigrants are few in number and relatively invisible, where's the problem?"<sup>49</sup>

Exclusion from public space takes place primarily through the law. Yet the legality of these administrative measures is sometimes doubtful. In Vilnius (Lithuania), for example, "alcohol-free" areas where begging is prohibited have made their appearance. In Rotterdam (Netherlands), the acts of "loitering", consuming alcohol in a public space or sleeping in a place not designed for that purpose are liable to a fine of up to € 500 or a maximum prison sentence of three

40 Carmona M. (ed.) (2003), *Public spaces. Urban spaces.*, Architectural Press, Oxford

41 Fondation Abbé Pierre (2012), "L'état du mal-logement en France", 17th annual report on the state of inadequate housing in France [in French only], available at [www.fondation-abbe-pierre.fr/publications.php?filtre=publication\\_rml](http://www.fondation-abbe-pierre.fr/publications.php?filtre=publication_rml).

42 Meert H. (ed.) (2006), *The changing profiles of homeless people: conflict, rooflessness and use of the public space*, FEANTSA, November 2006

43 Damon J. (2007), "For public toilets...", *Homeless in Europe*, FEANTSA, summer 2007.

44 Meert 2006, op. cit.

45 Tosi A. and Petrillo A. (2008), *Urban governance, homelessness and exclusion in Italy: access to space*, National Report for Italy, FEANTSA, cited by Doherty J. (ed.), "Homelessness and exclusion: regulating public space in European cities", *Surveillance and Society*, Vol. 5, No. 3.

46 *Bild am Sonntag*, 14 October 2001, cited in Doherty J. (ed.), *ibid.*

47 See Sciarba A., "Dalla forma-campo ai 'campi di forza'. I giardinetti del X arrondissement di Parigi", available at [www.altrodiritto.unifi.it/frontier/storia/sciarba.htm](http://www.altrodiritto.unifi.it/frontier/storia/sciarba.htm), accessed 14 December 2012.

48 See "Storie dal campo di Patraso. Ordinaria violenza dall'Afghanistan all'Italia", available at [www.meltingpot.org/articolo14007.html](http://www.meltingpot.org/articolo14007.html), accessed 14 December 2012.

49 Interview by the French Coalition for Asylum Rights (Coordination française pour le droit d'asile, CFDA), *La loi des "jungles". La situation des exilés sur le littoral de la Manche et de la mer du Nord*, Observer Mission Report, May-July 2008.



months.<sup>50</sup> In addition, since the 2000s some countries, including Slovenia, have criminalised begging and sleeping on the streets in their national legislation.

In January 2006, Barcelona City Council enacted a “civic ordinance” whose purpose was to “prevent any conduct likely to disturb the life of the community and curb any antisocial behaviour that may occur in public”<sup>51</sup> and that applied to all public places in the city (streets, squares, parks, beaches, etc.), public transport, official property and premises of firms with a public-service remit. Without prejudice to any criminal prosecution, it provided for a range of behaviours to be treated as punishable offences: graffiti and spray-painting, gambling (*trileiros*), begging with children or disabled people, “aggressive” begging, washing windscreens at traffic lights, street vending, street prostitution, sleeping on benches, satisfying “physiological needs” (urinating, spitting or defecating) in the street, consuming alcohol from glass or aluminium containers or if it disturbed the peace, and “acrobatic games” involving roller skates, skateboards or bicycles. Fines range from €30 to € 000, depending on the seriousness of the offence, with most falling into the €50 to € 500 euro bracket. After five years of enforcement, it has become apparent that the main target is street vending (cold drinks, pirated CDs or DVDs, handbags, sunglasses, belts, and so on), resulting in 213 000 prosecutions and 700 000 items seized.<sup>52</sup>

In Paris, a chief superintendent congratulated himself on having taken into police custody between March and November 2011 over a thousand street hawkers operating around the Eiffel Tower, after deploying up to fifty police officers a day to do so.<sup>53</sup>

However, the most drastic measures are undoubtedly those employed in the United Kingdom. The introduction of Anti-Social Behaviour Orders (ASBOs) under the Crime and Disorder Act 1998 (and then their extension by the Police Reform Act 2002 and the Anti-Social Behaviour Act 2003) has made it possible to charge any person who has acted “in a manner that caused or was likely to cause harassment, alarm or distress to one or more persons not of the same household as himself”. ASBOs target non-criminal behaviour “disturbing” to the neighbourhood, such as drinking alcohol in the street, intimidation, vagrancy, loitering, fare evasion, and so on.

Like the various decrees and orders mentioned above, ASBOs are an integral part of a new city concept that is clearly apparent in the thinking behind the British “urban renaissance”.<sup>54</sup> This is the tendency, in a context of global competition between cities, to encourage the wealthy middle classes to “reclaim” city centres by getting rid of the pockets of poverty that sometimes subsist, since the appeal of cities depends on creating a relatively “safe” quality of life that meets the aspirations of these sections of society. Is it chance that the policy dubbed “zero tolerance” is actually called “quality-of-life policing?” A real social conflict over space is playing out here, the prize being control of the city centres and transport hubs such as stations. Yet not all players have the same level of resources in this conflict. And while it is true that some local security policies may be highly commendable for some of the ways in which they take care of marginalised populations, they nevertheless bring about a spatial separation between “desirables” and “undesirables”. Those perceived as a threat or who cannot fall into the consumer category are therefore removed to the more disadvantaged outskirts.<sup>55</sup> And the various administrative measures referred to above are useful tools for coercing people who are reluctant to comply.

#### Community-managed security and its limitations

One recurrent criticism of the authorities is that they determine their priorities in the light of their own imperatives rather than what the public demands.

This is particularly true of the police, who are often accused of preferring crime prevention to dealing with minor disturbances.

The Chicago Alternative Policing Strategy (CAPS) launched in 1993 aims to bring police and public

50 Zuidam P. and Pols G. (2007), “On criminalisation of homelessness and people who are homeless in Rotterdam”, *Homeless in Europe*, FEANTSA, summer 2007, available at [www.feantsa.org/files/Month%20Publications/EN/EN\\_summer07\\_criminalisation.pdf](http://www.feantsa.org/files/Month%20Publications/EN/EN_summer07_criminalisation.pdf), accessed 10 December 2012.

51 *Ordenanza de medidas para fomentar y garantizar la convivencia ciudadana en el espacio público de Barcelona*, January 2006, p. 5.

52 *El Periódico*, 22 January 2011.

53 *Le Parisien*, 11 November 2011.

54 Colomb C. (2006), “Towards an ‘urban renaissance’ in New Labour’s Britain. Fragmentation or sustainable reurbanisation of British cities?”, *Archiv für Sozialgeschichte*, Vol. 46, pp. 389-409.

55 Cooper D. (1998), “Regard between strangers: diversity, equality and the reconstruction of public space”, *Critical Social Policy*, Vol. 18, No. 4, pp. 465-92.

together to solve local problems. Such co-operation includes the holding of “beat meetings” where residents can voice their grievances: they complain about late-night gunshots and teenagers loitering in the streets, demand better street lighting, discuss the annoyance caused by drinking in a neighbourhood bar or problems connected with a disused building, and so on. The police officers present listen, respond and then develop problem-solving strategies – either independently or together with other local-authority institutions.

This initiative, which has been extended to numerous cities in the United States, has garnered broad support. Between 1995 and 2003, over 550 000 people attended thousands of CAPS beat meetings.<sup>56</sup> At the outset, civil rights leaders supported the initiative, since they thought that it might be able to mitigate police brutality and the worst effects of the “war on drugs”. Bringing the police closer to the community and strengthening public control were seen as a way of democratising the police. This probably explains why some European reformers are so enamoured of this experiment. Yet while there has been considerable progress as regards police attention to everyday problems, some grey areas remain. For example, a profile analysis of frequent participants at these beat meetings shows that the majority are of a certain

age (65% are over 50) and almost half of them take an active part in marches, neighbourhood patrols and vigils.<sup>57</sup> The people marked out as the source of neighbourhood problems are obviously absent from these meetings, as are young people and the poorest sections of society. Their points of view and their uses of public space are therefore disregarded from the outset. In this respect, co-operation between participants and police has institutionalised the *de facto* domination of “the established” over groups defined as outsiders.<sup>58</sup> Therefore, despite its promises, this method of democratically controlling security seems to generate exclusion.

We find it in Europe under various names, such as “co-production of safety”, and variously promoted by organisations such as the European Forum for Urban Security (EFUS). Apart from the limitations already mentioned, experience has shown that reducing quality of life to a simple question of security encourages a security approach to social problems and focuses official action (material and staff resources) on this alone. Matters as diverse as a neighbourhood’s environment, its facilities and the standard of its public services are accordingly boiled down to questions of security. And the “democratic renewal” boasted by this approach actually promotes a culture of fear, distrust and suspicion.

Social housing providers are anxious about vandalism, disturbance to other tenants and occupancy of communal areas, which substantially increase the costs of managing the property while at the same time leading to empty flats; public transport providers for their part are worried about vandalism, fare evasion and possible assaults on both staff and passengers, education officials are uneasy about the violence emerging both inside and outside schools, and local authorities fear vandalism (to council facilities and on the street, particularly in shopping areas), noise (especially near bars) and loitering in public areas by groups of youths, dropouts or homeless people. Some are also concerned to some extent about prostitution, which is thought to damage a city centre’s image. The concerns of all these groups and institutions fail to overlap and are not of the same order of importance. Consequently, agreement is ultimately possible only on categories that are sufficiently vague, such as “violence” or “antisocial behaviour”.<sup>59</sup>

But these tensions and disturbances actually stem from contradictions inherent in the development models promoted over the past 30 years or so: the efforts by some people to ensure order are nullified by the organised disorder desired by others. Whether we like it or not, public security and security for living conditions are inseparable. Solving this question is the first task for anyone wishing to establish a more harmonious social order able to guarantee the well-being of all, rather than just imposing a discipline desired by the few.

On top of this, more and more people are being affected by poverty or extreme types of financial insecurity, and their forms of protest and expressions of discontent are becoming increasingly more radical; they are no longer the preserve of those who are traditionally on the margins of society. This being so, the number of groups deemed “problematic”, and therefore targeted by current methods of managing social existence and public space, can only grow – to such an extent that Adam Crawford asks, with regard to the UK, “To what extent is local community safety a public good rather than a club good serving the interest of its members?”<sup>60</sup>

56 Skogan W. G. and Steiner L. (2004), *CAPS at ten: community policing in Chicago – an evaluation of Chicago’s alternative policing strategy*, January 2004, p. ii. Available at [www.ipr.northwestern.edu/publications/policing\\_papers/Yr10-CAPSeval.pdf](http://www.ipr.northwestern.edu/publications/policing_papers/Yr10-CAPSeval.pdf), accessed 14 December 2012.

57 *Ibid.*, pp. 14–17.

58 Elias N. and Scotson J.L. (1965), *The established and the outsiders: a sociological enquiry into community problems*, Frank Cass, London.

59 Bonelli L. (2010), *La France a peur. Une histoire sociale de l’insécurité*, La Découverte, Paris, pp. 302–03.

60 Crawford A. (2001), “Joined-up but fragmented: contradiction, ambiguity and ambivalence at the heart of Labour’s ‘Third Way’”, in Matthews R. and Pitts J. (eds), *Crime, disorder and community safety: a new agenda?*, Routledge, London, p. 72.

### 3.3. Standard democratic processes: challenges and opportunities

#### ► The “Dark Side” of Contemporary Democracy

In conclusion, we might ask whether the fundamental principles that are claimed to underpin democracy are guaranteed for each individual and every social group living in democratic societies. Moreover, as in the case of the security policies studied above, these principles can have “collateral effects”, which in particular periods, such as a recession, tend to be more obvious.

Democratisation has brought new rights and freedoms to people who have long lived under various authoritarian governments. However, it could also revive conflicts forcibly suppressed under previous regimes or arising out of favouritism shown by some regimes to specific regions or groups, or the stirring-up of sentiments of envy and revenge. This is particularly true of multi-ethnic and multi-religious countries where certain groups or regions have been dominated by others. Democratic procedures, even established officially, cannot resolve these conflicts in themselves because they derive from the majority. It cannot be left to a single group, or even a broad majority, to define the *demos*. This definition must also include resident minorities and socially disadvantaged groups such as Roma.

This is why the normative aspects of democracy, fundamental human rights and the rule of law must once again be underscored. Here, the concerns of resident minorities and recently arrived immigrant groups may coincide, as indicated in the previous section. These people may, and often do, face a strong reaction from the official national majority or at least some elements of it. Such reactions are often sparked by populist politicians whose attitudes and statements trigger violence or strong xenophobic movements. We may wonder whether it is not precisely their contempt for the normative aspect of democracy and its legal consequences that differentiates populist political parties and movements – often united around a strong figure – from genuinely democratic movements and parties,<sup>61</sup> whether this sort of degeneration is an intrinsic risk in any democracy (its “down side”) and whether democracy has developed suitable tools to protect itself from this.

It is not uncommon for even the most disadvantaged groups in society, including, for example, unemployed people and undereducated people living in hardship, to turn against specific groups such as immigrants and ethnic minorities. The nationalist pride aroused in this way, and the various symbols evoked, help them to endure their own plight. Democratic mobilisation of these groups can then backfire on the normative principles of democracy itself. If these movements are not contained by strong legal institutions based on such principles or civic engagement, they might again, as in the past, bring fascist regimes to power in some countries.

There are deep-seated reasons for this situation. These reasons, as we have already seen in varying degrees at other times in history when economic uncertainty has gained the upper hand, are connected with fear of the future, which brings out the worst in human nature.

We have discussed the perception of rights, particularly social rights, as a zero-sum game. This may explain why, instead of considering the real causes of their problems, Europe’s citizens – particularly the middle classes – identify access to social rights for immigrants and people experiencing poverty in general with a significant reduction in their traditional benefits. This being so, democracy ceases to be an advantage for social inclusion and the foundation on which to build a national identity across class boundaries, as was the case in the last century in both practice and theory. It becomes a tool for exclusion, used under the illusion of protecting public prosperity, or rather the prosperity of a section of the public, as is clearly apparent in the xenophobic and secessionist tendencies in Europe’s wealthiest regions. For over 100 years from the mid-19th century onwards, social integration was managed through a policy of inclusive citizenship, its watchword being to increase the number of people with citizenship rights and increase the number of these rights. Today the tendency is to introduce exclusive citizenship: governments’ professed need to limit access to social rights seems to entail an acceptance that an ever-greater part of the population can live without rights.

In these circumstances, in many places there has grown up a sort of underclass, sometimes but not solely identifiable by its ethnicity and denied access to rights and resources that would nevertheless seem to be available. It is increasingly perceived as being dangerous and having implications for the social, economic and physical security of another part of the population

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61 Mény and Surel (2002), *Democracies and the populist challenge*, Palgrave, Basingstoke, 2002.

considered as the only legitimate one. Such a perception is nothing new; as early as the 17th century, social marginality was looked upon as something that had to be fought. But today, the boundaries of this marginality seem harder to define. New forms of poverty and insecurity are affecting a much wider swathe of Europe's citizens, and defensive democracy is likely to be the weapon with which "the rich" defend themselves against "the poor" and "the poor" defend themselves against "the poorer" in a conflict that could well spread and whose main casualty would be the future of today's democracies.

### ► New attempts to implement democracy

How then can we create conditions conducive to inclusive processes covering citizens of different origins, from the weakest stakeholders to the strongest?

Fortunately, many dynamic and diverse initiatives have emerged around the globe in pursuit of answers to acknowledged huge democratic deficits. Some of them, such as Occupy Wall Street in the United States, Real Democracy Now and the 15 May Movement (*Indignados*) in Spain, are more spontaneous and stress the need to rethink the political system in its entirety. Let us consider their structure and rationale.

Despite the fact that these movements do not always directly include people most affected by poverty, they have been able to focus their political action and thinking on the general impoverishment and social injustice that they themselves are experiencing. They are not movements demanding rights on behalf of other people in a weaker position, as is the case with associations taking action for immigrants' rights or for peace and against today's wars. Rather, these are forms of protest organised by people defending their own right to a dignified existence, who are challenging a political and economic system that has jeopardised the plans and futures of millions of citizens. Although poverty alleviation is not central to their demands, reducing an economic inequality deemed intolerable and untenable is.

In their different ways, these various movements converge round slogans and principles both simple and effective: fighting financial capitalism and challenging the model of private profit and public loss. Their slogan "We, the 99%", with which they condemn the fact that the majority of the world's population are subject to decisions made by the 1% of global elites who control 40% of the wealth (taking no account of the needs of social justice), has met with a consensus among different social and economic strata in the West and beyond.

Those taking part in mass demonstrations are often not long-time campaigners but rather "ordinary" people who feel that their expectations have been betrayed: men and women who have found themselves faced with the frustration of being "good citizens" obeying the rules – including those of the market – and thus convinced until recently that their certainties would never be upset. There are also young people who have grown up in financial insecurity with the constant risk of falling into poverty, educated young people whose only prospect is job insecurity, and low-paid workers unable to support their families or even to find decent housing.

With their diverse make-up, these movements have been able to build bridges between the intellectuals supporting them, segments of the middle class in economic hardship, and people experiencing poverty.

Among their demands, as set out on the "Another Road for Europe" website, are the need to scale down finance, "address imbalances in the real economy and the direction of development", shift "taxation from labour to wealth and non-renewable resources", ensure "more jobs and labour rights, less inequality", protect the environment, make peace and uphold human rights, and, above all, "practise democracy" while emphasising how "in past decades, Europe's citizens have taken centre stage in social mobilisations and in practices of participatory and deliberative democracy – from European Social Forums to the protests of the *indignados* and that "these experiences need an institutional response".<sup>62</sup>

The way in which these movements have acted and continue to act is also interesting, particularly from the standpoint of democratic practice: their methods of organisation in fact constitute a sort of test bed for direct democracy, reducing more conventional forms of leadership and organisational hierarchy to a minimum in a continual endeavour to be at one and the same time inclusive, effective and independent.

62 See [www.anotherroadforeurope.org/index.php/en/the-appeal](http://www.anotherroadforeurope.org/index.php/en/the-appeal), accessed 14 December 2012.

These movements have not developed “perfect” forms of democracy, but have made various attempts – depending on the country where they originated – to overcome some of the problems of today’s democratic practices. Their initiatives are designed to increase participation and broaden debate: the way in which they are organised ensures a certain freedom, both in identifying public issues and considering possible alternatives. These initiatives are meant to be part of a process that develops over time rather than one-off events. Importance is attached to inclusive procedures and to methods of communication based on free speech, using reason to arbitrate between different groups, views and types of experience. Efforts are made to include the most vulnerable, including those who are isolated.

In conclusion, we shall look at two specific examples of methods of improving democratic processes. Although they have different organisational structures – the first being the self-organised Italian forum of movements in defence of water as a public good and the second a campaigning network of NGOs genuinely advocating for people living in poverty through consultation and direct participation – both aim to overcome the contemporary democratic deficit.

The Italian Water Forum was set up against the background of the 2011 referendum to repeal Italy’s Water Privatisation Act, following the example of the Tuscan Water Forum (*Forum Toscano dei Movimenti per l’Acqua*), a regional network established in 2003 by hundreds of associations. These Tuscan water movements introduced a “citizens’ bill”, using the tools of grass-roots democracy in order – when confronted with the privatisation process and an erosion of democracy – to try out local solutions rooted in the public’s basic needs. They sought to set in motion a chain reaction by involving other regions. It is important to highlight the participatory nature of both the method and the proposals put forward: on the one hand, the joint work in drafting this bill through an inclusive and absorbing process that lasted for months and, on the other, at its very heart, the involvement of the public and water service workers in water management through local water committees. The inhabitants of a particular region would therefore have an opportunity to have their say on crucial water management decisions and choices: the idea was to restore to the public the powers to manage their common good. The citizens’ bill was rejected by the Tuscan Regional Council, but the cultural battle had already been won: the privatisation debate had taken off throughout the region, and at this stage there was widespread agreement on the proposals made by the Tuscan Water Forum. In subsequent years, the “model” pioneered by the Tuscan movements was replicated at national level: in 2006 a broad national network covering committees, associations and local movements was set up – the *Forum Italiano dei Movimenti per l’Acqua* (Italian Water Forum) – and in 2007 a citizens’ bill (national this time) that was drafted using participatory methods gathered over 430 000 signatures (in Italy, the constitution specifies that public initiatives supported by over 50 000 signatures must be debated in parliament). This initiative proposed that water services be released from the laws of competition, since they had a social and environmental purpose. Even though the referendum against water privatisation was won, institutions are still finding it hard to comply with the proposals on management practices.

The second example comprises the consultation processes undertaken by various NGOs and national networks belonging to the European Anti-Poverty Network (EAPN) – together with other civil society organisations – on the content of national and European strategic documents, such as Europe 2020, national reform programmes, operational programmes, structural fund programmes, and so on. These forums for exchanging and appraising different points of view help to disseminate knowledge and information and raise awareness regarding transparency of decision making; they also promote alliances among various stakeholders for the purpose of joint action on issues previously dealt with separately, they improve the skills of all their members by encouraging the preparation and development of better-constructed arguments, and they broaden the scope of public thinking.

Such processes are initiated and supported by the European Commission. It was this support that helped to establish EAPN, which has succeeded in incorporating national networks from all EU member states as well as Norway and Iceland. The focus has been on capacity building. Round tables, conferences, seminars, working parties and task forces tackle such issues as social inclusion, employment, structural funds, minimum income and services of general interest.

Underpinning this work are the European Meetings of People Experiencing Poverty (PEP). In 2001, they became an annual initiative of the European Union presidency, and since 2003, they have been organised by EAPN. These meetings are also attended by representatives of national authorities, the European Commission and its Social Protection Committee, European members of parliament, academics, the media, employers and labour, and so on. Various issues in society are discussed directly between institutional representatives and people experiencing poverty. The PEP support the demand for continuing dialogue, welcome similar meetings at national and/or regional level, are stepping up co-operation between associations and public authorities,

and promote inclusion of people living in poverty as “genuine players” in the work of NGOs and civil society organisations.

This work ties in with the three aspects of democracy described by Amartya Sen:<sup>63</sup> a) through its intrinsic value for human life; b) through its instrumental value in claims to political attention; and c) through its constructive importance in forming values. It counters the tendency to underestimate the reach and effectiveness of open dialogue in assessing social and political problems.<sup>64</sup>

Such approaches are needed to link isolated types of best practice and disparate efforts towards democratisation in order to create genuinely participatory processes for the purpose of building inclusive economic and political institutions.<sup>65</sup> This also means improving the participatory tools and methodologies connecting *ex ante* and *ex post* assessments of the impact of social policies and projects, thereby giving people a better understanding of the context and including those who are the furthest removed from policy-making processes.

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63 Sen A. (1999), “Democracy as a universal value”, *Journal of Democracy*, Vol. 10, No.3, p. 12.

64 *Ibid.*, p. 9.

65 Acemoglu D., Robinson J. (2012), *Why nations fail: the origins of power, prosperity and poverty*, Profile Books, London.

## 4. Poverty and resources: scarcity or waste?

As we have seen, poverty is primarily the result of mechanisms that give rise to unequal access to rights, democracy and resources. At the beginning of this guide, when we discussed financial markets, we showed that in parallel to increased production, polarisation in the field of redistribution has taken on unprecedented levels, although this has been somewhat distorted by private debt. Poverty is therefore a consequence of a series of failures in redistribution systems, which impede the fair and just production of resources. Inequalities arise and intensify when wealth is concentrated in the hands of a small minority while others are forced to live restricted and marginalised lives, even though they reside in a rich economic area.<sup>1</sup> The rise in poverty in Europe (that, together with social exclusion, now threatens over 115 million people) is a result of the way society is organised and of how resources, whether financial, material (houses, services, food, and so on.) or non-material (such as knowledge and culture, natural resources such as air, unpolluted air, land) are allocated or wasted.

### 4.1. Natural resources, poverty and environmental damage

#### ► Privatisation, destruction, impoverishment



Natural resources are being eroded on two fronts: first as a result of privatisation, and second, by the environmental damage caused by a production and consumption model that regards nature as an immense source of raw materials and a gigantic dumping ground. The rich and powerful naturally take a disproportionate share of these resources and environmental services. While pollution and over-exploitation of resources lead to scarcity, and thereby pave the way for their being privatised, it is this very privatisation that further exacerbates the damage to the environment and to the impoverishment of the populations who derive their means of subsistence from them. There are plenty of examples (more often than not elsewhere than in the West, but in most cases involving Western players) of governments concluding contracts with major private concerns for the exploitation of public assets belonging to the state, frequently without any

<sup>1</sup> EAPN, *Poverty and inequality in the European Union*, available at [www.poverty.org.uk/summary/eapn.shtml](http://www.poverty.org.uk/summary/eapn.shtml), accessed 14 December 2012.

limits or conditions. This gives rise to a multitude of problems, ranging from the drying up or pollution of water resources that are vital to whole populations, caused by mining and processing activities – or even bottling as in the case of Coca-Cola – to the well-known case of the destruction of mangrove swamps to make room for industrial shrimp farming for export (termed a “rape-and-run industry”<sup>2</sup>) and the deterioration and sterilisation of soil caused by monoculture export crops requiring significant external inputs, both natural (huge quantities of water for irrigation purposes taken from other areas) and chemicals of fossil origin (fertilisers and pesticides).

This has taken place on such a scale that modern farming, which has undoubtedly helped raise productivity, has considerably decreased energy efficiency levels,<sup>3</sup> and this in a sector that for centuries had been a net producer of energy (in the form of calories of animal or vegetable origin), but which in the second half of the 20th century began to consume more energy than it produced.<sup>4</sup> The chemical fertilisers used instead of manure pollute water tables, and put an excessive amount of minerals into the soil, filling it with heavy metals, thereby making it less fertile. We can therefore confirm the claims of those calling for their land to be granted the status of common goods or for food sovereignty (Via Campesina and the Sem Terra movement), that is, that the “green revolution” and privatisation by large agri-businesses have led to the impoverishment and over-exploitation of the soil. It has also led to the impoverishment of millions of people, small-scale private farmers who have found themselves deprived of any source of income and ousted by industrial-scale farming that has shaken the very foundations of survival in agrarian economies. These farmers have been forced to move into the large towns and cities, where shanty towns have sprung up and proliferated.

It is universally acknowledged that environmental damage hits people experiencing poverty hardest. However, injustice is made all the more acute by the consumer patterns and production activities of the wealthy that lead to environmental disasters:

Environmental damage almost always hits those living in poverty the hardest. The overwhelming majority of those who die each year from air and water pollution are people experiencing poverty in developing countries. So are those most affected by desertification – and so will be those worst affected by the floods, storms and harvest failures caused by global warming. All over the world, people in poverty generally live nearest to dirty factories, busy roads and waste dumps.

There is an irony here. Even though people experiencing poverty bear the brunt of environmental damage, they are seldom the principal creators of the damage. It is the rich groups who pollute more and contribute more to global warming. It is the rich groups who generate more waste and put more stress on nature's sink.<sup>5</sup>

For a long time, environmental justice and social justice (both intergenerational and intragenerational) were regarded as a principle of fairness vis-à-vis future generations (intergenerational justice) and people experiencing poverty in the present generation (intragenerational justice). But what is clearly emerging now is that it is the people experiencing poverty who are hardest hit by environmental injustice and that there is a link between this injustice and the growing inequalities, and between income inequality and the deterioration of the environment at international, national and local levels. A small section of humanity enjoys the benefits of the current production-consumption model, whereas the poorest have to pay the price: for example, the ecological footprint of a US citizen is nine times that of a citizen of India (and twice that of a European citizen). In 2010 we crossed the critical threshold beyond which the rate of consumption of natural resources exceeds nature's regeneration capacity.<sup>6</sup>

At present, we are also seeing a corresponding deterioration of environmental justice and social justice, also taking place in the so-called developed countries, including Europe where a growing proportion of the population is affected.

### ► **Collateral effects of the unfair redistribution of resources: hazardous waste, poverty and pollution**

It is a well-known fact that the plundering of natural resources (often almost given away by the governments of the South, in collusion with powerful international economic groups) and the disposal of toxic and hazardous waste (as a result of the relocation of heavily polluting industries from the North to the South, in the wake of the Basel Convention) affect primarily poor areas and

2 UNDP (United Nations Development Programme) (1998), *Human Development Report: Consumption for human development*, Oxford University Press for UNDP, New York/Oxford. Available at <http://hdr.undp.org/en/reports/global/hdr1998/>, accessed 5 December 2012, p. 76.

3 Leach G. (1975), *Energy and food production*, IPC Science and Technology Press, Guildford.

4 Bevilacqua P. (2006), *La terra è finita*, Laterza, Rome/Bari, p. 101.

5 UNDP (1998), op. cit., p. 66.

6 Global National Footprint Network (2010), *National Footprints Data*, available at [www.footprintnetwork.org](http://www.footprintnetwork.org), accessed 9 December 2012.



populations – and certain influential economists even dare to regard this as “economically efficient”. The industrialised countries of the North produce 90% of hazardous waste, most of which – despite the prohibitions contained in the Basel Convention – are exported to Latin America, Africa and South-East Asia. According to Pellow et al.,<sup>7</sup> this is because of more stringent environmental regulations in the North, which constitute an incentive for polluters to seek disposal sites in poor countries, and also because the countries of the South have a desperate need for money, for reasons linked to colonialism and current debt arrangements. Consequently, government officials in Africa, Asia and South America accept financial compensation in exchange for permission to dump chemical waste on their land.<sup>8</sup>

In a memo intercepted by *The Economist* (February 8, 1992) and included in an article to which the publishers gave the very telling title *Let them eat pollution*, Lawrence Summers commented:

Just between you and me, shouldn't the World Bank be encouraging more migration of the dirty industries to the LDCs [Least Developed Countries]? .... A given amount of health-impairing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages. I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that.

A market or pseudo-market evaluation of damages indicates that it is much more economically attractive to transport toxic waste or locate polluting industries in poor areas than where the rich live.

The relocation of hazardous industries (including energy producers) and the transfer of hazardous waste to poor areas is a worldwide phenomenon, not only from the North to the South, but also within countries in the North. The movement for environmental justice in the United States grew as part of the fight against the deliberate siting of toxic waste dumps, landfills and incinerators in poor areas or in areas lived in by minorities (Blacks, Latinos), both because the latter had few economic alternatives and because they were not fully aware of the risks involved. In response to the enormously disproportionate impact of pollution in areas inhabited mainly by disadvantaged ethnic groups,<sup>9</sup> the expression “environmental racism” was coined. The recognition that some communities are disproportionately subjected to higher levels of environmental risk than other segments of society has recently led to the examination of other cases of waste management policies, for example the situation of the Campania region in southern Italy (see box).

#### Waste and poverty in southern Italy

The waste management crisis in Campania began in 1994 with the declaration of a “state of emergency”, a legal measure that is normally taken to deal with a sudden threat, which should be exceptional and temporary, but in this case was protracted for over 15 years. The paradox is that the state of emergency was cancelled by Law No. 195 of 17 December 2009, at the very peak of the crisis. This was confirmation that the crisis is structural and not a contingency. The accumulation of urban and industrial waste, often illegal and related to the worst kind of complicity between mafia business and the official economy, has led to serious contamination of water, land and the air in Campania, with very grave consequences for the health of the population. In Campania, the waste cycle is in part run by the eco-mafia, which also applies the “Lawrence Summers principle”:

criminal organisations have set up a parallel market that takes care of the “disposal” of waste (both urban and industrial) coming from other regions. A recent study revealed how “the Campania waste crisis illustrates the Lawrence Summers principle at both regional and national levels. Regionally, direct links between poverty and contamination are apparent, particularly for the provinces of Caserta and Naples, where, as we have shown, there are direct links between contamination sites and economic disadvantage. From a national perspective, Campania is one of the poorest regions in Italy, where 21% of families live below the poverty line. In 2003, the regional annual average wage per capita was around €11 000, approximately half the national average. Campania also has a low education level, with only 15% of the region's population aged between 15 and 52 years having completed compulsory education in 2001. In Campania life

7 Pellow D.N., Weinberg A. and Schnaiberg A. (2001), “The environmental justice movement: equitable allocation of the costs and benefits of environmental management outcomes”, *Social Justice Research*, No. 14.

8 Describing these practices, Juan Martínez-Alier, the theorist of the “environmentalism of the poor”, coined the expression “the poor sell cheap” or “the Lawrence Summers Principle”, from the name of a well-known US economist, a former President of Harvard University and former Chief Economist of the World Bank, who worked for the Clinton administration as well as the Obama administration until December 2010.

9 See Bullard R.D. (1990), *Dumping in Dixie: race, class, and environmental quality*, Westview Press, Boulder; Bullard R.D. (2005), *The quest for environmental justice: human rights and the politics of pollution*, Sierra Club Books, San Francisco; Pulido L. (1996), *Environmentalism and social justice: two Chicano struggles in the southwest*, University of Arizona Press, Tucson; Camacho D. (1998), *The environmental justice movement*, Camacho D. (ed.), *Environmental injustices, political struggles: race, class, and the environment*, Duke University Press, Durham; Carmin J.A. and Ageyman J. (eds) (2010), *Environmental inequalities beyond borders: local perspectives on global injustices*, MIT Press, Cambridge, MA.

expectancy is also below the national average especially in the provinces of Caserta and Naples.<sup>10</sup> Over the years, bitter conflicts have developed where the local communities have tried to get organised and make their voices heard by the authorities which to date have completely excluded them from the decision-making processes. These conflicts are not simply “not in my back yard” (NIMBY) conflicts. International agreements including the Aarhus and Basel Conventions continue to be openly flouted in violation of the peoples’ right to maintain their traditions and landscape, and to engage in decision-making processes aimed at ending the trade of illegal hazardous waste, reducing waste production, and promote zero-waste policies. Activists are not asking for financial compensation

within an economic valuation framework. They are arguing in terms of landscape, health, ecology and democracy. In this sense, the escalation of the conflict is linked to new voices expressing different values from those of decision-makers, voices which have found themselves unacknowledged in decision-making processes so far. Campania’s social unrest can easily be understood as a manifestation of an environmental justice movement. Actors are concerned not only with waste management efficiency, but also with the increasing amount of waste in Campania coming from elsewhere, the presence of illegal toxic dumps, abuses of political power, anomalous increases in disease rates, dangers posed to future agricultural production, and the right to be heard.<sup>11</sup>

### ► The “environmentalism of the poor”

The “environmentalism of the poor”<sup>12</sup> derives from a materialistic approach and should be distinguished both from ecologism as “a cult of the wilderness” and defence of the beauty of nature in a pristine and uncontaminated state, and from the ecologism of “eco-efficiency” (which believes in compatibility with standard growth economics). It relates to the part of the global social movements that challenges the unequal distribution of ecological goods and the evils resulting from economic growth. The global “social metabolism” (flows of energy and materials in the world economy) is growing, despite the economic crisis. Nowadays, the global economy needs to feed itself by taking ever more natural resources from the earth and dumping enormous quantities of waste in the environment: the frontiers of this environmental colonisation led by the largest economies are continually advancing.

The consequence for whole populations is the loss of access to natural resources and environmental services, and exposure to various forms of pollution. The communities of people who live in these areas respond by fighting against this phenomenon, giving rise to an increasing number of environmental conflicts concerning resource extraction and waste disposal: ordinary women and men who try to counter the plundering and destruction of the land, forest, water and air around them. Their struggle shows how wrong some of the ideas contained in the Brundtland Report are, with its view that poverty causes damage to the environment and environmental protection becomes a necessity only once a certain level of income has been attained.<sup>13</sup>

On the contrary, it is the over-consumption by a share of the population that today prevents people experiencing poverty from having fair access to resources and environmental space. Certain groups consume 250 gigajoules of energy a year (mainly from fossil fuels), whereas others use only 10 (including the energy they obtain from food).

To keep such unequal ecological distribution of access to resources, to maintain also the inequities of waste disposal (including unequal access to carbon dioxide sinks) the powerful exercise power, sometimes disguised by market relations and unjust property rights. Power is sometimes brute force, sometimes it is the ability to set the agenda and to impose decision-making procedures excluding whole classes of people as in the international negotiations on biodiversity and climate change.<sup>14</sup>

In this way, impoverished populations fight against the disproportionate use of environmental resources and services by rich and powerful groups. These are ecological and social conflicts, related to the disappearance and appropriation of natural common goods (on which more will be said in Part III of this guide), and their targets are not only large corporations but also governments, often guilty of paving the way for the privatisation of natural resources.

10 Greyl L. et al. (2010), “The waste crisis in Campania, Italy”, *The CEECEC Handbook*, CEECEC, p. 287.

11 D’Alisa G. et al. (2010), “Conflict in Campania: waste emergency or crisis of democracy”, *Ecological Economics*, Vol. 70, No. 2, p. 247.

12 See Guha R. and Martínez-Alier J. (1997), *Varieties of environmentalism: essays North and South*, Earthscan, London; Guha R. (2000), *Environmentalism: a global history*, Oxford University Press, Oxford; Martínez-Alier J. (2002), *The environmentalism of the poor: a study of ecological conflicts and valuation*, Elgar, Cheltenham.

13 WCED (United Nations World Commission on Environment and Development) (1987), *Our common future*, (the Brundtland Report).

14 Martínez-Alier J. (2010), *Environmental justice and economic degrowth: an alliance between two movements*, [www.obela.org/system/files/Coimbra%5B1%5D.pdf](http://www.obela.org/system/files/Coimbra%5B1%5D.pdf) *Capitalism, Nature, Socialism*, 2012;23(1):51-73.

## GOOD CITIZEN'S GUIDE BOOK



1. STUDY



2. WORK



3. BUY



4. VOTE



5. PAY TAXES



6. PROCREATE



7. WORK MORE



8. PAY MORE TAXES



9. DON'T PANIC



10. BUY MORE  
(ORGANIC IF POSSIBLE)



11. PROCREATE MORE



12. STOP COMPLAINING

### ► Growth of production, growth of waste, growth of poverty

Resources are not only privatised or destroyed in the interest of a few powerful people: they are also wasted. In parallel with the phenomena mentioned above, there is a corresponding growth of waste, making the increasing poverty in western societies even more ethically intolerable. This waste is closely linked to the lack of vision for the future dealt with in Part I of this guide, which seems to underlie many of the political, social and economic choices made in Europe.

Many of the ideological explanations for the reforms carried out to counter the increase in poverty and inequalities have blamed the failures of efforts to promote social justice on the scarcity of resources, despite the abundant empirical data showing that the amount of resources is not crucial for development opportunities.

However, as regards the production and availability of resources, there is a further paradox in the current development system: today in Europe there is in fact a continual process of creating “superfluous” resources, permeating many sectors of our societies. This warrants a detailed examination insofar as all types of resources (human, material, financial, cognitive, and so on) would appear little by little to be affected by this process.

### ► Waste of natural and material resources and waste of food

The first victims of waste are material resources, both in their natural form (air, land, water, and so on) and as products of human labour. During the post-soviet transition period, for example, millions of hectares of farmland in the new member states were abandoned. According to the European Environmental Agency, it is estimated that in Estonia, in 2003, about 30% of the total agricultural area was abandoned, the proportion being higher for permanent grassland (56%) and semi-natural grasslands of medium or high nature value (60%). Around the same time in Latvia, 21.1% of farmland was reported to be abandoned and in Lithuania, land abandonment was estimated to be over 10.3% in 1999. In Hungary in 2002, 26.7% of farmland was classified as uncultivated. In Poland, the rate of land abandonment in some provinces increased significantly between 1998 and 2002 with 100% or more increases in Mazowieckie, Lubelskie, Podkarpackie and Podlaskie. In Bulgaria, the poorest EU member state, there was a reduction of agricultural areas and farmland actually being used during the whole transition period, and yet the population was suffering from food shortages.

Is it not extremely paradoxical that there is a growing amount of uncultivated land in a period of economic downturn and deep and widespread poverty, and at a time when demand constantly outstrips the supply of locally produced food (fruits, vegetables, meat, and so on)? Is this not proof of the shortcomings of the legal and institutional framework, which is incapable of bringing production and resource exploitation into line with needs? What better illustration could there be of the flaws of the market regulation theory that claims that demand will determine supply? This argument in its more militant form has long been abandoned, but it frequently continues to find its way into official discourse.

There are many other examples of the waste of material resources. The intensive de-industrialisation that has taken place in many European countries has led to the destruction and disposal of numerous tangible assets. In Spain, some 600 towns and villages have reportedly been abandoned. Ghost towns in East Germany are well known, where damaged buildings and public sites abound. In Ireland, facilities were built as part of a project to help members of vulnerable groups grow fruit and vegetables in accordance with sound environmental principles, but now that the project has come to an end, the disused facilities being the only sad reminder of this scheme. And in Greece, they are now importing lemons.

Whatever the reasons, there is an obvious loss of production potential, a whole host of missed opportunities, and inadequate, inconsistent and ineffective incentives. Nothing seems to be done to facilitate and synchronise exchanges by co-ordinating resources and needs.

A further aspect of this tragic waste is the increase in Europe of homelessness, even though there are a considerable number of empty dwellings, even in the largest cities.

However, the most unacceptable waste of material resources doubtless relates to food. While millions of people are dying and millions of others are unable to have a balanced diet in Europe, huge quantities of food are being thrown away.

In a motion for a resolution, the European Parliament’s Committee on Agriculture and Rural Development states that “every year in Europe a growing amount of healthy, edible food ... is lost along the entire food supply chain, in some cases all the way up to the consumer, and becomes waste.” It believes that “food waste has not just ethical, economic, social and nutritional but also health and environmental implications, since unconsumed food mountains make a major contribution to global warming and food waste produces methane, which as a greenhouse gas is 21 times more powerful than carbon dioxide.” It adds that “less food waste would mean more efficient land use, better water resource management, and positive repercussions for the whole agricultural sector worldwide, as well as boosting the fight against undernourishment in the developing world.”<sup>15</sup>

15 European Parliament, Committee on Agriculture and Rural Development, draft report on “How to avoid food wastage: strategies for a more efficient food chain in the EU” (2011/2175(INI)).

## Food waste in Europe

A recent report for the European Commission<sup>16</sup> reveals the alarming quantity of food waste in Europe. Almost 50% of edible food is wasted each year in the European Union, while nearly 115 million people are at risk of poverty and 16 million depend on food aid from charitable organisations. This waste amounts to 89 million tonnes a year, or 179 kg per person, not counting the waste in the farming sector and fish catches that are thrown back into the sea. Food waste occurs throughout the supply chain, agricultural production, storage, processing, distribution and retail, right up to consumption. It is linked to overproduction, to inappropriate portion sizes, product or packaging deterioration, trading standards (aesthetic issues or packaging errors), poor inventory management and marketing strategies. In the industrialised countries, this waste mainly occurs in the latter stages, namely, distribution and consumption, and this is primarily because of the excessive amount of food produced. Accordingly, 60% of food waste in European households could be avoided, with 20% of food being thrown away owing to confusion over the dates on product labelling.<sup>17</sup>

Farm subsidies, promoted in particular by the United States and the EU, have led to the overproduction, stockpiling and disposal of millions of tonnes of food. Internationally, direct aid to producers still makes it possible for them to export goods at lower than cost price, and this hampers development in the countries of the South, most of which are constrained by treaties forcing them to accept these products at knockdown prices.

The Common Agricultural Policy (CAP), drawn up in the European Community in the late 1950s, sought to encourage production and ensure food security in Europe. It centred on the modernisation and enlargement of farms. As a result, farming in Europe became industrialised in order to become more efficient and produce the maximum amount of food. Gradually, the number of farms fell and farmland came to belong to just a few farmers. In France, for example,<sup>18</sup> where in 1953 there were some 2.3 million farms, in 2003 there were just 590 000, of which 367 000 were so-called “professional” farms. Until the early 1990s, the aid granted

under the CAP offered farmers a guaranteed selling price for their goods, which encouraged them to produce more than was necessary. In 1991, stockpiles in the European Union reached 25 million tonnes of cereals and 900 000 tonnes of beef. A first CAP reform took place in 1992, although it did not result in any decrease in European production. In point of fact, the amount of aid granted depended on production factors (the number of hectares being cultivated), which prompted farmers to keep to a high level of intensive production. It was not until 2003 that the link was severed between production and subsidy, with aid from then on being paid to farmers independently of what they produced. Since the beginning of 2012, the CAP has once again come under discussion and continues to be the subject of much controversy. Reform plans are still largely geared towards market deregulation and neither food security nor stopping waste are central priorities. For example, in September 2011, several member states (Denmark, the Czech Republic, Germany, the Netherlands, Sweden and the United Kingdom) were opposed to the CAP continuing to finance food aid, on the ground that social policy came under the remit of national policies.<sup>19</sup> The Food Distribution Programme for the Most Deprived Persons of the Community (MDP), set up in 1987 redistributes unsold CAP stocks to accredited charities. In 2011, under this programme, food aid was given to more than 13 million people in 19 of the 27 EU member states, in particular France, Poland and Italy.<sup>20</sup> It will doubtless be extended for some time to come, but it could well come to an end in 2014.

The report by Salvatore Caronna to the European Parliament<sup>21</sup> states that in Europe and North America, in the previous decades when food production was abundant, food waste was not a policy priority; this led to an overall increase in food waste along the food supply chain. Today, it has become essential to do away with the regulatory provisions that encourage waste – such as the ban on selling food at a loss decreed by certain member states, which prevents retailers from discounting unsold fresh food at close of play. Combating food waste and ensuring food security, understood as everyone’s right to have stable access to food of an appropriate quality, should be a priority on the European political agenda.

## ► Waste of human resources

Difficult as it may be to believe, it is also possible to talk of waste of human resources, given the constant “casting aside” of people regarded as “superfluous” in the system in which they live. A relatively redundant population is steadily taking shape within the EU. The nature of our

16 Bio Intelligence Service, “Final Report – Preparatory Study on Food Waste”, report of the European Commission [DG ENV – Directorate C], October 2010, available at [ec.europa.eu/environment/eussd/pdf/bio\\_foodwaste\\_report.pdf](http://ec.europa.eu/environment/eussd/pdf/bio_foodwaste_report.pdf), accessed 14 December 2012.

17 *Environment for Europeans*, magazine of the Directorate General for the Environment, European Commission, Green Week Supplement 2011, p. 8, quoted by Rosbach A., “Opinion of the Committee on the Environment, Public Health and Food Safety” (2011/2175(INI)), 22 November 2011

18 Ravignan A. (de) (2008), “Pourquoi l’Europe verte ne fonctionne plus”, *Alternatives internationales*, No. 38, Paris, p. 30.

19 LeMonde.fr and AFP, “L’Union européenne trouve un accord pour débloquer l’aide aux démunis”, 14 November 2011.

20 LeMonde.fr and AFP, “Aide alimentaire: les ONG indignées par les restrictions de l’UE”, 19 September 2011.

21 Caronna S. (2011), “How to avoid food wastage: strategies for a more efficient food chain in the EU”, Report to the Committee on Agriculture and Rural Development, A7-0430/2011, 30 November 2011.

economic and social system is such that a large number of people are already excluded from exchanges within society and are regarded as “superfluous” according to official efficiency and utility criteria. This applies to the large numbers of the long-term unemployed, and the many retired people only barely surviving, who are seen as making no contribution to society, even as consumers. Other examples are ethnic and national minorities, asylum seekers and other migrants in often very vulnerable positions.

All people and groups who, because they absorb resources, are no longer regarded as assets but as liabilities on the development balance sheet could be seen as superfluous.

But this process does not stop there. Professional groups are frequently also declared to be superfluous in the European social context: following the period of acute de-industrialisation, it was decided that a large number of engineers were surplus to requirements (and now of course, there is a shortage of engineers); today, the same trend can be seen regarding doctors, particularly in certain specialisations (the lack of prospects recently led to the resignation of 2 000 doctors in Slovakia), nurses, social workers (especially if they are highly qualified) scientists and arts students in general. This leads to a waste of knowledge, skills and qualifications that are no longer seen as employable and are regarded as valueless.

#### The waste of migrants' skills: the non-recognition of qualifications obtained abroad

Requiring migrants to have a recognised qualification in order to exercise certain professions is a guarantee of sound training. Directive 2005/36/EC of 7 September 2005<sup>22</sup> formalised the recognition of professional qualifications within the EU, relating to over 800 professions regulated by the member states – the many subsequent amendments to the text show that this is an important and sensitive matter for states. The directive lays down common bases for training, a precondition for the mutual recognition of qualifications between states. However, there is no similar harmonisation with states that are not members of the EU. Where there are no bilateral agreements, the qualifications of those professionals awarded outside the EU are not recognised. While in some cases there are knowledge assessment procedures enabling nationals of those states to exercise certain professions, there is nonetheless little recognition of their qualifications. While many EU states continue to restrict access to the labour market even for nationals of member states such as Romania and Bulgaria,<sup>23</sup> we need to look at the reasons for the very high unemployment rates of nationals of countries outside the EU. In 2008

and 2009, a survey looking at the educational level of sub-Saharan African nationals living in France compared with the rest of the population showed some fairly surprising results: there were more higher education graduates among sub-Saharan Africans not only compared to other immigrants, but also than among the population of France as a whole.<sup>24</sup> Apart from the fact that this shows that immigration from sub-Saharan Africa is more selective, it begs the question of how effective the system of recognition of the qualifications of these migrants is in view of their particularly high unemployment rate.

The non-recognition of foreign qualifications translates in practice either into unemployment or to being obliged to fill a post for which the incumbents are considerably over-qualified. The European Network of Migrant Women condemned the “lack in many member states of efficient systems for recognition of qualifications obtained in third countries [which] entails that too many well-qualified migrant women are in positions such as cleaning and caring, a situation which, despite the importance of these roles, denies society the benefit of migrant women’s skills and qualifications,”<sup>25</sup> and called for transparent and prompt procedures for the recognition of their qualifications to be put in place.

The whole mechanism that leads to “waste” in certain human resources, converting them from assets to liabilities, and the resulting shortages can be attributed to an inappropriate development model. This is not a consequence of the “natural development of things” or of a “spontaneous order”, and neither is it in society’s interests. The underlying causes are of a social and economic nature.

22 Directive 2005/36/EC of the European Parliament and the Council of 7 September 2005 on the recognition of professional qualifications, OJ L 255 of 30 September 2005. See [ec.europa.eu/internal\\_market/qualifications/policy\\_developments/legislation\\_en.htm](http://ec.europa.eu/internal_market/qualifications/policy_developments/legislation_en.htm), accessed 14 December 2012.

23 Romanians and Bulgarians are subjected, until 31 December 2013, to employment restrictions in many countries (Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Malta, the Netherlands and the United Kingdom), where they are required to obtain a work permit, except for certain professions where posts are difficult to fill. In Norway, Iceland and Liechtenstein, this limitation to their access to the labour market is very strict. Switzerland can also subject them to the same type of restrictions until 31 May 2016.

24 “Association des Parlementaires européens pour l’audit de la politique d’immigration, d’intégration et de codéveloppement”, *Audit de la politique d’immigration, d’intégration et de codéveloppement*, May 2011, p. 49.

25 European Network of Migrant Women, Open Letter: 4th Ministerial Conference on Integration, 14 April 2010.

## ► Other wasted resources

The waste of financial resources – The usual explanation for poverty is a lack of money. However, this is somewhat undermined by the tendency for the authorities to disregard certain sources of finance.

This can be seen in the paradox of the low take-up rate of EU funds in the poorest EU countries. According to Jorgo Chatzimarkakis,<sup>26</sup> German member of the European Parliament, one reason for this is the inability of ministers to make proposals, draw up programmes and deal with the problems in their countries; he claims that Romania, Bulgaria and Greece should leave EU fund management to foreign experts.

EC data show that by the middle of 2011, Greece had claimed only 18.5% of the funding for the period 2007-13 to which it was entitled from the European Social Fund (ESF), which was set up to promote employment and social inclusion in the EU. For the whole EU, the average was 25% and the figures at the end of October 2012 showed a take-up rate of just 16% for Italy, 21% for Belgium (less for Wallonia), and 21.6% for France.

Discussions on this subject deal with certain aspects of this problem “separately”: they focus on inappropriate regulations, administrative shortcomings, corruption, and so on. But it is important to emphasise that, as in the case of human and material resources, we are seeing a process that makes money superfluous and leads, simultaneously or subsequently, to shortages.

A significant feature of the national reform and convergence programmes of many EU member states is cost-cutting (freezing of salaries and pensions, “improving the efficiency of public spending”) but without any account being taken of income. A strategy that ignores income and is based solely on cost-cutting, both at individual and public level, is a self-sustaining strategy: it will constantly give rise to further cuts in expenditure, thereby reproducing individual survival strategies geared towards reducing consumption. This runs counter to development, both at individual and community level.

Superfluous knowledge – A huge amount of knowledge has been accumulated regarding issues of poverty and social exclusion, distribution and redistribution processes, inequality and social policies, development approaches, and so on. But it would appear that societies tend to use this knowledge intelligently only as regards technological innovation. Unlike the resources referred to above, knowledge is a self-developing phenomenon in interaction with its environment. In other words, it grows when it is used and declines when it is not. It is a resource whose development depends on its dissemination and use. Just like languages, it can be forgotten when not used over a long period. As Amartya Sen says, people not only learn by doing, they also forget what they have learned by not doing. Perhaps the same is true for societies.

Sen also shows that the well-known cases of famine are not explained by a lack of food, as is often thought, but by inappropriate social regulation arrangements. They are the result of significant changes in the scope and value of rights, that is, certain characteristics of the way society and social relations are organised in the areas affected. It is surprising that the rights-based approach is not used to explain the crisis facing the EU member states.

This “irrationality” severely limits the potential gains in efficiency from new knowledge. Scientific and cognitive practices, and the funding arrangements for science and research policies can either stimulate or impede the development of knowledge designed to maximise public wealth.

Superfluous regulations – Many rules and regulations have also been declared superfluous. This is illustrated by the weakening of moral standards and the disparity between the latter and legal regulations. Added to this, we have constant changes in regulations, especially in laws and related regulations in the public and private sphere. When primary and secondary legislation is not universal, it ceases to act as a legal framework, and thereby contributes to discrimination and the defence of privileges. And this, in turn, makes legal regulations redundant.

A third example, which ties in with the two above, is provided by deregulation, discussed in Part I of this guide. Huge discrepancies between certain national and international norms and between shared public values and legal norms make for inconsistency and generate an atmosphere of uncertainty in which private interests can flourish.

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<sup>26</sup> “German MEP: Romania, Bulgaria and Greece need to leave EU fund management in the hands of foreign experts”, *Actmedia*, 23 June 2011, <http://goo.gl/6Ef66>.

## ► The consequences of waste

Privatisation, the destruction and waste of resources, the creation of additional resources, the transformation of assets into liabilities and the exclusion of various types of capital (such as human, material, financial, cognitive, regulatory) from the centre of public exchanges is a fundamental social problem in the EU. The huge extent of the waste of resources is a clear indicator of the way in which policies, whose impact was potentially positive, have been distorted. Nowhere do we see any signs of a commitment to make rational use of resources as common goods, or to use them to enlarge the scope of intervention.

The combination, in times of crisis, of superfluous human resources, wasted material assets and unused financial resources begs the question of how rational European societies really are. After the Second World War, by contrast, countries in ruins, deprived of a part of their resources and their population, managed to find an enlightened way of introducing social rules opening up new prospects for development.

At the same time, the most plausible explanation for the non-use of available resources is related to the concentration of power and the malfunctioning of democracy: a highly-placed centre, devoid of mechanisms to delegate power to lower levels invariably results in unused resources, as it is unable to control their use. From the perspective of the centre, it is better not to use a resource, because if it were used, it would give rise to rights, opportunities and prospects over which it had no control. This seems a viable explanation for the low take-up rate of structural funds. As reported by Manuel Castells, Mokyr notes that most of the hypotheses concerning cultural differences fail to explain the difference not between China and Europe, but between China in 1300 and China in 1800. Therefore, what appears to be crucial seems to be the role of the state and the changing orientation of government policy. Why would a country that was the most spectacular hydraulic engineer in history and introduced the agrarian system to improve agricultural production in the time of the Han, suddenly become detached from technological innovation, even forbidding geographical research and abandoning the construction of large ships around 1430? The obvious answer is that it is not a European country. Again according to Mokyr, the decisive factor for technological conservatism could have been the fears of the government of the potentially devastating impacts of technological change on social stability; scientific testing and contact with foreigners beyond the controlled trade and supply of weapons were perceived at best as unnecessary, and at worst, as threatening because of the uncertainty it suggested.<sup>27</sup>

The main danger of this is a lose-lose situation in which there are no winners, even when it seems that in the short term this may be in someone's private interest. Such reference points are outlined in the book *The Spirit Level* where, looking at developed countries, Wilkinson and Pickett show that high levels of inequality in society lead to a series of problems for everyone and not just for groups that find themselves in disadvantaged positions. The fact, described by Wallerstein, that eastern Europe was so far behind western Europe in the 16th century, and that a large part of the planet is so far behind the rest of the developed world today would seem to suggest that there are strategies being pursued that make the situation of everyone worse: "Lose-lose means that all stakeholders end up in a worse situation".<sup>28</sup>

In addition to the resources of which society is deprived, there is a lack of social institutions to promote development. The situation today is worse than it was in the past because of the crisis factors operating in the developed countries; and yet it is probably better than it will be tomorrow. It is therefore a matter of urgency to rethink policies and find new ways of overcoming the clear trend towards decline. The fact that within the EU, bureaucrats are replacing visionaries is often mentioned, but there is also growing concern that the EU is heading up a cul-de-sac. Following this path is fraught with danger.

### 4.3. "Poor quality" for "poor people"?

In this discussion of resources, we have to consider one final point. We referred above to the risk of seeing "poor rights for poor people"; in the same way, we could talk about "poor resources for poor people". In other words, lower quality resources for the weakest people in society.

27 - Castells M. (ed) (2010), *The rise of the network society: the information age: economy, society, and culture*, Vol. 1, John Wiley and Sons, Oxford.

28 Spangler B., "Win-Win, Win-Lose, and Lose-Lose Situations", in Burgess G. and Burgess H., *Beyond Intractability*, Conflict Information Consortium, University of Colorado, Boulder, 2003.



This is already happening in the case of non-material goods, such as wealth, health care and education. In all European countries, it is often in the poorer neighbourhoods in towns and cities that we find lower-quality health care services, nurseries and schools. This is bound to be made worse by the privatisation of services and a redistribution of resources that gives preference to private (despite their invariably higher cost) rather than public facilities, as we can see in the case of universities.

We are also seeing the spread of low-quality material goods, the only ones that people experiencing poverty or insecurity can afford. These goods (electrical appliances, for example) work less efficiently and for a shorter time, which adds further to the volumes of refuse and increases the costs for the people experiencing poverty who are the principal victims of the “planned obsolescence”, that is of those techniques aiming at reducing the useful life of material goods. This is also the case regarding the quality of the food available to people in economic difficulties. The prevalence of obesity among these groups highlights the link between poverty and poor diet. In 2004, the *American Journal of Clinical Nutrition* wrote:

Evidence is provided to support the following points. First, the highest rates of obesity occur among population groups with the highest poverty rates and the least education. Second, there is an inverse relation between energy density (MJ/kg) and energy cost (\$/MJ), such that energy-dense foods composed of refined grains, added sugars, or fats may represent the lowest-cost option to the consumer. Third, the high energy density and palatability of sweets and fats are associated with higher energy intakes, at least in clinical and laboratory studies. Fourth, poverty and food insecurity are associated with lower food expenditures, low fruit and vegetable consumption, and lower-quality diets.<sup>29</sup>

Lastly, as we have seen, people experiencing poverty have virtually no access other than to “environmentally poor” living areas. The most vulnerable sections of the population frequently live in the least salubrious parts of cities, sometimes next to polluting factories where they still work.

Having high-quality resources therefore presupposes the full enjoyment of rights, whereas in practice, access to certain goods is denied to some people. It is not just a question of having somewhere to live, being able to go to hospital and receive treatment, being able to send one's children to a nursery when one is working or looking for a job, buying a washing machine (which will break down two months later), or even of having the certainty of not dying from hunger. We also need to focus on the quality of these resources. The disparities we see in this area are on the same dramatic scale as the inequalities prevalent in our societies.

The worst reaction is to think that these are natural or justified disparities caused by the situation, as if the crisis were unavoidable and not man-made.

The poor quality of goods for people living in poverty, and more generally, the difficulty in acquiring resources are directly linked to the redistribution policies being pursued, as we shall see in the next chapter.

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29 *American Journal of Clinical Nutrition*, January 2004, Vol. 79, No. 1, pp. 6-16.

## 5. Poverty and public redistribution policies



Redistribution through taxation and public spending is the weapon most frequently deployed by European governments in the fight against impoverishment and inequality. As we saw in Part I of this guide, the figures relating to material deprivation and economic inequality are causing ever-growing concern, and the degree of social justice guaranteed by states is fast shrinking. It is therefore legitimate to ask whether redistribution strategies are working as they should.

Addressing such a vast and complex subject as the management of public finance is no easy task. Public finance is broadly defined as the role and remit of governments in economic matters. According to the Nobel laureate economist Joseph Stiglitz, studying public finance helps to answer the following questions: "What should be the role of the government? How should it design its programs in areas ranging from health to education, to social security and welfare? How should tax systems be designed to promote economic efficiency and to be consistent with basic views of fairness?"<sup>1</sup> Among other things, governments take responsibility for collecting direct and indirect taxes from citizens, running public schools and hospitals, ensuring national defence and security, maintaining law and order, managing public services and allocating social transfers to target groups. The relevance of our subject is therefore immediately apparent. Nonetheless, to grasp the huge impact that management of public finance has on our daily lives, it is essential to have a more detailed understanding of the economic issues underlying decision making regarding fiscal and tax policies. This chapter looks at tax systems and government spending decisions and seeks to identify the significance that governments attach to each group of stakeholders in society (workers, businesses, investors, immigrants, the elderly, the unemployed, and so on).

1 Stiglitz J. (2000), *The economics of the public sector*, W.W. Norton & Company, New York.

The key aim here is to show that protecting and stabilising fiscal systems is essential to safeguard rights and to combat poverty and inequalities. Fiscal policies indeed play a vital role in financial stabilisation, redistribution and the independent guarantee of rights to economic security in the face of growing pluralism and of the uncertainty arising from globalisation and economic recession. In addition, public finance is an essential instrument in enabling citizens themselves to gain sufficient stability to make the right strategic decisions concerning revisions and extensions of rights and social justice.

This guide looks at the nature of the economic and political foundations required to enable public finance to play a progressive role in today's context. Accordingly, this chapter analyses current redistribution policies in Europe based on a relational perception of poverty and inequalities and on a revised concept of progressivity. It describes trends in taxation and public spending, while also seeking to shed light on the overall direction of redistribution measures over time. On the one hand, the tax structure needs to be analysed so as to understand who really bears the tax burden; on the other, it is vital to look at public spending and public services – and their quality – to see who benefits from state intervention, who is left out and who is ultimately at risk of being stigmatised.

However, let us begin by taking a closer look at certain fundamental concepts.

## 5.1. Key concepts

### ► Redistribution from the standpoint of interdependencies

The way in which public finance functions is the outcome of national political dynamics. Not all types of fiscal systems are systematically conducive to justice and democracy. The replenishment and extension of rights depend on factors that are mutually enhancing, namely integration, universality, material security and the institutional stability of rights.

There can be no redistribution without the will to establish social justice in matters of income, and in particular without the acceptance by the non-impooverished of the principle of contributing to the socialisation of life's risks through taxation. This is bound up with the power relations existing between the different poles of society, in particular between people experiencing poverty and public authorities and between groups in poverty and groups not in poverty. Solidarity and redistribution do not happen as a matter of course. They are the result of obligatory measures or of an attempt to reach a consensus on taxation.

The obligation depends primarily on the configuration of these power relations. The gradual rise in income tax that could be observed virtually all over the western world after the Second World War, followed by this tax's declining share in the overall tax burden as a result of Reaganism in the United States and Thatcherism in the UK, offers a fairly good illustration of the state of power relations between, broadly speaking, labour and capital. With very few exceptions, governments devise tax policies that are favourable to their principal supporters. The weakening political influence of workers' organisations and the working classes is not divorced from the changes observed since the early 1980s. It is therefore no easy task to argue in favour of higher taxes so as to finance redistribution. The debate on taxation taking place in crisis-ridden France is evidence of this. Although there is a broad consensus about taxing the very highest earners because that concerns an extremely small number of persons, taxation of "high earners" poses greater problems, as it would affect larger groups of people, some of whom give the government their political backing.

Achieving a consensus is no longer a straightforward matter. Nancy Fraser warned against reliance on corrective redistribution measures that seek to remedy economic injustice while leaving intact the deep-rooted causes of inequality between the classes, as they contribute to the perception of those targeted by these measures as "beneficiaries of special largesse".<sup>2</sup>

Nonetheless, certain family support policies in Europe show that some degree of consensus is possible. Family allowances granted to all households (at rates that vary according to their incomes) have met with such approval that no government has ever thought of going back on the measure.

Universality of benefits and redistribution are therefore the two concepts on which this chapter will focus in particular.

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2 Fraser N. and Honneth A. (2003), *Redistribution or recognition?*, Verso, London, p. 77.

## ► Progressivity of public finance to promote social justice

The tax structure and that of public spending are important indications of the ability to put democratic intentions into practice. Progressivity of taxation in the narrow technical sense can be very different from a progressive tax system aimed at the democratisation of rights. A strictly technical definition of progressivity is based on the tax rates applicable to different income quintiles – poorer people are supposed to contribute proportionally less than the rich to public revenues. A broader definition would, however, take account of the manner in which tax policies affect certain groups, making them richer or poorer.<sup>3</sup> In addition to the technical definition of progressivity, consideration must be given to the volume of revenues the tax system makes it possible to collect.

The tax system's progressivity, in the narrow sense, is not enough to ensure a level of services and transfers capable of properly eliminating the risk of poverty. What is needed is a progressive tax system combined with sufficiently high revenue mobilisation to enable the implementation, through public spending, of a redistribution policy worthy of its name.

To illustrate how these two concepts come into play in a tax policy analysis, let us take the examples of the United States and Denmark, which have very different redistribution and taxation systems. According to its narrow definition, as applied by the OECD,<sup>4</sup> progressivity is higher in the United States than Denmark because the difference in the tax rates applicable to earners at the top and the bottom of the income distribution is greater.

- Denmark taxes lower incomes at higher rates. Although households earning less than DKK 41 000 (about € 500) per year pay no tax, those earning just over this threshold are subject to a marginal tax rate on personal income of 37.48%. This means that progressivity is steep at low levels of income, whereas in the United States, households earning less than US\$35 350 (approximately €8 600) are taxed at a top rate of 15%.

On the other hand, in the United States high earners pay tax at a rising marginal rate: 28% up to US\$178 650, 33% up to US\$388 350 and 35% beyond that threshold. Conversely, in Denmark the same marginal rate applies to all earnings above €5 000. Since the tax rate does not rise in parallel with income, there is no progressivity in the strict sense, at least for the highest earners.

Nonetheless, taking into consideration public finance as a whole, that is, public revenues and government spending via public services, it is in fact Denmark that shows the greatest progressivity because it has a higher level of resource mobilisation conducive to redistribution. The concept of a progressive public finance system accordingly encompasses the question of distribution, making it necessary to look at how the system of taxes and benefits actually changes the distribution of household incomes.

The first concept of progressivity offers the advantage of being easier to measure; however, it says far less about the actual distributive structure and how public finance affects or may affect it. The second is analytically broader in scope, while requiring more explanation. It covers the intent and the outcomes of the overall public finance system (taxation and spending), including revenues and services. It assumes that there are systemic effects that can be measured only in an indicative way. That means taking into account other regulatory functions of the state, for instance in the labour market and other fields as regards the extent of state-provided (as opposed to fee-based) education or care services, and how public-private financing here affects certain non-material aspects of poverty, such as gender equality and the ability of managing your own time. The broader concept of progressivity in public finance is accordingly closely linked to the democratic intent. In a nutshell, this concept makes it possible to bring to the fore the material basis for the substance of the rights concerned and for effective access thereto, and also to inform judgments on the direction being taken as regards democratisation and social justice.

The two concepts of progressivity and their practical applications are therefore of key importance to our earlier discussion on universal versus selective rights. Because it focuses on top-down redistribution, the first lends itself to selective approaches and practices (what does the bottom deserve to receive from the top, after the market has been served?). The second definition encompasses broader concerns about social justice and human rights protection. Both of these concepts can be linked with different ideas about democratisation: the technical definition can still incorporate a charitable intent towards those living in absolute poverty – how to ensure that those who are “more able” within the market protect those who are poorest, while the broader definition is related or conducive to ideas of equal dignity, in particular as regards autonomy and the common enjoyment of many rights.

3 See Haagh L. (2012a), “Democracy, public finance and property rights in economic stability: how more horizontal capitalism upscales freedom for all”, *Polity*, [www.palgrave-journals.com/polity/journal/v44/n4/abs/pol201216a.html](http://www.palgrave-journals.com/polity/journal/v44/n4/abs/pol201216a.html), accessed 14 December 2012.

4 OECD (2008), *op. cit.*

## 5.2. Recent trends: are fiscal policies progressive?

Since the 1980s, as a result of spending cuts and the privatisation of public assets, Europe has been increasingly experiencing a weakening of the welfare state that historically typified European societies. Since 2008, the financial and debt crises have steadily exacerbated this trend, as governments often sacrifice welfare spending and public services to keep public debt at sustainable levels. While it may seem logical, this political choice is not the only way out of the crisis.

Below we shall consider trends in public finance in recent decades from the standpoint of progressivity in the broad sense and taking into account the underlying dynamic social processes. For easier analysis and understanding, this study distinguishes between progressivity of the tax system and progressivity of public spending, but these two aspects of public finance must be combined to grasp the issue in all its complexity.

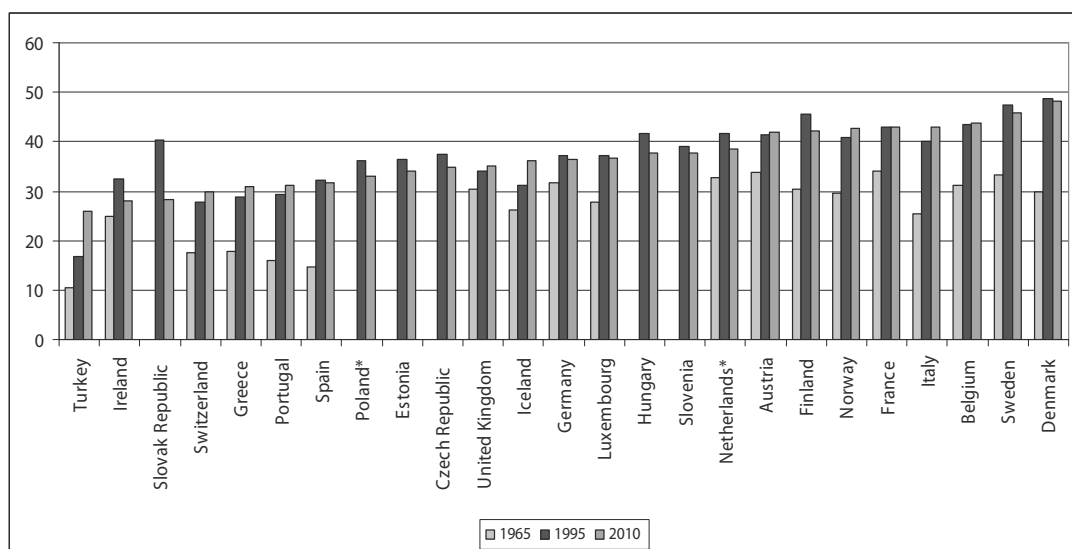
### 5.2.1. Taxation

The tax system determines a state's financial capacity and, accordingly, its possibility of establishing shared institutions that strengthen social cohesion and reduce inequalities. Countries where the tax pressure on the entire population (including the middle classes) is high are thus able to develop collective structures that make it possible to ensure the material security needed to safeguard rights. This can help to create less unequal power relations within society, and hence to buttress democracy. The manner in which taxes are collected can also help to reinforce or diminish social inequalities. What is the current situation in Europe?

This overview of the general trends shows that in most countries, the share of public finance in GDP rose over a lengthy period (from 1975 to 2009), but, since 2008, there has been a downturn in the ratio between tax revenues and GDP. It can be noted that all countries have reduced one or more elements of taxation, and there has also been a tendency to level out progressivity. The chart below shows that the tax burden rose sharply between the 1960s and the 1990s, as taxation was then perceived as the main means of developing the European social protection system. However, with very few exceptions, the column for 2010 shows a general fall in taxation, or to be more precise, slower growth in tax revenues as compared with GDP.

Certain common patterns reflect the pressures on all states, whereas other changes, or the lack thereof, mirror prioritisation decisions that reveal whether or not the intent is still to enhance democracy and achieve progress in terms of rights.

Figure 14: Taxation as a percentage of GDP in 1965, 1995 and 2010



Source: Chart produced using information available from the OECD statistical database: <http://stats.oecd.org/Index.aspx?DataSetCode=REV>, accessed 14 December 2012

NB: The base year is 2010, except for Poland and the Netherlands, for which it is 2009. 1995 was chosen as it was the year in which data on the new EU member states became accessible.

Apart from cutting corporation tax, with many beneficiaries, countries such as the United Kingdom and Poland, where political pressures to reduce the role of the state were strong, were also quick to apply sharp reductions in marginal rates of personal income tax and capital gains tax.

Table 6: Trend in the tax structures of OECD member states<sup>5</sup>

Percentage share of major tax categories in total tax revenues

	1985	1995	2005	2009
Personal income tax	30	26	24	25
Corporate income tax	8	8	10	8
Social security contributions	22	25	25	27
( <i>employee</i> )	(7)	(9)	(9)	(9)
( <i>employer</i> )	(13)	(14)	(14)	(15)
Payroll taxes	1	1	1	1
Property taxes	5	5	6	5
General consumption taxes	16	19	20	20
Specific consumption taxes	16	13	11	11
Other taxes	2	3	3	3
Total	100	100	100	100

Source: OECD (2011d), op. cit.

To deepen our understanding, let us look at how different kinds of taxes have evolved in terms of their progressivity and redistributive impact. Are recent changes conducive to social justice and the democratisation of rights? Do they promote the fight against poverty and inequalities?

### ► Direct taxes: taxing personal incomes and work

The emergence of more dynamic, less regulated economies, particularly in international finance, and faster growth in profits as compared to wages have brought about an overall transfer of the tax burden to workers.

In all economies, personal income tax is regarded as the core component of direct taxation. Generally speaking, recourse to direct taxes is a very practical means of achieving fiscal equity. Indeed, countries that are more inclined to foster redistribution are more likely to rely heavily on personal income tax as a source of public revenue and to apply a more progressive system. As can be seen from the above table, starting from 1985 personal income tax diminished in importance across the OECD countries. This can firstly be ascribed to the fact that tax data on the countries of eastern Europe, where this tax is a relatively low revenue source, became available only in the 1990s. However, another explanation is that, by the late 1980s, in the major economies such as the United States and the United Kingdom, a shift was taking place towards flatter tax scales with less progressivity (in the narrow sense) and resulting in lower revenue collection. This led the economist Atkinson to say that “income tax in the UK has come to resemble a flat(tish) tax”.<sup>6</sup>

As we shall see later in this chapter, these reforms were driven by the belief that reducing taxation of middle to high incomes would foster economic expansion and growth. Although this idea proved wrong, the principle of reducing marginal tax rates for higher income brackets still commands political support. Four eastern European countries have moved to a flat-rate system with a single tax rate for all income brackets, thereby abandoning any attempt at progressivity and redistribution through personal income tax. Introducing a flat rate indeed benefits the highest earning tax-payers,

5 These data concern the 34 OECD member states (Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States).

6 Atkinson A. (2004), “Income tax and top incomes over the twentieth century”, *Revista de Economía Pública*, Instituto de Estudios Fiscales 168, Madrid, p. 125.

*de facto* eliminating the progressivity of taxation. As the marginal rate or the number of income brackets decreases, the redistributive capacity of personal income tax diminishes.

Nonetheless, it is no easy task to evaluate the equity of personal income tax, as it depends not only on marginal tax rates and income brackets, but also on tax credits, exemptions and deductions. Moreover, sources of income such as capital and withholding gains and the non-wage components of management remuneration packages, namely stock options, disproportionately benefit the richest individuals. The diversification of its sources makes income hard to measure, and therefore often hard to tax.<sup>7</sup>

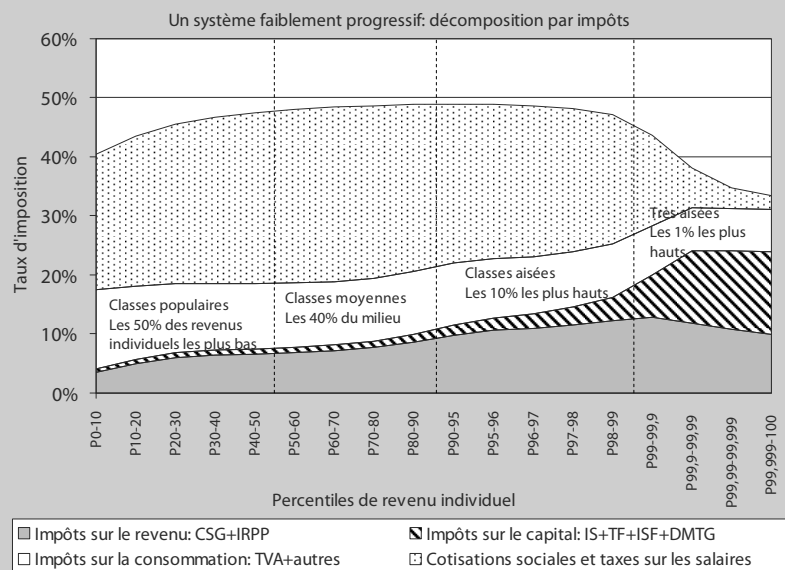
### France's regressive tax system

A study of the wealth of French households performed by INSEE in 2012 gives an idea of the huge differences in income composition between households. For the first income decile, earnings from investments represent 3.4% of disposable income. The richer the household, the higher this percentage climbs, reaching 12.3% and 27.8% for the ninth and tenth deciles respectively. The study reports that the richest 10% of households own as much as 50% of total gross wealth. The main disparities concern business assets. About one quarter of the income of the top decile is derived from such assets, whereas for the others, the share is less than or equal to 4%. It follows that alternatives to personal income tax, which are mostly levied on income from employment, are rightly considered essential from a redistribution standpoint. Wealth tax, for instance, is not only more equitable but also increases revenue collection and contributes to the stability and progressivity of public finance. In fact, even a progressive system such as the one in France can have regressive outcomes if the different sources of income are not duly taken into account when raising taxes. The study of taxation in France published by Camille Landais, Thomas Piketty

and Emmanuel Saez, moreover, clearly reveals the regressive nature of the country's tax system.

The chart below shows the total amount of tax levied in France on different income centiles and the respective shares in this total of the different types of tax. Starting from the bottom, it shows the extent to which personal income tax, taxes on capital, indirect taxes and social contributions – the dotted area at the top – contribute to the tax burden for every income level. The higher curve gives a clear picture of the overall tax burden on French households. The 50% of lowest-earning taxpayers are taxed at a global rate of 41% to 48%, whereas the top 0.1% of earners is taxed at a rate that ranges between 31% and 35%. In fact, as soon as a taxpayer comes within the top 5% in terms of earnings, corresponding to gross earnings of about €4 800 per month, the tax rate decreases and the already low progressivity vanishes completely. The top 5% indeed escape paying high social contributions, benefit from the taxation of capital at lower rates than personal income tax, can take advantage of tax niches that make personal income tax slightly regressive, and end up paying proportionally less than households at serious risk of poverty.

Figure 15: Respective shares of different types of tax according to earnings in France at the end of the 2000s



Source: Landais C., Piketty T., and Saez E. (2011), *Pour une révolution fiscale. - Un impôt sur le revenu pour le XXIème siècle*, Paris: Ed. du Seuil, [www.revolution-fiscale.fr](http://www.revolution-fiscale.fr).

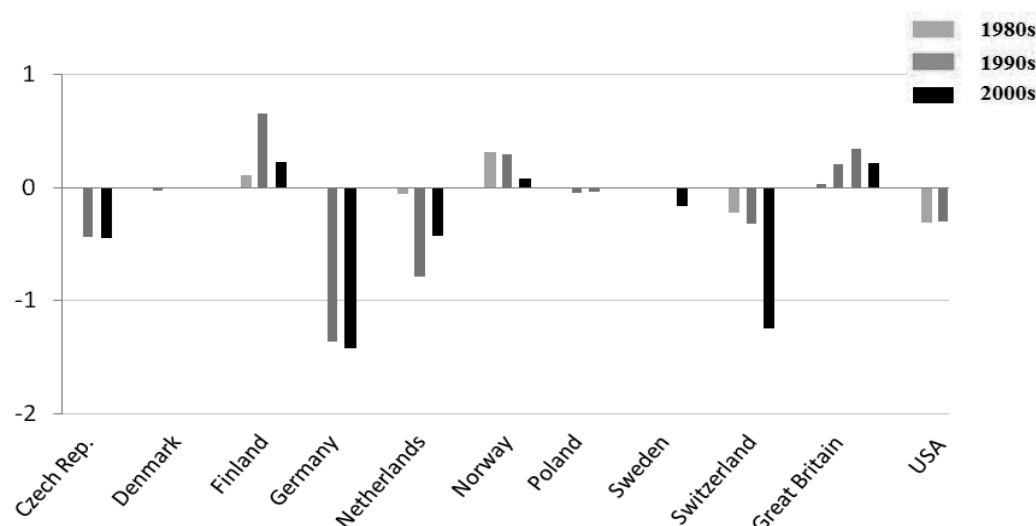
NB: This chart shows the shares of the different components used to calculate the overall tax rate based on earnings (only the population between the ages of 18 and 65 and working at least 80% of full time is taken into account). P0-10 corresponds to centiles 0 to 10, in other words the 10% lowest earners, P10-20 the next 10%, and P99.999-100 corresponds to the richest 0.001%.

7 OECD (2008), op. cit.

As can be seen from the French example, the progressivity of public finance can be undermined by the regressivity of social contributions, which account for the bulk of the revenue payments made by households at risk of poverty. But is it not true that social contributions are supposed to secure social protection?

Unlike income tax, this kind of levy is linked to an entitlement to specific benefits, which will be discussed later in the section dealing with health care expenditure, unemployment insurance and retirement pensions. At the same time, social security systems often involve a degree of redistribution between their members, since individuals' payments and their risk coverage are not perfectly matched.

Figure 16: Redistribution through social security contributions



Source: OECD (2011d), op. cit.

NB: Redistribution accounts for the difference between the Gini coefficients before (level 0) and after social security contributions. If inequalities decrease, the Gini coefficient falls and redistribution takes on positive values; conversely negative redistribution values are associated with an increasing Gini coefficient and rising inequalities. Depending on country data availability, the orange bar (1980s) refers to 1985-1987, the blue bar (1990s) to the years 1992-1999, and the black bar (2000s) to the years 2000-2005.

Usually, social contributions are proportional or virtually proportional to salaries, which limits their redistributive scope. Some countries even apply ceilings to contributions and *de facto* enforce regressive conditions. In a number of European countries, both new and old, the impact of social security payments on income inequality pre and post contributions is negative, which means that these countries' regressive systems weigh more heavily on the lower earners. The above chart shows the trend in the redistributive scope of social contributions for certain European countries. It is clear that, even where there is a positive redistribution impact, that is, a reduction of inequalities, as in Finland, Sweden and the United Kingdom, the quantitative effect is minimal: it accounts for less than 1 point of the Gini coefficient. What is more, the trend is far from improving. Here too, where the heights of the bars differ for the same country, they reflect changes in inequalities due to social security contributions charged at different points in time. With the sole exception of the Netherlands, where the regressive impact of social security contributions is shrinking, the other countries for which data are available have, since the 1980s, seen a worsening of inequalities due to the payment of social insurance contributions.

### ► Regressive indirect taxation

Taxes on consumption – which include general consumption taxes such as Value Added Tax (VAT), sales taxes and a number of specific taxes – are the main source of public revenue, accounting for some 35% to 40% of total revenue in most EU countries. VAT is a relatively recent tax, which was introduced in France in 1954 and was gradually adopted by the majority of other European countries. This indirect tax is usually characterised by a flat structure typical of so-called proportional taxes. The obvious criticism that can be raised concerns its regressive effects. The burden of any tax on consumption weighs more heavily on those who devote a larger share of their budget to consuming goods and services. In this respect, people



living in poverty pay more indirect taxes, as a percentage of their income, than the richest members of the population.

Recourse to indirect taxation has been one of the key means used to combat the debt crisis. VAT rates have been increased in recent years in a number of European countries. Economists and policy makers are taking an increasing interest in indirect taxation, since it is said to be less distortive than income tax. In other words, increasing income tax could discourage tax-payers from making a greater effort to work, while a consumption tax has no distortive effect on work and productive efforts. Policy makers are therefore now seeking to modify the tax balance by shifting the tax burden away from taxes on income towards taxes on spending. The UK Government has made this rebalancing a priority, and its lead is being followed by the Netherlands, Hungary, Italy, Poland, France and Lithuania, which have already implemented or are considering rate increases.

Table 7: Recent increases in the rate of VAT

Country	VAT rate in 2010	New VAT rate	Date of entry into force
United Kingdom	17.5%	20%	January 2011
Hungary	25%	27%	October 2012
Netherlands	19%	21%	October 2012
Spain	18%	21%	September 2012
Italy	20%	21%	September 2011
		23%	planned for 2012
Poland	22%	23%	January 2011
		25%	planned for 2015
Lithuania	21%	23%	planned for 2012

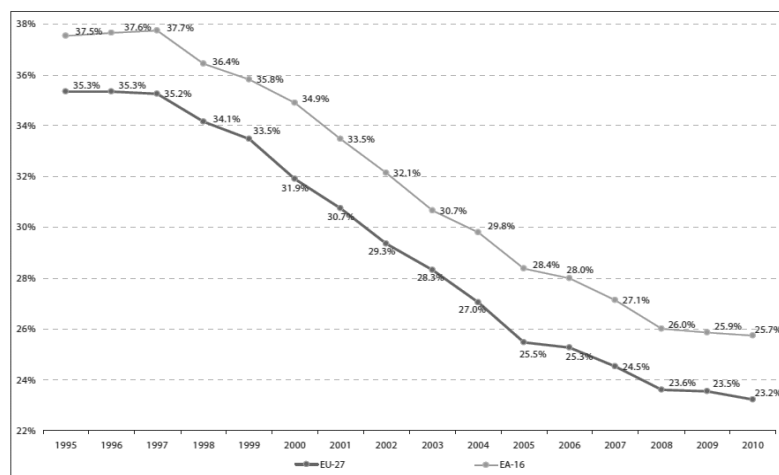
These governments claim that such increases provide a greater incentive for people to work, but no one knows for sure how these measures will impact growth and unemployment. Furthermore, it should be asked whether we are willing to accept the social cost of increasing relative hardship for low-income families.

Since it pushes up prices, indirect taxation has an impact on poverty and can drive poor households even further into hardship. For those on a fixed income, any increase in VAT is equivalent to a further cap on their consumption capacity, and this begins to pose real problems when those affected can no longer afford to buy what they need to live on. We should perhaps analyse more closely the potential distributive effect of growing recourse to indirect taxes on consumption before making this policy a priority.

### ► Corporation taxes and taxes on capital

It is fiscal policy regarding taxation of corporate earnings that perhaps displays one of the most worrying of recent trends in public finance. The average tax rate on corporate income in the European Union was 35% up to 1997, but has fallen steadily since. Today, the EU member states levy an average 22% on corporate earnings. This approximately 12% difference does not correspond to an isolated adaptation of the tax system, but is a deliberate policy change aimed at considerably reducing the tax burden on businesses. Over the last 15 years, only Finland, Hungary and Malta have not lowered the statutory corporation tax rate.<sup>8</sup> This downward trend, followed by all other European countries, is not showing any signs of a reversal, even in the wake of the crisis. In 2009 and 2010, that is, over a mere two-year period, seven countries – the Czech Republic, Greece, Hungary, Luxembourg, Slovenia, Sweden and the United Kingdom – introduced tax cuts on corporate earnings.

<sup>8</sup> European Commission (2010), Taxation trends in the European Union. Data for the EU Member States, Iceland and Norway. Publications Office of the European Union, Luxembourg.

**Figure 17: Reduction in the average corporation tax rate in Europe**

Source: European Commission (2010), op. cit.

NB: Adjusted statutory corporation tax rate for the EU 27 in yellow. Same rate for the Eurozone in purple. This covers the period 1995-2010.

The reasoning behind the public enthusiasm for earnings derived from businesses and ownership of capital – that is, corporate profits, capital gains, interest and dividends – is linked to concerns about the risk of distorting capital accumulation. It must nonetheless be said that this clearly pro-business policy results in an increased tax burden for wage-earners, pensioners and other social categories. Furthermore, the low tax revenue collected entails a less than optimum level of public goods. Governments have successively and repeatedly undercut each other regarding these corporate and capital taxes, in order – they claim – to attract foreign businesses and investors and thereby enhance their tax base. However, far from attracting productive capital, these types of tax cuts simply serve to prevent a drain of taxable income to neighbouring countries.<sup>9</sup> Businesses may well choose to stay in a country where they face high tax rates and other constraints – including a less hierarchical structure of remuneration, as in Japan and Sweden – if their production activities depend on the presence of a shared social infrastructure and skills. The way out of this detrimental tax competition would appear, above all, to require introducing some co-ordination at international level. Instead of competing to attract mobile taxable activities, the countries of Europe should co-operate in devising a common tax framework applicable to corporate earnings and capital investments.

Mention should also be made of another important aspect of corporate taxation, namely the way it differs depending on whether it is being applied to SMEs (small and medium-sized enterprises) or to large companies. A report published in 2008 by the UK Trades Union Congress<sup>10</sup> estimated that the 700 largest corporations in the UK benefited from an effective tax rate that was 7.5% lower than the rate provided for by law (30%). In France, the authors of the study “Le taux de taxation implicite des bénéficiaires en France” – published by the French Treasury – calculated that, in 2007, the implicit tax rate for SMEs (between 10 and 249 employees) was 39%, whereas for undertakings with over 5 000 employees it was only 19%. SMEs accordingly pay proportionately more tax than big businesses. If this level of taxation is not applied in parallel with the establishment of collective services that aid the development of SMEs, then it can result in many smaller firms going bankrupt.

In simple terms, a large company can more easily avoid paying tax. Multinationals, in particular, can take advantage of incentives offered by different states and become adept at the fine art of tax avoidance, sometimes utilising the loose, opaque rules put in place by tax havens and non-transparent financial centres. While perfectly legal, this favourable treatment for big businesses undermines the stability of the tax system. To prevent families being squeezed by the combined impact of increasing taxes and falling wages, a comprehensive review of the tax

9 Riedl and Rocha-Akis (2009), “Testing the Tax Competition Theory: How Elastic Are National Tax Bases in OECD Countries?”, CESifo Working Paper Series No. 2669, available at [www.cesifo-group.org/ifoHome/publications/working-papers/CESifoWP.html](http://www.cesifo-group.org/ifoHome/publications/working-papers/CESifoWP.html), accessed on 13 December 2012.

10 “The missing billions: the UK tax gap” (2008), Touchstone Pamphlets, Trades Union Congress, available at [www.tuc.org.uk/touchstone/missingbillions/1missingbillions.pdf](http://www.tuc.org.uk/touchstone/missingbillions/1missingbillions.pdf).

system should be implemented, and, at the very least, the effective corporate tax rate should be brought as close as possible to that provided for by law.

#### Tax havens and the resulting loss of revenue

Due to its very nature, tax evasion is hard to measure. However, national statistics agencies can calculate the annual shortfall in public revenues attributable to tax avoidance and tax evasion. Estimating how much of this loss is due to tax havens is even more difficult.

In the United Kingdom, the annual tax loss is estimated to amount to at least €22.5 billion, of which €12.3 billion correspond to corporate activities and €10.2 billion to individual illegal recourse to tax havens.<sup>11</sup> In many other European countries, the sums also amount to billions of euros. France's *Syndicat unifié des impôts* (the union representing civil servants working for the tax administration) estimated the cost of tax evasion at approximately €45 billion

in 2006, while its German equivalent (*Deutsche Steuer-Gewerkschaft*) calculated that, in 2007, private individuals had holdings of an estimated €300 billion in tax havens, representing a revenue loss of about €50 billion per year. What is more, this amount does not include corporate tax evasion.

It is therefore clear that tax havens constitute a key obstacle to governments' efforts to raise the resources needed for funding infrastructure and services such as health care and education. The direct effect of tax havens is to offer tax-evaders the full benefit of the services and infrastructure existing in their home countries without contributing to their cost through the payment of taxes; in this way, they bring down the standard of living of other citizens by causing either higher taxation or lower-quality public services.

Having seen how taxation contributes (or fails to contribute) to resource redistribution, we can now move on to the second dimension of public finance: spending. Does it help ensure that resources are better distributed and does it bring about a reduction in poverty and inequalities?

### 5.2.2. Public spending

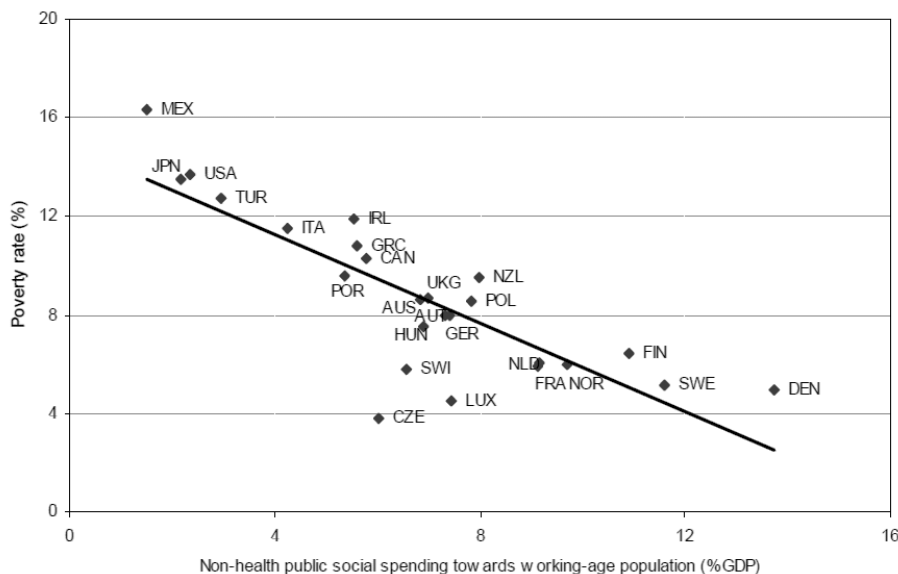
A study of the progressivity of public finance raises the question of the role that public spending plays in redistribution. Progressive spending should be geared to achieving greater equity of access and an extension of rights. The following pages address the general trend in public spending before examining monetary transfers and the distribution of shared public services. At the same time, the issues of the accessibility of services and benefits financed through public spending, in particular by immigrants, and disparities in the quality of the services provided to different social groups will be raised. We will ask whether the manner in which public funds are spent is conducive to a reduction in inequalities and a reinforcement of social cohesion.

It has been shown that there is a strong link between social public spending and poverty. The figure below shows that the poverty rate is inversely proportional to the level of public spending. In countries where non-health spending for the benefit of the working-age population is higher, the poverty rate is significantly lower. European countries are traditionally strong welfare states, guaranteeing their citizens unemployment benefits, pension schemes and other forms of social insurance. But what is the scale of this spending and what recent trends can be identified in this field?

As can be seen from data drawn from the OECD's Social Expenditure Database, in that organisation's member states, public social spending as a percentage of GDP rose from 15.6% in 1980 to 22.5% in 2009, but has since steadily decreased, falling by several percentage points in virtually all the countries concerned. To take this analysis further, it is necessary to look at the breakdown of this expenditure. The two main expenditure items in welfare budgets are retirement pensions and health care systems, which in Europe represent 7.9% and 6% of GDP, respectively. However, huge differences between countries can be noted. Italy, for example, devotes 14% of its GDP to pensions, while France and Austria spend almost as much (12%), and Iceland and Ireland have pension systems costing less than 4% of their GDP.

11 Murphy R. (2009), *The direct tax cost of tax havens to the UK*, Tax Research LLP, available at <http://www.taxresearch.org.uk/Documents/Tax-HavenCostTRLLP.pdf>, accessed on 13 December 2012.

**Figure 18: The link between relative poverty and social spending**



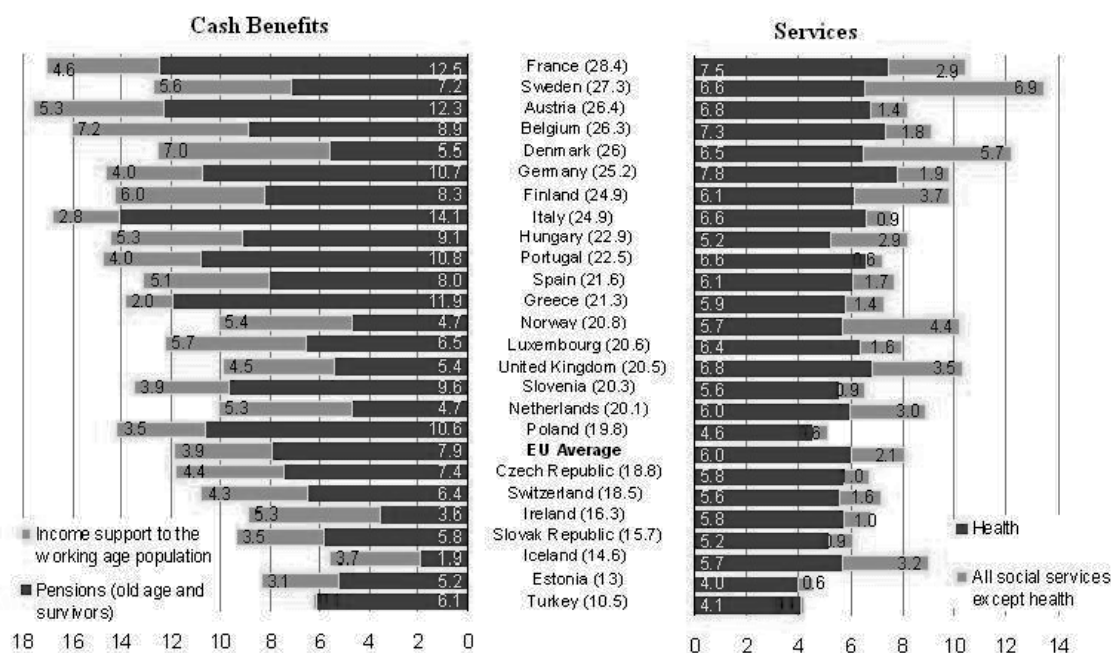
Source: Förster M. F. and Mira d'Ercole M. (2005), "Income Distribution and Poverty in OECD Countries in the Second Half of the 1990s", OECD Social, Employment and Migration Working Paper, No. 22, Paris.

Note: relative poverty is computed with reference to working age population as of the year 2000.

NB: Relative poverty is calculated for the working-age population using data for the year 2000.

The figure below highlights the marked disparities in services offered other than health care. On average, European countries allocate only 2% of GDP to these services, which include childcare and home assistance. Only in Scandinavia does spending on this type of public service exceed 4% of the country's wealth. It should be noted that, where the state does not provide services to the elderly, people with disabilities and families, recourse to informal or private care systems is higher, which can entail a risk of severely restricted or insufficient access to these services.

**Figure 19: European countries' social spending by policy area, as a percentage of GDP, since 2007**



Source: OECD Social Expenditure Database (SOCX), available at [www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure), accessed 14 December 2012

NB: The countries are ranked by decreasing order of social spending as a percentage of GDP.

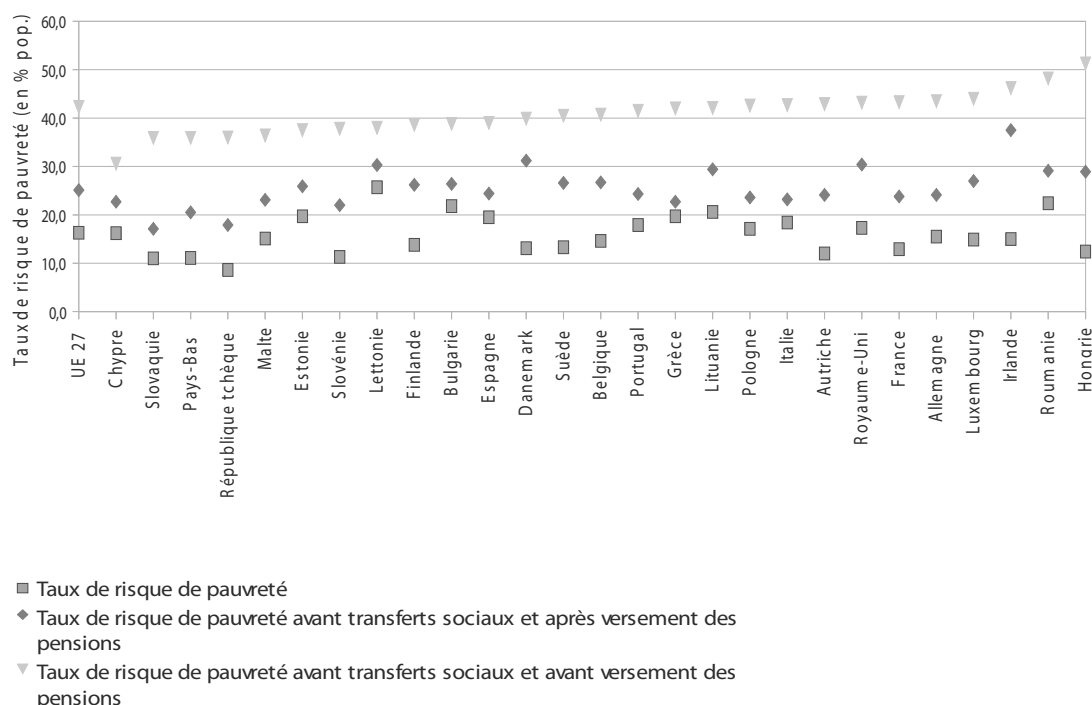
## ► Social transfers

Social transfers, whether monetary or in kind, are implemented by the public authorities in order to meet certain social objectives, such as facilitating access to housing, stimulating the birth rate by granting support for families or combating poverty in a more targeted manner through the conditional award of minimum welfare payments. Social transfers can be funded either via social contributions levied on income from work or through the general budget financed by tax revenue (direct and indirect taxes, for example).

Benefits may be payable under a social insurance scheme. In this case, their purpose is to allow those who have or had a job to obtain an income in respect of periods not worked (unemployment, retirement). These transfers are generally proportional to the income earned during the period of employment: someone who had a good salary will receive a higher pension than someone who worked for the same length of time but was paid less. This is therefore not so much a redistribution among different social groups, as a system of spreading earnings over time. In parallel with these transfers, a social assistance system exists whereby other benefits are payable to persons who are temporarily or definitively unable to obtain work. Minimum income systems exist in most EU member states, with the exceptions of Italy, Greece and Hungary.

In Europe, social transfers play a vital role in reducing relative poverty. If there were no pensions or social transfers, 42.3% of the population of the European Union would be living in poverty. Paying pensions makes it possible to reduce by 17.3% the number of people subsisting on a very small income. Social transfers decrease the poverty rate from 25.1% to 16.3%, a difference of 8.8%. These two types of transfers therefore make it possible to reduce by 26%, that is, by more than one quarter, the share of the population of Europe affected by poverty.

Figure 20: Effect of pensions and social transfers on the poverty rate (at 60% of median income)



Source: Eurostat, 2009, indicators: ilc\_li09 and ilc\_li10

However, in a context marked by the economic crisis and by austerity measures, there is a growing tendency to question the importance of these instruments in fighting poverty. Shrinking available resources and increasing demand (due to rising unemployment, for example) are leading public authorities to reinforce the conditionality of access to transfers. It is therefore becoming more difficult for individuals to benefit from them even where they are entitled to do so.

The targeted nature of benefits that seek to reduce poverty raises a number of questions as to the effectiveness of such measures.

As already mentioned, public spending cuts implemented against a background of flatter taxation have fostered the emergence of a more selective welfare model, one whereby, for persons at risk of poverty, access to benefits is dependent on means-testing and certain categories of recipients are targeted, for example. Although this model may sometimes succeed in protecting the very poorest in relation to other groups, it does nothing to alleviate inequalities, to raise the general level of economic security or to reinforce social cohesion. It undermines the legitimacy of rights by strengthening the perception that it is those suffering poverty who benefit from the economic system and, more broadly, from rights. Lengthy, over-bureaucratic administrative procedures impede access to rights, even where the person concerned is entitled to receive a transfer, and raise anew the issue of the “deserving” and “undeserving poor”, which merely reinforces categorisation and stigmatisation.

The limits of such means of combating poverty are even more obvious with growing insecurity in standards of living and rising poverty. Conventional types of transfers are only rarely suited to dealing with the situations engendered by new forms of economic insecurity, such as that affecting qualified young people who cannot find work. Requirements based on nationality and residence status also limit immigrants’ access to social assistance, although they are over-represented among those suffering poverty. But there are further conditions, some of which are mentioned in the box below. This all goes to show the need to rethink these mechanisms, which in fact hamper the capacity of social transfers to fight poverty.

#### Conditions of access to the minimum income<sup>12</sup>

The majority of European Union member states<sup>13</sup> provide for the payment of an amount guaranteeing a minimum income to those living below the poverty line. However, access to this type of transfer is far from automatic. Numerous conditions, varying from one country to the next, apply. These often concern the claimant’s nationality or residence status. In Austria, for example, Sozialhilfe is accessible only to Austrian residents, persons qualifying as refugees under the Geneva Convention, nationals of states with which Austria has concluded reciprocal agreements or foreigners granted equal status on the basis of treaties or EU directives. Denmark requires claimants of the Social Bistand to have been resident for seven out of the previous eight years.

Age is another criterion that determines access to the minimum income. In France, it is available to those under the age of 25 only on certain conditions, including the recipient having worked for at least two out of three years before claiming the benefit or being a single parent. Where there are no other income support measures, a strict age requirement is an impediment to young people’s full autonomy. This type of criterion can foster social immobility, whereas support for young people could help to break the intergenerational transfer of poverty.

Recipients of the minimum income often have to satisfy requirements relating to job seeking, vocational training or modifying their behaviour. These requirements are often combined in different ways from one country to another. In some cases, they may oblige recipients to accept any kind of job, even an underpaid one, or surrender all entitlement to the benefit. In Bulgaria, for example, before claiming benefits a job seeker must have been registered with the national

employment office for at least nine months and must not have turned down a job or training offer, subject to only a few exceptions (such as parents caring for a child under the age of three, persons with disabilities). This type of obligation can contribute to a devaluation of the work performed by recipients, who are forced to accept low-paid jobs, and, more generally, to growing economic insecurity through distorted employment market competition based on cheap labour.

The minimum income is usually means tested; in other words the claimant’s other financial resources and assets are taken into account. The items included in the calculation vary greatly depending on the country concerned. In Sweden, the authorities include all real property holdings, whatever their nature or origin, and may require a claimant to sell certain assets before any form of social assistance can be granted. Conversely, in Poland, real property is generally not taken into account, but if the level of earnings is clearly disproportionate to the material status of the person or the family concerned, access to benefits may be refused.

The list of conditions does not stop there. In Bulgaria, for example, persons who have refused to farm state or municipal land entrusted to them are not entitled to the monthly social assistance allowance. In Malta the claim must be made by the head of household. Sometimes payment is subject to other conditions, such as having a fixed address, attending a rehabilitation programme or suffering from certain illnesses.

These few examples illustrate the complexity of the conditions for access to the minimum income. This type of social transfer is far from being available to the population as a whole, and many people in situations of poverty but failing to satisfy the selection criteria may find themselves excluded.

12 The content of this text box is based in particular on the research work published by Vanda Pacheco under the title “Between the grasshopper’s phobia and the ant’s apology: active inclusion and minimum income schemes in Europe”, master’s degree thesis 2010, which won an award from the Jacques Delors European Information Centre.

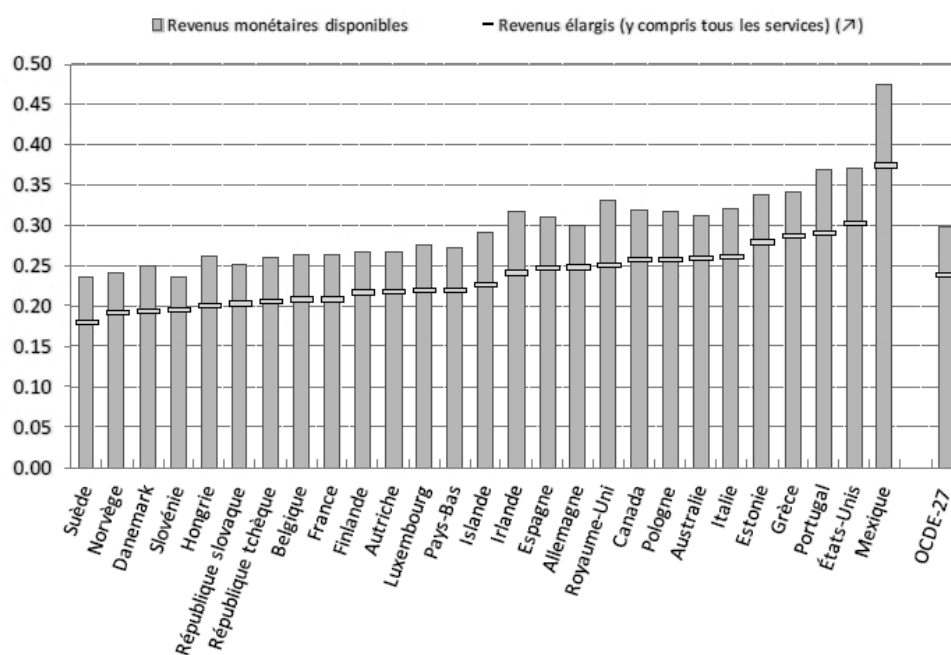
13 Only Greece, Hungary and Italy have no minimum income system.

## ► The role of public services in combating poverty and inequalities

A critical and more difficult issue for understanding the concept of progressivity in public finance involves the effects of public versus private ownership of services in relation to their role in ensuring the consolidation and equitable exercise of rights.

Although some indicators seek numerically to assess the contribution of services such as health and education, it remains difficult to measure the impact which having access to quality care, a fair education system or even effective and cheap transport systems can have on poverty and inequalities. This leads policy makers and institutions to underestimate the role of public services in combating poverty and inequalities and in social cohesion. The OECD therefore decided to translate access to certain public services (education, health, social housing and care services) in income terms. It came to the conclusion that on average, at the end of the 2000s, benefits in kind had reduced income inequalities by a fifth in its member countries.<sup>14</sup>

Figure 21: Household income inequality (Gini coefficients) before and after accounting for services from education, health, social housing and care services, 2007



Source: OECD (2011e), *An Overview of Growing Income Inequalities in OECD Countries: Main Findings*, op. cit, p. 39.

The existence of a public service can enable people experiencing poverty to acquire certain “capabilities”. However, this does not in itself ensure effective access for everyone. The benefits that the service procures are not always equally divided within society. For instance, the redistributive effect of state education differs depending on whether it is primary, secondary or higher education that is concerned. It is more equally divided among the population in the case of compulsory education (primary and secondary), while higher education is often the privilege of higher-income households, with access being highly dependent on social background. Analysis of the social background of school pupils and students shows, for instance, that in France the children of manual workers, the economically inactive and salaried employees make up the majority (56%)<sup>15</sup> of first-year secondary pupils, but only just over a third of undergraduates (38.9%).<sup>16</sup> The existence of universities with low enrolment fees does not therefore automatically ensure equal access for all. This example shows that it is important for everyone to have equal access to high-quality services from an early age. Universal access to education is not enough in itself to reduce inequalities if the quality of the teaching received depends largely on parents’ spending power.

14 OECD (2011e), *An Overview of Growing Income Inequalities in OECD Countries: Main Findings*, OECD Publishing, Paris, p. 19, available at <http://www.oecd.org/els/socialpoliciesanddata/49499779.pdf>.

15 Ministry for National Education, quoted in “Les inégalités en France”, *Alternatives économiques*, special issue, pp. 34-36. Data for 1995.

16 Ibid. Data for 2006-07.

### Public services and the right to education

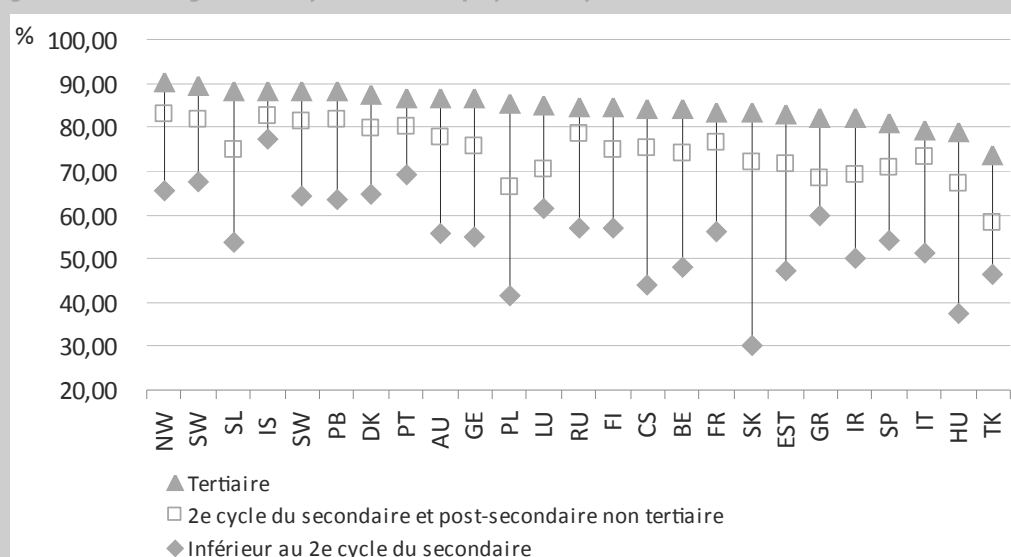
If we follow the analogy of progressivity in both the narrow and broader sense, there are two types of right to education that fall within the purview of public finance. The first is a right to state education, the second is a right to an equal quality of education.

The key issue here then is not the pay structure, but prior factors that affect the nature of the link between education and job opportunities. We are assuming that a key source of the growing inequalities in wages lies in skills hierarchies (as in the highly globalised financial sector). As mentioned above, even though the crisis and the growing number of young undergraduates have devalued higher

education degrees, people who complete higher education find employment more easily and earn higher average salaries.

To promote equal access to quality education, it is necessary as part of a progressive budgetary policy to pursue two objectives: firstly, increase the share of GDP spent on education and, secondly, fund the corresponding investments through greater progressivity. More progressive public finance as defined at the start of this chapter can ensure the viability of education as a shared institution. In limiting access to parallel education structures dependent on users' ability to pay, reducing income inequality would enable more resources to be allocated to state education, thereby improving its quality.

Figure 22: Percentage of 25-64-year olds in employment, by level of education (2009)



Source: OECD (2011b), *Education at a Glance 2011*, *OECD Indicators*, OECD Publishing, available at <http://dx.doi.org/10.1787/eag-2011-en>.

As indicated at the start of this guide, education levels in Europe are still largely determined by parents' social backgrounds. In countries such as the United Kingdom, it is pupils from fee-paying independent schools who have the best chances of entering the highest-paid professions. This can mainly be put down to the coexistence of a private education system, through which parents pay for

access to quality, and a state system of varying quality. In contrast, in the Scandinavian countries, which are often held up as examples, low-income families have free access to an education system of a more uniform quality. The universal nature of access to and the quality of education in those countries helps to build more mobile societies, which facilitates a greater social mix and promotes social cohesion.

### ► Services, public spending and selective choices

In terms of the progressive intent of public finance and its effects on employment equality, two aspects are worth noting: the low cost and high impact on employment policy of smaller items of public spending. Examples of the vulnerability of employment spending in general are the cuts (as a share of GDP) in public spending on training and job creation that have spread across Europe since the beginning of the 2000s. At the same time, the gap between the highest and lowest spenders is also wider than ever before (*OECD Employment Outlook*).<sup>17</sup> In 2000, Denmark's spending as a share of GDP was 4.3 times higher than the UK's. In 2007, it was 20.4

17 OECD (2011c), *OECD Employment Outlook 2011*, OECD Publishing, doi: 10.1787/empl\_outlook-2011-en.



times higher. The move towards selectivity has reduced public capacity to offer genuinely universal services. In their place, we are witnessing the emergence of more hierarchical, two-tier services, with public services at the bottom and private services at the top.

Against the background of a widening gap in relation to private services, public services are becoming mechanisms for regenerating poverty and exclusion by underscoring the “difference” of people experiencing poverty – sometimes very visibly. In the United Kingdom, it was decided in 2000 that children would in future be entitled to state dental services (extractions, braces) only if the treatment was deemed “non-cosmetic”. At around the same time, the press reported a statistically significant rise in dental extractions among adults in the state system, seen as a possible outcome of the new contracts concluded between the state health system and dentists (increasing numbers of whom are private practitioners), which give them incentives simply to extract teeth. Previously this would have been a last resort when the teeth could not be saved by other, more expensive means.

The point is that this process of downscaling of services is occurring against the background of a booming private health sector in which other groups can pay to continue enjoying services that had come to be expected and enjoyed (in the public realm) by people experiencing poverty and the lower middle classes. It is worth noting that while the United Kingdom has very good scores on a number of health care provision indicators, it also has a system where the contributions levied on earnings contribute the most to health inequality.<sup>18</sup>

The use of a business model based on cost containment has tended to widen the differences in terms of the ability of people experiencing poverty and the better off to obtain the desired services. The ability to pay gives not only better quality of service, but also quicker and more secure access to basic health services. Although access to a state dentist is a right in the United Kingdom, there are waiting lists of months and even years in many areas, leaving the public effectively unable to exercise the right. Similarly, as health centres (groups of general practitioners) have been granted considerable administrative autonomy, it is not uncommon or even regarded as inappropriate for patients who cause problems (typically by missing appointments) to be struck off, even though it is well known that repeatedly missing appointments may well be a sign of distress or, indeed, one of the psychological effects of poverty. When a person is struck off a general practice list, it is up to him or her to find an alternative.

#### The “care ethic”

Some researchers postulate a sort of original right of all individuals to give and to receive care at every moment and in every condition of human life.<sup>19</sup> Nevertheless, traditionally caring was removed from the public arena and considered a woman’s “duty” to be performed in the domestic sphere. Nowadays, however, population ageing, advances in medicine – resulting in longer life expectancy (including among the ill) – and a general trend towards deinstitutionalisation have increased the number of those needing home-based care.

Nevertheless, over the last 20 years, the welfare system has proven largely incapable of providing care services and enabling people to reconcile work and family life, especially in southern European countries. The fact that the system usually only pays allowances has also helped sustain the idea of caring being a “family matter” and, consequently, the model of dependency and responsibility that it is supposed to reverse. In most European countries,

the prevailing view – although it is not voiced openly – still remains that families and, in particular, women are responsible for performing private, unpaid care work. Moreover, this is happening in a context in which the crisis is leading to smaller families and increasing employment insecurity and mobility among the young who, under this traditional system, are supposed to provide the relevant family care.

This all means that women often find themselves having to reconcile paid employment (which is usually more of an economic necessity than a response to a desire for emancipation) with care duties, which are still influenced by the traditional gender-based breakdown of roles. This obligation – often impossible to fulfil in the absence of alternatives provided by the public sector – means that some of the tasks from the informal family network are delegated to migrant women who, in turn, have to delegate the care of their children, husbands and parents.

This new type of female migration caused by the commodification and delegation of care

18 Hernández-Quevedo, C., Masseria C. et Mossialos, E. (2010), “Social Determinant of health in Europe” in Atkinson A. and Marlier E., *Income and living conditions in Europe*, Eurostat Statistic Books, Luxembourg, p. 208.

19 See, for instance, Bubeck D.E. (1995), *Care, gender and justice*, Clarendon Press, Oxford.

has mass characteristics and is generating new types of gender and intergenerational family relationships, as well as new models of welfare, against a background of far-reaching economic and social changes, including in countries affected by the “care drain”. The commodification of care work is based on the so-called “global care chain”,<sup>20</sup> a paradoxical system in which women transfer care-giving tasks to other women from the other end of the world, upsetting the balance of emotional interactions as a further consequence of global social injustice.

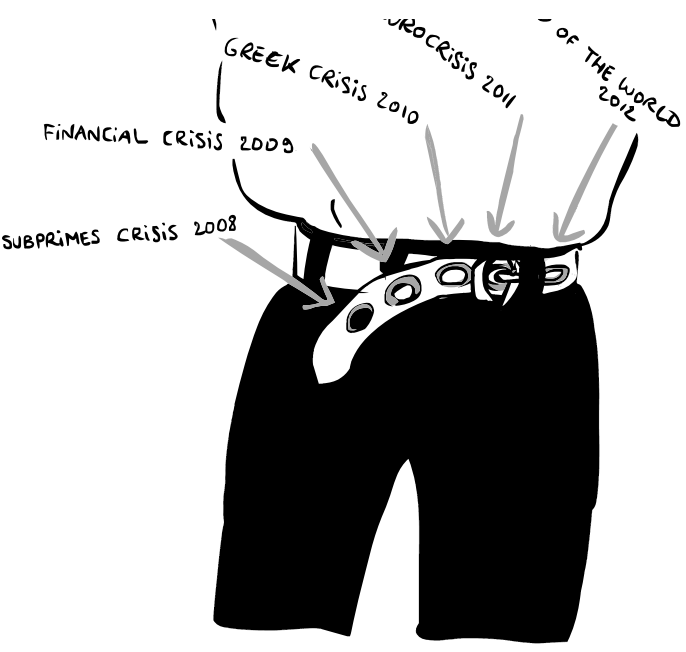
Public services can therefore play a vital part in combating poverty. However, this depends to a large extent on the way in which access to them is ensured: if their quality largely depends on the financial resources of the users, they cannot help reduce inequalities; at best, they can have a palliative effect in situations of extreme poverty. An effective poverty reduction policy must therefore seek to ensure that the entire population has equal access to high-quality services. As underlined in the first chapter, by reducing inequalities, such a policy would be of benefit to everybody.<sup>21</sup>

### 5.3. Reviewing political decisions on public finance

► **Austerity measures as a threat to welfare**

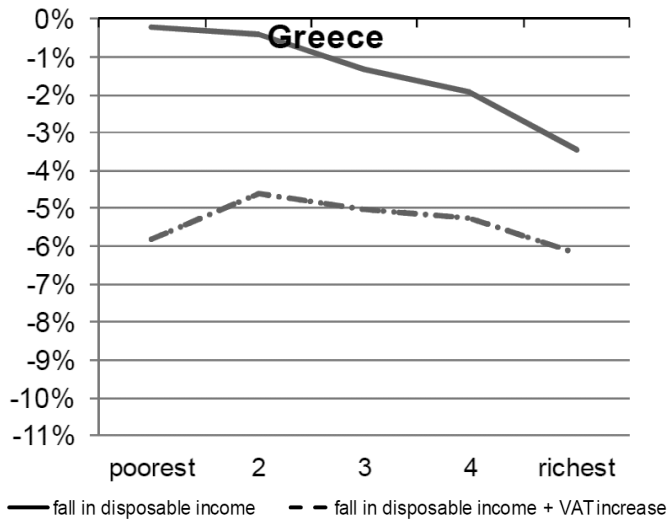
“Austerity” was declared the concept of the year in 2010 and is still in fashion today. Although the term is very popular, the exact content of the austerity packages is often not fully clear to the public, as it differs from country to country and is sometimes related to increased taxation, but mostly to cuts in public spending. In fact, a vast array of measures comes under the heading of austerity.

Now that sovereign debt is the central concern of European governments, deficit-cutting measures are advocated by both left and right-wing parties as the way out. Just as there are several ways of reducing public spending, there are several ways of implementing austerity measures. As a rule, efforts to reduce the cost of policies, rein in military budgets and generally rationalise expenditure across all tiers of government are to be welcomed. Unfortunately, the most common approach to austerity is to reduce social welfare spending through cuts in pensions, health care, education and social transfers and, in some cases, in civil servants’ pay. The table below summarises the austerity packages of some European countries as in 2010. It can be seen that countries predominantly opted for spending cuts, which accounted for over 50% of the austerity programmes in all cases.



20 Hochschild A.R. (2000), “The Nanny Chain”, *The American Prospect*, Vol. 11 No. 4.  
 21 Wilkinson and Pickett (2009), op. cit.

Figure 23: Austerity in numbers: spending cuts and revenue increases



Source: Heirse and Lierse (2011), *Budget consolidation and the European social model. The effects of European austerity programmes on social security systems*, Friedrich Ebert Stiftung Study.

On the revenue side, there are differences regarding corporate and income taxes. Germany, Greece and Iceland decided to increase corporate taxation, while the United Kingdom, Estonia and Latvia opted to favour business by reducing it. At the same time, most countries have relied heavily on indirect taxation by increasing VAT. This has sometimes involved changes in the application criteria: in Greece, the government announced that some food and soft drinks would no longer be taxed at the lower VAT rate of 13% but at the standard 23%; in Spain, many goods were reclassified from the reduced to the standard rate. A recent study by Callan et al.<sup>22</sup> analysed the distributional effect of these changes in indirect taxes dictated by “austerity”. After assessing the reforms of six European countries (Estonia, Greece, Ireland, Portugal Spain and the United Kingdom), they concluded that when the VAT reforms are taken into account, the overall impact of the austerity measures is more regressive. The case of Greece is particularly telling. The chart below shows that the impact of the VAT increase is much greater on the bottom two income quintiles.

Figure 24: Distributional effects of austerity reforms in Greece, with and without VAT



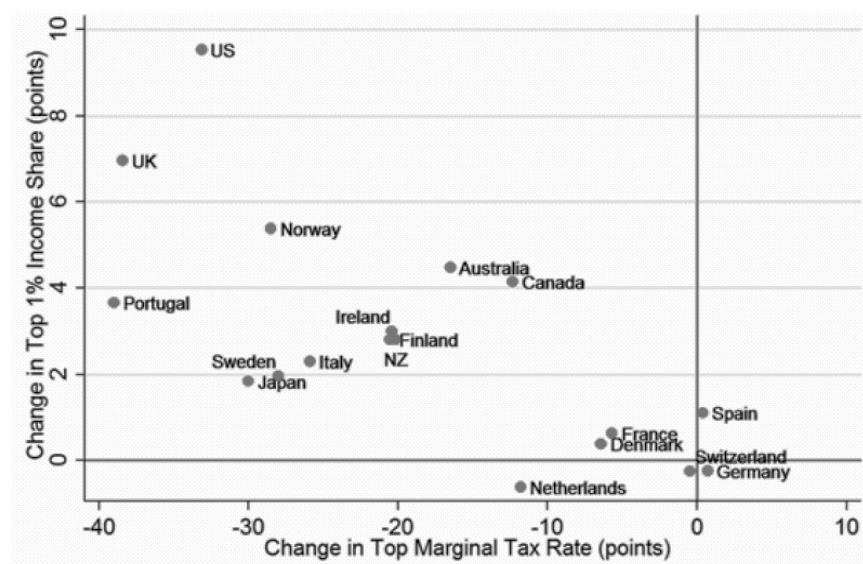
Source: Callan et al. (2011), *The distributional effects of austerity measures: a comparison of 6 EU countries*, EUROMOD working document, EM6/11.

NB: Income quintiles on the horizontal axis and variation in disposable income on the vertical. When account is taken of the austerity measures affecting direct taxes, cash benefits and public-sector pay (the bold line), the overall distributional effect is progressive in the sense that the disposable income of the richest income quintile decreases by 3.5%, while the poorest quintile suffers a loss of only 0.2%. However, when the VAT increase is also taken into account, the picture changes dramatically, as the top and bottom quintiles are equally affected with about a 6% loss in disposable income.

22 Callan T. et al. (2011), *The distributional effects of austerity measures: a comparison of 6 EU countries*, EUROMOD working document, EM6/11.

It is very difficult to grasp the real impact of tax increases or public spending cuts across countries. Reforms differ substantially in the way they affect citizens: the negative numbers for the United Kingdom, for instance, indicate a reduction in taxation of both incomes and businesses; however, the declining revenues from income tax favoured the better-off and are therefore regressive in nature. Moreover, the austerity measures adopted so far have not succeeded in calming down concerns about debt sustainability. In some cases, they caused an economic slowdown and worsened the conditions of the people exposed to the risk of poverty. Several analytical studies<sup>23</sup> point out that austerity measures are far from being a panacea for the market or a boost for our economies, and commentators are increasingly sceptical about the justification for further cuts in welfare systems or additional rises in indirect taxation. According to research done in this area, austerity measures do not fundamentally change long-term economic prospects and do very little to remedy the current situation. The benefits definitely do not outweigh the sacrifices imposed on the population.

Figure 25: The relationship between austerity and growth



Data: Eurostat. Source: Krugman P., "Blunder of blunders", New York Times Blog, op. cit.

NB: Changes in real government consumption as a share of initial real GDP on the horizontal axis represent a measure of austerity. The graph shows the relationship between changes in government consumption, taken as a proxy for austerity, and GDP variations. If citizens could rightly feel that their sacrifices would deliver the promised results in terms of national wealth, we would expect negative variation in consumption, such as in Greece, Ireland and Latvia, to be related to positive economic outcomes. But that is not the case.

Rating agencies themselves make it clear that austerity alone is not sufficient to balance public finances, as shown in the following surprising comments made by Standard & Poor's after a downgrade of several European countries: "A reform process based on a pillar of fiscal austerity alone risks becoming self-defeating, as domestic demand falls in line with consumers' rising concerns about job security and disposable incomes, eroding national tax revenues." Increasing disposable income and sustaining domestic demand is exactly the opposite of what the Italian, Spanish and Greek governments have been doing. Although they are implementing rigorous measures to consolidate their budgets, their debt ratios are still alarming and doubts about the sustainability of their debt keep growing. The Mediterranean countries are not alone in opting for fiscal austerity, however. Ireland, Latvia and Estonia implemented savage spending cuts, but still have depressed economies or face a risk of default.

According to Professor Charles Wyplosz,<sup>24</sup> "adopting contractionary fiscal policies in the teeth of a double-dip recession never made sense". There is no need to prove the point, as clear historical

23 See Cafiso G. and Cellini R. (2012), *Evidence on fiscal consolidations and the evolution of public debt in Europe*, SSRN eLibrary, available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2011869](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2011869), accessed 14 December 2012; DeLong and Summers (2012), *Fiscal policy in a depressed economy*, available at [www.brookings.edu/~media/Files/Programs/ES/BPEA/2012\\_spring\\_bpea\\_papers/2012\\_spring\\_BPEA\\_delongsummers.pdf](http://www.brookings.edu/~media/Files/Programs/ES/BPEA/2012_spring_bpea_papers/2012_spring_BPEA_delongsummers.pdf), accessed 14 December 2012; and Krugman P., "Blunder of blunders", *New York Times Blog*, 22 March 2012, available at <http://krugman.blogs.nytimes.com/2012/03/22/blunder-of-blunders/>, accessed 14 December 2012.

24 Wyplosz C., *The coming revolt against austerity*, 2 May 2012, available at [www.voxeu.org/article/coming-revolt-against-austerity](http://www.voxeu.org/article/coming-revolt-against-austerity), Centre for Economic Policy Research (www.CEPR.org), accessed 14 December 2012.

evidence abounds, ranging from the 1982 developing country debt crisis through the 1994 Mexican crisis to the 1997 Asian crisis, not to mention the 1998 crises in Russia and Brazil and the 2002 crisis in Argentina. In all these cases, governments decided (or were called upon by international monetary institutions) to cut “unproductive” spending in order to run budget surpluses. Imposing huge economic and human costs in the very middle of a recession did not help the recovery; it only made things worse. By increasing liquidity provision, guaranteeing banks’ debts and making capital injections, governments ended up transferring private risk into public budgets. According to some estimates,<sup>25</sup> western countries experienced an average rise of 20% in their debt, with an additional 20% expected by 2015. Any just government therefore has a duty to find a different way to tackle the crisis.

### Iceland says no to fierce austerity

There is, however, one country in Europe that decided that austerity was not the way to go. To quote the Welfare Minister, Guðbjartur Hannesson, Iceland “puts people’s welfare first during the crisis”. For Iceland, keeping the welfare system operating has remained the key objective in recent years, so the authorities have sought to limit budget cuts and find other sources of funding.

After several years of aggressive market-oriented policies, the country’s financial situation was very serious. With flat income tax, tax on capital gains and financial income of only 10%, and corporation tax reduced from 50% in 1989 to 30% in 2001 and then 18% in 2002, Iceland was a paradise for business and banks until debt peaked at 15 000 billion Icelandic kronur (€85-90 billion), or roughly 10 times the state budget.

The new government appears to have learned its lesson and has abandoned the supply-side approach (see section 5.3.2.) to re-establish a Scandinavian-like welfare state economy. Unlike other European countries, Iceland operates a pension system designed to protect the lowest pensions against the risk of inflation and material deprivation. In 2009, the minimum state pension was increased by 20% and at the same time, tax on pensions was reduced for the most vulnerable groups, whereas people on average to high pensions saw a slight cut in their monthly payments.

Moreover, the new pro-welfare measures include i) inflation-linked loans, which safeguard small borrowers; ii) a vocational rehabilitation fund, which helps people with disabilities to enter the labour market; iii) the Housing Financing Fund *Íbúðalánasjóður*; and iv) an education fund for training and skills development aimed at reducing youth unemployment and offering young people adequate technical training.

In addition to these measures, Iceland introduced a progressive, three-bracket tax system, raised capital gains and alcohol and tobacco taxes and adopted a wealth tax.

As reported by Heise and Lierse (2011),<sup>26</sup> the Icelandic Government also made cuts in welfare expenditure and raised VAT; however, the package remains largely progressive and is designed to prevent growing income inequality. Child benefits and old-age and invalidity pensions have been hit, but the cuts mainly affect high-income groups with the result that the living standards of low-income groups have remained largely unaffected.

Although the country’s small size and relatively low population compared with the European average may have facilitated this approach to economic policy, if set against the stagnation of most European countries, the 3.1% economic growth recorded last year in Iceland is quite a laudable achievement and shows that sheltering the welfare system even has a positive effect on GDP growth. Moreover, the outlook is for continuing growth in 2012 and 2013.

## ► Limiting the capacity to collect taxes: supply-side economics

Economists, commentators and even comedians have found several ways of defining supply-side economics. Some label it voodoo economics and others trickle-down economics or, more simply, Reaganomics. Supporters of these economic approaches argue that an increase in the incentives for the production of goods and services achieved by lowering the top rates of income tax, capital gains tax and corporate tax boosts growth and output for the benefit of all. Tax cuts for those at the top of the income scale will release a wave of entrepreneurship that creates jobs for those at the bottom. There clearly is a revival of the trickle-down economics that was implemented in the United Kingdom and the United States in the 1980s under the Thatcher and Reagan governments. It is, however, a myth to claim that the fiscal favours granted to the rich at the time had a beneficial effect, and it would be even riskier and still unfair to implement policies of this kind now that minimum wages have not even been keeping up with inflation for years.

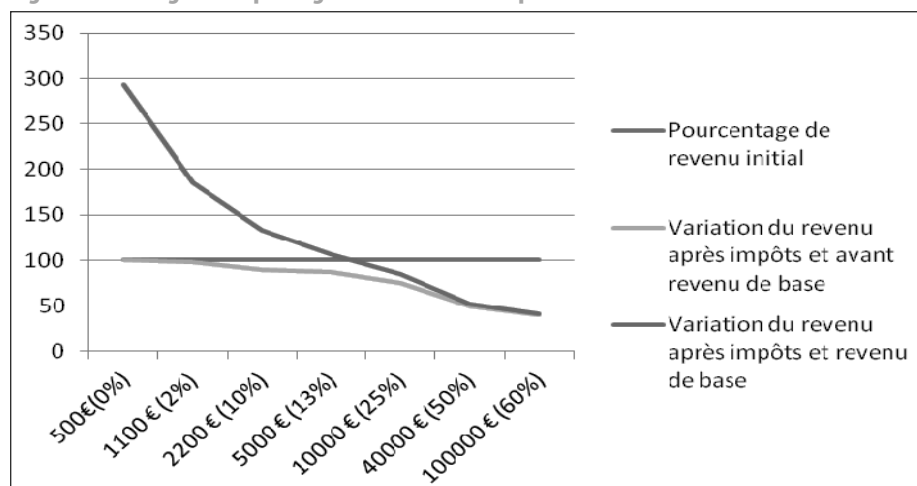
25 IMF (2010), “Navigating the fiscal challenges ahead. Fiscal monitor”, *World Economic and Financial Surveys*, available at [www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf](http://www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf), accessed 14 December 2012.

26 Heise A. and Lierse H. (2011), *Budget consolidation and the European social model. The effects of European austerity programmes on social security systems*, Friedrich Ebert Stiftung Study, available at <http://library.fes.de/pdf-files/id/ipa/07891.pdf>, accessed on 13 December 2012.

In the United States and the United Kingdom, it proved difficult to establish a causal link between tax cuts and growth. What is true is that the boost to GDP was not strong enough to offset the fall in public revenues due to the tax cuts. US public debt as a share of GDP rose from 26% in 1980 to 41% in 1998, while the rich grew richer. The income share going to the top 5% of households rose from 16.5% to 18.3% during the period from 1980 to 1988, whereas the share going to the bottom fifth dropped from 4.2% to 3.8% over the same period. In other words, tax cuts for the wealthiest households increased the well-being of those who were already better off at the expense of the poorest and low-income earners on the one hand, and of future generations on the other (public deficits being a tool for deferring the effects of the debt burden).

A recent study by Piketty, Saez and Stantcheva<sup>27</sup> provides further evidence of the unsuitability of top-rate tax cuts. They note that, since 1975, tax cuts have increased inequality in resource distribution, and furthermore find that there is no evidence of a link between cuts in top marginal tax rates and GDP growth. Conversely, those countries that substantially cut top marginal tax rates have also experienced increased concentration of income among the mega-rich.

Figure 26: Changes in top marginal tax rate and top 1% incomes



Source: Piketty T., Saez E., Stantcheva S. (2011), op. cit.

NB: The graph shows the correlation between the change in the top 1% pre-tax income shares against the change in top marginal income tax rates from 1975 to 2008 for 18 OECD countries.

Statistics show clearly that reductions in top marginal rates are not positively correlated with per capita growth. Using sophisticated economic models to justify tax cuts for high earners should no longer be an option. Moreover, even if supply-side economics is always unfair and puts social cohesion at risk, it is easier to reduce tax rates at the top of the income scale when real incomes are rising for the whole of society because of favourable economic prospects. In contrast, it is politically unacceptable to implement supply-side economic policies when average-income households have been experiencing substantial falls in net incomes for the last four years and there is a general deterioration in the economic situation.

#### The neglected inter-temporal perspective

In periods of economic boom, rising profits make increasing inequality more acceptable because earnings and living conditions improve even for those at the bottom of the scale. Even if the improvements in the well-being of the poorest are disproportionately small alongside the great gains of the wealthy, there is no public outcry since everyone is better off.

Since the incomes of both individuals and businesses increase during periods of economic prosperity,

revenues increase in line with economic output, but the use made of the new resources often has harmful effects. They are usually used to grant tax cuts to companies and extend tax exemptions and credits for the middle classes, with mixed redistributive results.

During recessions, however, emphasising the supply side is likely to sideline concerns about the increase in the number of people affected by poverty. Redistribution ceases to be a political priority. If governments fail to amass revenues and redistribute them in times of economic prosperity, how can they

27 Piketty T., Saez E., Stantcheva S. (2011), op. cit.

hope to tackle worsening social conditions in times of crisis? Although public finance is not failing in this respect now, it mostly did so in the late 1990s and mid-2000s, when low corporate tax rates and flat tax schemes skewed economic growth even more in favour of the rich. In short, the state should operate as an insurance company for society, saving in times of economic expansion so as to be able to sustain decent living conditions during downturns.

Even those governments that are willing to tackle poverty properly may not always have adequate resources for targeted government spending,

to increase transfers or to lower tax rates for low-paid workers. The sovereign debt crisis and the Maastricht criteria are limiting recourse to deficit financing and the only way to raise revenues for implementing redistribution is through increased taxation. Since the burden of taxation is easier to bear in times of expansion, tax levels should increase with growth. Redistribution, and not only Keynesian government spending, should be adopted as a counter-cyclical tool to ensure social justice and avoid excessive hardship among people experiencing poverty and impoverished middle-class groups during recessions.

### ► Restricting equal access to quality services: health and social protection for migrants

Access to quality public services or even to public services of any kind is far from equal for all sections of the population. The groups for whom access is most difficult include migrants. The welfare services and benefits that could protect them from poverty are only available if their administrative status allows it. However, the tightening up of administrative requirements in recent years has made access to social rights more difficult for this group, including nationals of other EU member states. To give the example of France, until the end of 2007, persons experiencing poverty from other EU countries were entitled to basic and supplementary “universal health cover” (CMU). That same year, which saw the accession of Romania and Bulgaria to the European Union, a government circular ruled that such cover was not applicable to Europeans who were not in employment and did not entitle them to reside in the country because they did not have “sufficient resources”. In particular, this restriction has affected Roma groups from the two newest EU member states, who are now entitled only to “state medical assistance” (AME), the basic health cover of poor undocumented migrants, which is subject to many conditions.<sup>28</sup>

EU member states are, in principle, responsible for the social protection policies which they implement. They also determine the conditions of entitlement to social security and social assistance for migrants from third countries. Although there is a European Directive dating from 2003,<sup>29</sup> under which third-country nationals residing in Europe for over five years must enjoy equal treatment with nationals (except in the United Kingdom, Ireland and Denmark), in the case of third-country nationals whose residence permits are for less than five years, entitlement to social protection remains subject to requirements concerning nationality and type of residence permit.

#### Examples of restrictions on access to social protection for third-country nationals

##### Ban on recourse to public funds:

In the United Kingdom, most holders of short-term residence permits are required to “have no recourse to public funds”. Moreover, many holders of residence permits of unlimited duration are also subject to this restriction and are therefore excluded, among other things, from entitlement to housing benefits or council tax rebates.

##### Requirement to have a permanent work permit:

In Germany, the federal parental allowance (*Bundeselterngehalt*), which is of significant benefit to

families during the first 12 to 14 months of a child’s life, is not available to third-country nationals – from outside the European Economic Area and Switzerland holding residence permits that do not entitle them to work, to short-term work permits nor student permits.

##### Minimum residence requirement:

In Spain, the *Renta Garantizada de Ciudadanía* (guaranteed citizen’s income) is available to nationals of other member states and third countries only if they have been registered as legal residents in a Spanish municipality for at least 24 months before making an application. Migrants in the country unlawfully are therefore unable to apply.

28 Observatoire français du droit à la santé des étrangers (ODSE), available at [www.odse.eu.org/Projet-de-loi-des-finances-2011](http://www.odse.eu.org/Projet-de-loi-des-finances-2011), accessed 14 December 2012.

29 Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents.

**Permanent residence requirement:**

In Spain, the *Renta Básica de Emancipación* (basic emancipation income), which provides financial assistance for young people renting accommodation,

is restricted to nationals of Spain or to member states of the EU or the EEA and holders of permanent residence permits, which rules out nationals of countries outside the EEA holding temporary residence permits.

The situation of asylum seekers and refugees is again different. A 2003 directive,<sup>30</sup> laying down minimum standards for the reception of asylum-seekers, requires member states to create conditions to ensure them a dignified standard of living and comparable living conditions in all member states. However, a report by the European Commission<sup>31</sup> found that the minimum standards laid down in this area were often not complied with, and that the main shortcomings in relation to the directive are the financial allowances paid to asylum seekers.

The migrants who encounter the greatest obstacles in access to health care and social protection, however, are “undocumented” migrants.<sup>32</sup> While they may belong to the population groups most affected by exclusion and marginalisation in European societies, undocumented migrants all too often go unnoticed by policy makers and are rarely mentioned in action plans for social inclusion. As a rule, they are entitled to medical care of a lower standard than that enjoyed by the rest of the population. Given the tightening up of migration policies and the lack of social protection, it is often civil society that steps in to ensure that migrants’ fundamental rights are safeguarded. It should also be noted that the increasing number of legislative measures designed to encourage welfare service personnel to report undocumented migrants to the authorities or to prevent citizens from helping them are a major obstacle to the full exercise of their fundamental rights.<sup>33</sup>

The health conditions of undocumented migrants held in detention centres also give cause for concern. Detention makes them particularly vulnerable and there are serious concerns about their situation, especially in detention centres around the Mediterranean. In Malta, the NGO, Médecins sans Frontières, suspended its emergency medical activities in detention centres in 2009 after asking the authorities to improve living conditions and health services there (it spoke of overcrowded centres, men, women and children being forced to share communal living areas, a lack of beds, broken windows and deplorable sanitary conditions).<sup>34</sup>

**Obstacles to access to care for undocumented migrants****France: a “solidarity” offence which equates support to people smuggling**

In France, Article 622-4 of the Code on the Entry and Residence of Foreign Nationals and the Right of Asylum establishes an offence and introduces penalties for anyone who “facilitates the reception, movement or residence of migrants present unlawfully”. Although initially introduced in order to combat networks of people smugglers, the “solidarity offence” may be extended so widely that the guarantees of immunity protecting close relatives and, in some circumstances, voluntary associations appear very weak. While the law has only rarely led to convictions, it intimidates voluntary sector associations, which are hindered in carrying out their tasks, and discourages indi-

viduals who would like to help undocumented foreigners.

**Italy: negative interplay between parliamentary debate and access to care**

During the parliamentary debate in Italy in 2009 regarding the bill on security, some senators from *Lega Nord*, a political party often described as populist or xenophobic, proposed the adoption of a measure requiring health-care professionals to report migrants who were in the country unlawfully. After being strongly condemned by a number of civil society organisations and several members of the majority party, the proposal was finally rejected. However, the debate had serious repercussions: a survey conducted by the Italian NGO, EveryOne,<sup>35</sup> in several hospitals in Rome and Milan showed that many migrants had chosen not to seek treatment out of fear of being reported (a 75% fall in attendance was recorded in one of the hospitals in Milan).

30 Council Directive 2003/9/EC of 27 January 2003 laying down minimum standards for the reception of asylum seekers.

31 Commission of the European Communities, *Report from the Commission to the Council and to the European Parliament on the application of Directive 2003/9/EC of 27 January 2003 laying down minimum standards for the reception of asylum seekers (COM/2007/0745 final)*, Brussels, 26 November 2007, OJ L C 55 of 28 February 2008.

32 PICUM (Platform for International Co-operation on Undocumented Migrants) (2010), *PICUM's main concerns about the fundamental rights of undocumented migrants in Europe*, Brussels.

33 The health of undocumented female migrants gives particular cause for concern. It is essential to ensure that female migrants have full access to maternity and infant health care. See BMC Public Health (2008), *Undocumented migrants lack access to pregnancy care and prevention*. Geneva, March 2008.

34 Médecins sans Frontières (2010), *The impact of detention on migrants' health*, Brussels, January 2010.

35 “Il 15% degli immigrati rinuncia alle cure”, *Micromega*, available at <http://temi.repubblica.it/micromega-online/il-15-degli-immigrati-rinuncia-alle-cure/>, accessed 14 December 2012.



## 5.4. Concluding remarks on redistribution policies

In this chapter, we have analysed the role that existing redistribution policies play in combating inequalities and considered the extent to which they ensure the material security needed for democratising rights. Attention has been drawn to some of the main limitations of the current redistribution system.

As far as taxation is concerned, the reforms recently introduced in Europe have tended to increase the pressure on the most vulnerable groups and small companies (VAT rises, greater taxation on labour than on other sources of income, and so on) whereas the tax obligations of the wealthiest groups and major companies seem to have been reduced (tax deductions, introduction or lowering of social security contribution ceilings, tax reductions for major corporations, etc.). These changes have led some researchers to condemn the regressive nature of the tax systems of several European countries.

With regard to public expenditure, drastic cuts seem to be the norm. In most European countries, policy makers have chosen to respond to the crisis by cutting back on social security and public services (such as health and education). This is generally reflected in more conditional measures being placed on assistance and in the limitation of access to adequate public services. People experiencing poverty – especially Roma and migrants – therefore largely find themselves excluded from these benefits and services. Yet universal access to high-quality services is one of the key steps to moving society towards less inequality and greater internal mobility. As many commentators have shown, and as has been pointed out throughout this chapter, a consolidated social welfare system and a progressive public finance system are not at all at odds with balanced economies. On the contrary, a sustainable social model requires low levels of inequality and the guarantee of universal access to dignified living standards. It is therefore vital to reconsider the political choices made over the last 30 years and, more particularly, in response to the 2008 crisis. It is against this background that we intend in Part III of this guide to consider the options for developing a new strategy to combat poverty and inequalities, taking account of the current context and the critical analysis set out in this second part.



## **Part III**

# **A necessary new strategy**

## Introduction

While the eradication of poverty and financial insecurity may seem to be an unachievable goal in the short term, it is at least possible to reduce the untenable inequalities facing our societies. The path leading to this outcome is not without its dangers and will necessarily involve mediation and compromise. It is not easy to modify systemic and structural economic characteristics and transform political and social priorities, even where they are unfair and lead to injustices. There is a need for a new strategy that seeks first and foremost to reduce inequalities in power, ensure equal access to health care and the structures that enable citizens to develop their capabilities, and reverse the current trend towards extreme social and economic polarisation, promoting instead social cohesion and justice. In the following pages – which are entirely consistent with the analyses set out in the first two parts of this guide – we offer a number of guidelines to help frame a new strategy based on the development of new concepts and baselines, providing new prospects for human rights, democracy and public policy, and suggest practical courses of action.

# I. A new approach to poverty

The strategy proposed here is based on the concept of common goods, shared responsibility for the well-being of all, and social cohesion based on justice and democracy. These concepts, viewed from an intergenerational and transgenerational approach, presuppose the development of co-operative capabilities among groups of citizens, enhanced by experiences of shared management of resources and consolidated by approaches which, in various contexts, have made social justice a priority.

First of all, however, we need to look again at the concept of poverty, incorporating the idea of interdependence and interactions.

## I.1. Redefining poverty

In the first two parts of this guide, we looked at the political interactions that give rise to unequal access to resources and the conditions that are necessary for a dignified life. These processes and approaches, which range from ignoring poverty to stigmatising or indeed criminalising it, exploiting people experiencing poverty and rendering them unseen or unheard, are taking place in so-called advanced democracies which acknowledge the rights of both men and women. They result in the persistence of inequalities, poverty and exclusion.

In the preceding chapters, we have also shown how relying on market dynamics for the distribution of goods and opportunities pushes society to place a veil over societal interactions. This in turn leads to a failure to take into account the interests and viewpoints of the weaker groups who are denied any political role and are forced to suffer the consequences of decisions taken by others. This leads to a lack of interest in the fate of those termed “foreigners” who, in a context in which the concept of belonging is still excessively linked to that of nation and specific identity, are deprived of any political impact. Migrants are treated as undeserving of any consideration, even where there are blatant violations of their human rights or lack of respect for life and human dignity.

This guide seeks to show that poverty, impoverishment and exclusion are more the result of social and political interactions and not the lack of individual capabilities. In this third and final part, we shall present a new approach to poverty that takes account of these interactions.

### ► A relational concept of poverty based on the idea of interdependence

From the beginning of the 20th century, people have begun to question the idea that society is the mere sum total of individuals who have “personal rights” such as property and negative freedoms. The legend promoted by the liberal narrative of Robinson Crusoe, living alone and free in the wilds of nature, turned out to be incompatible with a number of different concepts which began to prevail in science and philosophy (but not yet, of course, in law and economics). The whole cannot be understood if it is conceived as being the mere sum of its parts, or if it is seen from the viewpoint of the

isolated individual, even if that individual is a hero. Today any scientific analysis of society, if it is to be convincing, must focus, above all, on the qualitative relationships involved. Robinson Crusoe could not survive alone; quite naturally, he depended on others.

Interactions between living beings can be positive or negative. In the field of politics, the concept of interdependence is highly ambiguous when it is part of a positivist paradigm. Some forms of interdependence, such as the symbiosis in which many animal species live (for example, whales and certain species of cleaner fish) are of considerable ecological benefit for both parties involved, whereas others equate to parasitism (such as ivy which attaches itself to trees), leading to decay and death. In the rudimentary jargon of economists, which focuses the analysis on the individual's rational self, geared to making optimum use of market opportunities, interdependence can be described as a set of externalities – positive or negative – which play a role when a commercial relationship cannot be organised according to an approach based on exclusion through ownership and contractual relations. The market value of a property depends, for example, on its environment: it is higher when it is close to a park or efficient public service, and lower if a polluting activity or a centre providing relief to people experiencing poverty is located next to it.

Viewing poverty as a “negative externality” which lowers the value of real estate in the outskirts of European cities is particularly revealing of the risks of social conflict and disintegration resulting from the inappropriate handling of interdependence issues, including in the allocation of space. To avoid these risks, we need to adopt a concept of society that takes account of the need for social cohesion and analyses the living conditions of the population in terms of their interactions.

If the different individuals, making up a given society, choose to remain separated from each other, social conflicts will remain unresolved. In contrast, if groups of people from different social, economic, ethnic and national backgrounds are encouraged, through attending the same schools and health care establishments, to view themselves as benefiting from social protection and universal human rights, then interactions can occur, thus fostering solidarity and justice.

Poverty and insecurity are not simply the consequence of a limitation of the resources to be distributed (like a dish of pasta to be shared at a table: if one person takes too much, the others will get too little). Rather, they are first and foremost the consequence of the unlimited power that certain people have to monopolise resources (not just pasta but also savings, wages, jobs, time), that has been obtained by removing all political regulation and by the fact that forces that are opaque – insofar as they are difficult to identify or locate – have the authority to impose deprivation on others. This has given rise to a scenario that would have been inconceivable just a few decades ago (at least to the extent it is happening currently): the net transfer of wealth from people experiencing poverty and middle classes to the richest. How can one describe a society in which the wealthiest 1% are the sole beneficiaries of growth, thanks to the mechanisms of these opaque forces that escape all political checks and balances?

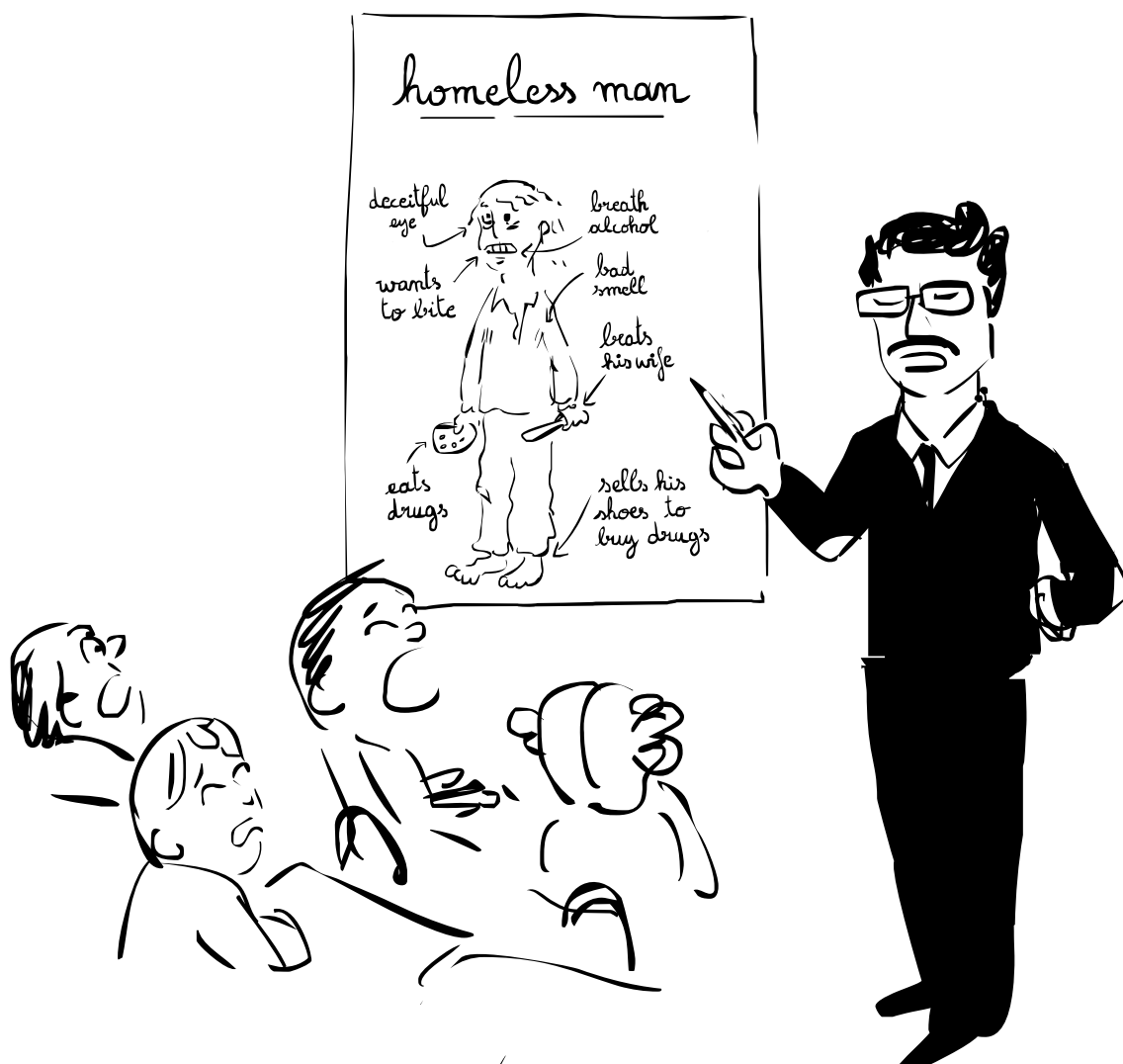
It is therefore clear that poverty is not a result of a lack of resources, but of the way in which wealth is built up, produced and distributed. Poverty is linked to the relentless growth of inequalities, itself encouraged by the increase in speculative wealth, which turns into real wealth only through the mediation of wealth transfer structures such as states. Today, the income (real and speculative) of the wealthiest is growing faster than that of the rest of the population, the middle class is decreasing and the number of people experiencing poverty and insecurity is rising.

This is why it has become necessary for the idea of the material and non-material interdependence among stakeholders, social groups and living conditions to be given a form of political recognition and to be addressed using tools other than the redistributive policies, constantly adjusted downwards, to which states have recourse today.

Poverty, impoverishment and insecure living conditions should be dealt with as political issues, in other words in relation to the way in which interactions are handled in the *polis* and in which the channels of influence are formed which determine the priorities for the allocation of public funds and social wealth. Poverty indicators should not merely take account of individual situations but should pay heed to the relational dynamics (both material and non-material) which fuel social polarisation. The idea that we should be striving to make those experiencing poverty “autonomous” is part of an ideological game that seeks to obscure the social continuum. The fight against poverty must be part of a global approach geared towards social cohesion and bringing an end to the “management of hardship”. We need to promote an analysis of poverty and impoverishment that takes account of the complexity of social relationships and goes beyond the mere question of survival in order to address the question of how to live a dignified life in a world in which the vast majority pay the price for decisions in which they have had no right to participate.

The economic and financial crisis could afford an opportunity to rethink the social system as a whole. The crisis highlights, more effectively than ever before, the defects of a system and the regulatory powers of which have been reduced to nought, in which the consequences of the exploitation of non-renewable resources now appear to be beyond control, and in which social welfare structures are accused of promoting parasitism. Faced with this situation, action to preserve the right of current and future generations requires serious reflection, going beyond just a few compensatory measures, particularly as poverty poses a more serious threat to certain ethnic groups such as the Roma and migrants who, against the general background of worsening living conditions among the European middle classes, have become scapegoats.

► **An end to stigmatising and criminalising poverty**



Poverty and exclusion all too often have been and continue to be presented and perceived as a problem associated with the individual's inability to integrate. This adds to the categorisation and stigmatisation of these phenomena, resulting in the victims being isolated and made to feel guilty.

This particular stigmatisation has not yet reached those who, having enjoyed a certain level of well-being, now see a worsening of their living conditions. Towards these individuals, a different attitude is emerging, primarily targeting young people in certain countries in southern Europe: "Go elsewhere to look for work".

In Parts I and II of this guide we showed how important it was to break out of the situation of invisibility and make one's voice heard, but equally, how difficult this was for certain people. We saw how traditional forms of participation are being abandoned while at the same time new forms of action, expression and involvement in politics are struggling to gain a foothold. Lastly, we saw how democracy can at times sanction the expression of anti-democratic positions or feelings that are hostile to minorities, migrants or people experiencing poverty.

Highly biased perceptions of social realities are being heard, making it particularly difficult to come up with theoretical and practical approaches that encourage different attitudes. The fact that the “fight against poverty” is on the agenda of numerous national governments and international organisations does not make the task any easier, since institutional commitments are not always in tandem with the changes needed to produce social justice measures. In public discourse in Europe, the fight against poverty is rarely presented as a political priority, with the emphasis being placed instead on (defensive) security or the need to tighten one’s belt after supposedly having lived above one’s means. In the light of the situation created by the crisis, it is now more necessary than ever to take a different approach to poverty and impoverishment and not treat it as the consequence of individual shortcomings – an attitude which legitimises the indifference of others – and to come up with approaches, policies and practices marking a break with the idea that this is a problem caused by bad luck or heredity, that is, a problem that cannot be changed and for which the only logical response is charity or “forced mobility”.

With regard to migrants, we must emphasise the importance of solidarity to counter policies which are primarily dictated by a defensive concept of security and which, while often responsible for the extreme poverty of certain categories, prove a barrier to all forms of civic and political participation.

In the case of minorities such as the Roma, poverty is closely linked to the stigmatisation they suffer, which prevents them from taking part in the social life of the area in which they live. Furthermore, the fact that they are often forced to move on makes it even more difficult for them to take part in any form of public action. Accordingly, combating the stereotypes and discrimination they and other minorities such as the Sinti face is the first step to combating their situation of poverty and affronts to their dignity.

As regards the homeless, their situation – which illustrates more clearly than any other the way in which the violation or non-exercise of social rights leads to the violation of other human rights – must be addressed by excluding all forms of criminalisation.

And the list can go on.

In order to combat poverty, we need to make a link between poverty and questions of inequality and social justice that concern the whole of society. The very idea of “security”, on which the rhetoric of defensive democracy is so often based, should be understood as “security for all” and not just for certain specific groups who are expected to have to defend themselves from others: a material and non-material security which can only equate to the right to give meaning to one’s life in a context in which security for others means security for oneself.

### ► **Rethinking the fight against poverty through the idea of equal access to shared rights and “security”**

In this guide, the concept of security is linked to that of guaranteed rights and is viewed as a factor in the prevention of material and non-material poverty and insecurity. Once people have a guarantee of meaningful forms of material and non-material security, they have a real sense of social stability.<sup>1</sup> This can give rise to a general climate in which individuals, released from their initial security concerns, take a more active part in social life to which they have genuine access.

To feel secure, people must, in their activities and relationships, have a form of stability which, we repeat, is heavily dependent upon there being a social structure which ensures equal access for everyone to institutions and to monetary and material resources.

In this regard, and in full compliance with the principle of the indivisibility of rights, it is essential to ensure a genuine “right to security” forming the basis of all the other fundamental rights. However, for this to be the case, there must be true recognition of this key principle which presupposes that certain “goods”, as they are essential to the dignity of each and every individual, cannot be subject to the laws of supply and demand: everyone must have access to them, regardless of their resources. So it is imperative to lay down the foundations for stable and equitable access to rights and resources, taking full account of the urgent need to preserve the rights of future generations to a dignified life.

1 Haagh L. (2012b), *Democracy, Public Finance and Property Rights in Stability*, paper written for the American Political Science Association’s Task Force on Democracy, Economic Security and Social Justice in a Volatile World.



All this presupposes the development and implementation of a new concept of rights going beyond the individualist and defensive approach to human rights, which considers the latter a rare resource, a sort of zero-sum game in which respect of one individual's rights depends on the violation of the rights of others. We need a general acknowledgement that in order to live in dignity every individual requires a relationship with others and with his or her environment and that, consequently, the best way of having rights is to share them.

The fundamental binary structure of modern law gives rise to a conception of the social experience based on personal or individual rights protected and applied by the law (controlled by the state); this mechanistic conception finds it difficult to incorporate the idea of sharing. Private law in most countries regards the sharing of goods as an exception, almost a pathology, in a legal system geared to centralisation and exclusive decision-making power based on individual rights.

Sharing is best served by a disinterested attitude focusing on the interests of others rather than on defending one's own territory. But how can this idea be incorporated into the law? Clearly, the pleasure derived from being together cannot become a legal concept. The law, in the Western tradition at least, does not deal with feelings, but with the social impact of individual behaviour, supposedly unconstrained provided that it is protected by rights and does not adversely affect the rights of others. The relationship between law and social behaviour is a very controversial issue. Is it the law that reflects society or society that reflects the law? As is often the case, there is some truth in both assertions and therefore, if one wishes to create a legal framework for "resources to be shared" (which we shall call "commons" or "common goods"), we need to take both views into account.

To ensure stable sharing conditions there has to be an internalised sense of mutual duty, responsibility and a certain level of awareness; it is only through sharing that it will be possible to avoid the waste of resources, one of the most disastrous effects of the current resource allocation system. This duty links individuals together in a variety of ways, and individuals to what is being shared (food, water, land, etc.). In a sharing relationship, each individual acts as best he or she can, complying with the agreed principle whereby no one, not even the weakest members, may be refused the right to participate. This ideal situation cannot be reflected in an abstract legal framework; however, such a framework is necessary in order to help create an environment in which sharing is made possible. In other words, the law must presume an "archetypal" sharing individual and attempt to reflect the way this individual would act.

This sharing individual would not insist on his or her rights, but would instead feel bound by a duty. In order to reflect this social situation, legislation should incorporate and clarify the concept of a duty of care towards those with whom this sharing is undertaken. The law could also play an educational role by introducing into social structures the concept of "commons", which we will discuss in greater detail below.

This concept of commons or shared rights and resources is closely linked to the idea of shared social responsibilities and duties. Nonetheless, we are far from seeing the conditions in which these principles can be applied. Above and beyond the question of aptitudes, in other words the rights and incentives that would make such participation meaningful, the fact of assuming duties and responsibilities at a social level presupposes acceptance of the idea that there are limits and barriers that cannot be overcome without imperilling the rights and lives of others.

Sharing is a process that gives rise to an egalitarian approach to rights and responsibilities. In the absence of such a process, the weakest players cannot be held responsible for the consequences of decisions in which they have not participated in any way whatsoever. Moreover, it cannot be argued that people deprived of access to shared rights and resources must accept part of the blame for the consequences of situations that they themselves have not brought about, such as the financial losses which are undermining the social welfare system.

The problem to be addressed is therefore one of instituting shared access to security in all its dimensions, whether physical integrity (food, housing, health, regular income, etc.) or the effective possibility of participating in social and political life (education and knowledge, employment, health care, etc.). These forms of security are complementary. Where education, for example, becomes a shared right through equal access guaranteed to all, values can crystallise around shared services and activities in other forms, and this in turn guarantees access to these services and resources – this is the true source of security. And what distinguishes it from the classical liberal concept of equal opportunities in the education field is that the right to education as a shared right (defined by equal access to educational resources) is tied in with the security of the educational offer that is available. The existence of a form of egalitarian schooling accessible to all (made possible by the "commoning" of resources) legitimises other forms of commoning in

the shape of services and sharing of stable activities and social cohesion. The same reasoning can be applied to access to democratic processes and to public spaces.

If we accept that there is nothing natural about diverse forms of ownership or access to resources, the rights of use granted to certain groups or communities are by definition a political problem: the rules which govern this type of access to and use of resources must be justified in a democratic, public and organised way. However, rules do not per se lead to stability. It is those which seek to devolve power and optimise the sharing of help, by definition, that establish a more legitimate and therefore more stable order. And this is a good reason to try and devise rules for access to and the use, sharing and management of resources that can lead to a devolution of power and be monitored as far as possible by individuals in conjunction with the various communities. By focusing, in the fight against poverty, on access to resources and rights, and particularly the right to security, it will be possible to overcome the limits imposed by the principle of ownership in the currently prevailing wealth production and distribution system.

### ► Rethinking the fight against poverty through the idea that we must share wealth and avoid waste

As we have said, the current trend is based on the fallacy that we are now faced with a general shortage of resources, primarily financial, and that this serious problem can be resolved only by restricting access to certain goods (even fundamental goods) to just some of the population. The enormous amount of waste discussed in Part II clearly shows that this interpretation is a long way away from what happens in reality.

We should adopt a totally different point of view: the ways in which resources are produced, distributed and wasted reflects a lack of long-term perspective capable of guaranteeing social justice and well-being for all.

Today in the West we are faced with a surplus of products and an excessive “growth stock”, resulting in vast amounts of waste. If there were better distribution of what we already have (the stock) this would give beneficiaries greater power, but it would also help create the conditions for democratic access to vital macroeconomic decisions on what to produce and how. To this end, we need to devise and implement new forms of access to and use of resources, promoting a more responsible lifestyle that focuses more on sharing than on possessions. In such an approach, it is clear that the concept of efficiency cannot be the guiding principle: based on the idea of maximisation, it inevitably refers to the size of the cake rather than splitting the cake in equal slices. The qualitative criterion we wish to introduce is, of necessity, dynamic and contextual, rather than universal and static, as is the case for efficiency. It is only by studying today’s practices that we can speak intelligently about what is involved in the actual experience of sharing.

We need to implement a different way of sharing and avoid the waste of various types of material and non-material resources. A good example of such an attempt in the field of public services is the “multipartite social contract” promoted by the Council of Europe (see below).

#### **The multipartite social contract: learning to combine social benefits, the solidarity-based economy and co-responsibility**

The multipartite social contract (MSC), drawn up with the support of the Council of Europe, ties in with a new approach to social inclusion which takes into account the various dimensions of human dignity (material and non-material): in addition to social support (access to food, employment and financial resources), other dimensions of inclusion are covered (social cohesion, psychological support, leisure, responsible consumption, solidarity-based savings, etc.). This process includes not only the beneficiaries but also public organisations, associations and professionals working in one or more of these areas, in accordance with the stakeholder co-res-

ponsibility principle. This involves providing a response to the problems encountered by the individual by looking at him or her as a whole and therefore rediscovering and enhancing his or her potential while at the same time drawing up lessons for preventive action.

In 2007, the first MSC experience was conducted in Strasbourg with over-indebted persons. In Mulhouse, three MSCs were signed with people on the statutory minimum income and over-indebted individuals. The MSC procedure is as follows: a group of people or families in difficulty meets community and public partners and decides on a number of mutual commitments forming the substance of the contract to be signed. For their part the community and public partners learn to co-ordinate the services

they offer, avoiding duplication and wasting the time of the individuals concerned. In the case of the Strasbourg MSC, the partners were the city council (for the co-ordinated social support and the classification workshops), Caritas, the Alsace Chamber of Consumers, the NEF-Crédit Coopératif (for access to solidarity-based savings), Human Psy (for individual support and discussion groups) and CRESUS (for debt rescheduling and economic reintegration).

To ensure their effectiveness, MSCs are jointly assessed by the beneficiaries and the community and institutional partners concerned. This gives everyone the opportunity to suggest improvements and learn lessons that can be of subsequent use. The assessment is generally carried out using a method developed by the Council of Europe, analysing the impact of the actions undertaken in terms of well-being and the ability to act for one's own well-being and the well-being of all. These joint assessments make it possible to monitor how the people concerned are faring and the changes that have taken place in the service and support structures.

In the towns and cities where they have been introduced, MSCs are not only a means of supporting and facilitating access to the resources which are necessary for survival (food, employment, etc.), they also promote participation in social and political life, by strengthening the sense of

belonging to a society of equals. Some signatories have said that the MSC has enabled them to gain self-respect and the respect of others, and to feel that they belong somewhere. This has given them greater interest in politics and the right to vote. People who previously felt isolated have been able to become part of a trusted network in which they can recount their experience and feel that they are listened to and supported by others. The group's moral support and the psychological help they are given enable the signatories to regain self-confidence and as a result develop a life plan. A facility has also been put in place that enables them to be informed about their rights and the procedures to follow to assert those rights.

In the organisations, thought is being given to the need to ensure continuity among the different activities proposed to make them more effective, while combining assistance with participation in forms of the solidarity-based economy. The MSC gives rise to a dialogue among people from diverse backgrounds who otherwise would be very unlikely to meet. In this way the MSC creates links among structures that, although working in the same field, generally do not interact. The diversity of the proposals made in this context show once again that the fight against poverty and exclusion is not straightforward and that it is through dialogue, involving as many stakeholders as possible, that long-term solutions can be found.

From this point of view, it seems possible to address the issue of the social interactions required for the long-term fight against poverty and insecurity by harnessing the resources, new and old, to be redistributed more effectively, more equally and less extravagantly, and by genuinely involving people rather than merely viewing them as passive users. This presupposes placing priority on equal access and not on production, that is, a radical change of focus.

Accordingly, we suggest developing certain concepts which rarely feature when people speak about poverty – “commons” and “commoning” – and tying them in with the idea of shared social responsibility and the objective of well-being for all. Using these conceptual tools, we believe it is possible to take a different and more effective approach to the question of equal access to rights and to material and non-material resources.

Nonetheless, first of all we need to agree on the goal to be pursued by the fight against poverty.

## 1.2. Securing well-being for all

This guide suggests that the goal of the fight against poverty should be “well-being for all”. This is a concept which is something different from just “better living conditions” and plain “well-being”, which refer solely to an individual state, independent of any social interaction, and therefore pose no challenge to the strong social polarisation we see and a form of resource distribution which is indifferent to the principles of social justice. In contrast, “well-being for all” presupposes sharing, and universal access and full enjoyment of rights, without any significant disparity in their application. As an objective, it is part and parcel of an egalitarian approach. It is a concept which the Council of Europe has been developing for several years<sup>2</sup>

2 The Council of Europe defines social cohesion as the capacity of a society to ensure the welfare of all its members, minimising disparities and avoiding social marginalisation. See Council of Europe (2005), Social Cohesion webpage, available at [http://www.coe.int/t/dg3/default\\_en.asp](http://www.coe.int/t/dg3/default_en.asp), accessed 1 December 2012.

and which serves as a basis for the Action Plan of the new Council of Europe Strategy for Social Cohesion approved in 2010.<sup>3</sup>

### ► A proposed method for mapping out the path to be followed

The methodology devised by the Council of Europe is a means of visualising and addressing the gap between those in a given town, neighbourhood or village who have reached a certain living standard, enabling them to access the conditions of well-being, and those for whom this is denied or who have only partial access. The aim of the exercise is to establish the benchmarks we need to map out a path that leads to true social inclusion and to identify the obstacles to be overcome.

This method requires a degree of impartiality in order to understand the different aspects of living in dignity, which vary from group to group. Securing inclusion can be achieved only in a comparative way: it must help bring about a convergence towards solutions which will ensure a balance and justice, by highlighting the gap between the situations experienced by different social groups, including those at the extreme ends of the scale.

How, for example, are we to view inclusion when in the same town some people are obliged to rummage through dustbins for food while others can buy organic and fully traceable products? This example raises a number of questions: is it sufficient to have access to food or should it also be possible to have access to high-quality food? Should one lower the quality of food to enable everyone to have access? These questions show us that social inclusion involves a number of things: it is necessary to ensure that everyone has enough to eat; that access to food does not entail any humiliation; that there are protection networks which can ensure that no one suffers from malnutrition, under-nutrition or hunger; that there are organised ways of facilitating access to high-quality food; and lastly, that political priority is given to combating waste and securing universal access to a healthy diet. We should not forget the danger of the population coming to regard as something acceptable certain infringements of human dignity, such as having to feed off the waste of others when it is the members of a stigmatised minority, such as the Roma, who are obliged to act in this way.

Our proposed approach for addressing the questions of alienation and disparity is rooted in the methodology initiated by the Council of Europe with the participation of the inhabitants of various towns, neighbourhoods and municipalities in Europe, the aim of which is to agree on a definition of well-being for all.<sup>4</sup>

This method attempts, by highlighting the various situations existing in a given area, to find responses to the problem of disparities between social groups in terms of a dignified life and well-being. It has shown that physical proximity is not enough to give substance to social inclusion pathways if the choices made are not decided upon in a reasoned way with the different social stakeholders present in a given area. Defining preferences for inclusion and promoting the well-being of all requires requests for inclusion and justice to be formulated in a context of exchanges and impartiality in which the interests and aspirations of the different social groups represented can be voiced. Participation cannot simply entail only those who have a direct experience of poverty, exclusion or financial insecurity, because they are generally not in a position to influence the decision-making processes. This is why the Council of Europe suggests that as many players as possible from different social groups be involved in order to agree, by exchanging and contrasting their points of view, on not only a shared idea of well-being, but also solutions to combat inequalities of access and enable the sharing of responsibilities and available social resources.

In the approach adopted by the Council of Europe, individuals representing different social conditions (poor and rich, locals and foreigners, entrepreneurs and the unemployed, etc.) are invited to express in single-profile groups (groups of children, young people, migrants, teachers, etc.) their criteria for well-being and ill-being, and commitments on how to secure well-being for all. Then they discuss their results, making it possible to summarise and combine their findings in a reasoned and inclusive way. The classification of criteria adopted by the different groups makes it possible to draw up a list of the key dimensions of well-being and to have a clear picture of the distance separating those who live in the most disadvantaged situations from those whose living conditions could be described as dignified in the context under consideration.

3 Council of Europe (2010), "New Strategy and Council of Europe Action Plan for Social Cohesion", approved by the Committee of Ministers of the Council of Europe on 7 July 2010.

4 See SPIRAL webpage: <https://spiral.cws.coe.int/>, accessed 4 December 2012.

### Well-being indicators drawn up in European towns and cities following the SPIRAL method<sup>1</sup>

The tables below show the different situations in the various dimensions of well-being found in the same area (living environment, infrastructure, etc.). They show the disparities that exist among

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⋮  
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population groups living in the same town. They have been compiled using criteria suggested by the citizens taking part in the exercise to define “well-being for all”.

#### Living environment

Very unsatisfactory situation	Unsatisfactory situation	Average situation	Satisfactory situation	Ideal situation
Living in an unhygienic, polluted, noisy environment posing threats to people's health	Living in a hostile environment: problematic living environment		Living in a clean and secure environment	Living in a welcoming, pleasant and well-maintained environment

#### Infrastructure and local facilities

Very unsatisfactory situation	Unsatisfactory situation	Average situation	Satisfactory situation	Ideal situation
No local facilities, including health care facilities	Local facilities closing down to be replaced by shopping centres		Well-designed and good quality local facilities	Constantly improving local facilities, with sustainability being taken into account (e.g. energy efficiency)

#### Local community meeting places

Very unsatisfactory situation	Unsatisfactory situation	Average situation	Satisfactory situation	Ideal situation
Damaged and abandoned community facilities	Lack of playgrounds and parks for children and young people		Well-designed community spaces	Constantly growing number of permanently maintained parks

#### Access to information and institutional services

Very unsatisfactory situation	Unsatisfactory situation	Average situation	Satisfactory situation	Ideal situation
Encountering discrimination in relations with the public institutions	Being sent from one department to another, unsatisfactory contact with public services		Being given assistance in understanding administrative formalities	Access to services by means of simplified procedures and one-stop shops

The examples of social polarity presented in the above tables show that within the same town there is a continuum between the extremes. The choices which are advantageous to some will be at the expense of others: certain neighbourhoods are developed and provided with services, while others are neglected; efforts are made to reduce pollution and noise in some areas rather than in others; some citizens are stigmatised while for others the formalities to be gone through are made easier, etc. These examples, which illustrate how poor management interdependencies

can result in greater inequalities, as we saw in Part II of this guide, show that power is not exercised impartially. They also highlight a key factor, namely, that exclusion is not merely a matter of individual income but also depends on the choices made regarding the allocation of services and public investment, which in turn can become factors in marginalisation.

### ► **Well-being and human dignity: a multitude of dimensions for a multitude of solutions**

By analysing the components of well-being in an approach which goes beyond income alone and takes into account other factors, it is possible to take on board the multidimensional nature of social exclusion. Most conventional approaches to well-being contain a list of components chosen more or less at random. In this guide, we consider well-being and dignity as the result of various interactions, making it possible to see how the loss or activation of certain dimensions can contribute to the worsening or improvement of other dimensions of well-being. Rather than building up a new list of criteria, we shall adopt the participatory approach described above, tried out in various towns and cities, as a result of which the Council of Europe has identified 8 dimensions and some 60 components of well-being for all (Table 1).

Because of the different contexts, not all components were given the same importance in all cities. Nonetheless, this method does make it possible to take account of multiple dimensions and compare the living conditions and access opportunities of different population groups and, in this way, come up with multiple solutions regarding access to well-being and inclusion which can be implemented by taking account of actual living conditions.

The solutions may focus on the social, political and strategic measures to be taken, the resources to be shared and sharing arrangements, the activities to be promoted and the players involved, the priorities to be adopted and, consequently, the social transformations to be made. This multitude of solutions, which can only come about by a collective pooling of ideas, will lead to a classification of proposed initiatives which takes account of the participants' priorities. The observation made in some cities that there are resources which are not used but to which some people have no access led, for example, to a classification of possibilities based on the idea of mediation between the haves and the have-nots, particularly in the areas of housing, land distribution and the use of a vehicle. This led to the creation of social estate agencies and car-sharing initiatives. Another example is provided by the realisation that some people could make available their skills and knowledge in exchange for goods or skills held by others, which led to the creation of time-banking systems, since time is a resource which puts everyone on the same footing.

One of the main advantages of this type of approach is that it enables everyone to understand that choosing individually to contribute to the well-being of all and to social justice is to everybody's benefit. This often requires some form of pressure on certain population groups to go beyond the mere pursuit of their immediate interests and take on their share of social responsibility. In one French city, for example, it was found that some doctors refused to treat people who only had universal health coverage. In the course of participatory processes, a discussion took place on equitable access to health. Exchanges were held and information was provided on how to report refusal to provide health care (model letters of complaint, etc.). In this example, it was clear that the public authorities can play a key role in re-establishing justice by mediating between those experiencing poverty and those who have the skills and knowledge which are essential for the well-being of all.

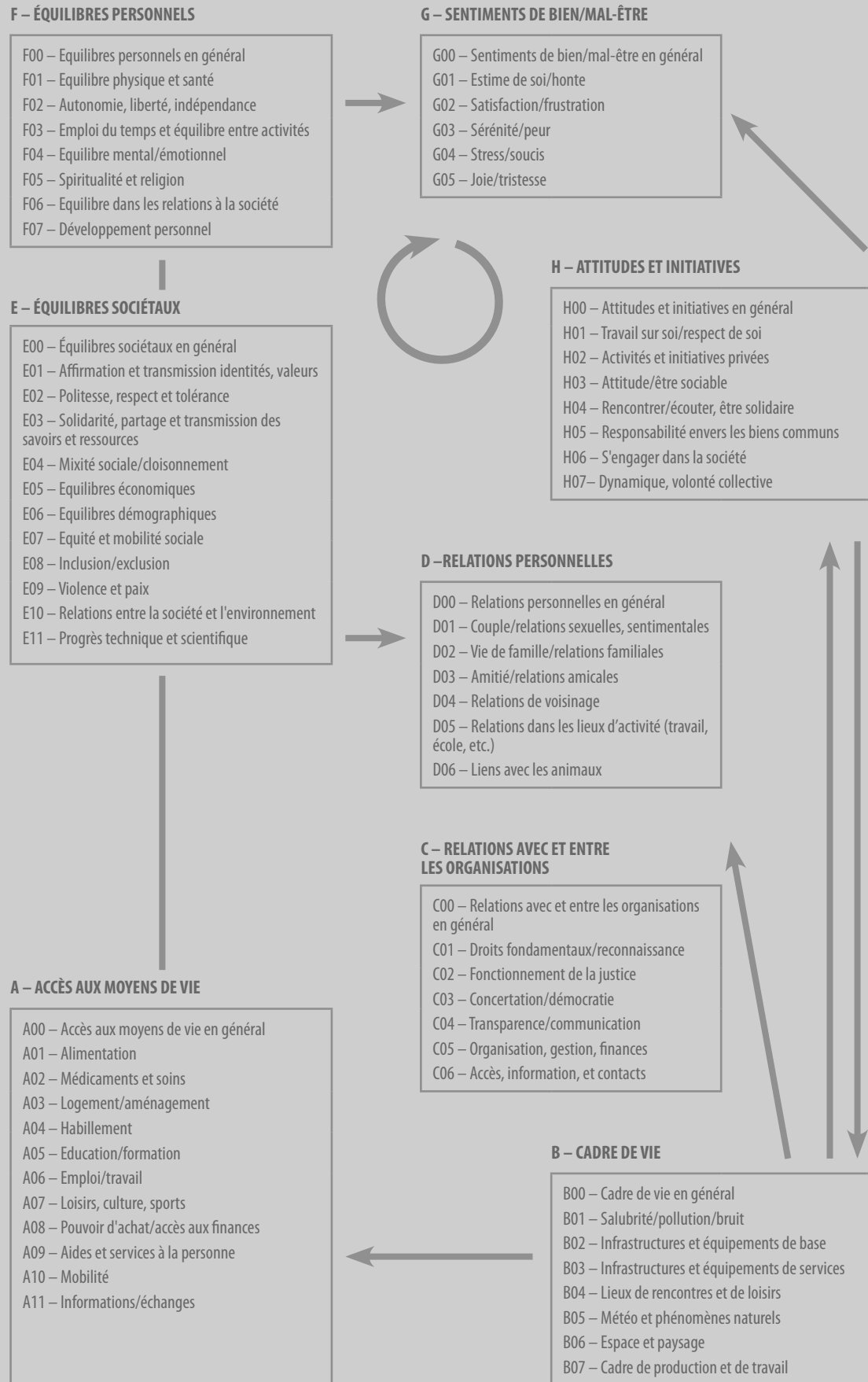
### ► **Going beyond a targeting and conditions-oriented approach**

As we have seen, it is only by taking into account the many dimensions of well-being and human dignity that it is possible to activate the existing potential for seeking solutions to promote social inclusion. This is why we suggest here going beyond the approach of targeted action, opting instead for an approach geared to well-being for all that is universal, multidimensional and interactive.

Most official public action to secure the application of rights is conditional on the selectivity of the needs to be covered, evidence of insufficient resources, and commitment to participate in activation measures. The primary objective is to meet the beneficiaries' short-term needs and to help them, where necessary, to take part in inclusion procedures – which is often referred to as “moving from social welfare dependence to occupational activity”.

This condition-oriented approach of social policies generally goes together with some form of targeting. The consequences in terms of categorisation and stigmatisation of this type of approach have already been discussed, along with the image of poverty it perpetuates, that is, a situation to be alleviated by granting to people experiencing poverty “poor rights” guaranteed by lower quality services.

**Table 8: The 8 dimensions and 60 components of well-being for all as identified by citizens**



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Very often, therefore, targeted and condition-oriented social policies do not resolve the problems of those suffering from poverty, exclusion and financial insecurity, as they take too little account of the interactions among the living conditions of the different social groups and the economic, social and political relations between them, even if such interactions are below the surface. The resources used are often monetary, the assistance provided generally involves some form of control, and the approach taken is all too rarely long term.

Can things be done better? While targeted action focusing on specific groups can sometimes bear fruit, experience has shown that there are good reasons to promote unconditional access to fundamental rights, beginning with the right to security, and to be wary of minimal assistance models operating on the basis of needs or merit.

By setting the goal of security (material and non-material) for all, it is possible to have a more comprehensive view revealing the complementarities between arrangements for the allocation of resources. The security-for-all approach, viewed as a source of freedom and greater autonomy for all, taking into account the interdependence of all social stakeholders, presupposes ensuring unconditional access to resources. It would appear that facilitating this broader access depends on the degree of social and political commitment to the idea of shared rights and a form of solidarity and shared social responsibility in which the pursuit of security for all becomes a more general objective.

### ► **Going beyond institutional policies, the burden of behaviours and power play**

Highlighting the many disparities in well-being reveals one of the shortcomings of traditional policies to combat poverty based on the provision of material assistance: they take no account of the impact that mainstream choices have on the life of those experiencing poverty and insecurity, who often are to be found in the same geographical areas. How can we ensure that social justice plays a much bigger part in the public choices made? The idea advocated in this guide is that for this to take place it is essential to promote citizen behaviour of equity and justice. As Amartya Sen has noted, “the nature of the society that would result from any given set of institutions must, of course, depend also on non-institutional features, such as actual behaviours of people and their social interactions.”<sup>5</sup>

The above examples of polarity in the distribution of public investment highlight the fact that if we are to advance social inclusion and justice then institutional provisions alone are not enough, because as they themselves are a reflection of the behaviours and power play of certain population groups, they can take root to the detriment of other groups. Institutions are neither impartial nor perfect, which is why there is often a gap between the democratic promises of universal equality and what happens in practice.

In the fight against poverty, it is therefore essential, in addition, to analyse social interactions and the positive or negative consequences of individual behaviours in terms of justice. In this respect, the participatory approach to defining well-being for all developed by the Council of Europe has the advantage of focusing on the diversity of expectations and behaviours, and not simply on the role of institutions. By taking account of social dynamics it is possible to activate the potential to find solutions that promote inclusion and justice, and to ask the fundamental question sadly missing from the debate: can we provide the means to prevent poverty and financial insecurity? In other words, can we decide in a reasoned way what is just and what is not? A situation becomes unjust when we have the means to prevent ill-being but refuse to do anything about it. Because the fight against poverty, insecurity and injustice affects life in common, it requires collective, reasoned responses that are not merely institutional. The role of institutions, in this regard, is to encourage participatory processes to identify problems and come up with solutions, and give them a form of political recognition.

### ► **Forms of democratic participation to redefine priorities**

If well-being for all is the objective laid down in the fight against poverty and insecurity (be it financial, social, etc.), then this requires – if only to clarify what that well-being entails – participatory and democratic processes which make it possible to establish priorities based on what really matters to the people concerned. First and foremost, it is a question of tackling exclusion and inequality as problems relevant to the whole of society. Developing inclusive democratic processes that take heed of everyone’s views, regardless of social backgrounds, is an essential step in a genuine definition of priorities. However, when societies are characterised by inequalities, these

5 Sen A. (2009), op. cit.



inclusive processes are not easy to implement. Differences in power make themselves felt and it is therefore necessary to adopt approaches within which everyone can act as a fully-fledged citizen.

In reality, engaging in a participatory or deliberative process is not in itself a guarantee that everyone's voice will be heard, or that everyone will have an impact on the final decision. Renowned philosophers such as Jürgen Habermas have underscored the advantages of deliberative democracy and the importance of discourse ethics in order to create an "ideal speech situation". But this does not resolve the problem of ensuring that everyone has the opportunity to voice his or her opinion in a context of socialisation that is "horizontal". How can we get the most well off and the weaker members of the community to sit together around the same table on the basis of a single decision-making authority so that the interaction results in decisions relevant to the well-being of all?

First, we must stop treating so-called "marginal" people as a homogenous set, and seek to grasp the specific nature of individual capacities which depend on their individual experiences and contexts, and which accordingly should be seen as resources to be maximised. Furthermore, the more advantaged social groups must be made aware of their responsibility in terms of the impact of their lifestyles on others, abandoning the individualist or class logic which speaks in terms of advantages/disadvantages. The method advocated by the Council of Europe seeks to bring together the perceptions and choices of members of different social groups (the unemployed, entrepreneurs, social workers, etc.) so that a summarised combination of their contributions can serve as a starting point for an action plan for the well-being of all. In such a process, the different players become aware of the situations experienced by other people living in the area (lifting the veil off mutual ignorance) and of the fact that each must accept his or her share of responsibility in social matters.

In order to make the most of the contribution of all social stakeholders, all forms of categorisation must be proscribed, as categorisations often result in the stigmatisation of population groups that are *de facto* deprived of the opportunity to speak out. Each stakeholder must be acknowledged from the outset as a valid speaking partner. So we need to begin by removing the legal or administrative barriers that create or reinforce discrimination, so as to enable each and every individual in Europe to take part in democratic processes.

Horizontal participation, moreover, presupposes a certain democratisation of knowledge. Learning how to act as a citizen should be just as important, if not more so, as learning how to present oneself to an employer (a so-called life-long learning curricula requirement). Learning to participate entails asking questions about access to knowledge, and more particularly about the functioning of the education system. As we have emphasised throughout this guide, this system continues to reproduce social inequalities to an unacceptable degree. Clearly, there is a need to develop an education and learning system that guarantees equal access to knowledge (informal education, peer-to-peer, etc.), but it is just as essential to create ways of developing skills that are useful for the management of society and defining inclusive pathways.

Last but not least, it is difficult for people suffering from hunger or homelessness to really participate in the mechanisms of decision making. Significant daily effort just to survive is hardly compatible with taking part in framing long-term strategies and making sustainable public choices. Democracy and guaranteed rights also require material security without which no effective participation can take place. In the last part of this guide, we explore several avenues to this end, such as the introduction of a basic income payment and the recognition of common goods.

Redefining priorities presupposes developing a range of democratic processes, including in institutions. But it also presupposes fair recognition of the role of intermediary institutions that can speak on behalf of people experiencing poverty, including NGOs or networks such as the Belgian Front Commun SDF, referred to in Part II. Non-conventional democratic processes should also be decriminalised. We must learn to listen to and acknowledge forms of speaking out such as demonstrations, boycotts and occupations, through which those in difficulty can make their claims known. As pointed out in Part II, these claims may not always take the form anticipated by institutions or even by associations or NGOs working in the field, as a result of deprecation or repressive mechanisms. As Amartya Sen has stated on more than one occasion, one of the ways of perpetuating social inequality without conflict is to limit the scope of the aspirations of the poorest.

Having now outlined the features of our relational approach to poverty based on the objective of well-being for all, we can now examine in greater detail the concepts we believe are key components of a new strategy to combat poverty and insecurity, and then put forward proposals for practical action.

## 2. Reference concepts for a new strategy

In order to rethink the strategy for combating poverty and insecurity in today's Europe and obtain concrete results, we must first of all look to new conceptual frameworks – and first and foremost to the idea of shared social responsibilities.

A co-ordinated conception of the fight against poverty, exclusion, inequality and insecurity requires us to focus on each individual's responsibilities and ensure that as many stakeholders as possible are involved. The Council of Europe's revised Strategy for Social Cohesion (2004) underlines the need to move beyond the model whereby the state is the sole guarantor of the well-being of all – without of course calling into question the enormous responsibilities it does indeed have – and work towards a sharing of responsibilities. Well-being for all must be “seen as a responsibility for all sectors of society”.<sup>1</sup> With this in mind, this guide examines the need to transform the role of existing public institutions, and revisits the idea of common goods in order to see how this can help formulate a variety of stable and long-term solutions to the problem of poverty.

### 2.1. Moving beyond individual freedom of choice that disregards consequences to promoting sharing of social responsibility in the long term

The fact that people living in poverty and insecurity have generally few choices is often portrayed as a limitation of their well-being and freedom. For these individuals, choices are most often limited to equally distressing options such as dying from hunger or emigrating. It is a fact that the freedom or lack of freedom to make choices to defend one's dignity basically depends on the political, social and institutional environment in which one lives. For example, how much choice is available to groups such as the Roma or immigrants, stigmatised by public institutions and political discourse?

If everyone is to be guaranteed freedom of choice, then it must be part and parcel of an approach geared to sharing social responsibility. When municipalities decide, in order to attract tourists, to maintain facilities in town centres only, this impacts on the freedom of choice of the residents of those neighbourhoods that do not benefit from such investment. When certain governments decide to award more grants to elite schools, they restrict the freedom of choice of those unable to attend them.<sup>2</sup> When companies pollute the water, air or land in the areas around them, they prevent local residents from living in a healthy environment. The profound interdependence among all social stakeholders means that freedom of choice can be pursued only in a spirit of accountability, in other words when there is an obligation to account

1 European Committee for Social Cohesion (2004), “A New Strategy for Social Cohesion, Revised Strategy for Social Cohesion”, Strasbourg, Council of Europe, 2004, §17.

2 See in particular the Cour des comptes (French Auditor-General's Department) (2010), “L'éducation nationale face à l'objectif de la réussite de tous les élèves”, May 2010, available online (in French only) at the following address: [www.ccomptes.fr/Publications/Publications/L-education-nationale-face-a-l-objectif-de-la-reussite](http://www.ccomptes.fr/Publications/Publications/L-education-nationale-face-a-l-objectif-de-la-reussite), accessed 14 December 2012, and Benoît Floc'h (2012), “Acerbes critiques de la Cour des comptes sur la gestion de l'École polytechnique”, *Le Monde*, 25 June 2012.

for the consequences of one's choices. This is all the more the case for those in positions of power, whose decisions have a definite impact on the lives of others.

Shared social responsibility is defined by the Council of Europe<sup>3</sup> as:

the state in which individuals and public and private institutions are required or are in a position to be accountable for the consequences of their actions or omissions, in the context of mutual commitments entered into by consensus, agreeing on reciprocal rights and obligations in the fields of social welfare and the protection of human dignity, the environment and common goods, the fight against poverty and discrimination, the pursuit of justice and social cohesion, showing democratic respect for diversity, with due regard for the applicable moral, social and legal rules or obligations

In addition, the Council of Europe points out that:

in a context in which no-one is totally independent or immune from the damaging consequences of other people's actions or failure to act, the most advantaged population groups cannot ignore their interdependencies and responsibilities vis-à-vis the rest of society, particularly when the least advantaged see their achievements in terms of access to rights, public services and common goods placed under threat.

Because it points out to the more advantaged groups that they have responsibilities vis-à-vis the rest of society, the concept of shared social responsibility is a call to avoid human degradation and to no longer tolerate flagrant injustices. In practice, it encourages the development of mediation processes and methods that give fresh substance to the idea of a social continuum. In the debate on social priorities, we need to ensure that decisions are taken only once the preferences of both weak and strong have been expressed and that everyone is aware of them. To give an example, it could be decided democratically that facilities in surrounding neighbourhoods should be looked after as carefully as those in town centres or residential areas, or that the Roma who have settled in an area should have access to organic food on an equal footing with everyone else.

Shared social responsibility also presupposes that public institutions, which are supposed to focus their action on the objective pursuit of social justice, take a different approach. By assessing institutional action in the light of the comparative criteria of the well-being of all, it will be possible to ensure that inequalities do not increase or become more marked.

Contrary to the neoliberal concept of responsibility, shared social responsibility as conceived by the Council of Europe should under no circumstances be viewed as an invitation to those institutions responsible for ensuring social cohesion to absolve themselves of their responsibilities. On the contrary, it urges those institutions to rethink their role, encouraging the development of skills that are essential to the establishment of social justice, namely mediation between diverging interests and facilitating transparent dialogue and consultation processes.

Nonetheless, the question remains as to whether there can be fair and just behaviour in contexts in which inequality and injustice are given ideological justification – including in public institutions that are supposed to ensure equity – and particularly at this time when as a result of a raft of reforms there is ever greater segmentation of access to social welfare systems and services. The prospect of a socially fragmented Europe, with all the conflict, waste and worsening of everybody's living conditions to which this could give rise, is still on the cards; to counter it we need to be able to offer pathways of justice and social dialogue.

This is what this guide seeks to do by combining the idea of shared social responsibility and "commons".

## 2.2. Commons and commoning to secure the well-being of all

### ► Definition of the concept of "commons"

The concept of the commons or common goods is today emerging in various socio-political contexts. Many of the ongoing battles for social and environmental justice, at both local and global level, are centred on defending the commons.

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3 See the draft Council of Europe Charter on Shared Social Responsibilities; further information is available at: [www.coe.int/t/dg3/socialpolicies/socialcohesiondev/conference2011\\_en.asp](http://www.coe.int/t/dg3/socialpolicies/socialcohesiondev/conference2011_en.asp), accessed 14 December 2012.



There are a number of different definitions of commons that are not mutually exclusive (and often overlap) but which lead to different taxonomies, classifications and proposed actions. Some definitions are more “essentialist” (concentrating on the intrinsic characteristics of the goods), others are more “relational/constructivist”, focusing on the function of commons as creators of social and community links (as connecting structures). A general distinction between natural material commons and non-material digital commons is widely accepted, whereby the intrinsic characteristic of “non-rivalry” (the consumption of the good by one person does not decrease the overall quantity available) of non-material goods, such as knowledge, information and communications, distinguishes them from natural commons. The latter, which are finite resources, are often broken down into global commons (the oceans, biodiversity, the atmosphere, and so on) and local commons (a drainage basin, forest, territory, and so on). This distinction is not insignificant because it relates to the concept of “reference community” – the community that must take decisions and define the rules for the common use of the resource and for its shared management.

In order to constitute commons, the goods must first of all be recognised as such. Often, those who derive benefit from certain commons ignore or deny their intrinsic value, as in the case of services, which are often taken for granted; they may not recognise this value until the good disappears and it becomes necessary to find individual replacement solutions. Universal services are a little like domestic chores – they are noticed only when no one is there to do them.

Recognition is also imperative in the case of preserving public heritage as a commons, especially at a time when the trend towards privatisation is becoming ever stronger, to the detriment of pursuing shared benefit. The need to recognise commons as such is the basis of their “historicity” and the impossibility of compiling a complete and definitive list. As early as the *Corpus Juris Civilis* (AD 529-534) of the Roman emperor Justinian, air and water were recognised as *res communis omnium*, that is things belonging to everyone and therefore not to be appropriated by anyone (the opposite of *res nullius*, things belonging to no one and therefore appropriable by anyone). It would have been extremely difficult to predict that one day the World Wide Web would be considered a commons, or that the frontiers of private appropriation would extend as far as the human genome or the patenting of seeds.

Here, commons are defined as all goods that are essential to a dignified life and not merely in the biological sense, goods that no one can claim they made themselves (no one produced water, air or forests), and goods that communities have received as gifts from nature or as gifts from preceding generations, such as the concrete expressions of collective thinking and acting (codes, languages, knowledge, and so on). We shall extend this concept to the resources made available to all by various types of communities in order to meet needs – which we shall term the “common pooling of resources” – in order to exploit the scope of this concept to capitalise on the many collective solutions formulated in response to the problems of poverty and financial insecurity.

Commons are also a qualitative ecological concept based on the idea of inclusion and access, unlike the quantitative and economic concept of private property that can lead to exclusion (by contributing to resource depletion) and the concentration of power in a few hands. Insofar as it can be privatised and managed without the participation of the community, public property can also create exclusion. Espousing the idea of commons means a shift from anthropocentrism

(focusing on the individual as a holder of rights) to ecocentrism, which focuses on reciprocal collective duties and respect for the environment.

However, we must acknowledge that despite their role in protecting human dignity, natural social goods – both material and non-material – recognised or classified as “commons” are increasingly less present in people’s lives.<sup>4</sup> Privatisation and environmental injustice (which, as we shall see, impact the poorest most of all, both worldwide and in individual countries) have given rise to innumerable conflicts over commons. If we consider the number of conflicts and movements against the privatisation of water or land, and climate injustice, it is clear that the concept of commons is becoming a meaningful one, marking the existence of at least two strongly felt requirements:

- the “de-commodification” of what is essential to life, in terms of justice and universal access to fundamental goods and services (often together with the claiming of fundamental rights);
- self-management and self-government of these goods and services in accordance with rules and methods agreed on and shared by the community (for example through forms of participatory democracy).

Certain natural, social and digital goods and services could be managed as commons with a non-marketable status and democratic management, under the responsibility of communities. But we cannot consider a literal translation of the traditional management of commons in our complex urban reality. Today, the question of sharing goods is raised at different levels. First, the focus must be on sharing the wealth produced as a source of income – and in the following chapters we shall be discussing the importance of the basic income payment, which will make it possible to satisfy the requirements of a decent life and raise the living standards of the poorest. But it is also a question of sharing flexible solutions that, by pooling various resources (buildings, vehicles, land, knowledge, and so on), will help avoid the waste produced today as a result of private appropriation and ownership.

### ► Commoning to produce social utility

The fact that these are goods over which no one must be able to claim the right to exclusive use does not mean that there must not be any rules limiting access to them, as it is necessary to ensure fairness and that they are preserved for future generations. In point of fact, a debate has been raging for several decades with regard to the “classic” commons (water, forests, arable or grazing land, fishing areas) from which the poorest two thirds of humanity derive their means of subsistence.<sup>5</sup> This was set off by Garrett Hardin’s famous article “The tragedy of the Commons”,<sup>6</sup> in which the author claimed that the “rational” behaviour of each individual herdsman (*homo economicus*), directed to maximising his own self-interest and with no idea of co-operative behaviour, would lead him to gradually increase the size of his herd (from which only he can benefit whereas the damage to the common is borne by the entire community). This would lead to overgrazing and the potential destruction of the common grazing areas – grazing land that could have been saved from the “crazy rational” herdsman, to borrow Sen’s expression, if an external regulating authority (the state) had intervened or if the common resource had been privatised. But Hardin’s mistake was in not distinguishing between common property and open access regimes:

we are not free to use the concept ‘common property resources’ or ‘Commons’ under conditions where no institutional arrangements exist. Common property is not ‘everybody’s property’ ... To describe unowned resources (*res nullius*) as common property (*res communes*), as many economists have done for years ... is a self-contradiction.<sup>7</sup>

The gradual transformation of citizens into consumers, which occurred in the second half of the 20th century, has concealed the fact that if societies exist, it is because a large number of people have spontaneously undertaken a huge endeavour to bring about social order, which is only rarely acknowledged. The most flagrant example is domestic work, more often than not carried out by women, which has only recently been given legal recognition.

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4 As observed in Mattei U. and Nader L. (2008), *Plunder: when the rule of law is illegal*, Blackwell, Oxford, they are disappearing for two reasons: first, their plunder within the rule of law that began with the enclosure of commons in Wales and England back in the 15th century, today extending to bio-piracy, and second, because of the destruction of the environment and natural resources, caused by a production-consumption model that refuses to see the economy as a subset of the physical environment, with its limits and laws.

5 UNDP (1998), op. cit.

6 Hardin G. (1968), “The tragedy of the Commons”, *Science*, Vol. 162.

7 Ciriacy-Wantrup S.V. and Bishop R.C. (1975), “Common Property’ as a concept in natural resources policy”, *Natural Resources Journal*, Vol. 15, p. 714.

Championing the cause of the individual consumer satisfying his or her needs in total isolation, far from solving problems for the community, actually makes them worse by obliging it to deal with the adverse effects of these cumulative choices. This is something of which we are now becoming acutely aware. Satisfying one's own individual preferences without taking account of those of other people constitutes a threat to everyone's freedom. Market relations based on individual choices divorced from any interaction with the needs and views of others can endanger the sources of the moral and material enrichment of individuals and societies. It is this awareness that could form the main incentive for introducing the idea of commons.

Many citizens are beginning, at different levels, to view social rights as a set of rights and duties for participating in the management and shared use of goods which are "by nature" commons, such as water, air, landscapes, etc. and are adopting the same attitude towards public services (education, health care, social welfare) not merely because these are useful to everyone, but because, above all, people are now beginning to understand that they enable all of us to live in a better society that guarantees education and health care for all.

The idea of commons presupposes the existence of a community in the sense of a stable population with a strong social network complying with social norms promoting sustainable equal access, integration and sharing, conservation and the renewal of common goods. There is a bi-vocal correspondence between community and the management of common-pool resources: just as it is true that the presence of a community is vital to the appropriate management of common resources, so it is true that common management of that which is held in common helps build up and nourish the community itself, strengthening social cohesion and social bonds. In contrast, the privatisation of commons breaks those bonds and undermines social cohesion, contributing to the growth of a fragmented society of consumers (competing with each other for access to scarce resources and commodified services). As several authors have pointed out,<sup>8</sup> it is the community itself that establishes its own rules for self-government, in other words that decides democratically on the rules and procedures with built-in incentives for responsible use and punishments for overuse.

This illustrates the key role played by interdependence and the importance of striving to strengthen sociability, which is a very positive dimension, as the management of commons presupposes a dense network of social relations.

Accordingly, we can see that the analogy with the dish of pasta in the centre of the table is only partly valid. With regard to commons, interdependence is a creative act that can give rise to social utility, and not just the mere consumption of resources. Practices of commoning or the common pooling of resources such as shared urban allotments, which make use or seek to make use of abandoned property or that, opposing the privatisation of areas, create new vibrant facilities such as theatres, represent a quantitative and qualitative gain in social value. For example, creating a shared allotment rather than a car park helps improve health through the production of healthy food, the quality of the environment by discouraging a greater number of vehicles, interaction among groups, and the integration of the disadvantaged by offering them the opportunity to take part in a joint project. The direct participation of the population of Naples via representatives sitting on the board of the new public entity *Acqua Bene Comune* (ABC) Napoli is a fine example of public environmental awareness and involvement. The improved economic management of water, a precious resource if ever there was one, should immediately result in a social utility gain by preventing waste. The recycling of old computers in the United Kingdom has led to a shared workspace where people from a variety of backgrounds, including the homeless, are invited to drop-in, chat and work.<sup>9</sup>

It is clear, therefore, that "social utility" increases when in addition to the management of the common good, there is also the ability to define shared priorities. In the case of ABC Napoli, the priority was the sustainable and ecological management of the local water supply system in the interest of the most vulnerable citizens and future generations. Naturally, priorities will vary depending on the context, but the fact of taking decisions based on a shared conception attracts the most motivated social stakeholders, who invest energy and creativity in supporting the project. In many of the battles against unsustainable public work projects in various parts of Europe, the common objective is to bring about a halt to this kind of work and formulate alternative projects. In the joint management of an occupied theatre, such as the *Teatro Valle* in Rome, the objective of the newly founded Centre for Italian Dramaturgy was to bring about recognition of the fact that culture is a common good insofar as it is an activity that can be shared.

8 See for example Ostrom E. (2000), "Private and common property rights," *Encyclopedia of Law and Economics*, Edward Elgar/University of Ghent, Cheltenham/Ghent. Available at <http://encyclo.findlaw.com/2000book.pdf>, accessed 7 December 2012.

9 See the United Kingdom's Access Space project on <http://access-space.org>, accessed 6 December 2012.

In “commoning”, the sharing of priorities is a truly dynamic transformation process. Through this means, the hybrid nature of commons becomes clear: it involves both holding a material good (“having”) and participation in a collective sharing experience (“being”). Utilising a resource in the form of a common good not only transforms the resource (an abandoned plot of land into a shared allotment, for example) but also transforms the participants, who, by sharing, have a particularly inspiring human experience. This illustrates the promising nature of “commoning” as a social institution. Sharing, which also includes obligations towards the resource and others, can become a practice that transforms not only the subjective point of view of participants, but also the conditions of access by introducing criteria of justice and equal dignity. This form of integration, if it goes hand in hand with the provision of advice on how to deal with the inevitable conflicts, can play a strategic role in reducing inequalities as regards health and the distribution of power.

### ► “Commoning” as an alternative to ownership (public or private)

Recognition of commons comes up against countless obstacles because of the absence of relevant legal frameworks. In reality, natural common goods are in the process of disappearing because legality is based on a universalising combination of individualism, state intervention and private ownership or market-driven thinking. The promotion of private ownership (privatisation of public assets) has significantly contributed to the destruction of common goods. And under cognitive capitalism,<sup>10</sup> the development model would appear not to have changed (see, for example, the clampdown on peer-to-peer exchanges on the Internet).

In this institutional context, finding someone to represent commons when problems have to be resolved has never been easy. The diffuse power (or absence of hierarchy) promoted by the commons is structurally incompatible with the idea of a trial, which presupposes that an interest is identified with a precise individual. The fact that the common good “belongs” to everyone prevents any individual from being regarded as its holder and therefore its legitimate representative before the courts. In other terms, in a trial conceived as a zero-sum game, with a winner and a loser, there is no place for the commons approach (except by means of class actions).<sup>11</sup>

The merging of public and private interests, represented moreover by the same stakeholders (the major companies), and the development of the technocracy, serve to conceal the political nature of this centralisation of power and leave little scope for the development of commons.

Nonetheless, the idea that the state can pursue its quest for profit, although fairly widespread in the neoliberal phase we are currently witnessing in which the state is often seen as a player in the global market, is incompatible with its inherently public role. An alliance between the private and public sectors, lined up against commons, which seeks to concentrate and privatise resources for profit would be pathological as far as the state is concerned. Respecting and maintaining commons, including by addressing access inequalities, remains one of the state’s responsibilities. The state and the private sector are not on an equal footing.

All the same, given that commons are not merely a set of resources but comprise a relational dimension (“commoning”), the state cannot be solely responsible for their protection: this responsibility must be shared with all stakeholders. As we have seen, commons can be collectively recognised, claimed, protected and utilised only in a context of sharing, which cannot be defined in the abstract, but must be so in a contextualised way.

Commons therefore shed light on the insufficiencies of the concept of ownership as enshrined in legislation based on the Napoleonic Code, and the inadequacy of the principles of non-rivalry and non-excludability that in economics are supposed to define “public goods” (among others).<sup>12</sup> These are only in appearance intrinsic characteristics of public goods since they can change over time. Technological progress on the one hand and our development model on the other create forms of excludability and rivalry over goods that were once considered pure public goods. The most typical example is that of the television broadcasting system: in the past everyone was able to view the programmes on offer, whereas today, with the introduction of encryption systems, many programmes are now restricted to paying subscribers. Further, ever more sophisticated ways are being developed of excluding those who do not pay (that is, the poorest strata of the

10 Boyle J. (2003), “The second enclosure movement and the construction of the public domain”, *Law and Contemporary Problems*, No. 66, pp. 33-74.

11 In the US legal debate, this problem is referred to as “standing to sue”. Who from among the immense number of beneficiaries of drinking water (or air) would be able to distinguish between their own interests and those of others in order to become the “saviour”, the person to exercise his or her right to a hearing? This is a problem that has significant practical consequences, as the courts are reluctant to take into account anything that deviates from the archetypal zero-sum game.

12 Samuelson P. (1954), “The pure theory of public expenditure”, *The Review of Economics and Statistics*, Vol. 36, No. 4, pp. 387-9.

population) from accessing natural common goods that are essential to life: the prepaid water-meter system, for example, allows the water provider to supply water only to those families that have paid up.

The movements and communities that are laying claim to commons have good reason to insist on the need to go beyond the paradigm of ownership, which brings everything down to the two opposites: publicly owned and privately owned goods. Commons and commoning place the emphasis on sharing over possessing, presuppose equal access and power, and promote a sense of responsibility towards future generations. Unlike private or public goods, commons cannot be transformed into merchandise. They express a qualitative relationship. It would be too simplistic to say we have a common good; rather we should be saying we are the common good, just as we are an element of our environment, of an urban or rural ecosystem. Here the subject is part of the object. This is why commons are inseparable from associated individuals, communities and ecosystems.

### ► Commons and democracy in contemporary pluralistic societies

Who holds sovereignty and what type of democracy does the management of commons require? In the global commons movement, two approaches exist side by side without conflict. One is universalistic, concentrating on the “common goods of humanity”, and the other is more territorial – or communitarian – and sees commons as goods belonging to a specific territory and with a specific reference community, always with an intergenerational outlook. Obviously, all the categorisations are conventional and invariably represent those that are functional to the objectives of the communities and movements concerned. In the communities studied by Elinor Ostrom, where individuals who are interdependent on one another refuse to act as free riders and prove perfectly capable of self-government and self-organisation in order to obtain permanent collective advantages from their management of commons,<sup>13</sup> and in the numerous examples of collective management of commons in towns and of the services connected to them (such as integrated water services for access to drinking water), the issue of citizens’ participation is fundamental. Commons help us today to construct a new idea of non-state public ownership; they invite us to redefine democracy itself, in new forms; and they prompt us to rethink sovereignty and the relationship between territory, resources and inhabitants and the capacity to act together.

The forms of “participatory democracy” and of participatory management of commons that have been tried out so far often overlap. There is no one universal model – nor can there be – for the participatory management of commons, as commons themselves have very different natures along with the varied geographical areas and historic traditions within which they are to be found. Both when it is a question of direct management and management combining forms of participatory and representative democracy, the participation of citizens and inhabitants usually takes place on several levels: the policy-making and decision-making level, the day-to-day management level and finally the monitoring level.<sup>14</sup>

The way in which rights to commons are discussed, decided upon and organised are themselves horizontal and participatory. It involves the creation of common values and shared plans, not the search for a meeting point among a multitude of individual egoisms, nor a negotiation involving pre-packaged solutions.<sup>15</sup>

These new participatory democracy methods can be particularly successful in pluralist societies. One of the defining features of the form of sociability inherent in commons is that it is particularly well suited to the plural society in which we live today and in which we will continue to live in the future.

Given that “commoning” is not merely shared access to and consumption of a resource but also participation in ensuring the reproduction of that resource in a sustainable and equitable ecological approach, “commoners” share not only the same resource but also the same objective.

13 Ostrom E. (1990), *Governing the commons: the evolution of institutions for collective action*, Cambridge University Press, New York.

14 For an analysis of some participatory models of integrated water management in Europe, see: Hachfeld D., Terhorst P. and Hoedeman O. (2009), *Progressive public water management in Europe. In search of exemplary cases*, Reclaiming Public Water discussion paper, TNI/CEO. Available at [www.waterjustice.org/uploads/attachments/Progressive%20public%20water%20management%20in%20Europe.pdf](http://www.waterjustice.org/uploads/attachments/Progressive%20public%20water%20management%20in%20Europe.pdf), accessed 7 December 2012; Sintomer Y., Herzberg C. and Houdret A. (eds) (2010), *La participation des usagers dans la gestion de l'eau*, Vols. I and II, Centre Marc Bloch, Paris.

15 Della Porta D. (2003), “Social movements and democracy at the turn of the millennium”, Ibarra P. (ed.), *Social movements and democracy*, Palgrave Macmillan, New York; Della Porta D. (2005), “Democrazia in movimento: partecipazione e deliberazione nel movimento ‘per la globalizzazione dal basso’”, *Rassegna Italiana di Sociologia*, Vol. 46, No. 2; Fattori T. (2005), “Ricostruendo democrazia. Verso una partecipazione ‘generativa’”, *Il seme e l'albero*, XIII.



Commons presuppose a network of participants and diverse stakeholders that the law must seek to satisfy, a capacity for mediation and a sense of equity.

The creation of groups of varying sizes involved in the defence or shared management of goods and services gives us hope that the preservation of social life, free from the abhorrent dimension of the pressure to work, will soon be a crucial factor. This could give rise to a society in which very different experiences of the management of similar goods or services could co-exist. In other words, it would make it possible to devise different management models reflecting existing social and cultural diversity. But this is not the only advantage of these forms of management. They could also help alleviate the tensions caused by sometimes radical cultural and social differences, and would as a result create a strong social bond in increasingly fragmented societies.

To sum up, “commoning” is a way of managing and democratically governing resources and social community creations in a shared social responsibility perspective, the goal of which is the well-being of all. Commons are therefore characterised by a system of governance that makes it possible to share, conserve and enhance together ecosystems and natural resources, as well as the social creations we have inherited and which we produce. “Commoning” is a social practice of the democratic and collective governance of material and non-material goods that, if it is to be effective in the extremely diverse world in which we live today (including in the new global metropolises), requires us to rethink a large number of democratic participation models.

In order to achieve all these objectives, commons must emerge as an alternative, based on a different conception of the world, capable of restoring the ability of people (including those experiencing poverty and insecurity) to manage and control what belongs to them as members of a human and ecological community.<sup>16</sup>

The management of common goods therefore requires collective decision taking and the emergence of forms of democracy that ensure the equal participation of all members of the community. This approach could pave the way for an alternative vision of social integration (direct satisfaction of needs, hopes and rights) that could prevail, with power being fairly distributed among the different social stakeholders. In this way it could help rebuild democracy and social cohesion in a society in which political and economic decisions merely accentuate the stratification of individuals and groups.

Of course, this raises a number of practical questions regarding the aim of participation and the limits of the community that is expected to recognise, protect and manage commons: how can we prevent it from becoming exclusive? And how can we incorporate in management the idea of doing something for no payment or without any immediate interest? However, what is doubtless advantageous in this approach is that it helps consolidate the status of a citizen, fleshing out the formal definition of citizenship through the active exercise of rights resulting in practical access to goods and services and participation, regardless of each individual's economic and social situation.

### ► Commons in the fight to combat poverty and promote social justice

If access to common goods and associated services secures for members of the reference community a right to life and forms an equitable basis for the allocation of individual and collective wealth, conversely, the destruction or privatisation of goods and services – on which many communities depend directly or immediately – leads to poverty, injustice, inequalities and sometimes even death. This is often the case in heavily urbanised or industrialised societies.

In talking about the conflicts caused by the destruction or privatisation of commons, it is difficult, if not artificial, to clearly separate conflicts of a social nature from those of an environmental nature. The very essence of commons contains this dual dimension: social justice on the one hand, in terms of sharing and fair access to natural goods through rules that prevent over-exploitation by free riders, be they individuals or corporations, and conservation of resources on the other through measured utilisation, mindful of the generations to come.

With regard to the fight against poverty, the movements promoting social and environmental justice have linked up over the last decade in continental and international networks to prevent the privatisation and commodification of essential commons such as water. Their actions have ranged from opposition to mega-dams (designed to supply energy to large industries and not to local companies, and to supply water to industrial agriculture rather than small-scale farming)

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16 Hardt M. and Negri A. (2009), *Commonwealth*, Harvard University Press, Cambridge, MA.

to demonstrations against the privatisation of water supply services or the bottling industry. The former is usually considered a fight against environmental injustice and the latter a fight against social injustice.

The privatisation of basic public services and resources is an anti-social policy that hits all human beings, but particularly the weakest, who are denied access to these goods unless they are able to pay for them. When access to an essential good is subject to a tariff, there is always a negative social impact: restrictions on available services or privatisations work like a tax with inverse progression, marking the end of the principle of solidarity that guaranteed everyone free access. This is why the water movements demand that access to this fundamental commons be recognised as a human right and that the authorities (at local, national or international level) undertake to guarantee to each human being access to a vital minimum amount of water (defined by the WHO as 50 litres a day) and cover the cost. But there is another issue to highlight: if consumption bands are to be assigned (over and above the guaranteed minimum) for which a contribution is required, then equally, people must be prohibited from exceeding a certain level of consumption<sup>17</sup> to ensure the resource's integrity. This rule for the conservation of the resource echoes the comments by Ostrom and her colleagues on the capacity of the community to self-regulate. The principle that "the polluter pays" or "whoever over-consumes water pays more" could prove dangerous and allow the richest to over-exploit commons (think for example of the international market in carbon credits, which constitute a permit for the countries of the North to buy the right to pollute). Environmental justice and social justice would argue that the polluter should stop polluting and whoever consumes too much should stop doing so. This is where the commons strategy could help combat poverty: it would avoid the waste of resources by imposing responsible consumption.

The pressing problems facing the European Union and the global system make the inadequacy of state and market mechanisms all the more apparent. The current crisis affords a timely opportunity to question the zero-sum relationship with nature, established between the fiscal crisis and social justice, and to change both the European and international institutional framework. The conceptual framework of the commons could provide the legal and political tools needed to end the marginalisation of the idea of social justice in the crisis that capitalism is experiencing. Because it falls outside the state-market duopoly, the institutional framework of the commons offers a legal alternative that will enable the equitable distribution of resources and, as a direct consequence, establish social justice.

## 2.3. Rethinking the role of public institutions

### ► Making well-being for all once again a political priority

The sharing of social responsibility should not, we repeat, result in public institutions being discharged of their responsibilities. The central focus placed in this guide on commons as part of an innovative strategy to promote social justice and well-being for all does not question the role that governments should play in this process.

The idea of social contract is at the very basis of the constitution of democratic states; it calls on institutions to preserve peace, order and public well-being. It was on these ideals that the welfare state was founded, and this form of governance tasked with defining and implementing a legal, social and political framework for the supply and preservation of public goods and services accessible to all, without any discrimination based on the individual's status or material situation, so as to ensure that all citizens can live a dignified life.

In recent decades these objectives have ceased to be a priority for European public authorities: the public interest has often been subject to the rationale of the market-driven system and to certain economic interests. This has weakened democratic processes, if not made them meaningless.

If we wish to fight against poverty and impoverishment, we need to rethink the role of public institutions as guarantors of democratic choices and initiate institutional renewal by ensuring that these institutions engage in participatory processes (such as those promoted by the SPIRAL methodology of the Council of Europe) that seek to make well-being for all and shared social responsibility fundamental priorities. This requires a number of radical changes.

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<sup>17</sup> Petrella R. (2001), *Il manifesto dell'acqua. Il diritto alla vita per tutti*, EGA, Turin.

To begin with, politics must regain its independence vis-à-vis the requirements of the market. States cannot play the role of economic stakeholders, among others, without betraying the assumptions on which they are built. The constant to-ing and fro-ing between state structures and economic structures greatly assists the translation of the interests of the industrial and financial world into laws and decrees, which gives the latter a power that poses a threat to the rights and living spaces of the weakest members of the community, and to the processes to bring about social justice.<sup>18</sup>

As a response to the current crisis, state intervention serves primarily to ensure the massive transfer of public money to the private (by and large the financial) sector at the expense of public services and social expenditure in general. These changes have taken place under cover of government public debt reduction plans. Almost five years since the onset of the crisis, governments continue to insist that budget cuts are a necessity. In reality, the scale, speed and manner of deficit reduction and the sectors affected are a matter of political choices. In essence, the responsibility for the crisis is being placed on those who have to deal with risks that are unpredictable or over which they have no control, as is often the case with unemployment, poverty, insecurity, ill-health, and lack of decent education or housing. These risks are the result of globally dominant economic thinking and priority choices made by governments.

In contrast, what we need (and is possible) in times of crisis is carefully thought-out action and strategies to strengthen the protection of human rights by ensuring a fairer distribution of resources, with an obligation of accountability. In order to regain credibility and citizens' trust, public institutions must engage in participatory and deliberative processes that will harness unused resources, with a view not to austerity but to a rejection of waste and building a sustainable future for all. There are other ways of raising or saving funds in order to reduce deficits and solve the economic crisis that have been discussed extensively in various reports.<sup>19</sup>

Governments and public institutions should in addition promote co-operative models and local enterprise based on the concept of solidarity, and develop a sense of shared social responsibilities.

#### ► Promoting social cohesion through inclusive democracy and security for all

Public institutions must take on the role of guarantors of social cohesion, by facilitating or promoting initiatives that will prevent the emergence of behaviour typical of defensive democracy (see Part II) and guarantee the effectiveness of inclusion policies and policies to ensure access to rights (and to the services required for these rights to be exercised).

And yet the action taken by the national authorities has often meant, vis-à-vis those living in poverty, a strengthening of "security" understood as control of "marginality" in the form of a plethora of discriminatory decrees penalising the weakest social groups.

This trend must be reversed. Public institutions have a duty to disseminate a new culture of solidarity in which access to rights is no longer perceived as a zero-sum game but is part and parcel of a universalist conception of human dignity.

Public institutions, which are also the places where citizens should be able to express their opinions and expectations and find answers, should also create the best conditions for nurturing skills that will enable citizens to take full part in public and social life.

It is essential, in one form or another, to introduce an obligation of accountability so that people know how responsibilities are shared and public funds are spent, for what purpose and above all with what results, especially when the dignity of the most vulnerable is at stake. But it is not enough just to introduce more transparency. It is imperative to make sure that the objective of reducing poverty, insecurity and exclusion is clearly illustrated by measures subject to result evaluation, with a clear identification of the corresponding resources and methods and those participating in their implementation. Evaluation should not be limited to the quantification of results or to short-term financial measures, as in the case of social transfers, but should focus on the long-term impact on individuals and groups, on the quality of their relationships and their material living conditions, on the environment and on the extent to which future generations

<sup>18</sup> See Gallino (2012),, op. cit.

<sup>19</sup> See for example Dolphin T. (2010), "Cutting the deficit: there is an alternative", IPPR, London, available at [www.ippr.org.uk/images/media/files/publication/2011/05/Cutting%20the%20deficit%20Oct2010\\_1803.pdf](http://www.ippr.org.uk/images/media/files/publication/2011/05/Cutting%20the%20deficit%20Oct2010_1803.pdf), accessed 7 December 2012; Wolf M. (2010) "Britain and America seek different paths from disaster", *The Financial Times*, 19 October 2010, available at [www.ft.com/intl/cms/s/0/10dabd3a-dbba-11df-a1df-00144feabdc0.html#axzz29eZsyCYN](http://www.ft.com/intl/cms/s/0/10dabd3a-dbba-11df-a1df-00144feabdc0.html#axzz29eZsyCYN), accessed 7 December 2012; Elliott L. (2010) "There is an alternative", TUC Congress Guide, available at [www.tuc.org.uk/extras/Larry\\_Elliott\\_piece\\_from\\_Congress\\_Guide\\_2010.pdf](http://www.tuc.org.uk/extras/Larry_Elliott_piece_from_Congress_Guide_2010.pdf), accessed 7 December 2012.

are taken into account, with a particular eye to ensuring that the children of people living in poverty do not themselves remain poor. It is also important to take account of the unforeseen consequences of the action taken: these are often ignored or swept under the carpet, but can have serious long-term repercussions.

Public institutions should also take action to incorporate into their social policies the various challenges we are faced with today in living together in society. Social housing policies should also incorporate the objectives of reducing pollution and energy consumption, the sustainable treatment of waste, encouraging a sense of community, the creation of parks and gardens and local services, and so on. The concept of well-being for all, with its multiple dimensions, should therefore be the leitmotif in framing and evaluating policies. This is why the Council of Europe also suggests the introduction of participatory self-evaluation of policies and public action, inviting the stakeholders concerned – including users and beneficiaries – to use as a reference the well-being criteria grid (adapted to each individual context) presented above. These democratic exercises strengthen feelings of security and solidarity in that everyone shares the same objective, namely, improving everything that can be improved in the multiple dimensions of life in society.

In addition, it is important that the inertia often shown by administrative authorities is challenged, especially when it equates to suspicion of citizens or a loss of the purpose of public action. Learning to be open to proposals and showing an interest in innovation, including when this seeks to improve action already undertaken, are absolute necessities in times of deep crisis.

These changes in the setting of priorities, in transparency and in evaluation should lead to a radical renewal of the purpose of public institutions, bringing them closer to citizens through the promotion of interactions that show respect for their potential and their contribution to social cohesion. In this way, public institutions will be able to increase their power to take action in the fight against poverty and impoverishment, by becoming agents for the promotion of the common good.

#### ► **“Commonification” of public goods and services**

Although in the current crisis, confidence in the state has been seriously undermined, governments remain the principal managers of commons. With regard to resources such as forests and fish, it is always the state that has the task of safeguarding them from the tragedy of over-exploitation and privatisation.

As we have seen, most commons fall under non-state public ownership, in which the actions of individuals working on their preservation play a key role in their reproduction and sharing. In this regard, the commons and commoning can become a reference in the transformation of public goods and services. We shall call this process “commonification”.

Above all, commonification guarantees everyone equitable access to fundamental public goods and services. But it does not stop there. It is essentially a process of democratisation enabling the re-emergence of forms of self-government and self-management of goods and services of public interest (or participatory management within revitalised public bodies). Commonification is a process through which the inhabitants of a given area regain the ability and authority to take decisions, make choices, and lay down rules and priorities, reclaiming the governance of goods and services in a participatory way.<sup>20</sup>

There are generally a whole host of obstacles, especially in the major metropolises (distances, timing, employment insecurity, difficult working conditions, complex infrastructure) that run counter to the complete self-management by residents of fundamental services such as the water supply or public transport. Nonetheless it is possible to introduce elements of self-management and commoning in the various stages of policy making, scheduling, and the methods of management and monitoring of these services. At the same time, the employees of public services must be given an active role in their joint management.

However, while it is necessary to develop legislative tools to protect commons and encourage commoning, there are possible overlaps between public goods and common goods. Different forms of public-commons partnerships could be developed in which the role of the state is refocused to support commoning and the creation of common value. This could come about through tax exemptions, subsidies, support for sharing and commoning activities, and also, for

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20 Of course, “commonifying” a service presupposes that the collective goods required to satisfy needs and fundamental rights are managed according to a model that is not market based or profit oriented.

example, by reserving public or state-owned property for shared use as commons, by means of projects in which public institutions and commoners work together.<sup>21</sup> This could mark the start of a general transformation of the state and local authorities into a 'partner state', "namely public authorities which create the right environment and support infrastructure so that citizens can peer produce value from which the whole society benefits."<sup>22</sup>

In conclusion, we suggest rethinking the strategy for the fight against poverty, impoverishment, inequality and insecurity by using the concepts of common goods and shared social responsibility so public institutions can once again have an active role. Essentially, this strategy would have the aim of well-being for all and social cohesion based on justice and democracy.

These concepts:

- require priority to once again be given to the public interest, while striving to protect common-pool resources from market thinking and private interests, and promote forms of active participation in the management of these resources;
- take account of the requirement for intergenerational and transgenerational justice with the aim of protecting the right to security – in other words a dignified life – of the present and coming generations;
- call for the development of co-operative capacities among groups of citizens, to capitalise on the local autonomy experiments already underway and to strengthen the resource co-production and co-management initiatives undertaken in various places and contexts;
- give rise to a broader idea of social integration and harmonious co-existence, taking full account of political, non-material and environmental dimensions.

Now that we have redefined the concept of poverty and placed it in a context of interdependence and interactions, and provided the fundamental references circumscribing the objectives pursued by this guide, we must now make some concrete proposals that can be considered and developed in a fruitful and transparent process of co-operation among public institutions, NGOs, movements promoting social, environmental and intergenerational justice, and all citizens called upon to share this responsibility.

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21 There are current examples of run-down or vacant public buildings that local administrations have earmarked for self-regeneration and co-housing projects for social groups that are "not poor enough" to be entitled to social housing but cannot afford to buy a home (these are often young people in the middle-to-low income bracket). The future residents are given a lease authorising them to use these buildings for a given number of years (to ensure a genuinely shared use of the recovered properties) in exchange for a specified number of hours working on the site (and a modest financial contribution). In this way, a community of residents is built up around a project before they even move in. Another example is the repopulation of certain abandoned areas in the mountains of Tuscany, Italy, where the regional authorities have prohibited the sale of common land and supported a project to create communities of commoners that, grouped in co-operatives or other forms of association, have shown they are able to use and restore the abandoned buildings, recultivate uncultivated land and maintain woodlands.

22 Bauwens observes that in order to avoid seeing the principle of the 'partner state' being assimilated to plans to dismantle the welfare state, on the model of the Big Society, "the peer production of common value requires civic wealth and strong civic institutions. In other words, the partner state concept transcends and includes the best of the welfare state, i.e. social solidarity mechanisms, high educational attainment, and a vibrant and publicly supported cultural life". Bauwens M. (2012a), *Blueprint for P2P society: the partner state & ethical economy*, available at [www.shareable.net/blog/a-blueprint-for-p2p-institutions-the-partner-state-and-the-ethical-economy-0](http://www.shareable.net/blog/a-blueprint-for-p2p-institutions-the-partner-state-and-the-ethical-economy-0), accessed 7 December 2012.

### 3. Combating poverty and inequalities: concrete proposals

The following section explores possible ways of moving towards three main objectives: 1) to ensure the effectiveness of human rights and democracy, 2) ensure the material and immaterial “security” of all - as defined in the first part of this book - from the perspective of the Commons and the fight against waste and 3) establish progressivity and social justice in public finances. Far from claiming to be exhaustive, these proposals are aimed chiefly at opening up new opportunities for action, while taking account of the pressing need to rethink economic, social and political priorities ; to fight inequality and extreme polarization ; to encourage paths of “re-democratization” ; to progress in the recognition and management of the Commons ; to end the stigma in the policies to combat poverty, impoverishment and insecurity, and to implement processes for sharing responsibilities for the well-being of all.

Putting an end to stigmatisation means choosing solutions that do not exacerbate social segmentation, in particular through administrative categorisation. Families and individuals who, before the crisis, managed to lead a dignified existence without having to rely on assistance find it demeaning to be labelled when they come to apply for state support during times of transition or hardship. Likewise, people who are already in poverty feel deeply humiliated when obtaining help from the state means having to internalise – and pass on to the younger generation – classifications that deny human dignity.

Broadly speaking, in order to combat poverty and inequality and to allow everyone to live in dignity in the XXI century, the following measures are required:

- promoting the principle of universal access to quality resources;
- making use of redistribution instruments that are “neutral”, such as progressive taxation and recourse to tax returns;
- giving priority to measures that unlock people’s potential, such as the basic income payment;
- avoiding social dumping by regulating the cost of labour via instruments such as the minimum wage;
- offering integrated public services in order to save users time, including the weakest members of society;
- creating opportunities for interaction and discussion among different social groups, and not just with the “poor”;
- facilitating access to resources by working hard to preserve common goods and by combating waste and the polarisation of wealth;
- supporting initiatives based on sharing, solidarity and mutual learning, including non-commercial schemes.

#### 3.1. Proposals to ensure the effectiveness of human rights and democracy

We have seen throughout this book that many obstacles prevent people living in poverty today access to human rights

and to make their voices heard. The first proposals that we put forward concern the two dimensions that are human rights (1) and democracy (2) so that they better protect against poverty and enable people at the bottom of the social ladder to have a real impact on policy decisions. These more general recommendations should be read in connection with the following group of proposals that present, among others, tracks related to specific rights (rights to housing, health, education, etc.) in order to ensure material and immaterial “security” of all, and thus enable to develop more egalitarian democratic processes.

### 3.1.1. Proposals to secure the universality of rights and non-discrimination

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#### ► Dismantling the legal barriers and all obstacles to access to rights

In 2000, in the report on “Obstacles to access to social protection in Europe”, drafted on behalf of a group of specialists (CS-PS) commissioned by the Council of Europe’s European Committee for Social Cohesion, Peter Melvyn argued that, over and above the formal attribution of rights, a correct analysis of social protection – and its effectiveness in dealing with certain situations of need – must take the accessibility of services into account. A right that cannot be exercised is nothing more than a statement of principle, with no impact on real life. A stated but inaccessible right is a non-existent right.<sup>1</sup>

In order to guarantee the full exercise of rights, it is therefore not enough for everyone to know that they can bring their claims before a court of law – which John Locke considered to be a natural right. It is not enough just to ensure that people experiencing poverty can apply to the courts. In its analysis of the word “accessibility”, the Council of Europe report suggests that both aspects of the term should be taken into account, namely the availability of legal protection and its intelligibility for rights holders. It emphasises the fact that:

- the exercise of a right presupposes knowledge of that right and awareness of the entitlement to hold and exercise that right;
- effective access to social protection must be guaranteed to all those entitled to such protection;
- social protection services must operate for the benefit of entitled persons;
- particular attention must be paid to the most vulnerable entitled persons;
- in order to improve access to social protection there has to be a partnership between social protection services and civil society stakeholders;
- a systematic evaluation of the impact on the fight against poverty should be undertaken when significant amendments are made to the legislation in force or when new benefits are introduced.

The CS-PS report highlights the fact that there is a group of “more vulnerable” players who deserve particular attention. In essence, this group equates to those living in a situation of marginalisation – who are growing in number for a variety of reasons – and who, as a result, are often excluded from the rest of society and from exercising their rights. Ten years ago, the report listed several categories of vulnerable people:

- members of minorities (immigrants, refugees, asylum seekers, ethnic minorities and others);
- people with disabilities, especially mental disabilities;
- people suffering from urban poverty and social exclusion, including offenders;
- groups living in difficult economic conditions;
- people made vulnerable by the physical or geographical obstacles of the regions in which they live.

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<sup>1</sup> See “Obstacles to access to social protection in Europe – Explanatory Report” by Dr Peter Melvyn (European Centre for Social Welfare Policy, Austria) for the Council of Europe, 2000, available at [www.coe.int/t/dg3/socialpolicies/socialrights/Melvynrep\\_en.asp#P33\\_724](http://www.coe.int/t/dg3/socialpolicies/socialrights/Melvynrep_en.asp#P33_724), and the 2001 revised report available at [www.coe.int/t/dg3/socialpolicies/socialrights/Melvynrepll\\_en.asp](http://www.coe.int/t/dg3/socialpolicies/socialrights/Melvynrepll_en.asp).

Needless to say, these situations are often cumulative, resulting in a form of heightened social marginalisation, which makes it difficult, before court action can be contemplated, to ensure that these citizens are aware of their rights.

In order to improve access to rights for those suffering from marginalisation, several guarantees are necessary. First, the universality of rights throughout Europe should be guaranteed, ensuring that enjoyment of these rights does not depend on any authentication of status (residence certificate, justification of income, etc.). Such a guarantee could prove an effective barrier against the discrimination of people experiencing poverty. Accordingly, the law could (as has happened in the Italian region of Tuscany) guarantee that each and every individual, regardless of status, has access to fundamental rights: basic health care, education of minors, food and housing. We could consider these to be essential to life. This right of access would be attributed to all individuals as human beings, as established 60 years ago by the Universal Declaration of Human Rights.

Second, foreigners seeking employment should be allowed to enter Europe legally. The experience of recent decades has shown that the refusal to authorise their legal entry has led to a corresponding increase in the number of irregular situations and to a growing social underclass. This underclass is often equated with an ethnic origin, denied access to available social resources and regarded as a threat to social security and, as a direct result of this exclusion, considered a threat to the physical safety and property of citizens. It is for this reason that those seeking work should be allowed, subject to certain conditions to be agreed on, to remain legally in Europe while seeking employment.

Third, states should ratify and comply with the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, adopted by the United Nations General Assembly in Resolution 45/158 of 18 December 1990. As we have already stated, protecting the social, civil and political rights of migrant workers is a duty not only because these rights are universal, but also in order to avoid a regression in the rights of all workers, as these rights could easily be undermined by the existence of a group of highly exploitable people, underpaid and forced to endure far from decent working conditions;

Fourth, states should give serious consideration to the request made by several countries of origin for the transferability of social rights (such as health insurance) for immigrants. It is also necessary to promote a new system of co-welfare between countries of origin and host countries. There are already examples of “transnational welfare” approaches set up by co-operatives in various parts of Europe. These pioneering initiatives should be encouraged and implemented by governments.<sup>2</sup>

However, the fact remains that states make access to rights subject to official proof of residence, which marginalises the Roma and the homeless persons. It is necessary to break the link between entitlement to rights and having a fixed address. At present, having such an address is a condition for access to numerous services and rights, such as the right to vote. Some of the initiatives devised in this area could be developed further and replicated, such as creating physical or virtual places that have the same legal force as private homes (such as *Via Mariano Tuccella* in Bologna or *Via Libero Leandro Lastrucci* in Florence), which anyone can declare as their official address when voting or claiming entitlements.

In the same vein, all citizens should have access to identity documents. Their possession is a gateway to access to civil, political and social rights. An identity document is a condition needed to vote, for legal protection, to have health insurance, access to education, seek help and for social work. Their grant should not be conditioned by the possession of an address. Homeless people are also, in one way or another, able to receive their mail (at post offices or spooled organizations), that includes official documents to vote.

Furthermore, because of the increase in the bureaucratic and administrative workload of social services, access to these services has become increasingly difficult and time-consuming. Better coordination between services and public structures and civil society, as it has been proposed by the Council of Europe within the framework of Multipartite Social Contracts, or the development of One-stop shops, could make it easier for people experiencing poverty and insecurity as well as reduce waste (including loss of time). It is being acknowledged more and more by social workers that what people need and what they obtain from the welfare services are occasionally two entirely

<sup>2</sup> For a more detailed discussion see Piperno F. and Tognetti Bordogna M. (2012), *Welfare transnazionale. La frontiera esterna delle politiche sociali*, Ediesse, Rome.



different things. There therefore needs to be a better match between what is requested and what is provided in order to avoid frustration and wasted resources. In this sense, it seems useful to promote and develop participatory evaluations of social action and establish a shared definition of well-being and of the “content” of rights (as mentioned at the beginning of the Part III).

#### ► **Facilitating access to justice via free legal services**

The CS-PS report referred to above concludes that guaranteeing access to justice, and consequently to effective rights, does not merely mean covering the cost of the legal fees of those experiencing poverty. A wide range of measures must be taken, depending on the rights to be protected. Among these measures, the report places a high priority on creating the right conditions for genuine access to justice – in other words, enabling entitled persons to know that they can exercise their rights. Clearly, being aware of one’s rights is a first step towards exercising them, and consequently a prerequisite of accessibility.

It is not a straightforward matter for people to develop greater awareness of enforceable rights, as this presupposes being in a position to demand access to justice. Whereas for certain rights such as physical safety there is a shared understanding of what suffering an injustice means, for other rights, the threshold beyond which an injustice is perceived to have occurred is much less clearly defined. A violation of social rights is less easy to perceive because it is relatively difficult to have a clear idea of who is entitled to particular social benefits. Social rights are often understood by the social apparatus of the state as assistance to offset the disadvantages suffered by certain population groups, to be given to those who satisfy certain criteria (age, family composition, readiness to accept employment offers, income level, health, legal status, etc.). The greater the number of conditions to be fulfilled, the harder it is to claim the benefit. The fact that one may be unable to assert the right, enshrined in the European Convention on Human Rights, to equal access to justice at minimal or no cost is doubtless not so much because of shortcomings in communication as the difficulty of understanding excessively complex procedures.

It should be necessary to develop and generalize the activities carried out by organizations such as *avvocato di strada* and many other organizations across Europe, which consist in reaching out to victims of poverty (homeless people, asylum seekers, etc..) to enable them to know their rights and have access to free legal assistance. In parallel, the generalization of Class Action could facilitate the access of people living in poverty to the Courts. Indeed, this type of legal action allows a group of people to report a violation of their rights, whilst limiting the costs and the risks involved in the legal procedure when initiated by a person in poverty alone.

Sound legal knowledge should go hand in hand with unambiguous social protection. There should be no more talk of the “undeserving poor”. Public service staff should pass on the message that everyone has a right to health, and therefore to health care; to a decent life, and therefore to appropriate food and housing; to rest and respect, to culture and recognition, and to political expression, in other words to be able to voice their claims and protest.

#### ► **Establishing an extensive network of discrimination monitoring centres in Europe**

Political sensitivity towards discrimination appears to be declining in Europe. Media and political figures, members of the government, teachers and social workers openly and regularly violate the rights of certain groups of people through their action and hate speech, through ethnicist and racist statements – all of which goes unpunished. Public institutions, NGOs and others must adopt a zero-tolerance policy towards all forms of racism, sexism, ageism and discrimination against, stigmatisation of or violence towards Roma, immigrants and those in financially insecure situations.

Council Directive 2000/43/EC of 29 June 2000 on “implementing the principle of equal treatment between persons irrespective of racial or ethnic origin”, which states that “the principle of equality requires adequate judicial protection against victimisation”, asserts that “protection against discrimination based on racial or ethnic origin would itself be strengthened by the existence of a body or bodies in each Member State, with competence to analyse the problems involved, to study possible solutions and to provide concrete assistance for the victims.” In the spirit of this Directive, a number of discrimination monitoring centres have been set up in various EU countries. But such bodies need to be further developed and improved. New – decentralised – monitoring centres should be set up in conjunction with local authorities and NGOs with experience in this field. Accordingly, there is a need to encourage the creation of local “anti-discrimination centres” providing assistance to victims.

This was the strategy adopted by UNAR (Uffizio Nazionale Antidiscriminazioni Razziali) in Italy, which has set up regional branches often run by local NGOs and civil society associations (in all cases through the mediation of the local authorities). Using the same database to which they all have access, each regional branch collects complaints (which may be submitted anonymously) from victims of social, civil or political discrimination. The next stage is mediation, wherever practical, or legal protection. These branches also run awareness-raising campaigns (in schools, hospitals or any other key locations) and monitor the substance of local regulations in order to challenge any discriminatory provisions.<sup>3</sup> To ensure their action is effective, these bodies must be given adequate resources and be part of an official national anti-discrimination network. The UNAR model is the result of an interesting experiment of systematic observation that could be extended to Europe as a whole.

We now put forward a few proposals in the field of access to rights to ensure that the views of those experiencing poverty are heard more effectively through the consolidation of democratic processes set up at local level.

### 3.1.2. Proposals to consolidate democratic processes

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#### ► Creating local democratic processes that have a real impact on policy choices

Comparative international research shows how people experiencing poverty and insecurity are able to take an active part in participatory democratic process once they realise how worthwhile this can be for them; in other words, when they see that this is one way of solving certain specific everyday problems (from the need for infrastructure or services in urban areas to access to water or land in rural areas). People “did not get involved in the process because they wanted to pass motions, but because they wanted to get infrastructure for their area and improve their lives”, remarks Abers, in her comments on the participatory budget in Porto Alegre.<sup>4</sup>

In Europe, numerous initiatives have been taken in an attempt to “democratise democracy”, primarily at local level. However, a truly democratic process (which is not simply consultative or a means of legitimising decisions already taken elsewhere) must satisfy certain minimum conditions.

The aim of participation must be to ensure that the process for making decisions on societal priorities is once again genuinely democratic. If this is to be the case, then it is essential at the outset to be fully aware of the preferences, perceptions and expectations of the various social groups and treat them all on an equal footing. To return to the well-being criteria with regard to food, discussed earlier in this guide, deciding on priorities – in this case satisfying the needs of those who have to scavenge in dustbins in order to find food rather than those who can afford to purchase organic products – presupposes that we ask ourselves what changes and forms of commitment are required to ensure that everyone has equal access to the conditions of well-being in a genuine quest to secure societal progress or, in other words, to combat polarisation.<sup>5</sup>

Participation must apply at all levels: from the drafting stage to the deliberation phase, when decisions are taken on the relative importance of issues and priorities.<sup>6</sup> This relates to empowering people, enabling them to have a significant influence on decisions, failing which there is a danger that participation will become merely a game and a waste of time.

In order for the process to be able to satisfy tangible needs, participation must not be limited to marginal or peripheral issues (“window-dressing”), but should focus on key issues such as access to decent living conditions, decent public areas, common goods, and so on. And finally, participation must be an ongoing process and not an occasional event.

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3 One practical example is provided by the Venice Anti-Discrimination Monitoring Centre: <http://antidiscriminazionivenezia.wordpress.com/>, accessed 11 December 2012.

4 Abers R.N. (2003), “Reflections on what makes empowered participatory governance happen”, in Fung A. and Wright E.O. (eds), *Deepening democracy. Institutional innovations in empowered participatory governance*, Verso, London, p. 204.

5 See in this connection, the definition and analysis of the concept of societal progress proposed in: Council of Europe (2011), *Involving citizens and communities in securing societal progress for the well-being of all – methodological guide*, Council of Europe Publishing, Strasbourg.

6 Participation takes place at all stages of the procedure: initiative, drafting, deciding, checking. In detail, there are six procedural stages for participation: choosing a direction, defining regulations, planning and scheduling; decisions as to the suitability of the action; drafting and designing; submitting the proposal; actual influence over the decision; checking and monitoring. See Allegretti U. (2010), “Democrazia partecipativa”, in Allegretti U. (ed.), *Democrazia partecipativa. Esperienze e prospettive in Italia e in Europa*, Firenze University Press, Florence, p. 38.

Once it has been agreed that this type of process is not to be a means of further empowering those who already have power (that is, the holders of wealth, and those who have access to knowledge and higher education), it is then necessary to promote participatory models that genuinely include those citizens who have the least material resources and political power, so that the new policy-making institutions become forums in which the poorest groups, together with national and ethnic minorities, are represented, in which their voices can be heard and which, as a result, are able to contribute to a socially and geographically effective distribution of resources. This entails enabling participatory processes to be promoted from below and identifying targeted procedures and criteria that explicitly focus, above all, on securing social justice. For example, the criteria and indicators could be chosen in accordance with the objective of well-being for all, as proposed by the Council of Europe, as this makes it possible to arrange for a distribution of public resources according to the needs and aspirations of the different groups or regions<sup>7</sup> (which will avoid a concentration of investment among certain social classes or in certain neighbourhoods or regions).<sup>8</sup> If the participatory approach is to find solutions to unfair situations, then a way must be found to ensure that the weakest sectors are able to participate on an equal footing. In other words, it is essential not to group the poorest sectors of the population in specific participatory forums, but to start from the premise that there are power differentials that must be eliminated. To do this, clear rules must be established (such as notification of meeting times, expressing perceptions and needs, and producing summaries and conclusions in plain language) that will not penalise those who are at a disadvantage because of difficult living conditions and constantly shifting working hours or who find it hard to express their aspirations. In short, it is necessary to work out a series of procedural methods that will ensure equal opportunities for all the residents of a given area.<sup>9</sup>

The SPIRAL methodology, devised by the Council of Europe and described in the preceding chapter, seeks to create participatory processes at local level that are consistent with this approach. It enables various social groups – people experiencing poverty in the same way as others, including entrepreneurs, the self-employed and local government staff – to participate in the definition of objectives for the well-being of all.

In principle, participatory processes themselves offer an opportunity for practical involvement in the action being undertaken and in the sharing of social responsibilities. However, the involvement of the weakest stakeholders cannot be taken for granted, and that of the strongest players even less so. Several factors run counter to long-term citizen commitment to seeking social justice. These include:

- the extreme fragmentation of our societies, which enables people to make choices and act with no knowledge or concept of the perceptions or aspirations of the other social groups with whom they share the same living environment;
- the impossibility, as a result of this fragmentation, of defining common objectives and societal priorities, particularly when the authorities show insufficient commitment to defending the general interest and promoting social justice;
- people's loss of confidence in their own ability to change society, especially in the case of citizens whose difficult living conditions place them in a vulnerable situation;
- the difficulty in identifying the resources that could satisfy needs, in particular because of the decline in sense of community and co-operative practices traditionally associated with common goods.

7 A quality of life index is incorporated into the Brazilian participatory budget. For example, the municipality of Belo Horizonte calculates this index using 50 parameters for each area of the city.

8 In São Paulo, Brazil, most of those taking part in the participatory budget are chosen from residents of disadvantaged neighbourhoods. See Sanchez F. (2004), "O orçamento participativo de São Paulo (2001-2004): uma inovação democrática", Avritzer L. (ed.), *A participação em São Paulo*, Edunesp, São Paulo.

9 The drawing up of participatory budgets that explicitly pursue social justice objectives, preceded by the definition of well-being indices on a local scale (or other objective parameters that incorporate obligations of investments for the benefit of disadvantaged social groups and neighbourhoods) is form of democracy and redistribution that leads to a more inclusive situation compared with the existing inequalities and injustices. Suitable procedures are needed, such as awarding bonus points to proposals relating to areas in which there is a glaring shortage of housing and infrastructure, or to those organising public meetings in disadvantaged areas that are least easily reached by public transport. A significant proportion of the municipal budget must be decided on by means of structured and regular participatory and public processes (neighbourhood assemblies, thematic assemblies, creation of a participatory budget council, etc.). The participatory budget in Porto Alegre covers up to 20% of the municipal budget, which offers the opportunity to accept about one third of the requests presented by the townspeople. See Baiocchi G. (2001), "Participation, activism, and politics: the Porto Alegre experiment and deliberative democratic theory", *Politics and Society*, Vol. 29, No. 1, pp. 43-72.

For all these reasons – and more, such as the criminalisation of poverty – it is essential, if participatory processes are to have a transforming effect, to use methods that can help rebuild the social “continuum”, in other words to understand the relations of interdependence between social groups and the consequences of the choices made by some, in particular the strongest, on the lives of others – especially the weakest. In conclusion, if we are to eliminate situations of injustice, above all poverty, then we have to enable the weakest groups to have a voice. However, this also presupposes a renewed sense of the common good and renewed citizen confidence in their ability to bring about change.

### ► “Commonification” of public services

“Commonification” of public services means first and foremost managing them in a not-for-profit-oriented way, and therefore as commons to which each and every individual must be able to have equal access, regardless of his or her ability to pay. In other words, “commonifying” public services serve to satisfy essential needs and enable the full exercise of fundamental rights.

But “commonification” also implies a process of democratising the management of commons. We need to create the right conditions that will enable the people concerned (regardless of social status) to take an active part in setting priorities and organising services. This gradual transformation process could be based on experimental models and should satisfy at least two requirements: first, that members of the public services’ Board of Directors include representatives of active citizens, people’s movements, NGOs and service staff; and second, that there are participatory forms of result evaluation.

Participatory evaluation implies that all stakeholders (beneficiaries, service providers, administrators, and so on) are fully aware of the impact of services and actions undertaken, and are then able to decide on the priorities to be set in order to bring about an improvement. This, for example, was what took place in the Lycée Albert-Schweitzer in Mulhouse: teachers, administrative staff, pupils, parents and maintenance staff, using the SPIRAL approach, undertook a participatory evaluation of the school, and together decided to implement an action plan to improve the well-being of all within the lycée.

The same method can be adopted for social services or integration bodies, provided that prominence is given to the point of view of users, so that they can express themselves freely (without fear of any adverse consequences) and can take part in the decisions regarding the changes to be introduced. The advantage of these processes is that participants are made aware of the different stages involved in the common management of a resource. This is why participatory evaluation<sup>10</sup> should be followed up by implementation of the improvements defined as priority issues, and then a re-evaluation after a period agreed on by all participants. Without this cycle (participatory evaluation, concerted action, participatory re-evaluation), the participation of the various stakeholders is merely an occasional superficial exercise that makes no contribution to learning about common methods of management and action.

In the field of water management, a good example of participatory co-management is provided by the city of Córdoba, where the commonification of water services (EMACSA) began in 1979. The Board of Administration comprises representatives appointed by the city council, employees of the water company and the Civil Society Movements Council, in which the neighbourhood associations (to which 13% of residents belong) play a vital role. This participatory structure has a transparency mechanism enabling citizens who are not official representatives to follow the decision-making process and contribute by voicing their own opinions.<sup>11</sup>

However, as we have already pointed out, participatory activities and commoning also encourage people to cease wasting the resources to which so many people do not have access, and to reuse discarded and abandoned resources.

After having presented proposals to improve the effectiveness of human rights and democracy, we propose to explore ways to ensure the “security” of all (in both material and immaterial aspects), in a perspective of Common goods and waste avoidance.

10 For details of the participatory evaluation method proposed by the Council of Europe, see the SPIRAL site at <https://wikispiral.org/>, accessed 11 December 2012

11 See Ortega de Miguel E. and Sanz Mulas A. (2005), *Water management in Córdoba (Spain): a participative, efficient and effective public model*, available at [www.tni.org/books/waterspain.pdf](http://www.tni.org/books/waterspain.pdf), accessed 9 December 2012.

## 3.2. Proposals to ensure the “security” of all, from the perspective of the common goods and waste avoidance

The following proposals aim to ensure equal access to resources in a Common goods perspective in order to ensure the “security” of all - as defined in the first part of this book - and thus create the conditions necessary so that more egalitarian democratic processes can emerge.

### 3.2.1. Proposals to reduce inequalities and to ensure equal access to material and immaterial resources

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#### ► Ensuring equal access to quality education and health services

Better distribution of services would help to reduce inequalities and ensure, in the long term, the exercise of human rights by improving social mobility. Not to mention the fact that more evenly distributed access benefits not only the social groups most affected by poverty and insecurity but also other groups, which accordingly have access to better quality services and a safer, more cohesive everyday environment.<sup>12</sup>

Health care and education are two key aspects in the life of every individual, two aspects that will shape the future of our society. The democratising function of public spending on health and education should therefore be acknowledged and reinforced. As we have pointed out, there are two kinds of rights that need to be protected and ensured here. The first is a right to access education and health care, while the second is a right to enjoy the same quality of services as everyone else. The shift towards less progressive public financing and greater reliance on private markets, at a time when market revenues are subject to severe inequalities, makes it even more difficult for a growing number of people to achieve decent standards of living. If quality education and health care are subject to individual affordability, then we are likely to see further polarisation, with the best schools and the best health care available to only the most affluent citizens, who will consequently be in an even stronger position.

Making policy proposals in these areas is not easy because it requires an examination of specific national features, something that is beyond the scope of this guide. Instead, we will merely offer some very general guidance, along with a few passing comments.

As regards the right of access, we would emphasise the need to provide public education and health care that are free of charge, and hence inclusive and accessible. This involves:

- investing in the construction of high-quality health centres, hospitals, schools and universities, spread all over the country, without any distinction between rich areas and poor areas, and which are accessible to everyone, whatever their income;
- investing in infrastructure and resources to remove barriers to access, whether they be physical, such as those that make it difficult for people with disabilities to travel, or non-physical, such as the digital divide and language barriers;
- taking action to tackle the reduction in the number of qualified teachers and practitioners and to promote in-service training for school teachers and hospital staff;
- taking decisive action to prevent children from being marginalised because of their ethnic origin, faith, cultural or economic background, which also means using some community resources to meet needs related to health care and integration;
- reducing the costs associated with education and health care, such as medicines, books and transportation, through better use of existing resources;
- involving users in participatory self-evaluation exercises so as to identify priorities for improving quality;
- exploring and encouraging informal methods of learning such as peer-to-peer learning, on-line learning and networking and valuing a wide range of experiences and ways of accessing knowledge. In places where there is no digital divide leading to exclusion, access to education

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12 Wilkinson and Pickett (2009), op. cit.

can be improved by making use of new media and high-tech solutions that open up the classroom to the outside world, training opportunities and access to knowledge at zero cost via the Internet, that is, via online courses and student-teacher interaction.

As regards the right to quality, in line with our proposal for a progressive system of financing public spending, this would mean increasing expenditure on health and education, as a percentage of GDP, through a progressive tax system,<sup>13</sup> and improving the efficiency of public institutions by means other than just cost-cutting. All too often, the student-teacher ratio, which may effectively be regarded as a measure of quality in education, and the ratio of hospital beds to population, are sacrificed with no thought for the negative collateral impact of such measures. Cost optimisation can be achieved by streamlining organisational structures and administrative procedures rather than through budget cuts.

It is worth emphasising that introducing equity in access to education is not merely a question of social justice: it is also a prerequisite for the sustainable development of our societies, including from a purely economic standpoint. Indeed, promoting education is the best way of encouraging social mobility, which must come to be seen as a fundamental aim and a political priority.

Differences in ability between children usually become apparent at a very young age, and it is only through public intervention at a very early stage that we can hope to achieve equality of opportunity for all.<sup>14</sup> What is required, therefore, is to target investment at early childhood education. It has been shown, moreover, that giving additional educational resources to the families of disadvantaged children is a cost-effective way of promoting equality of opportunity in terms of schooling. Social mobility helps to prevent class divisions from being perpetuated and gives those who want it the opportunity to go on to higher education.

In terms of health services, securing quality means ensuring that these services are available to all without undue delay, whether it be a lab test or an appointment with a specialist; ensuring that even the poorest members of society have access to dental and eye care as well as the necessary treatment in the event of serious illness; and lastly, ensuring that the poorest regions are not stripped of their health services, or at any rate the essential services.

Ensuring equitable access through common goods (see the earlier sections of this guide) involves listening to what service users and professionals (such as practitioners and teachers) have to say and taking this into account when making decisions. That means moving towards more democratic management of these services (we have explored this proposal further under “Commonification” of public services).

Where access to medicines is concerned, steps must be taken to promote low-price generic drugs and to campaign against waste, in terms of both medical prescriptions and consumption. Systems for collecting unused medicines need to be introduced, and these should also help to raise awareness about the unsustainable nature of forms of consumption that encourage waste. We will develop this idea further in the proposal about reusing wasted resources.

## ► Ensuring equal access to quality housing

The right to housing is enshrined in numerous international instruments, such as the Universal Declaration of Human Rights<sup>15</sup> and the European Social Charter (revised).<sup>16</sup> The UN Committee on Economic, Social and Cultural Rights<sup>17</sup> has described it as the right to live “somewhere in security, peace and dignity”, meaning “adequate privacy, adequate space, adequate security, adequate lighting and ventilation, adequate basic infrastructure and adequate location with regard to work and basic facilities – all at a reasonable cost”. In the late 2000s, this right was still far from being a reality for several million people in Europe. In France, for example, over 250 000 people<sup>18</sup> were without housing while a further 2.9 million were living in housing that was overcrowded or

13 On this subject, see below our proposals concerning the tax system.

14 Cunha F. and Heckman J.J. (2009), “The economics and psychology of inequality and human development”, *Journal of the European Economic Association*, Vol. 7, No. 2, pp. 320-64, and Heckman J. J. et al. (2010), “Understanding the mechanisms through which an influential early childhood program boosted adult outcomes”, forthcoming, *American Economic Review*.

15 Article 25 of the Universal Declaration of Human Rights, United Nations, 1948, available at [www.un.org/en/documents/udhr/](http://www.un.org/en/documents/udhr/), accessed 10 December 2012.

16 Article 31 of the European Social Charter (revised), Council of Europe, 1996. Available at <http://conventions.coe.int/Treaty/EN/Treaties/Html/163.htm>, accessed 10 December 2012.

17 CESCR (1991), op.cit.

18 Of these, 33 000 were living on the street or in emergency shelters, 100 000 were housed for longer periods in social housing facilities or in state-funded housing, and 117 000 had made their own private arrangements.

lacked basic amenities.<sup>19</sup> While it is difficult to come up with instant solutions that would allow everyone to enjoy this right, ways of improving the situation and facilitating equal access to quality housing can be explored.

As regards effective access to quality housing, it is important to examine the more immediate reasons why people end up homeless. While, in some cases (family breakdown, separation, etc.) there might appear to be no easy solutions, other situations are more predictable and therefore more amenable to preventive action. People who have just been released from prison, for instance, do not always have somewhere to stay: support measures could ease the transition from prison to the community. As for evictions, these should be carried out only as a last resort and only when alternative decent housing has been found for the individual or family concerned. The same applies when dismantling Roma or migrant camps.

Even as the number of people in distress grows, thousands of homes lie vacant or even abandoned. In 2012, the Empty Homes network estimated that there were 920 000 empty homes across the UK, 330 000 of which were long-term empty.<sup>20</sup> A list of abandoned houses and sites kept by the [im]possible living network<sup>21</sup> in Italy reveals the paradox of a society that discards, wastes or under-utilises resources while other people go without. How can we make better use of these resources while at the same time rendering them more accessible to those who need them? Alongside the practice of occupying – or squatting in – properties, practices that may one day be officially recognised as being in the public interest,<sup>22</sup> other, less conflictual forms of mediation can be developed, such as incentives for initiatives that provide low-cost housing in exchange for repair and maintenance work on the properties in question. Fiscal or statutory provisions could also be introduced to create a disincentive for multiple home ownership and under-occupation, thereby encouraging owners to make their properties available to the community at a lower cost. The system of “soft requisition” used in the Walloon Region<sup>23</sup> could serve as an example here.

In some cases, collective housing can also help to reduce costs and make it easier for people to find a place to live. While renting together is common practice among students in Europe, it is seldom considered in the context of social policy. And yet, like “co-housing” projects and other similar schemes, such shared housing arrangements can help foster social bonds and combat the isolation that often afflicts people living in poverty or vulnerable circumstances. France’s intergenerational housing scheme,<sup>24</sup> for example, allows students to live with elderly persons at a nominal rent. While not a substitute for professional carers, the youngsters provide company and perform small services. None of this, however, should happen without the consent of the person concerned. Sometimes people get pushed into accepting arrangements that do not suit them before other options have been explored. When making decisions about housing, it is essential to take into account the aspirations of the individuals involved. Hence the importance, when seeking solutions in this area, of developing participatory processes and paying attention to the social context.

If we start from the principle that decent housing is a fundamental and inviolable right that needs to be enforced, then it is important, as pointed out in Part II of this guide, to reduce inequalities in terms of access, without overlooking the issue of quality. In order to combat the creation of ghettos and the proliferation of neighbourhoods that are without proper services, efforts should be made to foster social diversity, including within the same housing complex. The accessibility and quality of a neighbourhood’s public spaces and common areas can encourage or, on the contrary, impede interaction between people living in the same environment. Introducing participatory processes within the same complex is the measure most likely, however, to facilitate interaction and conflict resolution and to encourage the development of social bonds. At the same time, treating housing as a common good that affords everyone the opportunity to express their point of view can pave the way for multiple solutions, by promoting greater consideration for cultural preferences (which in today’s plural societies are necessarily diverse), whereas models that are imposed are apt to run counter to the culture of the people to be housed.

Community Land Trusts (CLTs) provide an interesting example in that they treat housing as a common good. This allows them to offer housing to people who cannot afford to rent or buy a place of their own. They would therefore appear to offer a simple solution to the injustices and

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19 Briant P. and Donzeau N. (2011), “Être sans domicile, avoir des conditions de logement difficiles. La situation dans les années 2000”, available at [www.insee.fr/fr/themes/document.asp?ref\\_id=ip1330](http://www.insee.fr/fr/themes/document.asp?ref_id=ip1330), accessed 10 December 2012.

20 See [www.emptyhomes.com/statistics-2/](http://www.emptyhomes.com/statistics-2/), accessed 10 December 2012.

21 See [www.impossibleliving.com/](http://www.impossibleliving.com/), accessed 10 December 2012.

22 Examples include the collective situated at 123 rue Royale in Brussels ([www.123rueroyale.be](http://www.123rueroyale.be), accessed 10 December 2012) or the Maison Mimir project in Strasbourg (<http://chezmimir.hautetfort.com>, accessed 10 December 2012).

23 See [www.charleroi.be/logements-inoccup-s-les-premiers-r-sultats-encourageants-la-r-quisition-douce](http://www.charleroi.be/logements-inoccup-s-les-premiers-r-sultats-encourageants-la-r-quisition-douce), accessed 10 December 2012

24 See for example the LIS network: <http://artoit2generations.free.fr/Reseau.htm>, accessed 10 December 2012

inequalities engendered by a volatile market economy, by removing land from the speculative market and managing it as a common good: by preventing market factors from influencing house prices, they can keep the latter at an affordable level, thereby ensuring security and equitable treatment for homeowners. CLTs are based on a system of contracts between the landowner and the homeowner. The housing is purchased in the usual way: the owner obtains a mortgage with a bank, must pay property taxes and can leave the house to his or her heirs. There are two major differences, however: firstly, the CLT owns the land on which the homes are built and, secondly, the land lease contains a clause that ensures that if the home is sold, it must go to another low-income person. The CLT is democratically controlled and is usually run by a board of directors that is one-third residents, one-third public officials and one-third members of the local community. Such a scheme requires a firm commitment to open membership, inclusive governance and direct accountability to the community it serves.

This brings us to something that plays a major role in the quality of housing, namely access to water and energy.

### ► Ensuring access to a “vital minimum amount” of material commons such as energy and water

Access to drinking water and energy, two fundamental commons, should be universal and, equally important, accompanied by meaningful supply: everyone should be guaranteed a certain minimum level of consumption free of charge. This means that all citizens should have access to a portion of these common goods irrespective of their ability to pay. It is the responsibility of society as a whole to cover the costs entailed in the implementation of this universal right of access to services that are vital for a dignified existence.

Determining the minimum amount of water and electricity required per person per day is therefore a crucial issue. WHO has estimated that each person needs at least 50 litres of water a day to cover basic hygiene and nutritional needs. Similar calculations can be carried out for gas and electricity. At the same time, it is necessary to set tariffs that are sufficient to cover maintenance, research and innovation. As regards domestic consumption, the regulator should establish a pricing structure that takes account of household income and composition but penalises over-consumption, in recognition of the environmental need to limit waste. In most cases, the price charged comprises two components: a variable charge that is based on the volume consumed, according to a tariff that may be either linear or increase with consumption,<sup>25</sup> plus a fixed charge that is meant to cover the cost of connection to the network and which may be regarded as an access fee.<sup>26</sup> If access is to be universal, there must be no access fee and a scheme should be introduced whereby an initial block of water or energy is provided free of charge. In the event of delays in paying for usage over and above this initial block, the supplier should be able to limit supply to the minimum subsistence level, but never suspend service completely.

Accessibility is not only a question of price, however. It is also about extending supply networks to remote areas. Geographic discrimination must be avoided and measures taken to ensure that services are available to the entire population.

Lastly, strict rules need to be applied so as to discourage excessive usage of the service and thereby ensure its sustainability. If common goods are to be preserved for future generations, besides introducing ceilings and progressive tariffs for consumption, it is also important to engage citizens morally, in other words, harness their capacity to mount a collective response to societal challenges. The voluntary scheme introduced between 1995 and 1998 by Antanas Mockus, when he was mayor of Bogota, to encourage people to save water is one example of what can be achieved.<sup>27</sup>

Various movements and political platforms have suggested this type of approach – see, for example, the Citizens’ Initiative Bill<sup>28</sup> presented in 2007 to the Italian Parliament by the Italian Water Forum (Forum Italiano dei Movimenti per l’Acqua), which managed to collect around half a million signatures – and in 2010 an initial step was taken towards full recognition of the

25 Volumetric tariffs that decrease with consumption and consequently reward higher consumption at the expense of sustainability are to be found only in some US providers.

26 In Hungary, Poland and the Czech Republic, there is no fixed charge but the volumetric tariff is linear. According to the 2008 Global Water Intelligence survey, half of the utilities surveyed had linear volumetric tariffs whereas the other half had rising block tariffs. Only some areas of Belgium and South Africa have a system of rising block tariffs where the first block is priced at zero. Surprisingly, in Norway and the United Kingdom, many water users pay a flat rate, regardless of how much they consume, a system that is liable to jeopardise sustainability and leads to high access fees.

27 [www.eltiempo.com/archivo/documento/MAM-534578](http://www.eltiempo.com/archivo/documento/MAM-534578), accessed 9 December 2012.

28 [www.acquabenecomune.org](http://www.acquabenecomune.org), accessed 9 December 2012.



universal right of access to water when the General Assembly of the United Nations declared “the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights”. Although non-binding, this declaration paved the way for the incorporation in international law of the right to basic services, and is a first step towards its implementation in practice. The declaration further states that rights to a vital share of common goods are necessary for the full enjoyment of other fundamental rights already enshrined in international treaties and recognised by some states, such as the right to life and the right to health. Similarly, a certain minimum level of provision in terms of electricity and Internet connections may be considered vital for the full exercise of these rights. Ensuring that everyone has access to certain services and commodities is a means of ensuring social justice.

### ► Treating public space as a common good

As we have pointed out, access to public space is by no means equally available to everyone. Numerous barriers prevent certain groups from making use of public or semi-public space, whether it be physical (parks, stations, shopping centres, etc.) or less tangible (the Internet, forums for discussing what policy measures are required, etc.). In urban areas, numerous local ordinances or by-laws prevent any use of public space for non-commercial purposes, by prohibiting, for example, sleeping rough, “loitering” or behaving in what is deemed to be a disorderly manner in shops and businesses.<sup>29</sup> In some cases these restrictions are compounded by other internal regulations that apply in semi-public spaces such as stations or metro stations, where physical appearance alone can be a reason to keep certain persons out. Sometimes, too, there are private security guards present, or the areas themselves are fitted out in such a way as to deter people from lingering.

In a social justice approach, new emphasis needs to be given to the notion of an individual and collective “right to the city”,<sup>30</sup> so that the aspirations of all users are taken into account when designing and managing public space. The needs of the social groups that use this space for non-commercial purposes are seldom considered at present. In France, for example, the phasing out of public toilets has had a negative impact on the everyday lives of homeless people, who now find themselves with nowhere to wash.<sup>31</sup> In order to transform public space into a common good, a dialogue therefore needs to be instituted among the different categories of users (shopkeepers, residents, etc.), so that marginalised groups can have a say in decision making. Proactive management would make it possible to find more appropriate solutions, including for areas that have fallen into disuse or become run-down. A community-based form of management could be introduced, for example, in parks, streets or railway stations, on the model of the shared or community gardens that are springing up in several European countries, that is, gardens that are designed, created and maintained collectively by residents of a particular neighbourhood or village, often on former industrial sites or wasteland. Initiatives of this kind have already come about in France,<sup>32</sup> Belgium<sup>33</sup> and Germany.<sup>34</sup>

Ensuring access to public space also requires us to review the current practice of criminalising people living in poverty, especially when they do not have a residence permit. Regularly evicting people from the makeshift camps along the north coast of France, the Ionian Sea or elsewhere in Europe is not a sustainable policy in the long run. The never-ending dismantling of migrant or Roma camps, without offering them decent alternative housing, is a violation of these people’s human rights and can hardly be regarded as “responsible policy”. There are any number of possible solutions, including upgrading the camps so that they respect human dignity (with access to services and local shops, etc.) or offering homes from the private or public housing stock, but, most importantly, attention needs to be paid to the opinions of the people concerned. The provision for all Roma of a statute that would allow them to reside legally in any European state, the introduction of a one-year residence permit allowing any non-EU national to seek employment or the granting of European citizenship to anyone born in the EU are all avenues that should be explored in order to avoid putting individuals in a situation where they are in the country in a irregular situation and under constant threat of deportation.

Since the idea is to move away from short-term “security-first” policies, treating public space as a common good is becoming a necessity. And since it is the job of public investment to redress

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29 Zuidam P. and Pols G. (2007), *op. cit.*

30 See the proposed “World Charter on the Right to the City”, Social Forum of the Americas, Quito, July 2004. Available at [www.dpi.org/lang-en/events/details.php?page=124](http://www.dpi.org/lang-en/events/details.php?page=124), accessed 10 December 2012.

31 Damon J. (2007), *op. cit.*

32 See the website of France’s shared gardens network: <http://jardins-partages.org/>, accessed 10 December 2012.

33 See [www.lesjardinspartagesdevillers.be/](http://www.lesjardinspartagesdevillers.be/), accessed 10 December 2012.

34 See <http://eine-andere-welt-ist-pflanzbar.urbanacker.net/1-1-home.html>, accessed 10 December 2012.

territorial imbalances by taking equal account of the public space needs of all members of the community, including the less well-off, it would make sense to look, for example, at how capital spending on public spaces is allocated within the same city. Are the different areas or neighbourhoods all equally provided for in terms of facilities?

Lastly, access to public space is also about access to the places where democracy operates, and hence to knowledge and information.

### ► **Guaranteeing open access to knowledge and information**

By adopting methods that encourage co-operation and co-production and foster a capacity to define priorities, institutions and citizens can work together to expand knowledge and creativity, develop new knowledge that is useful, and guarantee open access to information posted on the Internet.

Efforts need to be made in the field of what is termed “digital rights”. As the UN Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression has pointed out,<sup>35</sup> the Internet makes it possible for individuals to seek, receive and impart information and ideas, while also expanding individuals’ capacity to enjoy their right to freedom of opinion and expression, which is an “enabler” of other human rights.

In recent years, there has been a debate on the suggestion, reflected in a subsequent report by the Special Rapporteur,<sup>36</sup> that access to the Internet be made a human right. France and Estonia expressed support for this in 2011.

Guaranteeing access to the Internet goes beyond the mere need to preserve freedom of expression. The Internet is a tool that can be used to combat socio-economic inequalities and accelerate human development and progress, clearly bringing benefits to humankind in the social sphere. It is important to note that:

- the other side of the freedom of expression coin is freedom of information. In this context the Internet offers a remarkable opportunity for democratisation and empowerment;
- the Internet provides a platform enabling education, knowledge and technical expertise to be shared for the benefit of all;
- the Internet can play a part in denouncing and combating segregation and marginalisation by bringing together people who would otherwise inevitably remain isolated;
- employment and personal development opportunities – different from those reserved for small elitist networks – are circulated via the Internet.

It is not within the scope of this guide to show how Internet access is a human right. The important thing here is to realise that technological tools and the Internet make rights potentially achievable. It would be difficult to argue with this fact.

If we acknowledge that the Internet is crucial to the exercise of human rights and fosters the social and human development of our societies, then it is essential to ensure that it is accessible to all. This presupposes that infrastructure and the educational dimension are both taken into account. It is imperative, on the one hand, to encourage investment enabling broadband to reach every last corner of Europe and, on the other, to narrow the digital divide often affecting those at risk of poverty. This is a crucial point if the aim is for the Internet to become a real way of combating inequalities and promoting social mobility.

More should therefore be done to ensure that Internet connections are available free of charge in public places, as is the case, for instance, in municipal libraries in cities such as Strasbourg,<sup>37</sup> in France, and to facilitate access, which is the aim of the Access Space project<sup>38</sup> in the United Kingdom.

35 Frank La Rue, Report of the UN Special Rapporteur to the Human Rights Council on the promotion and protection of the right to freedom of opinion and expression, A/HRC/17/27, 16 May 2011.

36 Frank La Rue, Report of the UN Special Rapporteur to the General Assembly on the promotion and protection of the right to freedom of opinion and expression, A/66/290, 10 August 2011.

37 See [www.mediatheques-cus.fr](http://www.mediatheques-cus.fr), accessed 10 December 2012.

38 See <http://access-space.org>, accessed 10 December 2012.

Where knowledge is concerned, “open access” means access to content for everyone without charge. Universities and research centres should post their courses on their websites and allow these to be downloaded free of charge. For their part, governments should make it compulsory for publicly funded research to be freely accessible.<sup>39</sup>

The free availability of digital tools and equipment (from publicly accessible repositories to e-books) could be useful to a much wider group than just students and researchers: it would be highly advantageous to anyone seeking to acquire personal or occupational skills. Public policies should therefore encourage the sharing of hardware, and more generally the emerging forms of knowledge-sharing: if open access to the knowledge needed for material production is promoted, anyone can apply the “do-it-yourself” principle to create the tools for which he or she has a – sometimes vital – need. The sharing of plans and technical drawings may enable people to create for themselves a whole range of tools, from computer parts to a whole tractor.<sup>40</sup> The prospect of creating things for themselves may hold out promise to those without resources, especially those lacking the means to acquire through the market the tools and machines they need.

Information and communication technologies (ICTs) may also increase the transparency of the work done by institutions, thereby curbing the waste of public resources, by providing access to information about how they are used, misused or reused and, even more importantly, by encouraging democratic pressure and public reasoning.

ICTs offer ways of developing opportunities for dialogue so that people can express their views freely without being categorised or stigmatised. The Edgeryders platform created by the Council of Europe is a good example of this,<sup>41</sup> making possible discussions and mutual support among citizens of a very wide variety of origins and conditions, without anyone having to state to which “category” (Roma, unemployed, immigrant, etc.) he or she belongs.

Nevertheless, access to knowledge is not merely a digital matter. The sharing of knowledge and know-how – indispensable in order to escape poverty and isolation – can take place in other experimental ways, such as local exchange systems. Nor should we forget that if people experiencing poverty are to be able to assert their dignity in the public arena, it is essential that they are fully aware of their rights and what they entail. We have mentioned this in our proposals about the universalisation of rights and non-discrimination.

### ► Providing a legal framework for commons

The concept of “common goods” presupposes that equitable access to resources is guaranteed in order to reduce inequalities and move towards social justice. It is therefore imperative to have a legal framework ensuring the protection of the goods required to live in dignity, such as water. As we have seen, there is a legal vacuum in respect of the protection and recognition of common goods. Inadequate guarantees make commons extremely vulnerable: they have no protection whatsoever against risks of “enclosure” arising from the market and from public policies favouring one form or another of privatisation.

The functions performed by commons make possible the full exercise of fundamental rights and contribute to individual survival and the development of personal dignity and capacities, social cohesion, community life and ultimately to continuing life on Earth. For all these reasons they need to be protected by a legal framework and by particularly stringent rules enabling them to be collectively enjoyed by present and future generations.<sup>42</sup>

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39 See the recommendations in the study commissioned by DG-Research, European Commission, Dewatripont M. et al. (2006), *Study on the economic and technical evolution of the scientific publication markets in Europe*, January 2006: “(i) Establish a European policy mandating published articles arising from EC-funded research to be available after a given time period in open access archives, and (ii) Explore with Member States and with European research and academic associations whether and how such policies and open repositories could be implemented.” This recommendation has subsequently been updated and reinforced by the European Research Advisory Board (EURAB).

40 See the experiment conducted by Open Source Ecology, “a network of farmers, engineers, and supporters that for the last two years has been creating the Global Village Construction Set, an open source, low-cost, high performance technological platform that allows for the easy, DIY fabrication of the 50 different Industrial Machines that it takes to build a sustainable civilization with modern comforts”. See <http://opensourceecology.org>, accessed 10 December 2012.

41 <http://edgeryders.ppa.coe.int/>, accessed 10 December 2012.

42 A first step in this direction might be to draw up a catalogue of commons (modelled on the first act of the Rodotà commission set up in 2007 to revise Italy’s Civil Code), at both national and European level, albeit in the knowledge that it must remain open and be updatable; it must be possible for everything that communities identify and claim as commons to be recognised as such and catalogued. The catalogue could provide the basis for one or more charters on the protection of commons and their commoning, which also presupposes that everyone may rest assured that he or she can turn to the law to obtain protection through the granting of injunctive relief. The inclusion of commons in the constitution, for instance, would offer them irreversible legal protection. Commons also need specific forms of self-government that need to be strenuously defended, even where consideration is given to the possibility of joint management with public institutions.

The sphere of commons is very wide-ranging, and it is sometimes associated with specific projects, as in the case of digital or non-material commons. It is therefore necessary, albeit insufficient, to define and protect an area of common goods that is regarded as a non-state public area (a public area of sharing) and as a set of inalienable shared goods. Broader recognition and a flexible legal protection system are also necessary for “commoning” activities and for the products of collective creativity: the state and institutions must play an active supporting role in the commoning process and in the creation of new commons. This may entail forms of public-common partnership whereby institutions create the conditions for socially equitable collective creation of common values.<sup>43</sup> Governments could, for example, subsidise commons and the commoning process, just as they currently do for firms, contributing to research and development and providing various forms of assistance.<sup>44</sup>

The drafting of one or more commons charters could open up a number of possibilities for the safeguarding of biodiversity and traditional skills as well as the defence of the collective interests of digital communities. Legal tools are also needed to keep the products of collective creation in the control of the group responsible for that creation. Finally, official recognition of commons should give rise to the setting up and legitimisation of self-regulatory commons institutions (starting with recognition of any that already exist),<sup>45</sup> thanks to which commoners will be able to protect, produce and reproduce commons and common value.

These few considerations regarding a complex problem serve to introduce a number of proposals relating to various means of access to resources, contributing to the fight against poverty, impoverishment and insecurity. We shall now turn our attention to access to financial resources.

### 3.2.2. Proposals to reduce inequalities and ensure equal access to financial resources

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#### ► Ensuring access to minimum financial resources: from minimum income to basic income

In 1992 the European Council recognised the existence of a “basic right of a person to sufficient resources and social assistance to live in a manner compatible with human dignity”.<sup>46</sup> While a minimum income exists in most European Union states – although not in countries such as Greece, Hungary and Italy, which make no provision for an income support mechanism – this is far from sufficient to eradicate poverty. In practice, the level of this income, where it exists, is generally below the poverty threshold as defined by the European Union (60% of median national income). The European Anti-Poverty Network (EAPN) rightly states that, if it is truly to be an instrument in the fight against poverty, the minimum income needs at least to reach this threshold.<sup>47</sup> And if a multidimensional definition of poverty is adopted, other criteria may come into play in determining the amount of income needed to live in dignity, such as the cost of access to quality health care, education and other services.

The scope of the entitlement to a minimum income is also restricted by the numerous conditions for access to it. Criteria relating to nationality, residence, status, age, obligation to provide proof of low income, obligation to participate in work programmes or more specific obligations in certain countries, such as the requirement to farm state-owned land in Bulgaria, are all conditions that may block access to this right, even to persons suffering the effects of poverty.

If these restrictions are to be overcome, consideration should be given to the idea of a universal basic income payment, defined in the following terms: “a regular income paid by a political community to each of its members on an individual basis and unconditionally”.<sup>48</sup> The basic income differs from the minimum income in that it is paid to every person without his or her resources being taken into account or monitored; it is consequently of benefit not only to those who live

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43 On the subject of the “Partner State” concept, see [www.shareable.net](http://www.shareable.net), accessed 10 December 2012.

44 See Bollier D. (2009a), *The Digital Republic*, available at [www.bollier.org/digital-republic](http://www.bollier.org/digital-republic), accessed 10 December 2012; see <http://onthecommons.org>, accessed 10 December 2012.

45 “Whether these commons are traditional (rivers, forests, indigenous cultures) or emerging (energy, intellectual property, internet), communities are successfully managing them through collaboration and collective action. This growing movement has also begun to create *social charters and commons trusts* – formal instruments which define the incentives, rights and responsibilities of stakeholders for the supervision and protection of common resources.” From Quilligan J. (2010), *Beyond state capitalism. The commons economy in our lifetimes*, <http://onthecommons.org/beyond-state-capitalism>, accessed 10 December 2012.

46 European Council, Recommendation 92/441/EEC of 24 June 1992.

47 See the EAPN’s Campaign for Adequate Minimum Income Schemes website: [www.eapn.eu/en/what-we-do/our-campaigns/join-the-eapn-campaign-for-adequate-minimum-income-schemes](http://www.eapn.eu/en/what-we-do/our-campaigns/join-the-eapn-campaign-for-adequate-minimum-income-schemes), accessed 10 December 2012.

48 Vanderborght Y., “Basic income, social justice and poverty”, in *Redefining and combating poverty – Human rights, democracy and common goods in today’s Europe*, Trends in Social Cohesion No. 25, Council of Europe Publishing, Strasbourg.

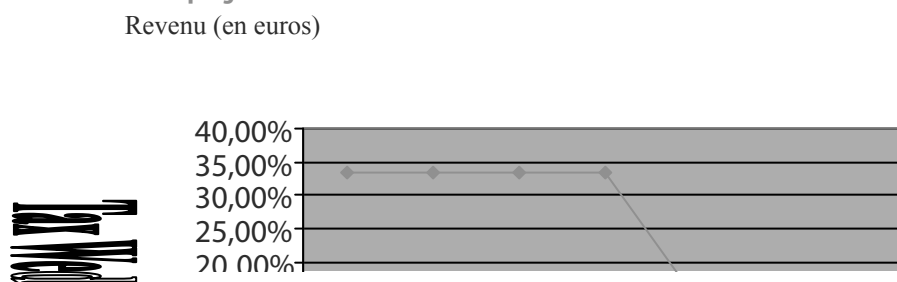
in poverty, but also to others. On the other hand, like the minimum income, it is paid in cash, on a regular basis, funded through taxation.

The introduction of a basic income – now demanded by numerous young Europeans, including graduates, so that they can engage in activities for the benefit of the community<sup>49</sup> and cope with increasingly uncertain employment conditions – makes access possible to an income that allows even those who become unemployed or are experiencing a difficult period to live in dignity without having to wait several months for the initial payment of an allowance or having to endure drawn-out procedures or humiliating treatment. The universal nature of this income and the absence of access criteria would also make it possible to leave behind categorising and stigmatising attitudes. The basic income is also a way of attaching value to domestic work, care activities and unpaid social work. The fact that it is paid to the individual also makes it possible to improve the position of the less well-off members of a family, providing them with an allowance, potentially giving each person greater freedom and limiting the harmful consequences of inequalities within the family. Furthermore, the introduction of a basic income would help to raise the minimum wage and improve working conditions, enabling unemployed persons to be more demanding as they look for a job that will suit them. In particular, finally, it would enable those so wishing to engage in forms of community participation, express their views in the public arena and manage common goods.

The basic income payment therefore offers many advantages in the fight against poverty, impoverishment and insecurity. It should nevertheless be introduced as part of a more general approach to facilitating access to rights. Just transferring resources is not enough. If poverty is to be combated effectively, access to quality goods and services must also be guaranteed to all. In other words, the basic income in cash must be combined with a basic income in other, non-monetary, resources.

How would it be possible to pay a basic income to everyone? Where it does exist, the basic income is associated with the benefits derived from exploitation of a raw material regarded as common – the Alaska Permanent Fund, for example, pays a proportion of oil revenue to the population in the form of a dividend. The existence of a resource of this kind, however, is not a precondition for the introduction of a basic income, which first and foremost requires a progressive tax system. Several options can be considered, the key point is this: it is not because a regime is universal that it is funded equally by all taxpayers. When designing the system, policymakers must ensure that the net contributors are in the highest income brackets. In this sense, it should be noted that for the universal allowance to visibly reduce poverty and inequality, it should not be entirely financed by dividends on natural resources or on a flat or regressive tax, such as VAT. These funding sources have generally low redistributive effects, and those related to natural resources also have the risk of not providing a level of stable dividends and a political base strong enough to ensure the permanence of the basic income system in time. In addition, a uniform tax on income cannot help to reduce inequalities and does not generate enough public funds to support basic income and quality services. We will come back to the establishment of a progressive system of public finance in the final proposals.

**Figure 27: Simulation of the variation in disposable income after tax and payment of a basic income, in the context of a progressive income tax**



Source: Council of Europe

NB: The horizontal axis corresponds to the scale of gross income, together with the tax rate proposed by Piketti et al. (2011) for each income bracket. The red line corresponds to the portion of gross disposable income before any deductions or payments (100% in each case). The green line, which shows the impact of tax on disposable income, is degressive – a progressive tax rate

<sup>49</sup> See the introduction to the interactive Edgeryders platform, op. cit.

actually presupposes that the marginal rate rises: the higher the income, the higher the levy, so the greater the decrease in the disposable portion of gross income. Finally, the purple line corresponds to the disposable portion of gross income after tax and including payment of the basic income (set here as €64, that is, the poverty threshold in France in 2010). This graph shows the effect of the basic income payment in a progressive income tax system: the income of the poorest people rises significantly and that of the better off is reduced.

In 2010 a European Parliament resolution invited the Commission and member states to “examine how different models of unconditional and poverty-precluding basic incomes for all could contribute to social, cultural and political inclusion, taking especially into account their non-stigmatising character and their ability to prevent cases of concealed poverty”.<sup>50</sup> At the same time several citizens’ initiatives prompted institutions to adopt this kind of anti-poverty mechanism. In Switzerland, for example, a federal people’s initiative on an unconditional basic income was started in April 2012. In November 2012, it had over 40 000 signatures.<sup>51</sup>

One of the possible ways of moving towards a pan-European basic income would be to introduce a “euro-dividend” in the form of universal family allowances financed by the European Union states and paid in a non-discriminatory manner, in other words including those immigrants settled in Europe and paying taxes. The amount of these benefits could vary according to the cost of living in each member state and the cost of the quality services available. Such a “euro-dividend”, backing up and partially substituting for the Union’s cohesion policies, would be a first step towards a fully renovated European social model.<sup>52</sup>

### ► Guaranteeing a minimum wage and decent working conditions

National legislation in most Council of Europe member states provides for a minimum wage. This varies considerably from one country to another, ranging from € 800 per month for a full-time employee in Luxembourg<sup>53</sup> to less than €100 in countries such as Moldova (1 100 lei,<sup>54</sup> equivalent to €9) and Ukraine (985 hryvnias,<sup>55</sup> equivalent to €4). This surprising disparity becomes less pronounced if the cost of living is taken into account,<sup>56</sup> but it still remains significant. In those countries where it exists, the minimum wage is generally above the poverty threshold, but not always. In the Czech Republic<sup>57</sup> and in Bulgaria,<sup>58</sup> it is below 60% of the median income. But even in those countries where the minimum wage is above this threshold, it is not enough on its own to guarantee freedom from poverty for those in work. Workers in poverty in fact currently represent over 8% of employees within the European Union.

The situation is to some extent a result of the growing numbers of contracts without job security, on a part-time basis or of very short duration. Combating employment insecurity therefore presupposes both raising the wages of workers with this kind of contract and restrictions on the use of very short-term contracts. Obliging employers to offer an indefinite contract after a given number of temporary contracts, as is done in France, or restricting by law the number of temporary workers that a single firm may employ are ways of combating workplace instability and worker impoverishment.

In a context characterised by great inequalities, making workers compete with one another leads to a levelling down of working conditions, with the best-protected employees ultimately seeing their situation deteriorate. This is why the divide between “insiders” (those benefiting from stable contracts, usually working in highly productive sectors) and “outsiders” (those recruited on a more flexible basis, often through temporary employment agencies, and mainly working in services or outsourced production activities) needs to be eliminated.<sup>59</sup> There is an urgent need

50 European Parliament Resolution of 20 October 2010 on the role of minimum income in combating poverty and promoting an inclusive society in Europe, 2010/2039(INI).

51 See the initiative’s website at [www.inconditionnel.ch/index.php?id=81&L=1](http://www.inconditionnel.ch/index.php?id=81&L=1), accessed 10 December 2012

52 For more information, *op. cit.*

53 As of 1 January 2011, according to the Federation of European Employers: see [www.fedee.com/pay-job-evaluation/minimum-wage-rates/](http://www.fedee.com/pay-job-evaluation/minimum-wage-rates/), accessed 10 December 2012.

54 As of 1 February 2010, *ibid.*

55 As of 1 September 2010, *ibid.*

56 Bulgaria’s gross minimum wage (€123) is one twelfth of its equivalent in Ireland (€1 462). Calculated in terms of purchasing power parity, the minimum/maximum income gap in Europe is narrowing, with the highest rate, in Luxembourg (€1 160) five times higher than the lowest, in Bulgaria (€233). See Observatoire des inégalités: [www.inegalites.fr/spip.php?article702](http://www.inegalites.fr/spip.php?article702), accessed 10 December 2012.

57 The national annual minimum wage in the second half of 2010 was €3 736, whereas the estimated poverty threshold was €4 235 according to Eurostat. See *Monthly minimum wages – bi-annual data*, [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\\_mw\\_cur&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_mw_cur&lang=en) and *At-risk-of-poverty thresholds*, [http://appsso.eurostat.ec.europa.eu/nui/show.do?wai=true&dataset=ilc\\_li01](http://appsso.eurostat.ec.europa.eu/nui/show.do?wai=true&dataset=ilc_li01), accessed 10 December 2012.

58 The national annual minimum wage in the second half of 2010 was €1 472, whereas the estimated poverty threshold was €1 812 according to Eurostat, *ibid.*

59 Giesecke J. (2009), “Socio-economic risks of atypical employment relationships: evidence from the German labour market”, *European Sociological Review*, Vol. 25, No. 6, pp. 629–46, cited by Nunn A. (2013), *op. cit.*

to strengthen existing – trade union or other – representative structures or to create new ones whereby rights may be asserted and demands met, so that all employees can have their say and exert a degree of influence, whether they are in stable or temporary jobs, in seasonal employment, working on temporary contracts or sub-contracting.

New thought should be given to legislation and regulations that encourage the multiplication of types of employment status, while preserving the autonomy of the “social partners” where they remain key players. In those countries that have not introduced a minimum wage, for example, there are sometimes minimum pay levels within certain sectors. Little is gained in the fight against poverty through such a system. In the absence of strong intermediate structures, where differentiated minimum wages apply, inequalities of income tend to be greater, certain activities become devalued and workers’ ability to negotiate is reduced.

Another current strategy that levels down working conditions is the relocation of production activities to countries with less trade union organisation or with legislation traditionally less protective of employees’ rights, or sometimes even the mere threat of such a shift. A European guarantee of a minimum wage and common rules on working conditions could therefore reduce the deleterious effects of the international competition to which workers are subjected.

The levelling down of working conditions is also linked to *de facto* competition from undeclared workers. As we have said several times, the conditions imposed on immigrants, especially those in an irregular situation, are particularly alarming. Their vulnerable status often forces them to take on underpaid jobs in very poor working conditions, jeopardising their health (handling dangerous chemicals without any protection, very high weekly working hours, and so on),<sup>60</sup> particularly in sectors where few certified skills are required, such as catering, building and farm and domestic work. The consequences may also have repercussions on the working conditions of the rest of the population: young people born in the country and with few skills find themselves competing with cheap labour. So there is an urgent need to rethink immigration control policies, which, as they stand, facilitate exploitation and non-compliance with labour law. It would be a positive development not just to make it easier for immigrants to have their academic and occupational qualifications recognised and to obtain residence permits – for example by allowing them to stay on European territory for a relatively long time so that they can find work – but also to introduce a minimum wage where there is none, and then monitor how it is applied. Monitoring systems could be strengthened, which at the same time implies that exploited workers would be protected and not fall victim to this monitoring as well. An immigrant whose fundamental rights have been flagrantly violated should not have to fear expulsion or confinement in an administrative detention centre; on the other hand, employers could be obliged to pay compensation and recruit the worker concerned legally. Now that there is a populist tendency to accuse foreigners of “stealing” work from nationals, there is an urgent need to bring the exploitation of immigrants to an end, failing which the living and working conditions of all Europeans will ultimately decline significantly. A statutory framework for the employment of migrants who have requested asylum should also be provided.

In the domestic and care work sector, where it is not unusual for pay to fall below the statutory minimum and for the number of hours worked to exceed the permitted maximum, encouragement should be given to the general introduction of systems making it easier to declare the work performed in domestic service, personal care and child care. The “universal service employment cheque” (Cesu) introduced in France in 2006, for example, enables anyone to make official payments for work done – even for just a few hours – in the home, while benefiting from tax incentives or from joint funding from other bodies (works committee, local or regional authority, etc.).<sup>61</sup> This kind of system deserves to be introduced in other parts of Europe.

A further positive step in the fight against poverty would be to support initiatives designed to restore a local dimension to the economy and encourage neighbourhood solidarity, such as Community-supported agriculture, the AMAP system and Italy’s Gruppi di acquisto solidale (GAS),<sup>62</sup> which consolidate links between consumers and producers, give new value to work and reduce the number of intermediaries.<sup>63</sup>

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60 See for example Decosse F. (2008), *op. cit.*

61 See the Cesu website at [www.cesu.urssaf.fr/cesweb/home.jsp](http://www.cesu.urssaf.fr/cesweb/home.jsp), accessed 10 December 2012.

62 In all these initiatives, the aim is to create a partnership between producers and consumers by reducing the numbers of intermediaries, in the interests of economic and environmental sustainability. Under the AMAP scheme, consumers commit to regular purchases (usually once a week) of a farmer’s products throughout a season, securing for the farmer a degree of income stability and providing support for organic and environmentally friendly production methods.

63 These ideas are looked at in greater detail in Laville J.-L. (2011), *L'économie solidaire*, CNRS Éditions, Paris.

## ► Improving access to credit

If the aim is to reduce inequalities, access to credit has to be regarded as a social right.

Firstly, it has to be acknowledged that savers need to be protected. Each should know what his or her savings are used for and what impact banks' investments and loans have on the environment, the legal framework, the over-indebtedness of persons without resources, and so on.

Borrowers also need protection, however. As bank loans are mainly intended for people in need of cash, but who own assets, those using the credit market provide guarantees that they will be able to pay the borrowed capital back, plus the interest, with the guarantee usually coming from secure employment enabling monthly repayments to be made. But changes to the labour market and the growth of insecure employment are steadily reducing the numbers of people who are able to provide such guarantees – and steadily increasing the numbers of people denied credit, widening the gap between the haves and the have-nots. People in secure and well-paid employment have access to credit and are able to invest and consume, while those experiencing poverty or in temporary employment, and without a family to support them, are at risk of marginalisation. Lack of access to credit frequently brings a downward spiral into aggravated social exclusion and contributes to a descent into poverty and marginalisation. Or, conversely, the access only to credit with a very high borrowing rate (close to usury) can cause over-indebtedness and deterioration of living conditions.

Accordingly, credit should not be regarded solely as a market-provided service, but as a social right. As in the case of health care, the need for guaranteed access is increasingly felt, so that the downward spiral towards marginalisation and violations of human rights can be brought to an end – ultimately to the benefit of society as a whole. Not only does credit play a vital role in enabling people to escape the material deprivation caused by a negative event, it can also help people to achieve their career objectives through investment in education and in starting up a business, thereby becoming a means for exercising the right to decent work. Like all social rights, the right to credit at zero or low rate should be guaranteed by governments. Its introduction could lead to a significant reduction in social expenditure by preventing situations that culminate in exclusion. It could also contribute to society's wealth by enabling many people to achieve a more stable life by way of a decent income.

While European governments are doing little at the moment to make credit accessible through specific public bodies, they have left the door open to ad hoc activities by certain groups of citizens and market operators. There are three kinds of initiatives in this sphere:

- local associations or groups that endeavour to offer access to credit based on solidarity, guided by ethical principles, which find themselves facing hostile financial regulations. One example is the ethical social fund known as Le Piagge,<sup>64</sup> a community-based initiative that began in the poorest areas of Florence;
- collective financing (crowdfunding): realising that young people are particularly affected by the lack of credit, talented young people have started to fundraise via social networks and online platforms such as kickstarter.com. This form of funding, which is completely unregulated, enables help to be provided to anyone starting projects or businesses (rarely directed towards ethical ends);
- microcredit: attracted by the prospect of a business opportunity, banks are opening microcredit sections offering loans of under €5 000. Most of them, far from considering credit as a right, apply market rules.

The European Commission, like other institutions, has acknowledged the positive role played by microcredit in the fight against exclusion and has pledged to improve access to credit. Hitherto, this has mainly meant support for market institutions. At European level, two credit programmes are in place: the Competitiveness and Innovation Framework Programme, intended for micro-entrepreneurs, and the European Progress Microfinance Facility, which provides micro-loans to people who have lost their jobs. The European institutions do not supply credit directly to individuals or firms, but offer guarantees or loans to intermediaries that can lend to them.

Where the management of credit as a social right is concerned, two approaches need to be taken into consideration, and these have some points in common with microcredit as successfully introduced in many non-European countries. The first perceives credit as a common good and is

64 See [www.comunitadellepiagge.it/attivita/microcredito/](http://www.comunitadellepiagge.it/attivita/microcredito/), accessed 10 December 2012.



managed as such by groups of citizens. A regulatory system would be set up for common ethical banks, operating in different ways from market-based intermediaries and possibly, in accordance with the concept of commons management, giving rise to state participation in forms such as guarantees, interest sharing and risk sharing.

In the second approach, credit is perceived as a public service, and is managed by agencies that set loan amounts according to borrowers' skills and plans. In this instance, credit is very much like a temporary grant to be repaid, given to enable those concerned to stabilise their situation. This approach requires a great deal of skill on the part of the operators. This kind of service is not new in Europe; in certain Scandinavian countries the agencies that try to find new employment for disadvantaged persons work along these lines, investing large sums in the training of those persons who are willing to embark on a difficult path and who have the necessary skills.

Both these types of credit, it should be emphasised, are instruments of social responsibility. Whereas those that provide credit on a market basis just demand guarantees, without trying to find out how borrowers might obtain these, credit as a social right is ultimately under the control of either the community that provides it in the form of a common good, or by the public service. So the ultimate guarantee is essentially compliance with the rules and the personal commitments of the beneficiaries, who accordingly take on responsibility for honouring a number of obligations. These forms of social control, which fall into the category of responsible management of the social resources available, are a necessity. Furthermore, the existence of both community and public management systems should guarantee non-discrimination. The management of credit as a common good might, for instance, provide an answer to the situation in which Muslims worldwide find themselves, of being unable to take out a loan, in order to obtain housing for example, because their religion prohibits them from paying interest or borrowing money.<sup>65</sup>

### ► Considering the introduction of a maximum gap in income

As we have already seen, several indicators show that in Europe the amount of wealth redistributed in the form of wages has decreased since the 1980s while capital income is growing fast.<sup>66</sup> This has led to a widening of the income gap between the richest and the poorest groups that is particularly shocking.

Indeed, in most European countries we see a juxtaposition of segments of society with ever-greater differences in living standards and lifestyles, projects, aspirations and means of communication. These segments of society live in parallel worlds, which not only do not communicate with one another but also understand each other less and less. This is an inevitable problem in societies where the rich can, in the space of a year, buy an apartment for which the middle classes need a 20-year mortgage. The growing gap between high and average incomes means that the middle classes find themselves in a situation that, in both absolute and proportional terms, is becoming closer to that of people experiencing poverty and those living on the fringes of society than to that of the rich.

If the trend is to be reversed, it is essential that a maximum differential be established between the highest and the lowest incomes as a European principle. The income gap can be wide but it must be socially sustainable, in other words it must not give rise to parallel societies. For example, high incomes could be limited to 100 times the lowest incomes and any income beyond this threshold would be appropriated by the government and used to improve the lowest incomes. This approach could be applied to public officials and those in charge of institutions serving the public interest, whose salaries could be capped, and to business leaders, along with the additional strengthening of provisions concerning non-salaried benefits. Differences in salaries are not the only cause of this disproportionate income gap: corporate leaders also receive substantial bonuses and other perks in addition to their salaries. The use of financial tools such as stock options and shares to supplement salaries has largely contributed to the widening inequalities between senior management and white and blue collar workers. In the 1980s, the leaders and managing directors of major companies earned approximately 40 times as much as those working on factory floors or in company offices. The average ratio is now approximately 300 to 1.<sup>67</sup>

Differences in remuneration may, to a certain degree, correspond to differences in productivity and skills. Remuneration must admittedly be in relation to investment in education and the

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65 Only in the United Kingdom have the financial markets (since a few years ago) started to accept Islamic financial systems such as *ijara* and *murabaha*. Case law has encouraged this trend, requiring such contracts to be applied and making them "typical" contracts in every respect.

66 The share of wages as a percentage of GDP in the EU-15 dropped from 73.5% in 1981 to 66.8% in 2011. Source: Eurostat/AMECO.

67 According to Gallino (2012), *op. cit.*, in the United States this is 1000 to 1.

responsibilities entailed by the position held. Surgeons or engineers may well be entitled to better pay but there is no economic argument based on marginal productivity that can justify a ratio of 300 to 1. One hour's work in a call centre, at a hotel reception desk or on a production line simply cannot be worth only one 300th of what a financial analyst earns. It is a question of human dignity. As Piketty, Saez and Stantcheva<sup>68</sup> explain in a study on the optimum taxation system in relation to work flexibility, above a certain level salaries no longer reflect an increase in marginal productivity, and excessive salaries could be taxed without this necessarily leading to a sub-optimal allocation of work.

As the principle of social solidarity is enshrined in many European constitutions, it may be considered to be a common feature of the different constitutional traditions in Europe. Establishing a maximum and a minimum income would give real substance to this principle, by turning an abstract statement into a practical measure obliging the well-off, who wish to see their income increase, to also increase the incomes of the less well-paid. Even if significant differences in individual wealth continue to exist, this principle could oblige European society to see that its enrichment must be for the benefit of all; above all, it would not be in any European's interest to earn above a fixed amount to the detriment of others, as impoverishment of one part of society would limit his or her own possibilities of enrichment.

Along with the guarantee of equal access to resources, the material and immaterial "security" of all also means better use of resources in order to avoid waste, to ensure more universal access to them and protect them for future generations.

### 3.2.3. Proposals to avoid waste

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#### ► Promoting the re-use and sharing of discarded or abandoned resources

In this guide we have stressed that in various fields and regions there are many ways in which resources – human, social, material, financial and cognitive – are wasted (including misuse, over-exploitation and under-utilisation).<sup>69</sup> A significant proportion of food, tools and other products end their "life cycle" well before they should and end up being discarded. The damage caused by this waste is not only environmental and economic, but also social.

Furthermore, as we have repeatedly said, many resources are underused or left abandoned. Some of these resources play a vital role in guaranteeing fundamental rights, such as housing or land. Medicines and food are discarded even though there are people in the immediate vicinity that do not have access to them.

It is therefore imperative to identify and locate the resources that are under-used or wasted. The work of [im]possible living and Empty Homes, which produce maps showing abandoned houses and buildings, is a good example of awareness-raising. Similar initiatives, supported by the authorities, could be taken in other fields, addressing uncultivated land, food waste, and so on. The redistribution of unconsumed food, as undertaken by Re-food in Portugal, which collects food from restaurants that has not been sold and aids those who cannot afford to buy it, should be encouraged. So too should gleaning, a common practice in the past, which today tends to be somewhat disapproved of. Above all, however, the authorities should take measures to combat waste and promote affordable prices.

There should be widespread support for initiatives to encourage and organise the re-use of resources, particularly as this would enable access to them by those in need. This support could be in the form of the provision of public areas for these initiatives, subsidies, tax exemptions and the authority to use all the tools available to the administration under the principle of a public-commons partnership. In point of fact, new spaces are being set up for the exchange, repair and reuse of objects, most often based in a non-monetary exchange or barter.

One example of this type of alternative market is Skoros, an initiative set up in Greece by the fair trade movement. Second-hand items are offered free of charge under the principle that people bring what they no longer need and in exchange can take the things they do need; they also share knowledge and occupational skills along the lines of the time bank model, which

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68 Piketty T., Saez E., Stantcheva S. (2011), op. cit.

69 See also Stiglitz J. (2012), *The price of inequality. How today's society endangers our future*, W.W Norton and Company, New York.

also helps rebuild social bonds.<sup>70</sup> There are other forms of commoning and sharing on an international scale, exploiting the power of the World Wide Web to arrange for non-monetary exchanges of reusable items. The largest such network is the Freecycle Network, which has about nine million members throughout the world, organised in local groups: it is a grassroots and not-for-profit movement of people who offer and obtain items for free in the locality where they live. As the website states, “It’s all about reuse and keeping good stuff out of landfills”.<sup>71</sup> The process is simple: “You register, post a message, interested parties reply, you arrange a meeting, meet, and give/receive items.”

Local authorities must find new ways to avoid waste. The municipality of Capannori in Tuscany, for example, has built a centre just outside the “ecological island” (an area where waste is sorted in compliance with environmental standards), where the staff look at the material before it becomes waste and where recoverable items are stored (and repaired if necessary) in order to be given away to beneficiaries of social services, drop-in centres, and so on.<sup>72</sup> This type of initiative costs very little, saves money for the community (significantly reducing the cost of waste disposal) and extends the life cycle of items while at the same time offering support to the disadvantaged.

In most cases, medicines are bought in larger quantities than necessary, and therefore inevitably end up being thrown away once their expiry date has passed. A simple measure could be taken to limit this enormous waste and its serious environmental, social and economic consequences, whereby pharmacies would be allowed to sell medicines unpackaged, in other words dispense just the quantity required for the course of treatment prescribed. This is not the same as encouraging the production of single-dose medicines – which require even more packaging, with packaging costs being nearly always higher than the value of the medicine, but authorising the sale of small quantities of medicines and offering a saving to citizens. In fact, this is already common practice in many countries, including the United States. At the same time, pharmacies should be encouraged to take back unused medicines that are still usable.

#### ► Introducing a tax on waste

In recent years, several laudable initiatives have been taken to reduce the waste of food and medicines, to repair items and reuse unsold goods. Perfectly edible or usable goods are saved from being thrown away and are donated to the needy.<sup>73</sup> However, although in its recent resolution against food waste the European Parliament called for the adoption of mandatory measures in this field,<sup>74</sup> no form of taxation of waste has yet been introduced along the lines of what could be called the “waster pays” principle.

Taxation can help in the fight against waste because it forces those responsible to truly internalise the unacceptable costs generated by a model that is unsustainable, from both the social and ecological point of view.

One of the main sources of waste, generally speaking, is the production model based on a long supply chain.<sup>75</sup> In the food supply chain, large-scale retailers bear substantial responsibility. An effective first step would be to tax unsold food that had not been donated before the “sell by”

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70 The Skoros website describes the initiative as follows: “a solidarity bazaar, gratuitous and anti-consumerist that is addressing everyone, regardless of economic situation. A give-and-take of things but also a meeting point for exchange of knowledge/experience/practices (for example, I offer a hair-cut and you teach me how to knit!)”. See [http://skoros.espiv.net/about\\_en](http://skoros.espiv.net/about_en), accessed 10 December 2012.

71 See [www.freecycle.org](http://www.freecycle.org), accessed 10 December 2012.

72 Nonetheless, the municipality of Capannori had to get round Italian law, which states that everything that is thrown away (even in perfect condition) in the “ecological islands” automatically becomes waste and must be disposed of. This shows that there is also a need to change the law to avoid waste and encourage rather than impede reuse.

73 One initiative worth mentioning is the Last Minute Market (LMM), set up by Bologna University and active in more than 40 Italian towns; it also runs two projects in Argentina and Brazil. LMM is a project where shops and producers (processing industries, food shops, retail stores and the like) that have unsold food that would otherwise be discarded, are linked to people and charities that need food. Unsold food that is still edible is recovered, as are vegetables not harvested because they would be rejected by retailers for aesthetic reasons, seeds that do not conform to market standards, products left over from public and private catering and also unsold medicines (which can be used to meet the health needs of disadvantaged people), together with books earmarked for pulping and other reusable items.

74 The European Parliament “calls on the Commission to assess the impact of a policy of enforcement with regard to food waste; hopes that a waste treatment enforcement policy right along the food chain will be adopted by applying the ‘polluter pays’ principle”. European Parliament resolution of 19 January 2012 on how to avoid food wastage: strategies for a more efficient food chain in the EU (2011/2175(INI)).

75 For this reason, in the same resolution on avoiding food wastage, the European Parliament considers it of fundamental importance to promote “direct relations between producers and consumers” and therefore shorten “the food supply chain”. Going to the very root of the problem, the European Parliament “calls on the Member States to encourage and support initiatives geared to stimulating sustainable small- and medium-scale production that is linked to local and regional markets and consumption” and to support “means of direct sales, local markets and all measures to promote low or zero food miles”.

date, beginning with the large retailers; this would force supermarkets to review the way they manage their supplies and stock, and significantly reduce the amount of so-called “returns”.<sup>76</sup>

A tax of this kind would at least oblige all enterprises to redistribute any unsold items free of charge to groups of citizens who lack purchasing power, systemising what would otherwise risk remaining the sporadic initiative of a few willing and highly principled players.

Governments should also introduce a tax to persuade industries to move towards producing material that can be reused, recycled or sent to a bio-composting site (thereby reducing the waste of raw materials) and above all, a tax on excessive packaging, disposable containers and products and items difficult to dispose of, while encouraging the sale of products loose or “on tap” for “fill-your-own” containers, and the use of bottles with a deposit. Self-service purchasing of unpackaged goods also helps buyers to reduce food waste, since it is easier to buy just the amount that is needed and no more. The tax approach can also be used to penalise those whose lifestyle is unsustainable, or certain public bodies. For example, local authorities that fail to achieve national targets for selective waste collection, or dispose of larger amounts of recyclable material than permitted should be heavily penalised. There could also be provisions for a surtax for excessive domestic energy consumption, regardless of the type of tariff chosen.<sup>77</sup>

The revenue generated by this tax would enable investments in projects to make resources available, protect and share the Common goods and fight against poverty. This levy would fit into a general pattern of progressive taxation and finance that we will explore in the next section.

### 3.3. Proposals in support of progressivity and social justice in public finances

Many of the proposals that we have presented so far involve a significant economic investment (eg, allocation and universal implementation of health services and quality education, etc.). This Guide proposes to fund these initiatives through a progressive taxation and public finance from which some features are presented in this section.

#### 3.3.1. Fostering progressivity and social justice in public finances

As we have seen, social justice and equality have been largely absent from political agendas at both national and international level. The concept of progressivity, which considers fiscal policy as a whole, requires us to strike a new balance between the different types of taxation. Given that it has been clearly established that inequalities and poverty have increased in Europe over the last few decades and that the deterioration in living conditions is incompatible with the fundamental values of cohesion and social justice that are at the heart of the European social and economic model, we must now consider whether this worrying trend can be reversed by managing public finances in a different way.

In this guide, we make a number of suggestions concerning the reintroduction of progressive taxation of people experiencing poverty. In the following paragraphs, we call for a more substantial contribution to public finances by both property owners, through wealth and property tax, and financial investors, through a supranational tax on financial transactions. We also suggest that social security contributions be reviewed as the consequences are all too often regressive and negative, and that a system of reimbursement of VAT be established which no longer obliges people experiencing poverty to reduce their consumption of the goods and services they need to lead a dignified and satisfactory life.

#### ► Taxing wealth and property more heavily

Wealth tax, which was once the cornerstone of public finances in European countries, has gradually been reduced on the presumption that the less wealth is taxed the more it is invested in productive activities. This has not, however, led to a more dynamic society with strong economic growth but to a society characterised by inequalities and an increasing number of forms of social and economic

76 There should also be a re-thinking of the very common process by which producers of fresh goods (such as cheese, dairy produce and bread) are bound by contract to accept the economic burden of leftovers themselves, rather than the supermarkets, which consequently tend to order too much so as to have their “shelves full”. This is a mechanism that encourages over-production and enables large retailers to have others pay the price of waste.

77 Appropriate consumption levels could be drawn up based on the size of the property and the number of family members living there. The VAT on consumption within these levels could be reduced, whereas that on higher consumption levels would be increased.

paralysis. It is therefore now necessary to remove the burden of taxation on the wealth of the richer groups. These are measures that can be implemented and that are, moreover, already being implemented in countries such as France, Iceland, the Netherlands, Norway and Switzerland. In these times of imposed sacrifices to reduce public deficits, the absence of a specific tax on the income of the wealthiest is a clear sign that social justice is no longer a dominant value.

To require millionaires to contribute up to 1.8% of their wealth as in France, or 1.5% as in Iceland and Switzerland, is economically viable and a moral imperative. According to Professor Jeffrey Sachs,<sup>78</sup> given that total world market capitalisation amounts to some 60 trillion dollars per year, a global wealth tax of 1% on all income exceeding 1 million dollars would raise at least 600 billion dollars per year, in other words precisely twice the overall budget that the developed countries have agreed to invest in the Millennium Development Goals. Eradicating poverty in developed or developing countries is not an unachievable objective, provided adequate resources are made available and firm political resolve is shown. Gallino<sup>79</sup> points out that if a wealth tax were introduced in Italy – according to the Credit Suisse Research Institute, Italy has over 1.5 million millionaires – it would be possible, on the basis of a 3 000-euro contribution per millionaire, to collect up to 4.5 billion euros per year, that is, an amount equal to the decrease in old age pensions imposed by Mario Monti's government as an austerity measure.

In 2010, a study carried out by the Centre for International Policy showed that some 20 trillion dollars of illicit money are deposited in secrecy jurisdictions, 1.5 trillion dollars of which are in the United Kingdom. One drastic measure could be envisaged: confiscating illicit funds. However, a more feasible policy would be to levy a tax on huge amounts that, since 2000, and despite the crisis, have been growing at the rate of 9% per year.

Given that some 10 trillion dollars of this illicit money is to be found in Europe, Gallino (2012) has pointed out that, if a 5% wealth tax were introduced, such deposits could provide no less than 400 billion euros to boost ailing European public funds.

The income that the more affluent members of society derive from property they own and from their financial assets must be placed in the context of governments' commitment to promoting social mobility and the investment that this requires. A wealth tax would allow them to achieve this goal. Through schooling and education, and credit and investment opportunities, it would give a chance to those who, because their families have no assets, are unlikely to be able to develop their full potential or achieve a decent standard of living.

### ► Reimbursing VAT below a given income threshold

The regressive nature of indirect taxation presents a serious problem. Several EU countries have found a convenient way of achieving budgetary balance: increasing value-added tax (VAT). Levying a small percentage on every purchase made helps to fill the state's coffers, but such a measure inevitably affects lower incomes more than any other: there is no doubt that an increase in VAT affects the purchasing decisions of the least well-off, who can no longer afford certain goods which, though not essential, are nevertheless among those required to ensure a decent standard of living. This cannot but widen the gap between the living conditions of the upper classes and those of other citizens.

One way of countering at least some of the negative effects of indirect taxation would be to consider reimbursing VAT to people in the lower income bracket. At present taxable persons are, in the best cases, allowed to deduct the VAT they have paid on products or services necessary for their business enterprise. This is a measure that excludes most white or blue collar workers who are not self-employed. Is it not shocking to know that a lawyer or a freelance journalist can deduct mobile phone and travelling costs, which often serve both professional and personal purposes, and that an unemployed person or an employee cannot do so?

A system could therefore be introduced to reimburse VAT to those whose income is below a certain, nationally defined threshold, bearing in mind that this section of the population spends all its income on consumer goods. Given that it might prove difficult to reimburse people for certain specific purchases, one could exempt those citizens whose annual income is below 60% of the median income from paying some of the taxes levied on consumers. They would therefore pay VAT on all purchases and services as normal at the time of purchase but would be reimbursed after filling out a tax return declaring their expenditure on consumer goods. People at risk of poverty

78 Sachs J. (2005), *The end of poverty: economic possibilities for our time*, Penguin, New York.

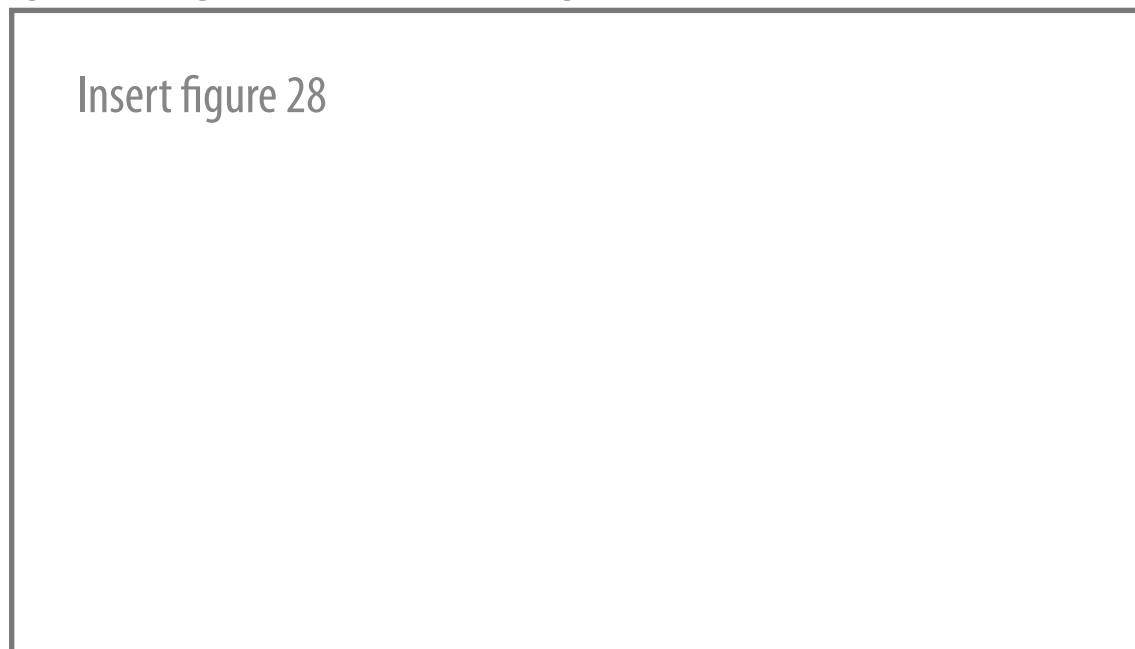
79 Gallino (2012), *op. cit.*

should be exempted from tax not only on household costs such as water, electricity, natural gas and the Internet but also on medicine, glasses and contact lenses, and spending on culture, education, care for the elderly, and so on. This should be the case even if it means drawing up a list of expenditures on which VAT must be paid, to ensure that people in the low-income bracket continue to have access to a decent level of consumption and a certain level of material well-being.

### ► Removing the upper limit on social security contributions

The way in which tax and insurance systems are designed and combined is crucial in determining how public policies affect income inequalities and generate redistributive processes. The amount of direct deductions from wages (the “tax wedge”) has a decisive effect as it can result in regressive, neutral or progressive public financing. Social security contributions form the biggest share of the tax wedge and generally have a regressive impact.

Figure 28: Tax wedge on different salaries in euros, Bulgaria 2009



NB: The figure depicts the calculated tax wedge for monthly salaries at: €123 (minimum wage in 2009), €287 (average wage in 2009), €513, €1 026 and finally, the very highest salaries (those paid to bankers and entrepreneurs). The tax wedge was 33.45% for wages between €1 and €1 026, 15.34% for salaries up to €5 128 and 10.55% for those up to €51 282.

In 2009 Bulgaria, like other former socialist countries, introduced a flat tax rate of 10%, without establishing a non-taxable, minimum income; Georgia is considering doing the same. Moreover, social security contributions are payable only on the part of the monthly salary up to € 026. Above this ceiling, the only tax levied is personal income tax, set at the rate of 10%. The regressive nature of this type of taxation could not be more obvious. In general terms, it would be a good idea to introduce the principle of progressive social security contributions but in countries where there is a flat rate of taxation this is a matter of urgency.

A good starting point would be to remove the upper limit on pension and health insurance contributions, a limit that is to be found – with the same regressive consequences – in other EU countries, although Bulgaria is an extreme case. Such a situation is particularly questionable where health insurance is concerned. The health system is normally financed on a pay-as-you-go basis and medical care benefits are not related to earnings. Moreover, given that the health system is meant to comply with the solidarity principle, whereby those who are in good health contribute to health care for those who are ill, ceilings on social security contributions are contrary to this principle, without any moral or rational justification: they merely reflect differences in the bargaining powers of those concerned.

There are very few countries where there is no upper limit on compulsory health insurance contributions – although Hungary has also introduced a flat rate of income tax, it abolished the health

care contribution ceiling in 2001.<sup>80</sup> On the other hand, many EU countries have retained such a ceiling, encouraged by the elitism that prevails in the fields of taxation, pensions and health systems, by the constant fragmentation of such systems and by the fact that care is taken to ensure that there is no public debate on the issue. Meanwhile the oft-mentioned ageing of the European population never seems to be used as an argument for increasing health insurance funds by abolishing ceilings. Introducing the principle of transparency would ensure that taxpayers have a better understanding of all the workings of the contributions system and might exert pressure so that such ceilings are abolished. This would include the ceiling on pension contributions, which also contributes to the regressive nature of the contributions system, given that the most affluent employees, who have never had to undertake arduous work or experienced difficult living conditions, live longer.

### 3.3.2. Developing a Europe-wide tax system



Probably one of the most serious mistakes in public finance is conceptual and comes from the trade-off approach that sets equity against economic growth. However, this guide has shown that equity is the prerequisite for sustainable economic expansion, that is, the cake does not get larger if the ingredients are not well distributed. Wilkinson and Pickett (2010), Stiglitz (2012) and Florio (2012)<sup>81</sup> support the belief that economic inequality is harmful to the economy itself since it wastes the potential of a large part of the population and restricts development opportunities to a small group of citizens. As mentioned before, it is necessary to promote a new concept of “efficiency” where economic performance is linked to social justice in order to establish a long-term socioeconomic equilibrium.

The crisis is giving a certain amount of impetus to public finance management reforms but the debate on a Europe-wide taxation system tends to focus on the solution of the debt crisis and little room is left for defining long-term fiscal strategies based on social justice. The European Union could take advantage of this European collaboration to design a fairer approach to public finance, whereby socioeconomic efficiency is linked to social justice, thereby avoiding polarisation. Indeed, the Europe 2020 Strategy, which combines a strong focus on growth with a platform against poverty and social exclusion, provides the ideal framework within which to foster the idea of state and market, equity and efficiency, redistribution and growth, which, far from being mutually exclusive, work side-by-side in the same direction.

Many problems are not easily addressed at national level: tax evasion and avoidance are pervasive throughout Europe and it would be better to impose a tax on financial transactions at

80 See International Group Programme, “Summary of social security and private employee benefits”, which can be consulted at the following address: [www.igpinfo.com/igpinfo/public\\_documents/ss\\_summaries/Hungary.pdf](http://www.igpinfo.com/igpinfo/public_documents/ss_summaries/Hungary.pdf), accessed 10 December 2012.

81 Florio M. (2012), “The real roots of the great recession: unsustainable income distribution”, forthcoming, *International Journal of Political Economy*.

supranational level to avoid outflows of capital. The EU agenda on “Fiscal Europe” could offer a framework to address tax issues from the standpoint of social justice.

### ► Co-ordinating tax policies at European level to combat tax havens

The Mapping Financial Secrecy project<sup>82</sup> provides an open-ended list of the “evils” of tax havens: tax evasion, aggressive tax avoidance schemes, money laundering, financing of terrorism, human trafficking, illegal arms trading, failure to pay alimony, counterfeiting, insider dealing, embezzlement, bankruptcy fraud, and illicit intelligence operations. How long do we have to wait before European countries decide to genuinely tackle such a widespread phenomenon? The need to combat tax evasion and tax havens is often mentioned in political speeches but little action has been taken in this direction.

The main characteristics of a tax haven are the complete absence or very low level of taxation and lack of transparency in the banking, legal and administrative spheres. Tax havens also provide ways of circumventing the regulations of other jurisdictions, ensure the protection of personal information against requests from foreign tax authorities and effectively allow illicit profits to be made. In this respect the term “secrecy jurisdiction” used by the Tax Justice Network<sup>83</sup> sounds more appropriate than the more frequently used label “tax haven” because it conveys the idea that a tax haven is much more than just a place with lower taxes.

Tax havens are usually associated with exotic islands or historically investor-friendly financial hubs such as Switzerland and Monaco but in fact most tax havens are not located in remote areas but are situated at the heart of Europe and include the Vatican, San Marino, Andorra, Liechtenstein, as well as 10 British Dependencies (e.g. Gibraltar, the Isle of Man and Jersey) and the Netherlands. Moreover, the City of London and financial centres in Belgium and the Netherlands are listed among the financial hubs that are not fully transparent.<sup>84</sup> It follows that strong political resolve is required to tackle this issue.

The Parliamentary Assembly of the Council of Europe recently proposed a series of steps to end the “massive tax avoidance, evasion and fraud” caused by secrecy jurisdictions and offshore financial centres in the report “Promoting an appropriate policy on tax havens”.<sup>85</sup> Drafted by the Council of Europe’s Committee on Social Affairs, Health and Sustainable Development, the report refers to the fight against these predatory tax practices as a “a moral duty and a common cause”.

Following the London G20 summit on 2 April 2009, the G20 countries urged tax havens to sign treaties on tax co-ordination and offshore investment monitoring with the result that by the end of 2009 more than 300 treaties had been signed. But a recent study by Johannesen and Zucman<sup>86</sup> points out that this co-ordination and the treaties have not led to significant flows of funds out of tax havens and concludes that “the least compliant havens have attracted new clients, while the most compliant have lost some, leaving roughly unchanged the total amount of wealth managed in tax havens”. It is possible that the internationally agreed standards are too loose to be effective against tax havens and the international community should demand greater efforts by secrecy jurisdictions to abandon malpractices that are harmful to the general interest. A comprehensive multilateral agreement could also be more effective than a series of bilateral agreements that do not prevent the transfer of funds from one haven to another.

### ► Introducing a financial transaction tax

As a result of the crisis, the financial sector has received €4.6 trillion from EU member states; moreover, as we saw in Part II, shareholders and holdings have benefited from the gradual lowering of taxes and tax deductions over the last decade. To use the words of the European Commission, it is now time “to make the financial sector pay its fair share”.<sup>87</sup> The adoption of a financial transaction tax (FTT) on stock market transactions and other financial products such as bonds, options and derivatives is necessary to ensure that those who make profits from finance also

82 See [www.secrecyjurisdictions.com](http://www.secrecyjurisdictions.com), accessed 10 December 2012.

83 See [www.taxjustice.net](http://www.taxjustice.net), accessed 10 December 2012.

84 See the report of the Tax Justice Network, “Identifying tax havens and offshore finance centres”. Available at [www.taxjustice.net/cms/upload/pdf/Identifying\\_Tax\\_Havens\\_Jul\\_07.pdf](http://www.taxjustice.net/cms/upload/pdf/Identifying_Tax_Havens_Jul_07.pdf), accessed 10 December 2012.

85 See <http://assembly.coe.int/ASP/Doc/XrefViewPDF.asp?FileID=18151&Language=EN>, accessed 10 December 2012.

86 Johannesen N. and Zucman G. (2012), *The end of bank secrecy? An evaluation of the G20 tax haven crackdown*, Working Paper No. 2012-4, Paris School of Economics.

87 See the European Commission’s press release: <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1085&format=HTML&aged=0&language=EN&guiLanguage=en>, accessed 11 December 2012.



contribute to the recovery of public finances, the economy and social justice. It was back in the 1970's that the Nobel laureate James Tobin first presented the idea of a tax to be applied to financial transactions on the foreign exchange market, the so-called Tobin tax. For years this proposal has been the subject of public debate but it has never really been put on the political agenda, mostly out of fear of creating trouble for the financial markets, which have long been considered capable of allocating resources "optimally".

There is in fact a huge redistributive motive for the implementation of such a tax. The FTT is frequently called the Robin Hood tax but such a name can be misleading. The aim of achieving equity is pivotal but collecting revenues from financial transactions does not directly imply an improvement in social justice. It all depends on what is done with the revenue collected. To serve the needs of society, the revenue collected via the FTT can be used either to lower taxes or social contributions for those in the lower income bracket, or to ensure social spending, which fosters social mobility, and secure the material well-being of all citizens, for example through plans for decent housing or universal health care in line with the proposals presented above. In addition to its revenue effect, the introduction of an FTT could be useful – to use James Tobin's metaphor – "to throw some sand in the wheels of our excessively efficient international money markets" to discourage unproductive and risky trading. The tax should be applied on all types of financial transactions, but above all on short-term speculative flows.<sup>88</sup>

Up to 2012, France, Germany and Italy have, to a certain extent, acknowledged the need for European co-ordination of the implementation of an FTT. They head a group of supporting countries including Greece, Spain, Portugal, Austria, Belgium, Finland and Slovakia. However, there is still strong political resistance from the United Kingdom, the Netherlands, Sweden, Luxemburg and Malta, which are either against an FTT per se or against a European one. The UK government in particular claims to be in favour of a worldwide FTT but is strongly against an FTT applied to the European Union. The reasoning behind this position rests on the assumption that a European tax on financial flows would cause the flight of capital to the US, Japan or other developing countries. However, the example of the British Stamp Duty Reserve Tax (SDRT), which was introduced in 1986 and levies 0.5% on share purchases in UK companies, proves at least two things. Firstly, that it is technically feasible to tax transactions and secondly, that such a tax does not divert investments abroad, since the City of London did not experience a decline in capital flows after 1986. Owing to a number of exemptions, most intermediaries do not pay SDRT but the UK government nevertheless raises some € billion per year from this tax.

Whether to implement a global FTT at G20 level or the European FTT proposed by the European Commission may be subject to debate, but tackling the debt crisis without impoverishing people has to be set as a clear priority. It is to be hoped that a European FTT will be introduced as of 1 January 2014, as planned by the European Commission.

Having put forward these proposals on how to reduce inequalities in access to the resources necessary for a life of human dignity and how to raise the required funds, we must now consider how we can ensure that such access is not limited by discriminatory measures undermining the principle of the universality of human rights.

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88 On paper the instrument proposed by Tobin to tackle speculation was a 0.5% or 1% tax to be applied to all financial transactions on the foreign exchange market. Nowadays, the proposed rates of taxation are lower but with a wider tax base: the FTT is to be imposed on the full spectrum of financial transactions, including bonds and derivatives. NGOs and economists who support the FTT are in favour of a very minimal tax. As things currently stand, the debate is focused on a 0.05% or 0.1% maximum and the European Commission suggests between 0.01% and 0.1% depending on the type of transaction. Such low rates ensure that market distortions are minimized but thanks to the large number of daily transactions the revenue collected could be huge. According to European Commission studies, the tax could raise as much as €57 billion per year. For more information on the European Commission's proposal for the introduction of an FTT, see [http://ec.europa.eu/taxation\\_customs/taxation/other\\_taxes/financial\\_sector/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/other_taxes/financial_sector/index_en.htm), accessed 11 December 2012.

# Conclusion

The proposals outlined here are not an exhaustive list of steps which should and could be taken to solve the problems of growing poverty in today's Europe. However, those who helped devise and word them – following a long period of analysis and formulation, often drawing on the work carried out by civil society – are certain that if these proposals were put into practice, substantial progress could be made towards securing well-being for all.

Underlying these proposals is the idea of shared social responsibilities and the recognition and defence of common goods – understood as resources to be shared as they are essential for living in dignity – two ideas which presuppose a rethinking of the role of public institutions as upholders of the collective interest, an interest to be defined together with citizens and on which the exercise of human rights can never be conditional. The mere act of seriously considering the possibility of implementing these ideas would already represent a change of view, with human dignity and social justice once again taking a central position on the political agenda.

Since human rights are indivisible, these proposals cannot be implemented separately and in isolation, as they presuppose a new systemic vision of the political, social and economic objectives to be achieved.

Without democracy, human rights cannot be upheld and protected universally, and their substance would become indefinable. Worse, without equal and stable access to the material and non-material resources making it possible to lead a dignified life and guaranteeing “security” for all, democratic participation is meaningless. Furthermore, in today's globalised and plural societies, democracy needs to be reinvented; this cannot happen unless it rises to the challenges it faces, both new and old, such as the management of common goods.

Lastly, in order to achieve this renewal of democracy, human rights and common goods, there has to be a reform of the financial system and the implementation of new public redistribution and taxation policies. We must move on from the approach of maximising profit on which the whole organisation of society is based, going beyond the “instrumental rationality” of the West which, as Max Weber wrote over a century ago, treats humans as a means and not as an end in themselves.

If the proposals put forward at the end of this guide can be put into practice, it is because poverty, impoverishment and the growing insecurity of the life of millions of individuals are not an inevitable prospect. It is essential to refocus the action to be taken, paying heed to the various forms of social interdependence and assessing the consequences of the choices and activities of each individual according to a shared goal: the well-being of all.

We have a choice. We can choose to embark on this difficult – but not impractical – path if we accept that all economic, social and political systems have been created and managed by men and women and can, therefore, be changed. Or we can choose to believe those who claim, implicitly or explicitly,

that we must sacrifice human dignity and social cohesion to an immutable way of thinking which ensures that injustice, privilege and the law of the strongest prevail.

This guide has been designed and written by and for people who wish to follow the first of these two paths: they are convinced that it is possible to reduce poverty and inequalities and to move towards greater social cohesion and justice.

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## Living in dignity in the 21st century

In the early 21st century, poverty, impoverishment and inequalities are increasing across the European continent. These phenomena not only weaken the social cohesion of European societies, they also violate human rights, including social and civil and political rights, and question the functioning of democracy. How can people living in poverty make their voices heard in polarised societies, where more than 40% of assets and 25% of revenues are held by 10% of the population?

This guide is the result of two years of collective discussion held within the framework of the project "The human rights of people experiencing poverty". It was prepared with the assistance of many individuals and organisations, including people living in poverty, researchers, associations and representatives of public authorities. As well as offering a critique of the current situation, analysing inequality and poverty through the prism of human rights, democracy and redistributive policies, the guide also invites the reader to explore the possibilities of a renewed strategy to fight poverty in order to restore a sense of social justice. It makes proposals that aim to overcome the stigmatisation and categorisation of people, opening pathways of learning to build well-being through sharing, avoiding waste and by enhancing public awareness around the principle of human dignity as a human right for all.

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