



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Materion Ewropeaidd ac Allanol
The Committee on European and External Affairs**

**Dydd Mawrth, 26 Ionawr 2010
Tuesday, 26 January 2010**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Nick Bourne	Ceidwadwyr Cymreig Welsh Conservatives
Andrew Davies	Llafur (yn dirprwyo ar ran Jeff Cuthbert) Labour (substitute for Jeff Cuthbert)
Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Siân Jones	Y Rhwydwaith Gwrthdodi Ewropeaidd European Anti-Poverty Network
Andy Klom	Swyddfa Comisiwn Ewrop yng Nghymru European Commission Office in Wales

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Lara Date	Clerc Clerk
Gwyn Griffiths	Cynghorydd Cyfreithiol Legal Adviser
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales EU Office, Members' Research Service
Sarita Marshall	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.

Ethol Cadeirydd
Election of the Chair

[1] **Ms Date:** I declare this meeting of the Committee on European and External Affairs open. Following a change in the committee membership, item 1 on the agenda is the election of the Chair. Therefore, I invite nominations from committee members for the position of committee Chair to be elected under Standing Order No. 10.18.

[2] **Rhodri Glyn Thomas:** Yr wyf yn **Rhodri Glyn Thomas:** I nominate Rhodri enwebu Rhodri Morgan. Morgan.

[3] **Andrew Davies:** I also nominate Rhodri Morgan.

[4] **Ms Date:** Thank you. Do we have any other nominations? I see not. Therefore, I declare Rhodri Morgan elected as Chair and I invite him to take the chair.

[5] **Rhodri Morgan:** Thank you, clerk. I take this opportunity to pay tribute to the work of my predecessor, Sandy Mewies, who has moved on to chair another committee. I appeared in front of the committee with her in the chair on many occasions, and I was a great admirer of the way in which she chaired the committee. I would like it to be recorded that we pay tribute to the work of the previous Chair. I see that we are in agreement about that.

*Penodwyd Rhodri Morgan yn Gadeirydd.
Rhodri Morgan was appointed Chair.*

9.02 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[6] **Rhodri Morgan:** I welcome Members to the committee; we are not just quorate—we actually have a full house. I welcome the clerks, the officials, those who are in the public gallery and those who are on the video screen. I remind everyone that you can use your headsets for two reasons: one is for translation purposes and the other for sound amplification purposes for those who are a little bit *trwm eu clyw*, or hard of hearing. You should remember to switch off all mobile phones—I do not know what I have done with mine, but I do not have it here, so that is all right. If anyone else has a mobile phone with them, please switch it off completely, because it interferes with the microphones even if it is on silent mode. In the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest safe exit and assembly point. Jeff Cuthbert has sent his apologies, and we are very pleased to have Andrew Davies here as his substitute. Are there any declarations of interest under Standing Order No. 31.6? I see not.

9.04 a.m.

Ymchwiliad Craffu: Blwyddyn Ewropeaidd Trechu Tlodi ac Allgau Cymdeithasol—Tystiolaeth drwy Gynhadledd Fideo gan y Rhwydwaith Gwrth- dlodi Ewropeaidd Scrutiny Inquiry: European Year for Combating Poverty and Social Exclusion— Evidence by Video-conference from the European Anti-Poverty Network

[7] **Rhodri Morgan:** We are going to take advantage of our wonderful international video conference facilities to take evidence from the European Anti-Poverty Network. During Sandy's period as Chair, we agreed that there would be a short inquiry into the European Year for Combating Poverty and Social Exclusion: that year is 2010, and it is the beginning of 2010. Before my time as Chair, evidence was taken from the Assembly Government, the United Kingdom Government, Anti-Poverty Network Cymru and Children in Wales. I understand that this is the fourth evidence session, which we are taking by video from the European video network. I understand that there is a restriction on Welsh-English translation on the video network. I do not quite know why, but there is a problem, and although an information and communications technology solution is being worked on, it is not yet available. Although we can take evidence in Welsh within Wales, we cannot take evidence in Welsh internationally. I am being told that there is an echo; very good.

[8] I now welcome the two people who we see on the screen, namely, Siân Jones, policy co-ordinator of the European anti-poverty network, and Gregg Jones, who is there as part of the Assembly Commission's support services for Members. I invite Siân to introduce her paper, and then we will have questions from Members. I apologise in advance for having a sore throat, which means that I will not be saying much more this morning.

[9] **Ms Jones:** Thank you for the invitation to speak to the committee. As I used to work for the Wales European Centre, it is interesting to be able to continue this relationship and this dialogue with your committee. I will start by saying that the European Anti-Poverty Network—you have read the paper, so you know who we are—is fairly unusual in being a broad-based network of anti-poverty platforms throughout the EU, involving non-governmental organisations and other stakeholders such as academic institutions, trade unions and so on. We promote and encourage work at a regional level, so a lot of our strongest networks have a complete set of regional anti-poverty networks. In the UK, for example, there is EAPN Cymru, EAPN Scotland, EAPN England and EAPN Ireland, all working together. On the European Year for Combating Poverty and Social Exclusion, EAPN has been a fairly key actor, because we proposed it in 2004 at the round table on poverty and social exclusion, which was part of the open method of co-ordination. We were set up as a network following the poverty programmes in the 1980s, to try to impact upon European policy on poverty and social exclusion. So, we lobbied for the setting up of the open method of co-ordination, and in 2004 we lobbied for the European year.

[10] What has our approach to the year been? We are clear that EAPN on its own will not have a great impact on poverty. We really want to link it to the strategic discussion on the big policies that are affecting Europe. We want to take advantage of the European year to make progress on poverty, and that means leaving a political legacy. If you look, for example, at the European year on equalities, it did rather well in getting an anti-discrimination directive—it is still not fully agreed, but it did a lot to get that support. We want a clear political legacy for the anti-poverty year. We are concerned that the EU has not made significant progress on poverty; in 2000 there was a commitment at the Lisbon council to take a decisive step towards the eradication of poverty, but in reality we still have exactly the same levels of poverty as in 2000: that is, between 16 and 17 per cent, with 79 million people at risk of poverty. There is increasing inequality across members states—some in particular. So, the general package, the strategy, has not worked, and our particular concern is that the growth and jobs strategy has not worked, and that is because there has not been a clear objective on social cohesion, tackling poverty and reducing inequality as a central pillar of the EU's work. It is assumed that, by taking an approach to growth and jobs, you will get a trickle-down effect; that does not work, and it never has. We have to link this whole debate to the EU 2020 strategy about how to make progress.

[11] As for what we do, we are working as part of a broad NGO coalition; I think that you have that information in the pack. We set up an NGO coalition for the year against poverty, bringing together 40 European-wide NGOs working with a social platform. We have funding from the commission for a co-ordinator to work on that year, and we had our launch last week on 19 January in Brussels. That coalition is trying to raise awareness of poverty to begin a discussion about the structural causes of poverty and to get actors at national and regional levels involved in the European year and to pull it together for a common legacy.

9.10 a.m.

[12] On that common legacy, I highlight the network's specific demands, of which there is a summary on page 4. We are saying that EU 2020 is fundamental. We must use this opportunity to get the strategy right, which means making poverty and social exclusion one of its key challenges. Today, we are sending out a letter to Prime Ministers and heads of state on this issue and we are working closely with the Spanish presidency to try to get this as one of its main issues. We also want a clear reference to reducing inequalities, because although that is mentioned in the council conclusions in December, it has not been followed up. It is crucial, in the context of the crisis, for reducing inequality to be a central goal. We want to see participation in governance at the heart of the EU 2020 strategy. That is about better governance that involves the local, regional and national levels, using funds such as structural funds, and promoting the participation of key actors such as civil society and people who are

experiencing poverty.

[13] We also highlight key instruments. We are asking for a council on poverty and social exclusion, which it looks as though we are going to get, because the Belgian Government supports it strongly. We are asking for a declaration on poverty and social exclusion, which it also looks as though we are going to get. We are also asking about the whole question of how you measure progress in a way that goes beyond the gross domestic product debate, because progress should not be recognised only by economic indicators, but by a broader social approach. We want to make the open method of co-ordination a key instrument for delivery on this. For us, that means revitalising the national, regional and local levels, and we would look to have allies from the regional level on this. We think that the open method of co-ordination can only work if you bring in the local and regional levels and make them key actors.

[14] On policies, we are pushing the implementation of what we call the active inclusion recommendation, which is a key concept that was agreed by the council and the commission in December, particularly on minimum income and the question of access to affordable services. We also want follow-up on child poverty and homelessness and the fight against discrimination.

[15] Finally, we want to look at getting the funding right. The structural funds are crucial and we need to use them to deliver on that commitment on poverty, social exclusion and inequalities. Whereas structural funds had a strong role in the past—I see that particularly from my work in Wales—in delivering on social exclusion, that is increasingly becoming more difficult. We are worried about the debates around renationalisation and moving away from having these broad objectives on poverty and social exclusion.

[16] So, the question is how we see the role of the regional level—what can Wales do to support the battle against poverty and social exclusion? There are good examples in other member states of getting engaged with the year. First, getting engaged with the year means using the money, providing good co-financing and paying attention to raising the visibility of poverty issues, the causes of poverty, the faces of poverty and the policies that need to be put in place to step forward. We think that you must see non-governmental organisations as key partners in this and that there should be direct involvement from people experiencing poverty, because involving those people is a strong way of bringing home these messages.

[17] We are also using the year to get policy progress. We are talking about policy progress at a national and regional level—having a clear idea as to what you will use the year for, what step forward you will take at a particular level, and how you will support the fight against poverty at the EU level. That is the agenda that I have set out, which particularly focuses on EU 2020. Some key examples that we would highlight in the UK are the proposals being put forward by the European Anti-Poverty Network Cymru, and the fact that the Scottish Government is working strongly on the EU year and has a big programme of delivery. It will hold high-profile conferences and four seminars on active inclusion, and it will have a big conference on structural funds on Europe Day on 7 May. It is working strongly with the Poverty Alliance, which is the EAPN member in Scotland, to deliver a series of activities that focus on people's participation in fighting poverty. It wants to help to use it to drive forward the agenda. You could have an interesting exchange with the Scottish region.

[18] Other countries that also have a strong regional approach and that are doing great work include Belgium, which is a key example—I have given you some examples in the paper—because it has the Flemish, French, Walloon and German regions, which all have their own programmes. There is also a joint programme, and, of course, it will have the presidency. Another example is Spain; EAPN has networks in every autonomous region of Spain, which

all have their own programmes. They have an impressive list of activities that they will carry out together, with the support of the Spanish presidency.

[19] Finally, on what we have been doing and how we are moving forward, the key questions for us relate to EU 2020. We are lobbying hard with our partners and all the alliances that we can build. We were in Madrid last week at the launch conference for the Spanish presidency, and we were key actors in organising the conference. President Barroso was there, as were Prime Minister Zapatero and Felipe Gonzalez. We had a round-table discussion with people who were experiencing poverty; they were, therefore, directly involved. President Barroso made key commitments on putting poverty and social exclusion at the heart of EU 2020. The trouble is that it is not really followed up in the letter, so we are lobbying the Prime Ministers to at least get a central commitment to making it a key pillar of EU 2020.

[20] We are also working hard with the Parliament. The Committee on Employment and Social Affairs has set up its own committee on EU 2010, and, as part of the NGO coalition, we will be meeting with Pervenche Berès this afternoon. I am also speaking to the employment committee this afternoon as part of the social platform on EU 2020. So, we are trying to work with all the key actors. The European Economic and Social Committee and the Committee of the Regions have formed their own committees. We are saying that we need to work together in order to ensure that a lot of activity happens at a national level, which is crucial, as well as at the regional and local levels. We are really pushing for the regions to take up the opportunities, but we need to work together to make sure that EU 2020 delivers. We are looking for a lot of support from the Welsh Government, because we see Wales as being a key example of a social region that has made a lot of progress, particularly on child poverty, education and training. We would like to get the support of the Welsh region to deliver on EU 2020.

[21] **Rhodri Morgan:** I have one question before the other members of the committee ask theirs. Could you clarify what you see as the most fruitful way forward to strike the balance between those activities that you might put in the seminars and conferences category, roughly speaking, and those that you might put in the actions category? Within the actions category, what is the right balance between the kind of point-based or local-community-based projects with which we are very familiar in Wales, of which a new one is produced almost every decade—I am thinking of the Dowlais, south-Wales, anti-poverty programme that was produced in 1970, 40 years ago; the one at Glyncoed that was produced in 1980, 30 years ago; those produced 10 years ago in Townhill and Mayhill in Swansea; and, more recently, in west Wrexham—and the broader social approach in relation to benefits, work, health, education and the other broad issues that determine whether you will be in poverty or not have many avenues out of it? Could you give us a rough feel as to those two points?

[22] **Ms Jones:** That is an interesting question, and it shows the sensitivity that Wales has to these issues. You would not normally expect to get that kind of question from many Governments. On the balance between the seminars and activities, it is about looking at the different goals and objectives. In respect of policy objectives, you look at having seminars that help you move ahead on the policy agenda. It is about having a clear idea of what progress you need to make. We know, for example, that a key issue in the UK is working poverty, which links in to minimum wages and how to improve that. The issue of minimum income is fundamental; what level of minimum income is being paid? Is it adequate? Does it take people above the poverty threshold? Is the access to services secured? The big issue for the UK generally is that of affordable services and the accessibility and coverage of services. Those are all essential parts of it.

9.20 a.m.

[23] On the policy field, the seminars are crucial to doing that. However, we would say that the European year is more than that; it is really about the awareness raising. Some regions are doing very interesting work with the media, and, for example, with bottom-up activities around theatre and street presentations in order to get the message out into the street and communities. That is where Wales has great strength because you have such an active voluntary sector—you have very strong projects, and that whole question of supporting participation, getting people actively involved and springing it into their local communities, is one of Wales's great strengths. So, the answer is that you need a balance.

[24] Poverty is not only a monetary question; it is about access to participation in society on an equal basis. So, it is a multidimensional question. It cannot only be dealt with in monetary terms. It is about supporting people to be able to participate and to have a dignified life. That is why you need to have more awareness raising and support for projects and to strengthen and empower local communities as an important element. If you have to choose between them, it is very difficult, because I think that you need both. However, we certainly want to see the year strengthening the bottom-up sector—community planning, community projects and community approaches on how to fight poverty and social exclusion. You need the national and regional policies, but, without a clear and adequate minimum income, without minimum wages and without defending access to affordable services, it is difficult to make progress on poverty and social exclusion.

[25] **Rhodri Morgan:** Okay. We have four questions for you. The first is from Rhodri Glyn Thomas.

[26] **Rhodri Glyn Thomas:** It was interesting, in referring to the role that Wales could play, that you referred to good practice in other countries and specifically to what was happening in Scotland. In your response to Rhodri's question, you talked about what was happening in Wales, but how active are Welsh non-governmental organisations in your European coalition? Is Wales really seen as a key player in this?

[27] **Ms Jones:** Given that we are a European network, we obviously organise through national networks, so we have that European Anti-Poverty Network UK, which has regional parts to it, including EAPN Cymru, EAPN England and EAPN Scotland. We are a little dependent on the people who represent EAPN UK to give us the information. So, EAPN Cymru is an extremely active network. It is a very grass-roots, bottom-up organisation that works very closely with the local community. It has probably done a little less to link up with the EU level, and that is both a strength and a weakness, but we are trying to encourage it to get on board more on the EU level because, as you know, it is a difficult process with which to engage. You must have resources to be able to do that.

[28] I should say that EAPN UK generally suffers from not having financial backing. In other countries like Spain, the EAPN regions all get funding from Government to run their networks and that makes a big difference to their effectiveness. So, I think that we must also recognise that there are funding limitations. However, the simple answer is that it is a very active network; it has not engaged so much with the EU level, but it hopes to do so through this European year. There is a strong opportunity for it to get engaged. We certainly see it as being a vital network because it is active on participation.

[29] We organise a people experiencing poverty conference for the presidencies every year at EU level and invite some 10 people from each country. Last year, they were all from Wales, and they were all experiencing poverty on the ground. These were grass-roots actors who came over and participated in this big event for the presidencies, which involves the commissioners, the commission, the Parliament and the Presidents.

[30] **Rhodri Glyn Thomas:** Thank you for that answer; it was very diplomatic. What do

you think that we as a committee or the Welsh Assembly Government could do, other than provide financial support—which you highlighted and we have noted that—to ensure that there is greater participation from Welsh NGOs in this European year?

[31] **Ms Jones:** You will definitely know more than me about this. Each country is organising the European year in different ways. So, I think that there is some sort of ring-fencing in Wales on the European year. There are various small amounts of money. So, the co-financing is crucial. Wales has a good, strong record on that with regard to structural funds providing the global grant systems. Therefore, I imagine that you are working very strongly with, for example, the WCVA, and EAPN Cymru, which are the sort of platforms that are working with the NGO bodies to see how they can access the funds. We are saying that added value should be sought from the funds. The funds themselves are quite limited, so they will not be the main thing; you have to add in other funds, co-finance, and support the work, for example, with education and training institutions and with the media. These are all things that the Welsh Government and the Assembly could be facilitating. They could facilitate such alliances and ensure that the money is used properly.

[32] On the policy side, it is about pressing for key legacy. So, it should be clear what the demands are from the NGOs in Wales—the anti-poverty movement in Wales—in order to achieve progress. You should also see what you can do to help to apply pressure on the EU 2020. You could play a key role in the UK position on EU 2020, which, at the moment, we suspect is not as focused on social aspects as it should be. We hope that regions such as Wales will press for poverty, social exclusion and reducing inequality to be a key pillar and focus objective in EU 2020. So, there are different levels: the policy level, the EU level, the national level and the regional level. There is also the question of how to facilitate and work closely with NGOs.

[33] We hope that you will also make the link with structural funds. Again, for us, Wales is a key example of good practice in relation to governance on structural funds. I certainly refer to it at EU level as one of the main countries that has involved NGOs systematically in a structured dialogue in the programming committees and throughout the whole programming cycle and delivery. It is important to make the link with structural funds, to see how the structural funds can be used to focus on poverty and social exclusion and to help with the use of the structural funds in delivering on those objectives.

[34] **Andrew Davies:** Thank you, Siân, for your paper. I would like to follow up the two questions that both Rhodris have asked. You have talked about what is happening in Scotland and about its high profile, but, following the Chair's question, it struck me that the work was all very much in the awareness-raising category of activity. What is Scotland doing in relation to implementation?

[35] I have a second, related, question. At a time of increasingly constrained public finances, particularly in the UK, in Wales, but also across the EU, to what extent is EAPN undertaking work to evaluate programmes? In Wales, a huge amount of resource, both human and financial, has been dedicated to tackling economic inactivity and poverty. It could be argued that the sheer range and complexity of that may well be one of the challenges. To what extent is the EAPN evaluating practice, not just across the UK, but in other parts of Europe?

[36] **Ms Jones:** In relation to the question on implementation, I would be happy to advise you to talk to EAPN Scotland, because it would be best placed to say what it is doing in relation to implementation. The reason why I gave the example of Scotland is that I think that its way of working is similar to that of Wales: there is a partnership approach, working with civil society. That is very interesting. Both have sat down together and asked, 'How can we make the most of this year? What are the policy areas on which we need to make progress?' Whether they will implement it is another issue.

[37] There was a project in which Wales was involved, called Bridging the Policy Gap, which was funded through the awareness-raising programme of the open method of co-ordination. Children in Wales was involved with that; there was a specific seminar and work on children's play. One issue that was looked at in Scotland was the working families fund, which was a way of providing wraparound support to help single parents in particular to access work, but also to have support to access services, and to work with the children in a wraparound way. The intention now is to implement that and to roll it out as a pilot project. However, as I said, it is difficult for me to give a detailed answer on that. I could certainly facilitate that for you through our network. Clearly, at the European level, it is difficult to go into that level of detail.

9.30 a.m.

[38] As for what we are doing on structural funds, which are crucial for us, we have our own structural funds group, on which we have representatives from all national networks from across the EU. We have produced an evaluation of to what extent structural funds are delivering on social inclusion. We are in the process of publishing that at the moment, as well as producing our input on the new cohesion round. We have made that assessment and, as I said, Wales for us has always been a key example of a region that has really tried to deliver on these areas. We are very worried about the new developments in the structural funds and how far, certainly under the new proposals under the budget, this will be a possibility. With the crisis very much leading the discussion on priorities for the structural funds, we are worried that the focus will be on employment only, not that that is not important, but one must ask first of all what kind of employment that is. Will it be quality employment that takes people out of poverty? How will you secure access to employment? That is, are we really working on giving support to people who are outside the labour market with an active inclusion approach with the three pillars? Also, can we use structural funds more instrumentally in the broader areas of social inclusion, such as access to services and supporting governance and participation and empowerment? Again, Wales has a good record on that, but to what extent will the funds continue to deliver on that? From our perspective, there is a narrowing of focus to very much on employment only, which we think is a mistake, particularly if it is not going to be absolutely about quality employment, which takes people above the poverty line and gives them a chance at a dignified life.

[39] **Andrew Davies:** I was really asking not just about European structural funds, but all publicly funded programmes to tackle economic inactivity. You tended to focus on governance, and on programme expenditure. What I was really asking about was the effectiveness of the programmes and the extent to which the EAPN is undertaking work in that regard.

[40] **Ms Jones:** The EAPN is a fairly small organisation. We are funded by the commission, primarily, and we get everything else from voluntary funding. So, we do not have enormous resources. We very much rely on our national networks to give us information, and then we try to carry out evaluations through them. We have been working primarily through the different co-ordination mechanisms, so we have engaged with the open method of co-ordination on social inclusion and on the employment strategy. Through that, we try, with our networks, to evaluate how well policies are delivering, and we produce reports on that basis. We are not in a position to undertake independent research; we have used our national networks to get their assessment of how effective the implementation has been. I can certainly share with you the reports that we have written in that context.

[41] **Nick Bourne:** Thank you, Siân, for a very helpful presentation.

[42] I have a few quick questions, and they are more on the pan-European front than they

are specific to Wales, although the issues will, clearly, have an impact here. You referred to 69 million people or thereabouts living in poverty, and that that number has gone up since the last set of statistics, which was as expected because of the new entrant countries. Percentage wise, the figure has stayed roughly the same. I do not have a feel for this, but are there separate measures of how poverty is determined in different member states, or is poverty in Romania precisely the same as it is in the UK or in the Netherlands? That would have an effect on the statistics.

[43] You are critical of the Lisbon strategy. Have we any statistical evidence for the impact of the Lisbon strategy on poverty and social exclusion? Is it making matters worse, or is it just that it is not making them any better? Instinctively, you would expect it to make matters better. Coupled with that, unless we take corrective action, is a recession likely to make poverty worse? Again, the gut reaction is that it would.

[44] **Ms Jones:** Those are the kind of questions that it could take me about two hours to answer, but I will try to respond briefly. To respond to your question on poverty, it depends on the definition that you use. The definition used at European level is the 'at risk of poverty' level, which is based on the median household income. We produce an explainer on poverty and inequality that gives you the whole debate at European level, and that has been very much supported by Governments and the commission. It is quite a complex question, because we are talking about relative poverty. So, the 60 per cent threshold means that it really depends on what happens to incomes for the rest of the population. So, it will be 60 per cent of the median income, which means that you could have a situation—

[45] **Nick Bourne:** I am sorry to interrupt, but is that 60 per cent of the EU median income or 60 per cent of the member state median income, because that would make a difference?

[46] **Ms Jones:** One of the great benefits of the EU has been the open method of co-ordination on social inclusion, which all member states are involved with, and which engages in developing national action plans on social inclusion that set common objectives and which have indicators and a system of monitoring delivery. There are now EU indicators, originally called the Laeken indicators, but which have now been expanded. There are about 21 common indicators. We have comparable statistics on poverty, social exclusion and inequality from across the EU. So, the data are available. On the question of the sub-regional level—

[47] **Rhodri Morgan:** Siân, could you be quite precise in answering Nick Bourne's question, because we are all fascinated by it? Is the method that you are using to define who is poor in Romania relative to the median income in Romania or to the average of all the 27 member states of the EU?

[48] **Ms Jones:** It is national. It is an EU framework, with EU-established indicators, but it is measured nationally through the EU-SILC, the survey on income and living conditions, so there is a massive machinery of data collection behind it. The most recent data that we have are from 2007. All those data are published, usefully, by the commission in a joint report every year. The new one will be coming out now. It is all done through Mutual Information System on Social Protection, MISSOC, data, which are Eurostat data. It is difficult to access, but there is a good supplementary report that is produced by the commission every year. It is worth looking at that, because it gives you all of the information.

[49] We have the 'at risk of poverty' level, but there are other indicators around access to services, which are more absolute. For example, material deprivation indicators will show you to what extent people are able to afford meat three times a week and have heating and so on. At the moment, there is work to try to make that 'at risk of poverty' level realistic, because that will mean something very different to someone living in Romania than it does to

someone living in Luxembourg. Someone at risk of poverty in Luxembourg could be on €17,000, whereas in Romania it would be much less. There is a big difference when you are looking at relative poverty. So, it is about trying to understand the complexity of the issue, which is that you need to talk about basics, such as people not having access to houses, inside toilets or good heating, but also the relative level of poverty experienced by each person in their own society. The relative level is crucial. In a rich society, such as the UK, it is clearly not acceptable that parents cannot send their children on a school trip. The level of poverty is relative to the society in which people live and about how well they can participate in that society. So, the two aspects are important.

[50] On the second question, which was about Lisbon, post 2005, we felt that there was a substantial change in the Lisbon strategy. The initial commitment made in 2000 made social inclusion a clear pillar. In 2005, with a hardening towards growth and jobs, it focused on the trickle-down effect. The statistics are quite clear, and this has been evaluated by the commission—there is a report by the Social Protection Committee on this—that you cannot assume that growth leads to jobs and social inclusion. There is no automatic connection, and the commission says that clearly. So, countries that have had good growth have had rising poverty levels. Ireland, for example, experienced good growth, but it did not reduce its poverty levels and it increased its inequality. So, none of those things are automatic. Unless you make fighting social exclusion and poverty an objective that the economy must serve, you will always lose and you will always have a problem, because you will not be able to focus on the real problems.

[51] **Rhodri Morgan:** Nick Bourne has a supplementary.

[52] **Nick Bourne:** It is a quick one. Siân referred to a booklet and I wonder whether Siân or Gregg could get a booklet to us rather than us having an hour's lecture. It would be very interesting.

9.40 a.m.

[53] **Michael German:** I am sorry, but I will try to continue this discussion about indicators. The issue that worries me is that we get absolute numbers from Eurostat, we get numbers in your paper, and the actual figure is related to the median income in each country. That would presumably account for the Czech Republic coming out as the best in Europe, because it does not have that many high earners. Perhaps you could explain that. Today we have come across another indicator, showing that the number of children in poverty in Wales is substantially higher than the number in Scotland, but a different indicator was used there. Given that the median income is that within each country, what progress has been made towards a Europe-wide method that would be used consistently across boundaries to ensure that, when we talk about poverty in Europe, we can do so universally, across the whole of the European Union? Logically, you would expect that there would be more people in poverty in Romania.

[54] **Ms Jones:** I am not always a great fan of the commission or the EU, but that has been one of the great benefits of the open method of co-ordination on social exclusion. In 2000, we did not have comparable statistics on poverty—no-one knew what we were talking about. We did not have common definitions of poverty, either; we have now, but the trouble is that it is not widely known. That debate is not being had at a regional and local level, but a lot of progress has been made on establishing common indicators and continually improving them. There is a feeling that the relative poverty indicator is good, because it tests inequality as much as anything. You made the point about the Czech Republic coming off well, and that is not so much because of high incomes, but because there is less inequality. It is the gap that is measured. It is not just about high earners, but high minimum income levels, and it is the gap that is measured. Inequality is a key concern because, if you want to have a healthy society,

you need to reduce the inequality gap. I am sure that Wales would agree, and all the new research shows that healthy societies are ones that have less inequality. Work is being done to highlight that, and there is a discussion on extreme poverty at the moment—how to show the material deprivation in some new member states. Those indicators have been developed and are common indicators that are used across the EU. They are being used at a UK level, but we are not so clear about the regional level, because the representation is done at a UK level; for example, the Social Protection Committee sees the UK representative, and they are expected to involve the regional level in turn. That is not monitored by the commission in any way, so it is up to each country how they manage the regional connection, and the soft data at a regional or local level are not comparable at the moment in the same way as the national data.

[55] **Michael German:** Is the median income the right measure, or should we use the average, or should we be looking at the gap between the richest and poorest in each country?

[56] **Ms Jones:** There is no simple answer; we need a range of measures. The great advantage of the open method of co-ordination is that it allows that complexity to come through. We need median household income, but we also have measures that are used at the EU and international level, such as the Gini co-efficient on inequality, the 20 per cent/80 per cent Quintile, and so on. We have an indicators sub-group at EU level, with a representative from each country, which has been working together for the last 10 years on exactly these issues. The trouble is that it is not a debate, and that is exactly the kind of issue that you are raising—saying that we should have that debate at a regional level. What is poverty? What is inequality? How is it caused? What are the solutions? That is what we call awareness raising, because there is no clear consensus on defining poverty, even though a lot of progress has been made on statistical measures, data and indicators at EU level.

[57] **Rhodri Morgan:** I have one final question. There is an element of the search for the holy grail about this, and you highlighted that in your final remarks. However, I wanted to ask whether you also evaluate, or are aware of any evaluations, of whether the local community-based approaches to remedying poverty, or giving people routes out of poverty, work or can be shown to work if you design a project in the right way. I mentioned some projects that we have seen over the past 40 years in Wales, but, more recently, the Assembly Government has undertaken point-based projects, through Communities First, but in around 100 communities rather than in ones and twos as in the past. Is there evidence across Europe that you can transfer power to people living on the wrong side of the tracks, and living without the normal means of control over their own political and economic destinies? Can that kind of point-based or community-based approach to the holy grail of remedying poverty actually work, or is it generally better to concentrate on employment, benefits, health, education, tax credits and the broad measures?

[58] **Ms Jones:** I do not think that they are mutually exclusive; we need both. You need the national/regional infrastructures—the policy framework—but we have no doubt that the bottom-up empowerment approach to local communities is what works in delivering this. You also need the framework. We tend to highlight the concept of active inclusion at EU level, which is a commitment to an adequate minimum income, saying that everyone should have an adequate minimum income. You then have support into decent work, and you have to establish the pathway approaches that can support people into getting decent jobs and then access through affordable services. You need that triangle to work. That triangle must have a policy framework at a national/regional level, but to make it work and to help people, you need to work at a local level. Wales is very strong on building strong communities—we very much use the example of community enterprises—the social economy approach and social enterprises. The bottom-up approach, which allows people to take some control over their lives to become active in their communities and to look for local solutions, is fundamental. With the backing of the Barker report, which has come out, looking at spatial policies focused on social inclusion, we are getting a revitalisation of this belief and commitment to local,

bottom-up policies. This is a good moment to really highlight that. In the end, people want to have control of their lives. Local communities need to have a say in what is happening, and it helps people to have that empowerment process. Therefore, for me, the answer is both; I do not think that we can say that it is one or the other, but I do think that Wales's great strength is its community approach, with strong communities building and looking for solutions together linked to the need for a national/regional policy framework.

[59] **Rhodri Morgan:** The answer to, 'Where is the holy grail?', 'God knows and he is not telling'. Is that it? [*Laughter.*]

[60] **Rhodri Glyn Thomas:** I will seek an answer for you later.

[61] **Rhodri Morgan:** Okay. Thank you, Siân, for your contributions this morning, for your responses to the questions, and for the paper. You will be sent a draft transcript for you to correct, decipher and so on, and to check for factual accuracy. Once again, thank you. The technology has worked quite well this morning. We are very pleased about that, albeit without Welsh-English translation facilities. Diolch yn fawr.

9.49 a.m.

Cynnig Trefniadol Procedural Motion

[62] **Rhodri Morgan:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Orders Nos. 10.37(vi) and 10.37(ix).

[63] Are we all agreed?

[64] **Michael German:** Yes.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 9.49 a.m.
The public part of the meeting ended at 9.49 a.m.*