

ADDRESS BY

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TO THE SOCIALIST GROUP OF THE EUROPEAN PARLIAMENT'S CONFERENCE ON

"PLACING POVERTY ON THE EUROPEAN AGENDA"

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### POVERTY: A EUROPEAN RESPONSE

Poverty is one of the most fundamental problems in N. Ireland and the rest of the European Community. But it has not received the attention it deserves from government or from European Community institutions as a whole.

Indeed, all the available data shows that far from improving, poverty has increased in recent years. Despite the theories of Reaganomics and Thatcherism that the free market would ensure a trickle down of wealth throughout society, the result has been an ascending cascade towards the top. Wealth has been concentrated while poverty has been spread more widely.

The Government's own survey of Households below average income has revealed that between 1979 - 1989, the income of the bottom 10% of households fell in real terms by 6%.

Perhaps that is why the Ministry of Agriculture has published a low cost diet which advises you to survive on three quarters of a rasher and half a fish finger a day. Vegetarians are spoiled - they are allowed one and half carrots a day.

Even looking at more realistic measures of poverty, between 1978 - 1989 the percentage of people with less than 60% of the average income (after housing costs) rose from 22 to 30% - an extra 4.9 million people pushed below a reasonable standard of living.

The Bradshaw Report recently published by the Rowntree Foundation reveals an astonishing gap between adequate living standards and the levels achieved by those on income support. Professor Bradshaw defined a "modest-but-adequate" budget for a couple with two children under ten and a much more restrictive "low cost" budget. The latter exceeded income support by £36 a week. The former by a relatively massive £212 a week.

Nor is the problem of poverty confined to Britain and Ireland. Throughout the European Community, millions of citizens experience living standards well below a reasonable level.

The unemployment rate in the Community is 9.5%. For the under twenty-fives, the figures reaches 18 per cent. Women under 25 have a one-in four-chance of being unemployed. To make matters worse, millions are trapped in long-term unemployment.

Poverty is a scourge, but it can be overcome. Provided the political will and vision is there, it can be conquered. There is no mystery about the causes of poverty, the problem is the lack of determination to address these causes.

Chief among these causes is unemployment. Not only are millions deprived of employment, the massive financial costs of unemployment drain resources which could otherwise be used to deal with other causes of poverty.

For those in employment, low pay is a major burden. Despite efforts to implement equal pay legislation, women are the prime victims of low-wage economies.

In this respect, the proposed Employment Bill is a disgrace. Instead of enhancing economic development and skill levels, upon which decent wages depend, government proposes to eliminate what few protections exist by the abolition of wages councils and by further attempts to undermine collective

bargaining. The Bill in effect suggests that poverty and low wages are an answer to unemployment. That is a dangerous and ill-conceived notion.

Then there are those who are so excluded from the labour market that they are not even counted as unemployed, or whose prospects of employment, for lack of skills or experience, would be remote even in a period of boom.

Finally, a significant proportion of those in poverty is accounted for by the retired. In Northern Ireland, and in Britain, the conditions in which we allow pensioners to exist are particularly poor.

If we are serious about dealing with poverty, a fundamental re-appraisal of economic and social policies pursued throughout the Community is required. While many initiatives can be taken within the context of Northern Ireland, there is a clear need for a European anti-poverty strategy.

So what contribution can the Community make to the reduction and elimination of poverty?

There are three areas for priority action:

- The launching of an EC recovery programme
- The rapid and thorough implementation of economic and social cohesion
- The development of a social Europe.

Next week, the European Council is meeting in Edinburgh and has an opportunity to set the Community on a new path. Colleagues such as Dick Spring and John Smith, and the leaders of other European social-democratic parties, will be calling on the Council to do precisely that.

The Council must realise the seriousness of the crisis facing the world economy, and the need to regard unemployment as the number one priority. The European Commission must be instructed to put into operation an action plan for employment and growth, and to open talks with the new American Presidency on a global response to the crisis. Working towards full employment is a vital task for the 1990s.

We eagerly await Jacques Delors's promised political document on poverty. We hope it will be a major contribution to the development of a social Europe. It is precisely because of the possibilities provided by the Commission's rights of initiative that we must defend such rights against those who seek to circumscribe them.

However, we cannot assume that such a programme would be enough. A rising tide does not lift all boats. There would still be severe problems for those without a boat or in leaky vessels in the less developed regions and the more marginalised social groups.

Respect for the principle of economic and social cohesion within the Community is a prerequisite for eliminating poverty and for the future progress of the Community.

Northern Ireland has been excluded from the new Cohesion Fund. That is a matter of deep regret, but it should be an incentive to build more direct links between our region and the Community institutions.

But the very existence of the Cohesion Fund is very important to us. The degree of acceptance which Delors II package obtains at Edinburgh will be a symbol of the Community's commitment or otherwise to tackle the problems of under-development, unemployment and social exclusion. If there is a serious

Community effort to address these problems, there will be much greater likelihood of the implementation of the types of social and economic strategies needed to deal with poverty in Northern Ireland.

Poverty is clearly a social as well as an economic problem. The social dimension of the Community must be enhanced urgently.

The concept of a social Europe has always been present in Community legislation and practice, but unfortunately it has always occupied a secondary status. Social initiatives have traditionally been by-products of economic policies, not positive innovations in their own right.

There has been much controversy over the Treaty of Maastricht. No one would claim it is perfect, but it received the support of an overwhelming majority of the Community's elected representatives in the European Parliament. An important consideration for those of us who supported it was the creation of new Community competences in the social arena, and the introduction of qualified majority voting in certain areas. 11 out of 12 Member States accepted the Social Chapter. The isolation of the British government should, I hope, provoke a serious campaign for opting-in back into the European mainstream.

A social Europe is a political and economic necessity. Without it, the strains of economic integration and modernisation will cast the future of the Community into doubt. There is also a danger that the development of economic and monetary union will be used as an excuse to cut social expenditure. That would be very short-sighted, and we must resist any such anti-social policies.

A recent study commissioned by the European Parliament concluded: "the organisation of a Community single market in 1992, in which freedom of movement of persons, goods, services and capital, together with common standards and standardisation, Community-wide works, contracts and harmonised taxation will be achieved, whereas social policy alone will remain highly diverse and under the jurisdiction of national governments can only result in insupportable economic, social, political and regional tensions". [Social Policy in a United Europe: European Parliament Research Division: 1991]

Some of these tensions have already been in the waves of social protest sweeping Mediterranean Europe, and which are beginning to make their way into Northern Europe. The governments of the Member States must show the vision to respond to the fears and aspirations of their peoples. The Community must present a human face to its citizens.

In Edinburgh next week, I hope the members of the Council will be preoccupied with the need to seize the opportunity to plan for balanced social and economic development, not obsessed with puerile parliamentary games.

The debate over subsidiarity is crucial for the possibility of European union with a human face. If subsidiarity is a means of maximizing participation and regional, local and Community involvement in decision-making, it will be welcomed with open arms. If, by contrast, subsidiarity is a code word for Whitehall and Stormont centralisation, and a method for lowering standards of social protection, then it must be resisted at all costs.

In the coming months, there will be a chance to verify the good faith of government. A policy for regional development and an anti-poverty strategy cannot be delivered from above. While poverty disempowers individuals and communities, it can only be eradicated if they are empowered, and helped to help themselves.



The Council for Voluntary Action document on the new Community support programme is a major contribution to this process.

As the document proposes, the voluntary sector must be involved in the definition, implementation and monitoring of the Community Support Programme. A strategy for Community development must be an integral part of economic and social policy.

The European Community must give a positive response not just to major prestige prospects, but also to more modest local initiatives with the potential to integrate entire communities into the mainstream of economic and social progress.

In this respect, Commissioner Millan's document on the revision of the Structural Funds Regulations is to be welcomed. The Commissioner proposes greater flexibility in the funds allowing greater attention to be paid to health and education in Objective 1 regions such as our own, streamlined decision-making, greater scope for varying rates of financial assistance; the re-organisation of measures aimed at youth and long-term unemployment, and a new Objective 4 on vocational training. Perhaps even more importantly, the document makes it clear that it expects the economic and social partners to be intimately involved in the Community Support Programme.

A positive government response to these proposals would show that its rhetoric about subsidiarity will be taken more seriously. This time round, the government must ensure effective and genuine participation.

Another area in which government can show its commitment to the decentralisation of power is in "the Social Dialogue" between government, employers and trade unions envisaged by the Maastricht Treaty. It is no accident that the richer Member States have well-balanced, highly organised systems of collective bargaining, covering much more than wages and conditions.

In a peripheral region such as ours, it is vitally important that government works with employers and unions to produce coherent regional development policies, and to establish a fair distribution of the costs and benefits of such policies. In particular, we need cooperative policies for vocational training and technological advance.

Northern Ireland cannot successfully compete as a low-wage economy. The future lies in the exploitation of new technologies and high levels of skills. In order to achieve such goals, the "social dialogue" must be encouraged and enhanced.

Nevertheless, we must be aware of the dangers of a two-speed society. We cannot be content with high skills and decent incomes for those in employment co-existing with large-scale poverty and social exclusion for those outside the active workforce.

We need European-wide initiatives aimed at the social and economic integration of the socially excluded. Many such programmes exist, and it is one of the objectives of the structural funds. But much more remains to be done. The European Community must take the idea of the common European society as seriously as it has dedicated itself to the achievement of the single European market.

There must also be common European standards of social protection for the elderly, and for other groups who cannot take part in the labour market.

1993 has been declared European year of the elderly. This is an opportunity to highlight the problems of the elderly, to encourage associations of the elderly to take action in defence of their own interests, and to move towards the necessary common European standards. The Socialist Group of the European Parliament is planning to continue the work launched by the Senior Citizens Parliament held in Luxembourg earlier this year, and Northern Ireland will be represented in this continuing campaign for justice.

The need for a social Europe, and the massive scope for action, is clear. So what can be done?

The "social deficit" in the Community is clearly connected intimately with the "democratic deficit". It is therefore vital that the members of the European Parliament ensure that the interests and concerns of their constituents are constantly pressed upon the Council and the Commission. As members of the Parliament, we have a collective responsibility to ensure that the limited powers of the Parliament are used to the maximum possible extent in the interests of the citizens of Europe.

We should collectively declare that unemployment, poverty and deprivation are no longer tolerable in societies such as ours with a massive potential for prosperity.

This Conference can help to put poverty on the European agenda. From today's Conference, I hope a text will emerge which will provide the basis of a resolution for tabling in the Parliament. Such a resolution would call upon European Parliament to conduct a major investigation into poverty and to produce a report containing a comprehensive anti-poverty strategy - it would be "Beveridge à L'échelle Européenne".

Finally, our focus today has naturally been the European Community. But the severity of our problems should not blind us to the world-wide scale of poverty. A rich Fortress Europe is not only a morally reprehensible concept, it is a practical impossibility.

An isolated Europe in a sea of misery would be like Canute trying to hold back the waves. A prosperous and dynamic European Community is in the interests of the ex-Soviet bloc, the African-Caribbean-Pacific nations and other lesser-developed countries. But there must be a partnership which allows our fellow citizens outside the Community to emerge from the nightmare of poverty as well.

We face a massive task? Many questions have been asked today. It is now up to us to ensure that satisfactory answers are supplied. We have made a positive start, we must now step up our efforts to create the social Europe.