

# *Placing Poverty on the European Agenda*

## **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 household 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.

**T**HE 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, million 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.

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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 wage 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 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 1990'S.

We eagerly await Jacques Delor's promised political document on poverty. We hope it will be a major contribution to the development of a social European. 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

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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.

**B**UT 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