

SOCIAL INCLUSION-A FORM OF ERADICATION OF POVERTY AND SOCIAL EXCLUSION. SOCIAL INDICATORS FOR MEASURING SOCIAL EXCLUSION

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Abstract: *Social inclusion, as a support for social policies, is both a deliberate process of integrating and welcoming all people into a society based on equal opportunities and greater tolerance, and an objective aimed at combating social exclusion by removing barriers to people's participation in society. In the foundation of social policies are used social indicators that allow the description in statistical terms of the level of social development achieved in society, but also of the current existing problems. They provide confidence in social policy actions and make it possible to monitor progress in solving problems of general interest. This paper highlights the conceptual presentation of the term of social inclusion, both in general and from the perspective of the European Union, the system of indicators used in measuring social inclusion, social trends regarding the evolution of social inclusion indicators at EU and Romanian level.*

Keywords: *social inclusion, social exclusion, social indicators, AROPE.*

Classification JEL: *H53, I32, I38.*

1. Introduction

Poverty is a socio-economic phenomenon that has manifested itself and is manifested in all societies and at all times, to a greater or lesser extent, under the influence of a wide variety of factors. It could be said that poverty never disappears entirely, but it can be alleviated by consciously applied measures. For this, however, the phenomenon must be known, understood, measured and monitored.

Specific tools are needed in the process of studying and assessing poverty, as well as in developing measures to combat this scourge. Among these instruments, statistical indicators and statistical methods for characterizing the size, structure and dynamics of poverty are of primary importance. That is why the need for a comprehensive set of indicators that characterise the different facets of poverty, exclusion and social inclusion in a complex way cannot be ignored. The task, however, is by no means simple given the forms and areas in which poverty manifests itself, the sources of statistical information available, the methods of assessment proposed by statistical theory and practice.

The research methodology is based on three main stages: identification of the literature, its selection, corroboration and synthesis of data.

The literature addresses a series of research, mostly conceptual, international studies that show a fundamental theoretical orientation about social inclusion. The methods used focus on the conceptualisation and description of social inclusion, and it is necessary to examine this concept closely in view of its importance in eliminating disparities in material welfare and Social Security.

An initial, informal evaluation of the literature revealed that there is little data and authoritative sources on social inclusion. Data source at EU level, the main statistical tool for collecting data to provide the information needed to measure poverty and social exclusion is the income and living conditions survey (EU-SILC). This is a harmonised survey, with all member countries being obliged to apply the regulations adopted by the Council of Europe in this area.

2. Analysis of specialized literature

While exclusion is an older term, first introduced in the 1970s and first taken up in France in the early 1980s as a concept of social policies and then, over the next decade, at European Union level, inclusion is a much newer term, defined as a policy to respond to situations of social exclusion in the European Council documents of 2000, among which the Lisbon strategy is distinguished. In the years that followed, the promotion of social inclusion, as a line of public policy, replaced the fight against social exclusion.

In the early 1990s, policy documents of the community institutions, such as the 1993 Green Paper on European Social Policy: Options for the Union, mentioned combating social exclusion as a line of Public Policy. In the academic environment of those years inclusion still did not appear, terms such as integration or insertion being used in the analysis of policies to combat social exclusion (Rodgers, 1995). The reference to the introduction of the term social inclusion is the European Council of Lisbon in 2000, the point at which it was launched, the strategy of the European Union, having as its horizon the year 2010, also known as the Process or the Lisbon Strategy, however, the presence of the concept of social inclusion in policy documents, we will return to in the next section, the policies in this area.

As such, social inclusion is defined as the process of improving the terms and conditions of participation in society for people who are disadvantaged on the basis of age, sex, disability, race, ethnicity, origin, religion, or economic status, or other opportunities for increased access to resources, voice and rights (<https://pjp-eu.coe.int/en/web/youth-partnership/social-inclusion>).

Table no.1 Typology of definitions on social inclusion

Social Inclusion	
Haan, 2001	a lens through which people look at reality and not reality itself
Law no. 292/2011- Social assistance law	multidimensional measures and actions in the fields of social protection, employment, housing, education, health, information-communication, mobility, security, justice and culture, aimed at combating social exclusion and ensuring the active participation of individuals in all economic, social, cultural and political aspects of society
British Council, 2009	respect for the status and rights of all people in a society, who must have the opportunity to participate in its life in a relevant way and enjoy equal treatment with others
World Bank Group. 2011	process by which efforts are made to ensure equal opportunities for all.
Graumann, 2012	the process of improving the conditions of participation in society, especially for disadvantaged people, by improving opportunities, access to resources, voice and respect for rights.
Rheem Al-Adhami, 2011	a vision for a " society for all " in which every individual has rights, responsibilities and an active role to play.
Vobruba (1998)	Conditions " that allow people at least to tolerate social change, through bearable costs

Source: by author

From an academic perspective, two questions on social inclusion are emerging. The first would be to what extent inclusion can be more than just an active response to situations of exclusion. The second concerns the extent to which one can speak of an impact of social inclusion on the structure of social programmes. However, it is relevant to note that both aspects, as well as the treatment of social inclusion – concept in social policies, are very rarely and only marginally present in academic analyses.

Regarding the first question, the theoretical position by which inclusion is seen as more than a reaction to social exclusion is well represented by Meg Luxton (2002). According to the author, social inclusion " recognizes that the solution to inequality is not

simply to offer the excluded the same formal rights (...). Instead of waiting for the marginals to conform to the prevailing norms and practices of those at the centre, social inclusion implies a reconfiguration of the Centre to encompass the practices of the marginals" (Luxton, 2002: 2-3). In other words, this position underlines the potential for integration of various minority cultural groups.

However, a clear answer to the second question is expected. In an analysis of precisely this aspect of the impact of inclusion on the structure of social programmes in the UK, John Hills concludes that "the ways in which policies and responses to problems such as poverty, deprivation and disadvantage can change", but "if it happens in practice, it is another question" (subl. in the original) (Hills, 2002: 240). As arguments, Hills evokes the analyses of the Social Exclusion unit of the British Prime Minister, which also focused on issues other than material poverty, such as school dropout, deprivation, homelessness and teenage pregnancies. However, Hills notes a close link in the social policies promoted by the Tony Blair-led New Labour government between inclusion and the rhetoric of wage labour participation.

In 2000, EU leaders initiated the process of social inclusion, aimed at taking decisive action to eradicate poverty by 2010 (Atkinson, Rob and Davoudi, Simin (2000). The union has provided member states with a common framework for developing and coordinating national strategies on poverty and social exclusion. Non-governmental organisations, social partners and local and regional authorities play an important role in this process.

3. The system of indicators used to measure social inclusion

The system of indicators for social inclusion aims to highlight the issue of poverty through the creation of a statistical database, which can be used for information and research in supporting the national programs for combating poverty, as well as conducting various international comparisons.

Worldwide, there are two main methods of assessing poverty:

- absolute method-which uses a poverty threshold determined on the basis of the expenditure imposed by obtaining a consumption basket that ensures the minimum acceptable caloric requirement
- the relative method-which uses a poverty threshold determined on the basis of a proportion - typically 60% - of the median distribution of disposable income per equivalent adult.

Eurostat, the EU's Statistical Office, uses the relative method of measuring poverty (from which the risk of poverty indicators derive) for two reasons :

- ensuring all European citizens a high standard of living, corresponding to the level of economic and social development of each state, not just a minimum standard of living;
- the existence of considerable disparities between the stages of development of the states, which makes it very difficult to define a minimum, universally acceptable standard of living in the Union.

In addition to these methods, a set of national indicators for social inclusion in the consideration of a number of indicators of the characteristics of the conditions of life - the primary, secondary, and tertiary, which may be associated with the concept of poverty and social exclusion, describing many different aspects of the main characteristics of the living conditions of the population (incomes and expenses, consumption, poverty, and the size of it; the labour market, the employment rate of the labour force and the unemployment rate;

the educational level, the rate of participation in education and drop out of school; health and medical care; housing conditions, housing characteristics and facilities; crime).

The most general indicator, also used to measure the achievement of the EU target for increasing social inclusion, follows people at risk of poverty or social exclusion (AROPE) who are in at least one of the following three situations:

➤ Are at risk of relative poverty, even if they have received social transfers (indicator called AROP). These are those whose annual disposable income is less than 60 percent of the median disposable income per adult equivalent. Disposable income is the sum of all income realized (including income from social protection: Social Security benefits, unemployment benefits or social assistance benefits) minus taxes (on income or property) and social contributions paid.

➤ Live in households with very low labour intensity (MDS), i.e. persons living in households where members aged 18 to 59 worked less than 20% of their labour potential in the reference year.

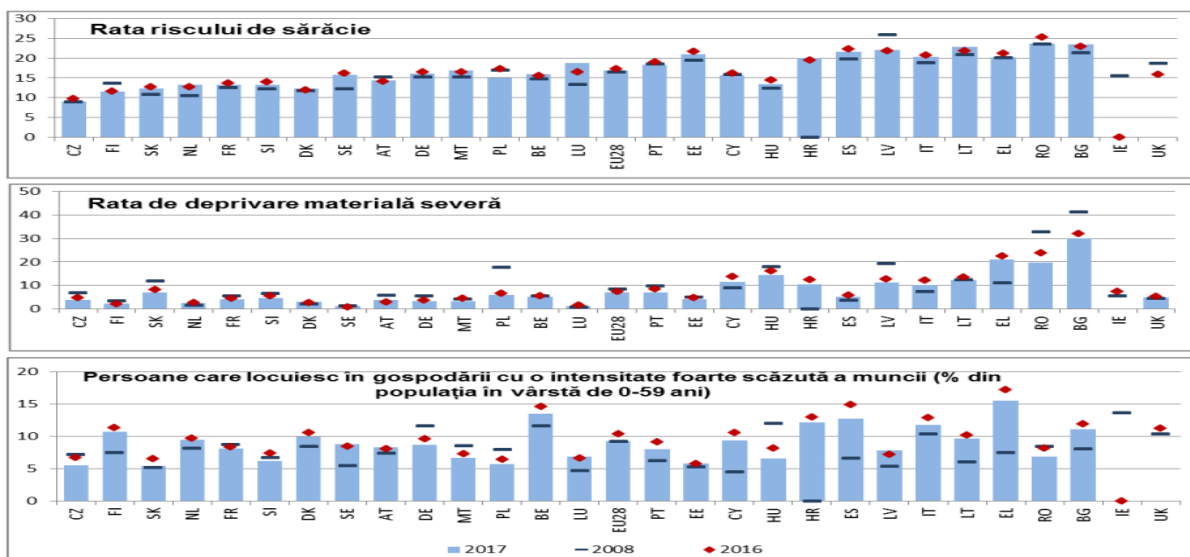
➤ They are exposed to severe material deprivation (VLWI), people from households that are located in at least four of the following nine conditions: (1) they can't afford to pay the rent, the rates, loans, or utility bills; (2) they can't afford to keep their home heated adequately; and (3) are not able to cope with our own financial resources unforeseen costs; and (4) they can't afford to eat meat or proteins every two days; and (5) they can't afford to go on holiday to the annual the a week at a time away from home; (6) does not have a colour tv; (7) a washing machine; (8) I don't have a car; (9) do not have phone .

The European Union's major concern for promoting social inclusion in the Member States has found its way through the development of an integrated strategy, called Europe 2020. This strategy has set the goal of eliminating the risk of poverty across the Union for at least 20 million people by 2020.

4. Social trends on the evolution of social inclusion indicators at EU level

People from a migration background are at significantly higher risk of poverty or social exclusion. In 2017, the AROPE rate was more than twice as high among people born outside the EU as among Indigenous people (41% versus 20.7 %). This difference was particularly large in Belgium (37,1% points), Sweden (29,6 percentage points) and Denmark (25.8 points of percentage), but it was the lowest in Poland (4.6 percentage points), Portugal (6.8 percentage points) and the Czech Republic (7.8%).

Figure 1 Sub-indicators of risk of poverty or social exclusion



Source: Eurostat, SILC. Note: the indicators are ranked according to AROPE in 2017. On 26 October 2018, IE and UK data for 2017 are not available. EU-27 values are used for 2008 (no data are available for HR).

The number of people at risk of poverty or social exclusion (AROPE) decreased substantially in 2017 and is now below pre-crisis levels. The downward trend of this indicator continued for the fifth consecutive year in 2017, falling to 113 million people (or 22.5% of the total population) in line with the recovery in employment and the increase in disposable income. Therefore, in 2017, the number of people at risk of poverty or social exclusion decreased by 5 million in the EU compared to the pre-crisis situation (in 2008), while the decrease from the peak in 2012 amounted to almost 11 million. However, given the setback caused by the crisis, achieving the Europe 2020 headline target (with 20 million fewer people at risk of poverty or social exclusion compared to 2008) remains difficult. The current overall decline of this indicator is driven by all three of its subcomponents, albeit to a different extent (See also Figure 3 below).

Figure 2. Percentage of the population at risk of poverty or social exclusion (AROPE) and its subcomponents (2005-2017)



Source: Eurostat, SILC
AROPE-rate of risk of poverty or social exclusion; AROP-rate of relative poverty; SMD-rate of severe material deprivation; VLWI – share of people living in households with very low labour intensity

A sharp drop in the number of people affected by severe material deprivation (MDS) brings the figures to the lowest level in recent history, reflecting rising living standards. More than 3 million people were freed from severe material deprivation during the year to 2017, bringing the total number of people affected to 34.8 million or 6.9% of the EU population (0.6 percentage points lower than in 2017 and below the 2008 level). This decrease represents a significant improvement for the fifth consecutive year, reflecting an improvement in the material situation of households. Despite these positive developments, there is still considerable variation between member states.

Table 2. Indicators of public support / protection and social inclusion

	<i>Public support / protection and social inclusion</i>			
	Impact of social transfers on poverty reduction	Children under 3 years of age receiving formal care	Self-reported unmet health care	Needs digital skills level of the population
Year	2017	2016	2017	2017
Best performance	DK, FI, HU, SE	FR, LU, NL, PT		FI, LU, NL, SE
Above average performance	BE, CZ, FR, NL, PL, S I	EE, ES, MT, SI	AT, CZ, DE, DK, ES, FR, HU, IT, LU, MT, NL, PL	AT, CZ, DE, MT, UK
Average / neutral performance	CY, DE, MT, SK	CY, DE, FI, IE, IT, LV, UK	BE, BG, FI, HR, LT, PT, SE, SK	A T
Good performance, but to monitor	A T	BE, DK, SE		DK
Poor performance but improving		RO	EE, EL	CY
To be watched	EE, ES, HR, LT, LU, P T	AT, HR, HU, LT	CY, RO, SI	EL, HU, IE, LV, PL, P T
Critical situations	BG, EL, IT, LV, RO	BG, CZ, EL, PL, S K	LV	BG, HR, RO

Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Income_poverty_statistics/ro

The situation according to each indicator is presented as follows:

- Bulgaria, Greece, Italy, Latvia and Romania are facing a "critical situation" in terms of the ability of social transfers to reduce the risk of poverty. This contrasts with Denmark, Finland, Hungary and Sweden, which have "the best performances";
- Bulgaria, the Czech Republic, Greece, Poland and Slovakia score critically on the participation of children under 3 years of age in the formal childcare system, compared to France, Luxembourg, the Netherlands and Portugal, which Score "Best Performances";
- Latvia faces a "critical situation" in self-reported unmet health care needs (based on the methodology, no "best performing" countries were identified, but 12 countries scored "above average");
- Bulgaria, Croatia and Romania are facing a "critical situation" in terms of digital skills levels, while Finland, Luxembourg, the Netherlands and Sweden have the best performance.

The measures for the prevention of and the fight against poverty and risk of social exclusion are in line with the general multi-dimensional action to the process of social inclusion that ensure the opportunities and resources necessary for the participation of vulnerable groups in the economic, social and cultural development of the society, as well as in the decision-making process concerning his life, and that they have access to their fundamental human rights.

For the prevention of and the fight against poverty and risk of social exclusion through public policies which has been initiated, the state ensures the access of vulnerable persons to certain rights such as the right to housing, to social security and healthcare, education and employment and to put in place measures to support according to the needs of individuals, families and groups in need.

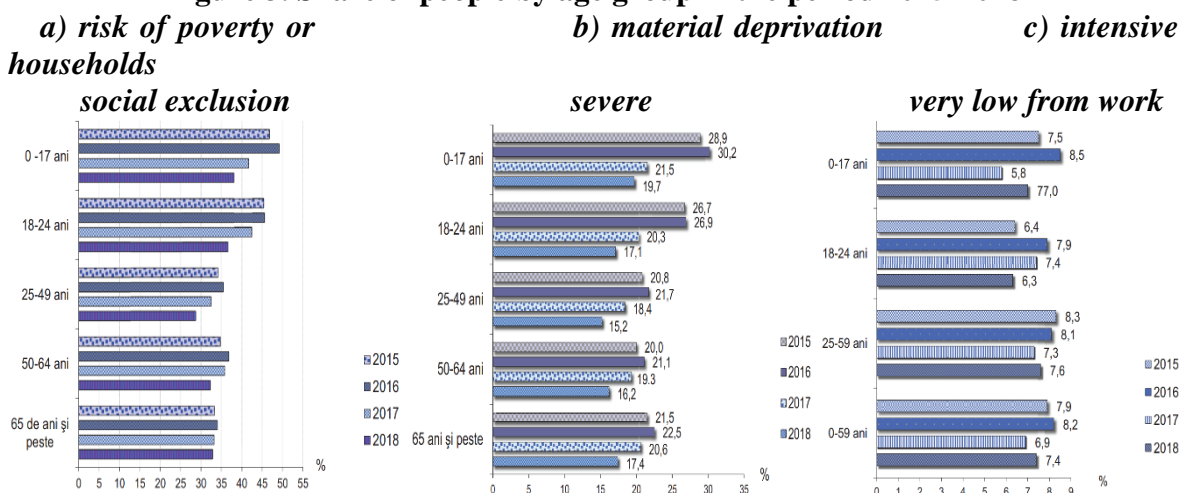
The harmonization of policies aimed at the knowledge of, prevention of, and fight against the situations which leads to poverty and risk of social exclusion is carried out in the framework of the national mechanism for the promotion of social inclusion, established by law, with the participation of the authorities of the central public administration and local government, and representatives of civil society organizations.

5. AROPE indicator profile in Romania

The risk of poverty or social exclusion (AROPE) rate was 32.5% in 2018, corresponding to 6.4 million people. In 2018 there is a further decrease in the indicator, compared to 2017 being by 3.2 percentage points lower. Compared to other EU member states, the estimated relative levels for Romania are very high. In general, it can be said that the AROPE indicator presents a much more unfavorable situation than that resulting from the analysis of the poverty rate itself (32.5% compared to 23.5% in 2018). Women, the unemployed, people with a low level of education and children are the socio-economic categories with the highest risk of poverty or social exclusion on average.

The acute lack of financial resources means that some people cannot afford to own goods, make payments or consume products that, at the present stage of economic and Social Development, represent a minimum of elements necessary for a decent living. Compared to 2015, the rate of severe material deprivation decreased by 5.9 percentage points, reaching 16.8% of the population in 2018.

Figure 3. Share of people by age group in the period 2015-2018



Source: INS, 2019

In 2018, the incidence of severe material deprivation is higher mainly in children aged up to 18 years (19.7%) and in the elderly aged 65 years and over (17.4%). Compared to the beginning of the analyzed periods, in 2018 there were significant decreases in the weight of severely deprived persons in the age groups under 18 and 18-24 years, reductions by 9.2 and 9.6 percentage points respectively.

As a share of the total population aged up to 60 years, people from households with very low labor intensity accounted for 7.4% in 2018, slightly below the starting value of the analyzed period (by 0.5 percentage points). Also, the employment potential of the

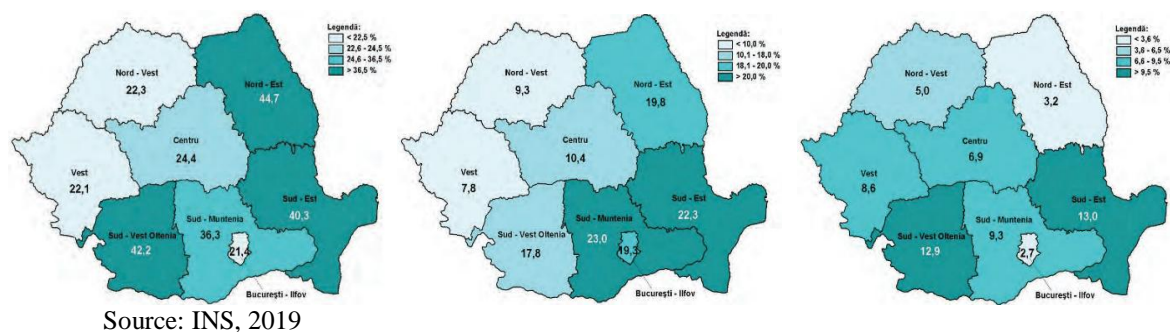
members of the working age household (18-59 years) is very differently exploited, for reasons internal or external to the household. It is precisely this aspect that is the objective of the indicator on the standard of living in households with very low labour intensity, since this type of household is considered to be strongly threatened by the spectrum of poverty or social exclusion.

It is indisputable that the pursuit of a gainful activity is an essential factor in ensuring adequate daily living conditions. At the same time, it is desirable that the activity in question should, as far as possible, be of a continuity nature and make full use of working capacity, so that the benefits of the activity can be reflected in the person's standard of living. In concrete terms, the composition and characteristics of households are extremely heterogeneous, under the influence of the number and gender of members, their age, training and occupation, as well as other demographic-socio-economic factors. In Romania, in 2017, in households where adults of working age carried out activities that required less than 20% of their potential to work, there were 1022 thousand people aged up to 60 years. Compared to 2014, the number of people in households with very low labor intensity decreased by 77 thousand people. The distribution by sex of these people shows that during the whole period, the number of women exceeded that of men (in 2017 by 92 thousand).

The risk of poverty or social exclusion is also unevenly distributed in the regional profile. Maintaining the proportion shows about the same distribution of regions as for the relative poverty rate. Thus, the highest rate of risk of poverty or social exclusion is recorded in the South-West Oltenia region, followed closely by the North-East and South-East regions.

Severe material deprivation is also unevenly distributed in the regional profile. In 2018, the highest incidence of severe material deprivation was recorded in the South-Muntenia and South-East regions by 15.2 and 14.5 percentage points higher respectively compared to the West Region. The analysis of the evolution of severe material deprivation, in regional profile, during the analyzed period highlights the fact that, compared to 2017, decreases in severe material deprivation were felt in most regions, the highest being recorded in the West Region (6.0 percentage points), followed closely by the South-West Oltenia region by 4.2 percentage points. A slight increase was recorded in Bucharest-Ilfov region by 0.2 percentage points.

Figure 4. Share of people by development regions in the period 2015-2018
a) risk of poverty or social exclusion *b) material deprivation severe* *c) intensive very low from work*

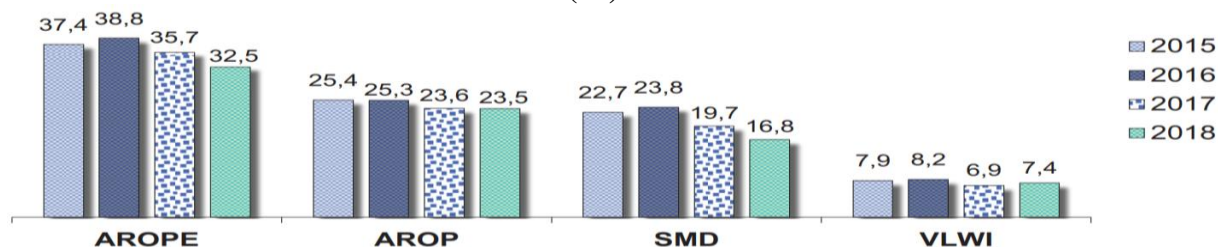


Analysis of the evolution of people aged up to 60 years living in households with very low labor intensity, in regional profile, highlights that the lowest rates are recorded in

the Bucharest-Ilfov region (2.7%), and the highest rate in the Southeast (13.0%) and Southwest Oltenia (12.9%).

In the period 2015-2018, the evolution of the components of the AROPE indicator, namely: the relative poverty rate, the rate of severe material deprivation and the share of people living in households with very low labor intensity is presented in the following figure.

Figure 5. Evolution of the three components of the risk of poverty or social exclusion (AROPE) in the period 2015-2018 (%)

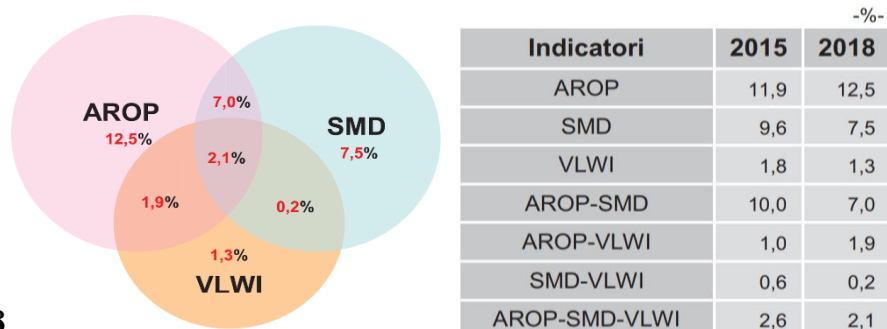


Source: INS, 2019

AROPE-rate of risk of poverty or social exclusion; AROP-rate of relative poverty; SMD-rate of severe material deprivation; VLWI – share of people living in households with very low labour intensity

The intersection of the components of the AROPE indicator provides information for detailed analysis of the impact of each of the three components on the evolution of the composite indicator. In 2018, nearly 1.4 million people are at risk of poverty and are severely materially deprived (7.0%).

Figure 6. The components of the AROPE indicator and their intersections in



2018

Source: INS, 2019

Compared to 2015, among people at risk of poverty and in a state of severe material deprivation (AROP-SMD), there was a decrease in 2018 by 3.0 percentage points. The share of people who are at risk of poverty and live in households with very low labour intensity (AROP-VLWI) registered an increase of 0.9 percentage points in 2018 compared to 2015. The percentage of people who are in a state of severe material deprivation and live in households with very low labor intensity (SMD-VLWI) registered a decrease of 0.4 percentage points in 2018, compared to 2015. The share of people who are at risk of poverty, are in a state of severe material deprivation and live in households with very low labor intensity (AROP-SMD-VLWI), decreased in 2018 by 0.5 percentage points compared to 2015.

6. Conclusions

Beyond the frailty of the plan, however, the social inclusion, mark a new approach based on the institutions of the eu by highlighting the major risks to be perceived as a source of growth, inequality, and social exclusion: the major changes in the labour market, changes in the demographic structure and the increase in ethnic diversity, the increasing role of the sector of information and communication technologies, changes in the function and structure of the family, as well as the roles of women and men in the family. Individual factors referred to by the European Commission, which increases the risk of social exclusion and the maintenance of the medium-term or long-term poverty are: unemployment, long-term, low incomes, low-paid jobs, poor health, lack of housing or inadequate housing, immigration status, skill level of the low handicap, the addiction of drug or alcohol abuse, the fact of belonging to the marginalized communities/ the poor, the low level of education and illiteracy, care for the children in the families.

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