

# LOCAL INITIATIVES OF SOCIAL INSURANCE AND SOCIAL INCLUSION IN EUROPE

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**Abstract:** Inside this paper there are presented the ways in which certain affected regions by the high risk of social exclusion generated socioeconomic policies on territorial principles. So, the purpose of the comparative researches refers to the standardization and the forming of the best practices by the analyzing of the respective national policies. As a result there are presented three types of national practices: A. the French model of “the free urban regions”, B. the British model “of the index of the multiple deprivations” and C. the Danish model of “the qualitative study”. The elaborated and planned measurements have to establish the conditions for the local forces’ concentration and the gathering of sufficient resources that to be directed towards the social economy by creating real initiatives in this direction.

**Keywords:** social exclusion, regions, local initiatives, policies, good practices.

## 1. Introduction

Based on the European experience, the geographic determination of regions that suffer from social exclusion generates the need of configurations the socio-economic policies on territorial terms<sup>2</sup>. The purpose of the comparative research in this particular field, is the standardization/formulation of best practices (under the form of functional methodologies or research tools and the relevant targeted interventions) via the analysis of relative national policies.

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<sup>2</sup> The so-called «Area based policies»

The conclusions of the comparative research in question reveal **three models of national practices** that will go under examination: the French model of “Free Urban Regions”<sup>1</sup>, the British model of the “Multiple Deprivation Index” and the Danish model of “Qualitative Approaches”.

## *2. The French model of “Free Urban Regions”*

In 1996 in France, in the framework of legislative provisions on the application of the Pact of Revitalization of the City (Loi du 14 Novembre 1996), 750 “Urban Regions of Sensitive Character” (zones urbanites sensibles) had been determined, among which the 396 had been “Regions of Urban Invigoration” (zones de redénomination urbaine) and the 44 “Free Urban Regions” (zones franchise urbanites). The advantages for the abovementioned regions were mainly tax/credit facilitations and the most important advantages were given to the 44 more deprived urban regions of the French territory (“Free Urban Regions”).

### **Challenges and objectives of the “Pact of Revitalization of the City”**

The determination of the abovementioned regions has been realized with the aim of interconnecting the economic policy with the particular social and economic problems of the deprived urban regions. The particular Project has been shaped with the emphasis on the confrontation of the aggravation of social exclusion in specific urban regions. The main negative characteristics of these regions are:

- the mobility of the middle class population and the increase in the number of uninhabited apartments
- the particular difficulties the enterprises, activated in the regions in question, face mainly due to the reduction of the purchasing power for the residents
- the increase of unemployment and the consecutive enforcement of the sentiment of exclusion from the social, economic and cultural events of the country.

Concisely, the “Pact of Revitalization of the City” is based on six fundamental goals, that concern:

- The creation of economic activities and workplaces
- The protection of the public order
- The re-establishment of equality of opportunities in schools
- The re-establishment and differentiation of the residences

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<sup>1</sup> This specific model is related to the “Pacte de Relance de la Ville”. The purposes of this specific policy are the determination of the Regions that suffer from economic and social problems and also, the policy-making relevant to each Region, so that the particular problems have particular confrontation solutions.

- The improvement and the active presence of public services
- The research and the support of partners for the concretization of the abovementioned goals.

The basic pylon of the Project is fighting unemployment by encouraging the enterprises located in deprived regions. For this reason, 44 “Free Urban Regions” have been targeted. The enterprises of at least 50 workers, located at one of these 44 regions, have been granted a series of important tax and social advantages (tax exemptions, etc.)

In parallel, important budgetary provisions have been available for the restoration of abandoned commercial centers in the abovementioned regions with the aim of revitalizing the commercial and economic activities of the areas. Among other interventions in the regions, there are:

- The fight against criminality of young persons, as well as the prevention and fighting of distribution and use of drugs
- The encouragement of the construction of school buildings (mostly, the increase of human resources)
- The issuing of loans on particularly favorable terms for the re-establishment and the repairing of buildings
- The improvement of quality of means of transport

Generally speaking, the “Pact of Revitalization of the City” constitutes a multidimensional project of fighting against social exclusion, on territorial grounds. It has to be pointed out that the determination and the enforcement of the “Free Urban Regions” obey to a rational statement of “positive discrimination on territorial base” (discrimination territorial positive).

#### **The designation of the “Free Urban Regions”**

The choice of these particular regions has been realized on the basis of the following objective statistical criteria:

- The population (their population exceeds the 10.000 residents)
- The rate of unemployment (higher at least by 25% of national average)
- The percentage of young persons that live in these particular regions (at least 36% of the local population is young people)
- The percentage of young people up to 15 years old without degree (the relative percentage in the regions in question is higher at least by 30% of the relevant national average)
- A series of tax criteria.

Generally, in the 44 selected regions:

- The rate of unemployment was double of the national one
- The 46% of the population was young people
- A percentage of 44% of young people up to 15 years old were not graduates from a technical institution or lyceum.

**Figure 1**  
“Free Urban Regions” (Zone Franche Urbaine) 11310



Région: Ile de France. Préfecture: Seine St Denis (93). Municipality: La Courneuve.

The promotion of the "Pacts of Revitalization of the City" is based on the active participation of the Local self-government. In this context, local representatives are called to present any activity that is essential for the resolution of the social and economic problems their regions face. For each one of the regions an Action Plan is shaped that involves the governmental authorities, the local self-government, as well as other institutions (enterprises, social partners, not governmental organizations, organizations of social economy, etc.) that have the desire to contribute actively to the effective concretization of the Pact's actions. The convention determines, with clarity, the objectives and the actions that correspond to each involved stakeholder.

The following map describes the dimensions of geographic delimitation of one of the 44 "Free Urban Regions" in France. The delimitation is given in blue line (<http://i.ville.gouv.fr>).

### ***3. The British model: the index of Multiple Deprivation and the Strategy for the Revitalization of Neighborhoods*** ■■■

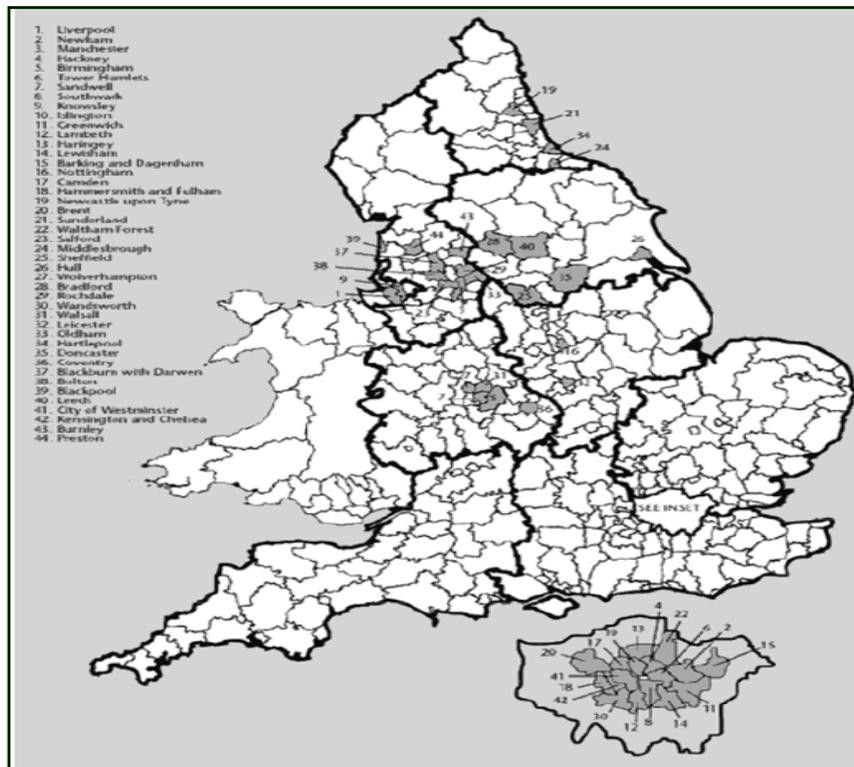
#### *The operation of the Index of Multiple Deprivations*

The Index of Multiple Deprivation (IMD) is a methodological tool for the investigation of various levels of social exclusion on a territorial basis in the United Kingdom. Its final purpose is the comprehension of several factors that generate the social exclusion and the promotion of interventions, of institutional / sociopolitical character, for the confrontation of all dimensions of the phenomenon. Its development is directly related to models of measurement of deprivation, on territorial basis, that are used for the delimitation of basic policies (i.e. the percentage of the budget provisions, provided by the State to the organizations of local self-government, is calculated under a concretely shaped social indicator) (Robson, B., Bradford, M., Tye, R., 1991).

The Index in question is included in the general framework of Indexes of Deprivation that have been shaped with the aim of rationally mapping out the social policy at regional and local levels. Indicatively, it may be mentioned the example of the "National strategy for neighborhood renewal" ([www.socialexclusionunit.gov.uk](http://www.socialexclusionunit.gov.uk)) of the Social Exclusion Unit. The Social Exclusion Unit, in its reports on this particular question (Bringing Britain together: A national strategy for neighbourhood renewal (September 1998), is repeatedly reported as one of the 44 most deprived regions in the United Kingdom, on the basis of relative indicators.

The Index of Multiple Deprivation was designed by the Department of Social Polity and Social Work of the Oxford University, on behalf of the Department for the Environment, Transport and Regions of the British government (<http://www.dtlr.gov.uk>). This particular index has replaced the Index of Local Deprivation that was previously adopted by the Social.

**Figure 2**  
*The 44 most deprived regions of the UK, on the basis of the 1998 Index of Local Deprivation (in declining classification)*



Source: Social Exclusion Unit, *Bringing Britain together: A national strategy for neighborhood renewal* (September 1998).

*The composition of the Index of Multiple Deprivation: the six research domains of the social exclusion*

The indicator of Multiple Deprivation is consisted of:

- 6 domains at ward level (Income, Employment, Health and Infirmity, Education - Dexterities - Training, Accommodation and Geographic access in services), that is constituted globally by 33 indicators.
- A total Index of Multiple Deprivation.

- Six summarizing indicators at regional level (district level).

Briefly, the IMD (Index of Multiple Deprivation) is an innovative and multifunctional indicator, based on which can be estimated the levels of deprivation at ward level. The IMD shares the same characteristics with 33 different indicators. An advantage of the IMD concerns the possibility of renewing, on a regular basis, the data on which the indicator is based. A second advantage – compared with the previous indicator - is connected with the possibility of evaluating the deprivation in small geographic entities, providing consequently the possibility of localization and confrontation of “hearths” of social exclusion. This particular aspect of the IMD is indeed an important advantage. The Social Exclusion Unit had already pointed out the weakness of the Index of Local Deprivation (ILD) with regard to the localization of deprived districts that exist in regions with high standard of living. This fact rendered the results of ILD insufficient for an integrated recording and fighting against social exclusion on territorial base.

The Index of Multiple Deprivation is focused on the multidimensional form of social exclusion<sup>1</sup>, by distinguishing a series of “deprival” levels. Each domain is consisted of a series of indicators that have been selected according to:

- Their possibility of renewing on a regular basis,
- Their validity,
- Their availability at ward level of in its entirety territory and
- Their focalization on one of the principle aspects of the evaluated “deprival” level.

Due to the insufficiency of data, the domains related to criminality, public order, as well as environment, is not included. Briefly, the Index of Multiple Deprivation is focused on the following six domains<sup>2</sup>:

- **Income**

This domain estimates the number of individuals that receive economic benefits (from institutions of social insurance, employment and welfare).

Deprivation of Income: synopsis of indicators

- Adult beneficiaries of economic aid
- Minors beneficiaries of economic aid
- Adult beneficiaries of unemployment subvention

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<sup>1</sup> Social exclusion constitutes a multifunctional and dynamic notion that deviates from the purely economic perception of the traditional evaluation tools, such as poverty”, “inequality”, etc.

- Minors that belong to households where the income is based on unemployment subvention
- Adults that belong to households where the income is based on social insurance subvention
- Minors that belong to households where the income is based on social insurance subvention
- Adult beneficiaries with infirmity subvention
- Minors beneficiaries with infirmity subvention
- Persons who do not receive income (from pensions, benefits of infirmity etc.) from social subventions

- **Employment**

This domain estimates the number of individuals that cannot work due to a disability or an illness and the number of unemployed that are officially recorded

Deprivation of Income: synopsis of indicators

- Number of unemployed
- Individuals from 18 until 24 years who participate in active programs of employment ([www.newdeal.gov.uk](http://www.newdeal.gov.uk))<sup>1</sup>
- Number of beneficiaries with subvention of disability aged between 16 and 59
- Beneficiaries of subvention of serious infirmity aged between 16-59

- **Illness or Disability**

In this particular domain, the number of individuals who suffer from illnesses or a disability is referred.

Illness or disability: synopsis of indicators

- Rates of mortality for men and women under 65 years old
- Individuals that receive public subvention of infirmity or disability for work
- Percentage of active population (16-59 years) with subvention of disability or heavy infirmity
- Percentages per age and gender who suffer from restrictive long-lasting illnesses
- Percentage of birth rate at low weight (<2500 gr.)

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<sup>1</sup> In Great Britain, the program is called "New Deal".

- **Education, dexterities and professional training**

In this particular domain there are calculated the deprivation, with regard to knowledge and dexterities of the adult and underage residents of a region.

Education, Dexterities and Professional Training: synopsis of indicators

- Adults with no certified professional qualifications and dexterities
- Children up to 16 years old who are not included in the educational system
- Percentage of young persons between 17-19 years old that did not succeed in the entry exams of the university education
- Data concerning performance in the gymnasias education
- Percentage of children in the primary school, with the language of the country as a second language.

- **Geographic access to services**

In this particular domain there is estimated the access of individuals to the basic services. The access to specific services is connected with the access to means of transport and the dissemination of the services in question in the urban space.

Geographic access to services: synopsis of indicators

- Access to post-office
- Access to restaurants
- Access to fuels station
- Access to educational institutions

- **Accommodation**

In this particular domain there are calculated the numbers of households that lack basic comforts, as well as the number of households that do not provide permanent shelter.

Accommodation: synopsis of indicators

- Number of homeless people
- Multi- member households that live in residences without the basic comforts

*The configuration of the Index of Multiple Deprivals*

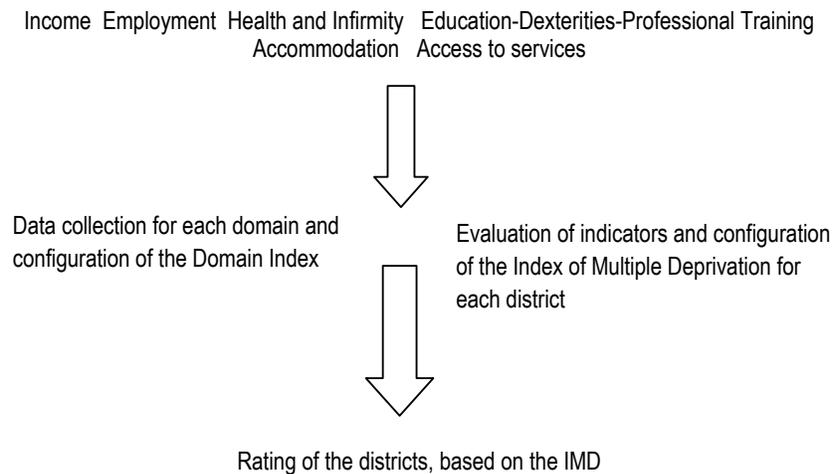
The data analysis for each one of the abovementioned six domains leads to the configuration of relevant indicators at Domain Index level. Moreover, the particular

indicators (Income, Employment, Health and Infirmity, Education-dexterity-professional Training, Accommodation and Geographic access to services) can be combined and shape the Index of Multiple Deprivation (IMD). Based on this particular indicator, the levels of deprivation are evaluated for each district. The combination of indicators (Domain Index) presupposes the evaluation of the domains, which can be standardized as follows:

- Income 25%
- Employment 25%
- Health and Infirmity 15%
- Education, Dexterities and Training 15%
- Geographic access to services 10%
- Accommodation 10%

The following diagram presents the two basic stages for the configuration of the Index of Multiple Deprivation (Department for Environment, Transport and Regions, Indices of Deprivation 2000).

Figure 3  
*Methodology regarding the configuration of the Index of Multiple Deprivation at district level DOMAINS*



### **The exploitation of the application of the Index of Multiple Deprivation**

The Index of Multiple Deprivation can be developed at district level, but also at the regional one.

a) At district level, there may be found seven (7) indicators (six indicators that concern the abovementioned domains and the Index of Multiple Deprivation). For each indicator there is an attributed rating position (in Great Britain, as an example, exist 8414 districts: the most deprived region will hold the position 1 while the most flourishing the position 8414).

In this way, the users of this particular indicator have the possibility to evaluate one of the six dimensions of social exclusion in a concrete region, as well as to proceed to compare it with other regions. As it has been mentioned, the calculation of a particular indicator allows the localization of the "hearths" of social exclusion, contrary to the previous researches that were limited to calculations at regional level.

b) At regional level, the use of the indicator allows the investigation of the differences within and among regions. Concretely, the most vulnerable groups of people and the most deprived districts have been determined, so that particularly crucial information is ensured concerning the territorial dimensions of the social exclusion for every region.

More analytically, the measurements at regional level referred to:

- The local concentration (this particular measurement allows that the contact points of social exclusion are located in the framework of the region)
- The extent (percentage of population of a region that lives in the 10% most deprived districts of the area)
- Measurements for exact size of the individuals that are deprived of a satisfactory income or workplace at regional level
- The average of the districts of a region, based on the indicator IMD
- The average of the districts of a region based on the results of each district in each one of the six domains (Income, Employment, Health Infirmity, Education - Dexterities - Professional Training, Accommodation, Access to services).

To conclude, the Index of Multiple Deprivation allows an objective recording of the phenomenon of social exclusion in its territorial dimensions, under the methodological measurements at three levels:

- Six indicators at domain level 144 for each district (Domain Indices)
- The total Index of Multiple Deprivation, based on the six Domain Indices

- Six measurements at regional level.

Consequently, the possibility of focusing on concrete dimensions of the social exclusion at district level is ensured, dimensions that are immediately connected with the extended factors of appearance of the phenomenon that are not only limited to the lack of income or employment. More so, those who plan the interventions of social policy could promote new interventions for the abolition of any reasons or factors of exclusion.

#### ***4. The Danish model: the importance of qualitative data*** ██████████

The Danish model is defined by the methodological framework designed and implemented by the Danish Building Research Institute concerning the dimensions of social exclusion and in particular the implications of this phenomenon in urban areas (e.g. buildings and natural environment). The main axis of the framework is the relationship between social conditions that prevail in a region and the existing situation of the buildings and other facilities of the neighbourhood (Kristensen, H., 1997).

Even if accepted the consequences of employment and unemployment in developing the phenomenon of social exclusion, the empirical research in Denmark shows that housing conditions and the quality of basic infrastructure in the neighbourhood are also important factors of exclusion (e.g. lack of space for food service or entertainment, that help the development of social relationships). Particular emphasis is given to apparently damaged buildings and related infrastructures (green spaces, streets, squares, cleaning, etc.), which reflect the deterioration of living in a specific neighbourhood.

To sum up, in the framework of the Danish model the effectiveness of interventions that address problems of exclusion depends largely on their "visibility", meaning their ability to be easily understood by residents. This position conflicts partly with the methods analysis of social exclusion based only on statistical indicators. A purely statistical analysis of social exclusion is perceived as a technocratic approach of the problem.

Such an approach carries the risk that policies with a spatial reference for combating social exclusion would not respond to the needs and requirements of the local population, especially taking into account the fact that the evaluation of the living conditions by the residents of a deprived area focuses mainly on visually identifiable results and problems. More so, such an approach significantly affects the directions of the efforts of empirical investigation of social exclusion. The Danish model inhibits the development of composite indexes (e.g. the Index of Multiple Deprivation), choosing to adopt relatively simple indicators, the conduct in-depth interviews with key people in the region as well as participant observation in the specific region.

More specific, the Danish model of empirical investigation of social exclusion on a spatial base is implemented on the basis of evaluating:

**a) The data at local level**

The social housing organizations in Denmark keep extensive information concerning the conditions of rental housing available for their beneficiaries. These databases provide a series of very useful information about living in deprived areas.

Local statistics

- Number and characteristics of cases of vandalism
- Complaints from the residents of the neighbourhood
- Delayed rents
- Unannounced apartment abandonment
- Violation of hiring conditions

**b) Information and data centrally**

The Danish central system recording personal data allows processing a number of interesting statistics in a spatial database.

Key Statistics

- Age composition
- Employment
- Income
- Nationality
- Change apartments' frequency

**c) Data from research field**

Here, there are used structured questionnaires or semi-structured interviews with the aim of ensuring an objective record of the views/representations of a sample living in a specific spatial area of reference.

Questionnaires and interviews

- Participation in associations and leisure activities
- Degree of satisfaction of the neighborhood
- Noise and other nuisance in the neighborhood
- Evaluation of the image / reputation of the neighborhood

- Desire to change neighborhood

This sample comprises, on one hand, randomly selected individuals and, on the other hand, selected opinion leaders who live in the same area. Usually, the results of field surveys are combined with the evaluation of visual material on the situation of buildings and other infrastructure (photos, maps, etc.).

## 5. Conclusions

The use of the findings resulting from the application of comparative research in the field of spatial exclusion leads to a number of important observations that can develop the discussion regarding the spatial dimension of exclusion and to represent the starting point for the development of local policies of active integration that reap the benefits of social economy.

- Common aim of the three key European models is to develop interventions with a spatial orientation that tackle social exclusion (area based policies).
- The British model offers the most detailed model of recording social exclusion on a spatial base, and allows the definition of qualitative and local level, leading to the development of rational socio-political interventions with a spatial reference.
- The identification of the areas of social exclusion in France is based on a series of simple statistical criteria. The development of interventions based on active participation of local communities.
- The Danish model highlights the importance of qualitative data by rejecting the methodologies based solely on complex quantitative indicators for the investigation and recording of social exclusion on a spatial base.

To conclude, the above analysis shows that the overall approach concerning social integration and exclusion concern a range of interventions from the part of official institutions, in this case at the local level. It is they who should set the conditions for the mobilization of local forces to gain the necessary power that need to be directed in the field of social economy and to take initiatives as well. The mobilization of the entire community is the one that can bring results and lead to an inclusive society. The agents of self-government can play a key role in this mobilization and in the implementation of a broader local plan concerning the re-inclusion of those marginalized and the protection of those at risk of exclusion. In this context, the social economy can contribute effectively to social cohesion and is one of the main players fighting against social exclusion (Cace, S.; Nicolaescu, V.; Scoican, A.N., 2010, pp.192-193). The fact that recent developments in the social economy does not allow an optimistic estimation highlights the growing importance of monitoring methodologies that can produce the necessary records to validate this form of

economy (Arpinte, D.; Cace, S.; Cojocaru, Ș., 2010, p. 79). Thus, evaluating and monitoring of social economy activities is a challenge both for beneficiaries and for the structures involved in the implementing specific projects in this area (Katsikaris, L.; Parcharidis, I., 2010).

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\*\*\*[www.newdeal.gov.uk](http://www.newdeal.gov.uk)

\*\*\*[www.socialexclusionunit.gov.uk](http://www.socialexclusionunit.gov.uk)