

European Anti Poverty Network Structural Funds Task Force

Cohesion policy and social inclusion

An important study by the European Anti Poverty Network (EAPN) in 2009 has found that the structural funds fall far short of their potential in promoting social inclusion. The study, carried out by EAPN members in the member states also point the way toward making the structural funds much more effective in the next programming period, 2013-2020. The work was carried out by EAPN's task force on the structural funds. The survey paints a picture of how Non Governmental Organizations (NGOs) in the area of social inclusion work with member states in the delivery of the structural funds.

Headline findings

Prior to the introduction of the present round of the structural funds, 2007-2013, EAPN presented a series of proposals to the Commission to make the structural funds more effective. Some of these proposals were accepted, but more were not, with negative and avoidable consequences for people living in poverty. Others were accepted in theory but, worryingly, not put into practice. The principal findings of the study were that:

- Although member states are expected, under §11 of the structural funds, to work in partnership with NGOs and civil society, only two states have achieved such a partnership, Britain and France. These are also the only two countries to make social inclusion a top priority in their structural fund programmes.
- Social inclusion NGOs receive funding for projects against poverty in less than two-thirds of member states;
- Although global grants are a known, effective means of delivering social inclusion projects, only four member states have global grants;
- Whereas the regulations of the structural funds make technical assistance open to any body carrying out structural fund regulations, it is available to NGOs in only four member states. In most countries, technical assistance is monopolized by already well-resourced government departments and agencies;
- Although social inclusion NGOs participate in the monitoring committees in most member states, these committees are ineffective in developing the structural funds in a strategic way. Social inclusion NGOs are not involved in structural fund management in other ways, although the partnership principle states that they should be;
- Whereas there were over 2,200 EQUAL projects in the 2000-6 round of the structural funds, now only eight member states have transnational projects at all. This

represents a disastrous loss of knowledge and sharing of experience in combatting poverty, one which EAPN repeatedly warned against;

- In only two member states have social inclusion NGOs been consulted at all about the future of cohesion policy (Germany and Lithuania). This illustrates that social inclusion NGOs are still not treated seriously as structural fund partners.

- Little adjustment has been made to the structural funds to make them an instrument of response to the economic crisis. They have failed to refocus around the disadvantaged. Despite its enormous potential, little use is made of the social economy in the structural funds.

- Although there are bright spots and examples of good practice of using the structural funds effectively against poverty, they are isolated and few and far between.

Structural fund management

In autumn 2009, over 78m people are known to live in poverty in the European Union, while over 20m people are unemployed. EAPN believes that the structural funds can, if used intelligently, be an effective means in combatting poverty and social exclusion. As a result, it made detailed proposals to the Commission to improve the management of the structural funds. Although many of these proposals were accepted in theory, in practice many of these changes were not implemented. Commission oversight of the structural funds for 2007-2013 has been minimal, a point highlighted dramatically by the recent report by Fabrizio Barca on the structural funds compiled for the directorate general of regional policy, DG REGIO. The poor quality of design and supervision of the structural funds is evident in the experience of EAPN members, who report that:

- The European Regional Development Fund is little used to support projects against poverty;
- The structural funds are inadequately targeted to those living in poverty. Some categories of people are missed, such as older people, migrants, people with disabilities, asylum seekers, children and people reckoned unable to contribute to the labour market;
- The structural funds are obsessed with training those already in the labour market, rather than helping in practical ways a broad range of disadvantaged people outside it;
- Few member states provide accompanying programmes alongside the structural funds to combat poverty;
- Little effort is made to build the capacity of social inclusion NGOs to do their work against poverty more effectively;
- The delivery methods used by the structural funds to combat poverty are often ineffective. The systems of monitoring, evaluation, reporting and indicators are weak.

With such a poor quality of design, supervision, management and execution, it is little surprise that the structural funds fall short of their effectiveness in promoting inclusion.

Future cohesion policy

Finally, EAPN members put forward a series of views for the next round of the structural funds 2013-2020.

- They want the structural funds to be simplified so as to make them open to social inclusion NGOs who can deliver small, effective, on-the-ground projects working directly with people living in poverty. The bureaucracy must be taken out of the funds, removing procedures and requirements that keep social NGOs out and keep them waiting ages for payments. Instead, practical support should be provided for social NGOs, through capacity building, technical assistance and global grants. There should be much more room in the structural funds for smaller, grass-roots projects that work, rather than massive, governmental projects that do not, the unwelcome process of 'massification'.

- The structural funds must be much improved in design and delivery. They should use methods such as community development, social work, the social economy and active inclusion; use the regional development fund as well as the social fund; and set aside parts of each for social inclusion NGOs that can deliver concrete results. There should be a proper, effective, post-EQUAL transnational dimension;

- Social inclusion NGOs and those living in poverty should be consulted, which at the moment they are not in most member states. They should be at the heart of the design of the new round of structural funds. There must be a fresh examination of social need. There must be space to give civil society the opportunity to extend the thinking on cohesion policy. Structural fund policy is too important to be left to Ministries of Finance, who did not have the insight, skills or experience to use the funds effectively for inclusion.

- The next round of the structural funds must reach those excluded by the present funds such as young people at risk (e.g. street children), older people, migrants, long term unemployed people, those lacking literacy or numeracy skills, small agricultural producers and Roma people. They should target distinct geographical pockets of poverty.

- The standard of management of the structural funds must improve, so as to make it transparent, open and clear, with more demanding monitoring, impact assessment, indicators and the application of knowledge of *What works?* and good practice in promoting inclusion.

- They are strongly against the re-nationalization of the structural funds and more authority being given to the member states. Such a move would make the

funds even less transparent than they are at present and in some states open the door to more corruption. Instead, they favour a strong supervisory role by the Commission, as also proposed by the Barca report.

- The next round of the structural funds should be closely linked to the Open Method of Coordination for social protection and social inclusion, but not to the present Lisbon strategy, which is seen as a discredited instrument of markets, economic liberalism and privatization.

In the view of one of EAPN's members, 'allocating a larger sum of money to social inclusion NGOs, organizations of poor people, helped by social scientists, could achieve in one decade what ten years of ineffective and incompetent state administrators have not achieved, namely the eradication of poverty'.

Research note: The study was carried out by means of a questionnaire to national and network members of the European Anti Poverty Network in each member state carried out in spring 2009. Information was provided from EAPN members in France, Germany, Italy, Spain, Portugal, Britain, Poland, Belgium, Greece, Cyprus, Lithuania, Czech Republic, Bulgaria, Romania, Sweden, Finland, Hungary, Malta, Ireland and Slovenia; and the European Federation for Street Children.