



Opportunities from Europe 2020 for Big Society

Europe 2020, the high level strategy which will replace the Lisbon Strategy next year has, unlike its predecessor, three distinct strategic objectives - **Smart, Sustainable, and Inclusive Growth**- each with their own targets and flagships programmes. It is within the objective of **Inclusive Growth**, in particular, but not exclusively as there are calls for social inclusion to be mainstreamed across the whole strategy, that **fresh funding from the next generation of Structural Funds** could go towards complementing and adding value to the initiatives that will be undertaken to build the Big Society.

Inclusive Growth aims to promote jobs but also social inclusion particularly through the reduction of poverty.

When in June the Heads of State and Government adopted Europe 2020 they accepted a set of EU headline targets aimed at helping Europe exit from the crisis and enter a new phase of growth and prosperity. These targets are 75% employment rate by encouraging greater participation of young people, older workers, women, the low skilled and legal migrants; 3% of GDP to be spent on R&D; the 20/20/20 climate / energy targets; share of early school leavers should be under 10% and 40% of younger population to have a degree; 20 million people to be lifted out of poverty. Poverty measures are to be based, at EU level, on a combination of three indicators: at risk of poverty, material deprivation, and jobless households.

Member States will be free to set their national targets, which are expected in the autumn, on the basis of the most appropriate indicator(s) to their national circumstances. There are concerns, however, that if a Member State was to choose just the 'jobless household' indicator, then social inclusion/anti-poverty objectives in the next generation of Structural Funds could risk being greatly diluted, just as is the case in the current programme under the auspices of the Lisbon Strategy, which is focussed on promoting growth and employment to the detriment of social cohesion and sustainable development.

Civil society and NGOs assisting vulnerable groups are recognised as a vital component in the delivery of Inclusive Growth. This appears to be echoed in 'Big Society, not Big Government' which states that *'Social enterprises, charities and voluntary groups can provide personalised public services to some of the most disadvantaged people that state bodies typically fail to reach....they can innovate more quickly and effectively than traditional state bodies'*.

Community resources including the European Social Fund (ESF) and the European Regional Development Fund (ERDF), and other financial instruments, will be fully aligned with the objectives of Europe 2020. This in practice means that the strategic objectives and targets will be achieved through the next generation of European Structural Funds.

Since March 2010 there has been intense lobbying from civil society across Europe to ensure that Europe 2020 has a much stronger social dimension than the Lisbon Strategy. While the Lisbon Strategy appeared to have some success in creating new jobs before the crisis there is widespread agreement that it failed to achieve its social objectives as inequalities in wealth distribution are increasing, putting the cohesion of our societies at risk and actually increasing the cost to public services.

79 million people in the EU are living in poverty, including the working poor. Addressing in-work poverty at the political level simultaneously involves employment, welfare and social insurance, and family policies. The economic crisis has created new groups of poor: the recently unemployed. But those who were poor, marginalised or excluded before the crisis are now facing even greater challenges as public expenditure is cut, taxes are increased, and jobs are scarce.

So how can local government and its partners face these challenges?

Local government can work with its local third sector organisations to acknowledge the value (not always monetary) of the work they do, particularly in areas which have had regeneration or European funding. They can work together to see the ways in which Third Sector organisations can deliver to people facing multiple disadvantages by combining funding streams at perhaps quite small scale or local levels

At times of cutbacks where there is a real danger of undermining essential front line services we need to get creative, use EU funding to innovate, not just to support the mainstream activity.

Europe 2020 has been informed by orientation papers commissioned by the European Commission. The Barca Report for instance essentially argues that Cohesion policy should be **available to all regions as a development tool; it should promote fairness and efficient economies**. It should no longer be treated as post 1989, as a large re-distributional tool, from rich to poor regions as 'compensation' for the unintended consequences of the Single Market. It argues that current Structural Funds fail to promote social equality. Structural Funds should develop regions and territories; they should be re-orientated around social inclusion. Importantly, it argues for a critical role for NGOs and civil society and the mobilization of actors **at place-level** (like the old Poverty programmes).

At a recent conference in Brussels 'Shaping the Future of ESF – ESF and Europe 2020', Lazlo Andor, Social Affairs Commissioner concluded that ESF is needed now more than ever in the context of the crisis and is to continue throughout Europe. The conference highlighted the **added value** the funds should provide, the work with **those furthest away from the labour market** (as well the recently unemployed) and renewed its commitment to **partnership with civil society by providing and maintaining support**. The Chair of the Social Protection Committee, on whose recommendations the target/indicators on poverty reduction were adopted in Europe 2020, also called for more **Social Innovation** and better integration/complementarity of ESF and ERDF activities (for instance by incorporating vocational training into the retrofitting of social housing with energy efficiency measures); more holistic approaches by better integration of health, employment and social protection policies.

Active Inclusion policies, devised to help Member States mobilise those who can work and provide adequate support to those who cannot, are about integrating employment and social inclusion policies. Active Inclusion should and could be enriched in the next programme. The Commission's approach combines three key elements: (1) adequate income support, (2) access to inclusive labour markets and (3) quality social services. In England the current ESF programme devotes a small part of the transnational programme to this area. It is here that civil society organisations can be more innovative in working with those furthest from the labour market, such as people with mental health problems, by promoting voluntary activity as a pathway to further integration and employability. These projects tend to be smaller and sit outside the 'primary contract' model predicated on payment by hard economic outputs. These projects are more to do with the needs of the individual and the outcomes that are appropriate, relevant and important to that person.

Just as **Big Society** is keen on 'reducing the bureaucratic burdens for small civil society organisations', the European Commission is also in favour of a simpler management and control systems both at macro and micro level. For example the ESF Community Grants programme (small grants of £12,000) is designed to be free from excessive administrative burdens so that community groups traditionally excluded from mainstream ESF are encouraged to apply and help individuals from disadvantaged communities or groups move closer to the labour market.

These grants implemented in the correct way are real catalysts for building social capital, the correct way being communities are empowered to identify their problems and devised their own solutions free from burdensome monitoring and reporting and are focussed on 'soft outcomes' or 'distance travelled' rather than hard economic outputs. Global Grants were particularly successful in the previous ESF programme as the DWP evaluation reported in 2005. In a further report in 2008 DWP interviewed 500 beneficiaries from 5 of the 9 English regions (the majority of which were characterised by the nature of their labour market disadvantage as being 'harder to help'): two out of 3 beneficiaries were in employment compared with one in six prior to participation in the Global Grants programme. Key to this success was the **infrastructure, notably the 'Intermediary bodies'**, drawn from the voluntary, public and private sectors. These Intermediary bodies pioneered methods to empower disenfranchised communities to do something positive about their situations. 'Wider community benefits arising from the Global Grants programme were also commonly reported. Respondents noted how Global Grants-funded projects had acted as catalysts to increasing community involvement and improved social cohesion'. (DWP Research Report No.287).

The European Commission has also identified a need for **intelligent differentiation** highlighting that some interventions are better measured through outputs rather than through outcomes. It is a welcome departure from the 'one-size-fits-all-approach'.

The infrastructure for delivery is fast changing and it is difficult to yet foresee which authority and at what level will take on the onerous task of managing the EU Structural Funds. At present DWP with Government Offices manage the ESF programme through a system of co-financing; DCLG and RDAs manage ERDF. The role of third sector networks both at regional and national level supporting civil society organisations has traditionally been funded through the ESF Technical Assistance Fund. The European Commission has indicated the continuation of Technical Assistance going forward which provides the necessary resources to support infrastructure.

On the **public commissioning process**: there has been much debate in England in recent years about the barriers posed by the large prime contracts which have characterised the ESF landscape and about what gets commissioned. We know this trend is set to continue but we hope that there will be scope for more intelligent commissioning where price and quality go hand in hand as well as more scope for inclusion of social criteria in procurement policies. Hopefully the work that EC and EP are doing at the moment in terms of creating more legal certainty around procurement procedures will be conducive to a more varied funding landscape which includes not only contracts but also grants.

Ultimately the success of Europe 2020 will of course depend on the political will of Member States to achieve results. Achievement of the objectives can however be facilitated by better governance through an improved Social Open Method of Co-ordination; effective engagement of all actors at the national, regional and local/grass root level, including people experiencing poverty and social exclusion, and; robust monitoring and evaluation systems and transparency.

We are encouraged that 'reducing multiple disadvantage' is a priority for Big Society. The Government, in partnership with the Voluntary Sector and its full involvement in the design, implementation and monitoring of the next programme of Structural Funds, has a real opportunity to secure additional funds to achieve the Big Society.

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