

## European Anti Poverty Network

### Contribution to the European Commission consultation on the future of European Union policy on territorial cohesion

#### Terms of reference

The European Commission has invited contributions to its green paper *Turning territorial diversity into strength* by 28th February 2009. The European Anti Poverty Network (EAPN) specifically responds to the following questions in the consultation:

- 1, 2 and 6: Values: the definition, scope and understanding of territorial cohesion
- 3, 4 and 5: Method: Cooperation, coordination and new territorial partnerships

#### Context

The European Anti Poverty Network is the EU-wide network bringing together both national and European-level networks concerned with the struggle against poverty and social exclusion. These networks in turn comprise a broad and deep range of national, regional and local organizations, right down to community level, working with those living in conditions of poverty and exclusion. Poverty and social exclusion are one of the most significant challenges facing the European Union, with 16% of its people, 78m persons living below the poverty line<sup>1</sup>. The total unemployed is 18m and some groups, like homeless people and the Roma community, live in conditions of extreme hardship and squalor. Such a high level of poverty in the otherwise most successful political and trading block in the world is a serious social, economic, political and moral challenge and should now be taken into account in policies for territorial cohesion.

#### 1. Values: the need to put social inclusion at the heart of territorial cohesion

There is much to commend in the evolution of European Union policies for territorial cohesion. They have sought to obtain a more balanced process of economic and social development. The European Spatial Development Perspective (1999) and subsequent policies articulated the principles of polycentric development, quality of life and improved systems of multi-level governance.

European Union policies of territorial cohesion, though, have failed to take adequate account of the problems of poverty and social exclusion. The green paper *Turning territorial diversity into strength* rightly acknowledges 'acute problems of urban decay and social exclusion', high levels of unemployment, 'pockets of deprivation, crime and social unrest', but they are mentioned only in passing. What the green paper fails to acknowledge is that the scale of poverty is much greater than the diminutive word 'pockets' suggests. Indeed, in some suburban areas, poverty is spatially quite extensive and there are significant problems of low incomes, unemployment, under-employment and lack of opportunities in rural areas.

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<sup>1</sup> Defined as having a disposable income below 60% of the average income

Ultimately, the development model followed by the European Union is a core problem. Both European regional policy and territorial cohesion policy are predicated on the axiom that the central problematic is regional and spatial inequality. It is not: it is social inequality. EAPN does not question or wish to diminish the problem or scale of regional or spatial inequality in Europe, far from it, but takes the view that it should be balanced by equal attention given to *social* inequality: *people, as much as places*. Addressing regional or spatial inequality on its own can, arguably will, leave social inequality undiminished. Some of the richest European states which long benefited from substantial European investments (mainly the structural funds) continue to demonstrate, many years later, extreme levels of social inequality, thus failing to meet cohesion policy's objective of social cohesion<sup>2</sup>. It is possible that European investment in the new member states, whilst rightly raising their overall living standard closer to the European average, may leave the level of social inequality there relatively unaffected. It is little surprise that, following a model of development over-reliant on a paradigm of inequality as a regional and spatial problem, poverty and hardship continue to persist to the extent that they do. In addition, developing an approach to territorial cohesion without first acknowledging the extent of social inequalities within *and* across territories is thus bound to fail, as both dimensions also tend to be mutually reinforcing.

Although the European Union has developed enlightened policies and a soft process for coordinating action around common objectives to promote social inclusion (Open Method of Coordination on Social Protection and Social Inclusion), these have not been integrated into the policies for regional and spatial development. Progress is still too often measured according to GDP growth rather than the ability to reduce social inequalities<sup>3</sup>.

Although the European Union has a significant instrument for the achievement of social objectives, namely the European Social Fund, the resources allocated thereto are substantially smaller than those allocated to regional policy and tend to build on a narrow vision of labour market, abandoning people outside it. While the ESF is defined according to the EU Treaty (art.146) as primarily an employment instrument, the inclusion of people further away from the labour market requires broad approaches that take into account the root causes of inequality (for example providing support for services which play such a crucial role in inclusion and putting a strong focus on participation and empowerment). Moreover, the principal strategy for the development of the European Union over the past decade, the Lisbon strategy, has been followed in an uneven manner, priority being given to a growth-and-jobs agenda at the expense of its overarching social inclusion objective of 'making a decisive impact on poverty by 2010'.

## **2. Methods: cooperation, coordination and new territorial partnerships**

The green paper *Turning territorial diversity into strength* rightly stresses the importance of the methods pursued to achieve territorial cohesion, especially in the questions asked at the end. EAPN takes the view that social inclusion NGOs and civil society organizations should be at the heart of the systems of both governance and methods used to achieve social and territorial cohesion. This should better reflect the reality on the ground in many member states where civil society organizations are crucial actors in the territorial development of endogenous solutions, with other stakeholders, as in the Leader principles of endogenous development.

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<sup>2</sup> General Regulation 1083/2006, article 3

<sup>3</sup> See for example the 4th Cohesion Report where poverty and social inequalities are considered as a specific aspect only, rather than mainstreamed through the whole report

It is hard to avoid the conclusion that the current programming period of cohesion policy has, so far, generally failed to build to draw on the good practice of effective, participative governance involving wide range of stakeholders (including NGOs and people in poverty) from rural development programmes, Leader but also from the EU soft law process of development of National Action Plans on Inclusion as integral part of the Social OMC and other CIPs (EQUAL). To date, social inclusion NGOs and civil society organizations have had only a peripheral role in Cohesion governance structures in, for example, urban policy and policies for cross-border cooperation. Some local authorities made limited attempts to engage, as stakeholders, social inclusion NGOs in the Community Initiative Programme URBAN. Despite our representations, the new European Grouping of Cross-Border Cooperation (EGCC) made no provision for the involvement of civil society, nor social inclusion NGOs, a most regrettable omission which will have negative consequences. Green paper question 5 specifically asks *Does the pursuit of territorial cohesion require the participation of new actors in policy-making, such as representation of the social economy, local stakeholders, voluntary organizations and NGOs?* and the answer is an emphatic yes.

Social inclusion NGOs can play an important role in the delivery of an enlightened and balanced policy for territorial cohesion. Social inclusion NGOs are closest to and most trusted by the groups that are most excluded, can deliver programmes and projects efficiently and provide platforms where the voices of those experiencing poverty and exclusion can be heard, such as direct involvement of users/beneficiaries for more effective implementation. In the discussions on the structural funds, EAPN argued for instruments that can deliver policy agendas effectively, such as global grants, technical assistance and the full operationalization of the partnership principle, involving NGOs in the design, delivery, monitoring and evaluation of programmes. Progress will be made where these methods were put in place, but, unfortunately for those living in poverty, not where these systems were not followed.

### **3. EAPN's messages for *Turning territorial diversity into strength***

EAPN's messages to the consultation are as follows:

- The European model of territorial cohesion must be rebalanced with social equality given equal importance, weight and attention to regional and spatial equality;
- Social inclusion NGOs and people experiencing poverty and inequality must be at the heart of the delivery of the territorial cohesion agenda, governance and the institutions involved;
- Methods must be used that enable social inclusion NGOs to deliver that agenda effectively, such as representation on key policy-making bodies, participatory approaches in projects, global grants, technical assistance and full operationalization of the partnership principle.