



**CabinetOffice**  
Office of the **Third Sector**



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## **EU2020 Consultation – Response of the Third Sector European Network**

### **About TSEN**

The Third Sector<sup>1</sup> European Network Ltd. (TSEN) is a network of sub-regional, regional and national umbrella organisations (and other regional/national organisations) from the Voluntary and Community sectors and Social Enterprise. Our member organisations are active in the promotion of social inclusion and active citizenship through the use of European Structural Funds and other EU funding sources.

Since 1997, TSEN has replaced NCVO as the national representative for the Third Sector on the English Monitoring Committee for European Social Fund.

TSEN's regional members are the Third sector support agencies for European funded projects in all 9 English regions. Some of them have fulfilled this role since 1993. These bodies provide technical assistance and encourage the development of voluntary and community sector and social enterprise projects to fulfil the objectives of the Structural Funds.

### **Introduction**

When the Lisbon Strategy was first launched in 2000 the EU set itself an ambitious goal of becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion. In 2005, as Europe's economy continued to lag behind other major global economic powers, suffering high unemployment and low productivity, the Lisbon Agenda was relaunched with an even greater focus on Growth and Jobs.

Member States signed up to a plan aimed at raising the rate of productivity, improving competitiveness and achieving full employment. The challenges of social exclusion, poverty and disadvantage were to be met by everyone getting a job. We believe this approach is fundamentally flawed because it fails to address the multiple causes of disadvantage; it fails to analyse the needs of those facing multiple disadvantage; it therefore fails to provide dedicated measures and resources to meet such needs; it fails to set appropriate targets and indicators, and; it ultimately fails to meet the needs of some of the most vulnerable people in Europe.

Perhaps one of the greatest achievements of the Lisbon Strategy has been the coordination of Member States employment and social policies (through the Open Method of Coordination), and ensuring that one of the most 'social' EU financial instruments (the

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<sup>1</sup> Defined as the Voluntary, Community sectors, and Social Enterprise



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European Social Fund) supported the Lisbon targets of promoting competitiveness and creating jobs.

However, the narrow focus of the Lisbon Strategy, has, in effect, led to the alignment of the European Social Fund with national strategies aimed at reducing the number of unemployed on benefits. The consequence is the challenge in ascertaining what exactly the added value of European Structural Funds is.

Meanwhile, the 'marketisation' of the Social Services of General Interest, facilitating the opening up of social and welfare services and welfare to competition, is producing negative consequences for communities. There is a risk that over time 'general interest', 'social capital' or 'community objectives' are lost as Third sector organisations are seen only as competitive entities. The wider and less easily measured benefits (such as involving volunteers, the knowledge about local conditions and needs, their embeddedness in local and regional networks) that third sector organisations can bring is lost.

In the current economic climate those vulnerable people (the long term unemployed, those lacking basic skills, in poverty, with mental health problems, addictions, learning and physical disabilities, the homeless, migrants, and lone parents) the third sector is most close to are at risk of been further marginalised. As the pool of unemployed steadily rises, these groups will be pushed further and further to the back of the queue. It is imperative therefore for the post-Lisbon strategy to propose 'a bold policy response'. This new vision should not only stand for a free market economy, but also place equal value on the EU social dimension. Only through the EU's and Member States' commitment to address the basic well being of its citizens *in all its aspects* can we truly talk of a social market economy. As it currently stands, the EU2020 strategy is a repetition of the same old policy response offered by the Lisbon Strategy (albeit with an added focus on 'green' jobs). It is far from rising to the challenge of a necessary step change away from the 'business as usual' approach.

Sandra Turner  
Executive Director, TSEN  
January 15 2010

## **Recommendations for the EU2020 Strategy**

- ***Propose the fight against social exclusion as a key strategic objective Progress must be measured with targets and indicators, openly and transparently. A truly sustainable social market economic must address the basic well being of all its citizens.***
- ***Measures of the wealth of a nation should be expanded beyond overall economic output (GDP). Indicators such as quality of life or well being; active citizenship, and; Social Open Method of Coordination indicators, should be included.***
- ***The Active Inclusion approach must be a key component of future European Social Fund programmes, strengthening the link between the employment, poverty and social inclusion agendas.***
- ***Technical Assistance Funds must be available to Third Sector organisations across the EU through more flexible co-financing regimes. This will allow the fulfilment of their essential roles as partners within Monitoring Committees.***
- ***We urge the EU to take notice of the unintended consequences produced by the opening up of the market of Social Services of General Interest and advocate the development of a specific legal instrument covering social and welfare services.***
- ***Recognition should be given to informal learning as contributing to the creation of growth based on knowledge. Education through informal learning is an essential tool for reaching out to the socially excluded.***
- ***Green jobs could contribute to the delivery of social inclusion objectives and bring together the two key objectives of Empowering people in inclusive societies, and Creating a competitive, connected and greener economy.***
- ***The European Institutions should respect their responsibilities under Article 11 of the Lisbon Treaty to give citizens and associations the opportunity to publicly exchange views on all areas of European Union activity, including the implementation of EU2020.***
- ***Delay the publication of the Commission proposal for EU2020 to enable proper stakeholder participation in the design process.***

## **Bring back the European Social Model – Combating social exclusion as a key strategic goal of EU 2020**

The EU 2020 strategy must include the **fight against social exclusion as a key strategic objective**. This unequivocally commits the EU to the promotion of the European Social Model, placing equal value on sustainable economic growth, and improving the quality of life and the standards of living for all its citizens. A truly sustainable social market economy model must address a commitment to the promotion of the basic well being of its citizens (e.g. health, happiness, safety and prosperity), in addition to the promotion of private enterprise.

Policies and strategies thus far have failed to eradicate poverty, disadvantage and inequality:

- Inequalities in wealth distribution are increasing
- 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.

### **Moving beyond GDP**

The move away from a definition of 'growth' purely based on economic growth, by including a strategic objective aimed at combating social exclusion, will require clear social priorities, targets and indicators, set at both European and national levels. These targets and indicators would monitor progress towards a fairer society in an open and transparent manner. Consensus is growing that using overall economic output (GDP) as the only indicator of development is not sufficient to measure the progress of a nation. Other measures such as quality of life or well being; growth of social capital as a result of active citizenship, and; Social Open Method of Coordination indicators, should be included.

### **The role of European Structural Funds**

Future instruments to implement post-Lisbon Strategy, such as the Integrated Guidelines, Community Strategic Guidelines (or their equivalent), and the European Structural Funds must have at their heart a balanced promotion of economic, social, and environmental goals. Emphasis must be placed on the promotion of social inclusion and regeneration of deprived communities. The post-Lisbon Strategy earmarking must include measures to



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combat social exclusion and promote sustainable development. We support the call for a greater emphasis on social inclusion in the next Cohesion Programme, as set out in the Barca report.

Future European Social Fund programmes must be better utilised to link the employment agenda with the poverty and social inclusion agenda. The latter must be addressed by a specific measure accompanied by dedicated resources and sophisticated outputs/outcomes that take into account of the complex causes of disadvantage. The Active Inclusion approach must be a key component of future ESF programmes. The erosion of pre-employment activities (e.g. helping the individual overcome barriers to engagement), as seen in some European Social Fund programmes, must be avoided. Voluntary activity as a pathway to increased employability for the most disadvantaged has to be facilitated by positively incentivising providers.

### **Technical Assistance**

Technical Assistance Funds must be made more readily available to build the capacity of the Third sector across the EU to ensure they are able to fulfil their role as partners within Monitoring Committees through more flexible co-financing regimes. The European Commission should actively encourage Member states to have Global Grants Programmes in place and discourage non provision.

### **Social Services of General Interest**

We urge the EU to take notice of the unintended consequences produced by the opening up of the market of Social Services of General Interest. Across many European countries the marketisation of social and welfare services has produced barriers to the participation of Third sector organisations. Due to the size of contracts tendered by commissioners the financial position of many NGOs are too fragile to assume the risk. Furthermore, outcome related funding regimes are impossible for an organisation with a low asset base such as NGOs. We urge the European Commission to develop a specific legal instrument covering social and welfare services, such as a directive on social and welfare services of general interest.

### **The Role of Informal Learning**

Recognition should be given to informal learning as contributing to the creation of growth based on knowledge. While EU2020 recognises the role of education in combating poverty and social exclusion for the young, education through informal learning is also an essential



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tool for reaching out to the socially excluded. For the low-skilled and under-confident, informal learning can be an important stepping stone to further learning and a more skilled future. In this way, informal learning underpins lifelong learning. The Third sector, as a 'market leader' in the provision of these services, is well placed to provide the socially excluded with access to lifelong learning opportunities.

### **Green Jobs and job skills as potential route into inclusion**

We support the emphasis on green jobs. The concept of green jobs is an opportunity for the smarter, greener strategy to contribute to the delivery of social inclusion objectives. Indeed these '*new types of jobs*' bring together 2 key priorities as proposed by the EU2020 Consultation: 1) Empowering people in inclusive societies, and; 2) Creating a competitive, connected and greener economy. This concept has been supported by amendments to the European Regional Development fund regulation as part of the response to the financial crisis, allowing support for energy efficient investments and renewable energy in social housing. Projects in the UK have incorporated vocational training into the retrofitting of social housing.

### **Future Governance and Partnership with Civil Society**

Clearly the Social Open Method of Coordination is a success story of the Lisbon Strategy. However, the governance of EU strategies and of the Open Method of Coordination should be more democratic. The dislocation in recent years of National Action Plans on Social Inclusion from National Employment Action Plans (linked to the European Social Fund) is regrettable. Consequentially, the active participation of social partners and civil society organisations to deliver on agreed objectives have diminished. The European Institutions should respect their responsibilities under Article 11 of the Treaty of Lisbon to give citizens and associations the opportunity to publicly exchange views on all areas of European Union activity. Activity as fundamental to the principles of the Union as arrangements for the delivery of the EU2020 objectives should be no exception to this principle.

### **Consultation Process**

The period for consultation fulfils only the minimum 8 week requirements for consultation as set out by the Commission. In the UK, agreement between the Third sector and UK government, ('The Compact') provides that 12 weeks is the minimum period for consultation. Publication of the consultation on 24<sup>th</sup> of November for submission on 15<sup>th</sup> of January falls significantly below the UK standard. Furthermore, the expected publication of the Commission Communication on EU2020 in February does not provide sufficient time for stakeholder involvement in drafting the proposal. We share with EAPN and the Spring Alliance calls for the delay of the publication of the strategy until a full stakeholder process has been secured.