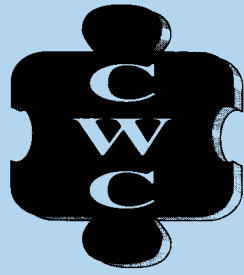


Ireland is already past the midway stage in the second round of Structural Funds (1994 - 1999). Already, consideration is being given to the regulations which will govern the operation of Structural Funds in Ireland and in the other Member States of the EU in the next round (2000 - 2006).

The understanding of poverty, inequality and social exclusion in Europe and Ireland has matured, broadened and deepened since the current regulations were devised.

This report puts forward recommendations with a view to ensuring that issues of social exclusion are taken into account at all stages in the planning, implementation and monitoring of the funds; that objectives of equality and social inclusion are applied coherently across all its programmes, and that funds are more accurately targeted at disadvantage.

The recommendations aim to ensure that provisions are made for the greater involvement of the community sector; for effective monitoring and transparency; for funding to be delivered through decentralised intermediary bodies; for investment in community infrastructure; and for important technical issues concerning the community and voluntary sector to be addressed.



**COMMUNITY WORKERS COOPERATIVE**

The Third Round of the  
Structural Funds:  
The New Regulations

## The Third Round of the Structural Funds: The New Regulations

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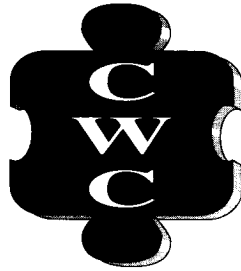
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# COMMUNITY WORKERS COOPERATIVE (CWC)

## THE THIRD ROUND OF THE STRUCTURAL FUNDS: THE NEW REGULATIONS

by Brian Harvey

October 1997

## EXECUTIVE SUMMARY

Ireland is now past the mid-way point in the second round of the structural funds (1994-9). Already, consideration is being given to the regulations which will govern the operation of the structural funds in Ireland and in the other member states of the Union in the next round (2000-2006). The present regulations comprise nine main regulations, such as a framework regulation, a coordination regulation and one for each of the individual funds (e.g. social fund, regional fund, cohesion fund, Community Initiative Programmes). The regulations cover such vital matters as the objectives and tasks of the funds; the criteria for eligibility; means of delivery; the organizations to be consulted; the types of activities and groups to be supported; reporting, monitoring and appraisal.

The existing regulations make reference to the combatting of unemployment and the importance of equal opportunities. However, the achievement of social inclusion and equality are not a priority in the existing regulations. Indeed, the subsequent Irish National Development Plan and Community Support Framework gave these concerns a higher priority and attempted to address poverty in a number of ways. Despite this, the current round of the structural funds still falls far short of its potential in confronting inequality and social exclusion. The targeting of disadvantage is more apparent than real; there is a failure to apply a cross-cutting approach to inequality across all the programmes of the funds; and arrangements for the oversight of the funds through the monitoring committees are weak. There are many obstacles to the participation of community organizations in the structural funds.

The understanding of poverty, inequality and social exclusion in Europe and Ireland has matured, broadened and deepened since the current regulations were devised. The European Union has adopted a series of resolutions, white papers, green papers, reports and communications which articulate the importance of employment, social inclusion, the promotion of equality, the participation of women in decision-making, the integration of people with disabilities, the need to confront discrimination against minority ethnic groups and the role of voluntary and community organizations in building civil society. In Ireland, the government has adopted a National Anti-Poverty Strategy. Community organizations have become a pillar of the national agreements. These are compelling reasons for the new round of the structural funds and the regulations which govern them to reflect these changing policy realities, rather than repeat defects that have been evident since 1993.

In the document *Agenda 2000*, the European Commission has already published its financial perspective for the new period. This report puts forward recommendations for the regulations for this period. Regulations are more than administrative detail. Besides having legal force, regulations embody principles of social justice (or not), consent, economic and social priorities and procedures for oversight. They can give a lead in many of these areas. This report puts forward recommendations with a view to ensuring that issues of social inclusion and equality are taken into account at all stages in the planning, implementation and monitoring of the funds; that objectives of equality and social inclusion are applied coherently across all its programmes; and that funds are more accurately targeted at disadvantage. The recommendations aim to ensure that provisions are made for the greater involvement of the community sector; for effective monitoring and transparency; for funding to be delivered through decentralized intermediary bodies; for investment in community infrastructure; and for important technical issues concerning the sector to be addressed.

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## TERMS OF REFERENCE

The purpose of this research is to identify the core challenges facing the structural funds in the period from 1999 from the perspective of promoting equality and social inclusion; to make recommendations on the reform of the regulations of the funds so that these challenges may be met; and to inform the community sector of the process of reform.

The aims and objectives of this study are:

- to provide a clear analysis of the process to be followed in reviewing and amending the current regulations so as to identify key points of influence and key moments for action by the community sector;
- to make a clear and convincing case for a change in the regulations governing the structural funds drawn from the experience of previous rounds and from analysis of the current policy context, at Irish and European level;
- to make specific recommendations for changes in the regulations, to be targeted at the national and European authorities.

## THE ROLE OF THE COMMUNITY WORKERS COOPERATIVE (CWC)

This is the fifth publication by the CWC on the structural funds. The CWC has a long experience in commenting on the role of the structural funds in promoting equality and social inclusion in Ireland. In 1988, the CWC published *Whose plan? - community groups and the national development plan*, which proposed ways in which the first round of the structural funds should be used in Ireland. In 1992, the CWC published *The structural funds - the challenge to address social exclusion* which examined the record of the structural funds thus far in promoting equality and social exclusion. The following year, in *The same old story?*, the CWC outlined its views on the second round of the funds. The CWC's most recent contribution to the debate is *Equality and the structural funds* (1996) which examined the record of the second round of the funds in promoting equality for women, people with disabilities, minority ethnic groups (such as Travellers) and people living in poverty.

## METHODOLOGY

This research was carried out during the autumn of 1997. It was carried out by means of desk research and by enquiries with the appropriate governmental and European authorities in Dublin, Belfast and Brussels. In Ireland, a number of community and voluntary organizations were consulted as to their specific concerns about the new regulation.

## ACKNOWLEDGEMENTS

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## GUIDE TO THE REPORT

This research report is divided into six chapters. Chapter 1, *Context: the current revision of the structural funds* briefly examines the current stage of development of the structural funds as Ireland and Europe prepare for the revision of the funds to cover its third round, which will span the years 2000-2006. The chapter examines the nature of the current regulatory framework for the structural funds and comments on whether such a framework promotes social inclusion and equality.

Chapter 2, *The role of the structural funds* in promoting equality and social inclusion, reviews the performance of the structural funds on these two core concerns to date in Ireland.

Chapter 3, *The challenge to reform the structural funds: the case for change* argues that the structural funds could and should be a more effective instrument in promoting equality and social inclusion in Ireland. In particular, it reviews the ways in which the European Union has, in the course of the present round, become more active in promoting equality and social inclusion and how social inclusion has also become a prominent national objective in Ireland.

The fourth chapter, *The current Commission proposals for the third round of the structural funds (Agenda 2000)*, reviews the outline proposals for the revision of the funds made by the Commission in July 1997 and makes an assessment of their likely impact on voluntary and community organizations active in promoting equality and social inclusion.

Chapter 5, *Recommendations for the new regulation*, proposes ways in which the new regulation to govern the fund could and should be more effective in promoting equality and social inclusion.

Finally, chapter 6, *Procedures for the revision of the regulations*, examines the current procedures whereby the funds are revised. It identifies the persons responsible for the revision and the timetable involved. It is intended that this information will give voluntary and community organizations the opportunity to make their case to the Commission and the national authorities.

## CHAPTER 1            CONTEXT: THE CURRENT REVISION OF THE STRUCTURAL FUNDS

### 1.1    INTRODUCTION

Ireland has received structural funds since it joined the European Communities in 1973. The structural funds were reformed in 1988: since then, there have been two further rounds of funding for Ireland. The first round covered 1989-93; the second round, 1994-9. A third is now in preparation, for the years 2000-2006 (this is called Agenda 2000).

### 1.2    CURRENT OPERATION OF THE FUNDS IN IRELAND

The first stage in each round of the structural funds is the issuing by the Commission of a long-term financial perspective, which outlines the Commission's broad approach to the round. The first two perspectives were informally called Delors I and Delors II (after the then President of the Commission, Jacques Delors), the next round being named both Agenda 2000 (the official term) and also referred to as Santer I, named after the current President of the Commission. Following agreement between the member states on the round, the Commission then issues regulations to provide both a legal basis and the detailed principles on which the round operates.

Turning to the details of how each round of the structural funds is spent, each round of funding is then devised in the course of negotiations between the Irish government, led by the Department of Finance, and the European Commission in Brussels. During the second round, the Irish government proposed a National Development Plan which outlined the priorities of the structural funds from the perspective of the Irish government. Following negotiations, agreement was reached between the Irish government and the Commission for the priorities and spending allocations of the second round. The formal agreement was called the Community Support Framework, or CSF. Broadly speaking, the CSF followed the priorities and proposals of the National Development Plan, though certain aspects were amended. It was the practice for the Commission to reach an agreement with each individual country in the Union according to their different priorities and needs, each such agreement having different themes and priorities (the agreements concerned also being termed differently, the term Single Programming Document being used elsewhere where a simplified procedure was followed).

In the second round, the structural funds in Ireland were allocated to ten operational programmes. Each operational programme had a thematic title (e.g. agriculture; human resources; fisheries; local, urban and rural development etc), each operational programme being the responsibility of an appropriate government department. Operational programmes were in turn divided into sub-programmes, measures and actions. The responsibility for some sub-programmes, measures and actions was in some cases devolved to semi-state bodies or other agencies. It is an important principle of the structural funds that spending draws on funding from the European Union, matched by national governments and in some cases the private sector. This part of the structural funds, comprising 90% of the funds, has been prominent in funding the work of national government departments and their agencies.

In addition to the national Community Support Framework, a further set of structural funds was devoted to Community Initiative Programmes. These comprised 9% of the structural funds allocations in the present round (the balance, 1% is for pilot projects and other measures). Initially 13 such programmes were devised for the years 1994-9. These followed a further set of themes (e.g. employment, adaptation to industrial change, rural development etc). They were implemented by support agencies, sometimes drawn from government and sometimes not. Unlike the CSF or its equivalent, which varied from country to country, the Community Initiative Programmes applied throughout the European Union countries, though an operational programme was agreed for each theme in each country. The Community Initiative Programmes have been more important in funding the work of non-governmental organizations.

Oversight of the structural funds has been the responsibility of monitoring committees. In Ireland, there has been a monitoring committee for each of the operational programmes and the Community Initiative Programmes (including a cross-programme committee for human resources actions funded by the European Social Fund); and eight regional committees. The principal members of these monitoring committees have been representatives of the European Commission, national government departments and the social partners.

### 1.3 THE REGULATIONS GOVERNING THE FUNDS

The structural funds are in practice divided into four funds: the European Social Fund (ESF), the European Regional Development Fund (ERDF), the European Agricultural Guidance and Guarantee Fund (EAGGF) (also called FEOGA Guidance) and the Financial Instrument for Fisheries Guidance (FIFG) (note that technically, FIFG is a financial *instrument* rather than a fund). Individual measures may, depending on their focus and function, attract support from one or more of these funds at a time. The funds are divided into seven objective areas, some being geographical, others being thematic (Ireland belongs to objective 1, defined as an area lagging behind in development). The operation of the funds is thus a complex matter, with up to 900 operational programmes currently running during this round.

The operation of the structural funds in Ireland, as in the other countries, is governed by a set of regulations. They are more than administrative guidelines, for they have the force of European Community law: funds and programmes may not legally be delivered outside their terms and conditions. The structural funds in Ireland are governed by the following regulations (which apply equally to the other member states)<sup>1</sup>.

NAME OF REGULATION	NUMBER OF REGULATION	PURPOSE
Framework regulation	2081/93	General regulation laying down the objectives of the funds
Coordination regulation	2082/93	Regulation laying down how the funds should be coordinated between themselves and with other European Union financial instrument
ERDF regulation	2083/93	Regulation governing the operation of the regional fund
ESF regulation	2084/93	Regulation governing the operation of the social fund
EAGGF regulation	2085/93	Regulation governing the operation of the FEOGA guidance fund
FIFG regulation	2080/93	Regulation regarding the fisheries instrument
Cohesion financial instrument	792/93	Regulations governing the running of the Cohesion fund
Cohesion fund	1164/94	
Community Initiative Programmes	Notices 94/C/180.01 - 94/C/180-12	Regulations governing the operation of the Community Initiative Programmes

In addition, there are two supplementary regulations governing the application of the funds to new member states which joined in 1995. These are regulations 3193/94 and 95/1/EC [Euratom/ECSC]. Barring the Cohesion fund, which was new, these regulations amended a similar set of regulations which governed the operation of the first round of the structural funds (1989-93). The 1993 revision essentially embodied the regulations adopted in 1988, the most significant changes being made to the European Social Fund.

## 1.4 THE INDIVIDUAL REGULATIONS

The function of each regulation is now examined more closely with respect to the main themes of this report.

### 1.4.1 FRAMEWORK REGULATION

The framework regulation has 19 articles. These state the legal basis for Community action, lay down the objectives and tasks of the funds, state which regions shall be eligible for structural funds and on what conditions and lay down broad arrangements for oversight. The following are the main points:

- The preamble acknowledges the principle of equal opportunities between men and women, stresses that the funds should operate on a basis of partnership and affirms the role of the European Investment Bank in promoting economic and social cohesion.
- The opening articles state that the objectives of the funds are promoting the development and structural adjustment of the regions whose development is lagging behind; converting areas affected by industrial decline; combatting long-term unemployment and facilitating the integration into working life of young persons and those exposed to exclusion from the labour market and promoting rural development.
- The tasks of the funds are specified as supporting productive investment, modernizing infrastructure, combatting unemployment (including the promotion of equal opportunities) and helping to develop the social fabric of rural areas.
- Article 4 lays down requirements that the funds act in a complementary manner to national funding operations and that the funds be executed in consultation with the economic and social partners designated by the member state.
- Article 5 specifies forms of assistance (e.g. part-financing, global grants, loans) while article 6 requires that the funds be monitored and reviewed, with prior appraisal, monitoring in itinere and ex-post.
- Articles 8-11 lay down detailed definitions of the objective areas of the funds (in Ireland's case, objective 1, an area with less than 75% Gross Domestic Product (GDP) of the Community average) and the requirements on individual governments to present plans for the spending of structural fund money, while articles 12-14 lay down further details of the financial arrangements (objective 2 areas, for example, are specified as areas which have experienced substantial job losses or urban areas where unemployment is at least 50% above the Community average). Article 13, financial provisions, enables the Community to vary its assistance in the light of the gravity of the particular regional or social problem addressed.
- The plans to be submitted by the member states are required to include, for each fund, an analysis of the current situation, a description of the member state's strategy and an indication of how assistance may best be used.
- The remaining sections deal with Commission responsibilities to present reports: under article 16, reports, the Commission is obliged to report on the operation of the regulation to the European Parliament, the Council and the Economic and Social Committee.

### 1.4.2 COORDINATION REGULATION

The coordination regulation (2082/93) is longer (33 articles). Its main concerns are to ensure that the structural funds are administered in a coherent and consistent way without duplication and that they are additional (not replacing national spending). There are detailed requirements for the processing of applications, financial control and procedures for payments.

- Article 8 specifies that each national Community Support Framework must include the proposed procedures for monitoring and evaluation.
- Article 14 states that applications for assistance contain the information the Commission needs in order to assess them from the point of view of the scope, coverage and objectives of each measure, including the results of prior appraisal of the intended medium-term economic and social benefits.
- Under financial provisions, article 19, member states are required to ensure that requests for payments are made on a balanced schedule throughout the year. The Commission, for its part, is expected to make payments

to the appropriate national (or local) body within two months of the receipt of an acceptable application. Beneficiaries are to receive advances and payments within three months of the receipt of appropriations by the member state.

- Article 25 lays down the requirement that there be monitoring committees in each state and that progress reports on the operation of the funds be issued. Monitoring shall be done by physical and financial indicators relating to the specific character of the operation concerned, its objectives and the socio-economic and structural situation in the state concerned, the indicators showing the stage reached in each operation and the progress achieved: 'monitoring committees shall be set up within the framework of the partnership, by agreement between the member state concerned and the Commission'.
- Article 26 requires the operation of the funds to be appraised and evaluated so as to test whether the hoped for economic and social benefits are achieved, to gauge the socio-economic impact of operations and their contribution to economic and social cohesion. Later articles lay down further reporting and consultation requirements.
- Under article 31, the Commission is required to issue annual reports on the progress of each fund, consult with the social partners at European level and make whatever proposals may be necessary to strengthen economic and social cohesion.

#### 1.4.3 REGULATIONS FOR THE INDIVIDUAL STRUCTURAL FUNDS (ERDF, ESF, FEOGA GUIDANCE, FIGG)

The regulation for the ERDF (2083/93) specifies the forms of assistance available under the European Regional Development Fund. The fund is designed to support projects which create or maintain jobs, develop infrastructure, promote the indigenous potential of the regions (including local development initiatives) and support developments in education, health, technology and environmental protection. The regulation details how aid may be granted from the fund, lays down requirements for reports and requires that member states consult with their economic and social partners. There are 12 articles.

The regulation for the ESF (2084/93) has eight articles which lay down the procedures for the operation of the European Social Fund. The preamble refers to the seriousness of the unemployment situation, the importance of widening action against unemployment, the need to respect the principle of equal opportunities and that operations meet the needs of workers of either gender. Article 1 repeats the need to support actions which promote labour market opportunities for women, especially in areas where they are under-represented or who are returning to the labour market and to promote equal opportunities. Later sections deal with forms of assistance, eligible expenditure and plans which should govern the spending of the funds. Such plans are expected to address imbalances in the labour market, unfilled vacancies, job opportunities and the contribution of the funds to equal opportunities.

The FEOGA guidance regulation (2085/93) deals with the promotion of rural development, the structural adjustment of regions whose development is lagging behind and the adjustment of agricultural structures within the reform of the Common Agricultural Policy. There are 11 articles. The regulation specifies the range of actions eligible for support, such as measures to support farm incomes, installation aid, marketing, improvements in efficiency, diversification, the improvement of the rural infrastructure, re-parcelling of land, irrigation and the development of advisory services. The regulation several times specifies that assistance should be irrespective of gender.

The fisheries regulation (2080/93) lays down the procedures for structural fund assistance under the Financial Instrument for Fisheries Guidance. The ten-article regulation lays down objectives, the types of measures eligible for financial assistance and procedures for oversight. The overall tasks of the instrument are to achieve a sustainable balance between resources and their exploitation, strengthen the competitiveness of structures and improve market supply of fisheries and aquaculture products.

#### 1.4.4 REGULATIONS FOR THE COHESION FUND

The regulations governing the Cohesion fund (792/93 and 1164/94) control the operation of the Cohesion fund, which applies in Spain, Portugal, Greece and Ireland. Reporting, information and publicity requirements are also specified in the first regulation, which has 11 articles. The second regulation is much longer (17 articles, with annexes) but covers similar areas to the first, providing more details under the headings of financial checks and provisions.

- The first regulation laid down the basic principles of the fund for its temporary operation while final approval was awaited (the modifications were encoded in the second regulation).
- The first regulation defines the criteria for eligibility (less than 90% of average Community Gross National Product), lays down the areas of the Community eligible for assistance, specifies the type of projects to be supported (transport and environmental), states the amount of money to be made available, lays down the rate of assistance (80% to 85%) and regulates the procedures for the approval of projects.
- The regulation refers several times to the requirements for economic and social cohesion and the need for the fund to achieve economic and social benefits.
- The annexes detail the stages of evolution of projects to be funded and the headings of the annual report on the fund. Article F of the first annexe second regulation requires there be monitoring by 'jointly agreed reporting procedures, sample checks and the appointment of ad hoc committees...Monitoring committees shall be set up by arrangement between the member state concerned and the Commission'. The second annexe requires the Commission to report on the economic and social impact of the fund in the member states on economic and social cohesion.

#### 1.4.5 REGULATIONS FOR THE COMMUNITY INITIATIVE PROGRAMMES

The Community Initiative Programmes, which are proposed by the Commission and operate throughout the Union, are adopted through a slightly different procedure from the main part of the structural funds. In 1993, the Commission issued a green paper on the future of the Community Initiatives, followed by a Communication in 1994. The regulations were issued as a group to cover guidelines for operational programmes for the initiatives concerned - PESCA, URBAN, SMEs, the Portuguese clothing industry, RETEX, KONVER, RESIDER, RECHAR, EMPLOYMENT, ADAPT, REGIS, LEADER and INTERREG. These regulations cover a common format: the typical format justifies the legal basis for each initiative, outlines its specific scope, priorities or objectives, lists the means of assistance, states who are the intended beneficiaries, describes the eligible measures, lays down procedures for monitoring, control and assessment and describes procedures for financing and implementation. The EMPLOYMENT initiative has a number of strands - New Opportunities for Women (NOW), HORIZON and YOUTHSTART. The regulations for EMPLOYMENT and the initiative for rural development, LEADER, provide a detailed description of the type of measures to be assisted.

### 1.5 COMMITMENT TO EQUALITY AND SOCIAL INCLUSION IN THE STRUCTURAL FUND REGULATIONS

The structural fund regulations, as already noted, express a number of commitments to equality and social inclusion. Principal of these are:

- combatting unemployment, principally through vocational training, pre-training and continuing training;
- facilitating the integration into the labour market of young persons and others exposed to exclusion from the labour market; specifically, the reintegration of women into the labour market;
- the principle of equal opportunities for women, including a commitment to a fair standard of living for women farmers;
- the importance of economic and social cohesion (my emphasis).

One of the four funds, the European Social Fund, has, by definition, a specifically social focus, although one orientated

to the labour market rather than those socially excluded outside the labour market. National governments, in preparing plans for the spending of structural fund assistance, are required to take a number of social factors into consideration, including the social benefits to be obtained from the funds, the impact on jobs and the contribution of the funds to equal opportunities.

Despite the potential of the funds to be powerful instruments in combatting inequality and social exclusion, in reality the effect of the regulations is limited, for a number of reasons. Taken as a whole, the emphasis of the structural funds is on economic, rather than social, development. The preparation of plans for spending, the categories eligible for assistance, the issues which must be taken into account, rely strongly on requirements for economic and infrastructural development (indeed, most of the prior appraisals and programme evaluations are economic in their paradigms). These are the predominant elements of the funds and they are strengthened by the Cohesion fund, which is specifically designed to support transport and environmental infrastructural projects. The model of development on which the regulations rely is one which assumes that progress in the Community may best be made by the improvement of infrastructure, by the intensification of competition and by poorer regions catching up with richer ones in their level of development and production. Furthermore, there was the presumption, certainly at the beginning of the round, that most economic and social problems could be resolved by a more efficient or more perfectly functioning labour market, an approach which ignores the reality that labour markets have always been characterized by inefficiencies and inequalities.

In the design of the funds, there is little reference to the importance of social indicators, such as parity between men and women in earnings, the quality of health and social services, the living or environmental standards of those at the lower end of the labour market, human rights, the quality of democratic participation in society, or disparities of wealth and opportunity within states themselves. It is significant that the terms 'poverty' and 'social inclusion' (or 'social exclusion') are nowhere used in the regulations, which means by definition that it is unlikely that they will be taken into account in the design, planning, operation and the monitoring of the funds. This is more than a semantic point. The term 'inclusion' is explicitly linked to the labour market, despite the fact that there are many citizens of the Union who have never entered the labour market, who have left the labour market, or whose position within it is extremely precarious.

Inequality within the Union is seen as essentially a question of *regional* disparity, rather than as one of the distribution of resources within states, of gender, between the able-bodied and the disabled, or between minority ethnic groups. These wider dimensions of inequality within the European Union are not acknowledged by the present regulations. Problems of gender are perceived by the funds to be those of 'opportunity', whereas in practice the achievement of

equality for women is concerned with a much wider set of issues, such as resources, supports, participation in society and decision-making. A focus on 'outcome' would have been more wholistic. Finally, little or no recognition is given to the level of community mobilization in response to problems of social under-development, although this can have a crucial bearing in devising a successful response to such problems. (During the preparation of these regulations in 1993, the Commission proposed that the European Social Fund in objective 3 take social exclusion into account (instead the outcome was a more limited reference to exclusion from the labour market) and that the promotion of equal opportunities include 'the provision of childminding arrangements and other accompanying actions'; but this was not included in the final regulations)<sup>2</sup>.

The effects of this dominant perspective on the operation of the structural funds in Ireland are explored in the next chapter. The way in which European Union thinking on these questions may have moved on since the regulations were devised is the theme of chapter 3.

<p><b>Problems with the current structural funds model</b></p> <ul style="list-style-type: none"><li>• Emphasis on economic, over social development</li><li>• Exclusion defined in terms of the labour market</li><li>• Inequality seen as regional, not social</li><li>• Poverty, social exclusion not mentioned in the regulations</li><li>• Little use of human social indicators</li><li>• Community mobilization not considered</li></ul>
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## CHAPTER 2 THE ROLE OF THE STRUCTURAL FUNDS IN PROMOTING EQUALITY AND SOCIAL INCLUSION IN IRELAND

As chapter 1 found, the regulations governing the structural funds provide a constrained, even difficult, framework through which the problems of social inclusion and inequality may be addressed. As such, one may logically expect that the outcomes favouring social inclusion and equality in the subsequent round of the structural funds will be limited. It is the purpose of this chapter, within this context, to investigate the ways in which the structural funds in Ireland, even operating under the aforesaid regulations, have promoted equality and social inclusion. This will help to isolate ways and open opportunities in which the regulations could, in the next round, bridge these gaps and be more effective instruments in promoting equality and social inclusion in the future.

This chapter examines the role of the Irish National Development Plan and Community Support Framework in promoting equality and social inclusion (2.1), the way in which the individual operational programmes focus on equality and social inclusion (2.2) and the arrangements for oversight of the operation of the structural funds in Ireland from the point of view of equality and social inclusion (2.3), before conclusions are drawn (2.4).

### 2.1 THE IRISH NATIONAL DEVELOPMENT PLAN AND THE SUBSEQUENT COMMUNITY SUPPORT FRAMEWORK

Following the publication of the regulations for the second round of the structural funds, negotiations took place between the Irish government and the European Commission on the scope, nature and size of the second round of the structural funds for Ireland.

Granted the limited reference to social inclusion and equality in the regulations, the Irish National Plan and the subsequent Community Support Framework make a significant number of commitments to address inequality and social exclusion.

- The National Plan acknowledges unemployment to be Ireland's 'most immediate problem' and that there are high geographical concentrations of long-term unemployment, social exclusion and environmental deprivation.
- At an early stage, the plan iterates the importance of programmes for unemployed and disadvantaged people and those who have most difficulty in getting access to the labour market, such as the long-term unemployed, early school leavers, ex-offenders and people with disabilities.
- The chapter on local development refers to the experience of the European Poverty 3 programme and the importance of local, targeted, community-led initiatives against unemployment and social exclusion, including structured programmes to assist the long-term unemployed, disadvantaged women and people with disabilities as well as other named groups (e.g. high-risk youth). It refers to the importance of enhancing community life within disadvantaged areas and of countering social exclusion through effective, community-based organizations which pursue local development needs.
- The chapter on human resources emphasizes the obligation on government to provide training opportunities for the marginalized and disadvantaged. The chapter specifies the provision of apprenticeship opportunities for the disadvantaged, young women and people with disabilities. The agricultural training programme identifies the need to cater for the specific needs of women in rural development. The chapter lists a range of measures proposed to meet these objectives: community employment, foundation level and reintegration training, the Vocational Training Opportunity Scheme (VTOS), the Community Youth Training Programme, measures for early school-leavers and training for people with disabilities under the National Rehabilitation Board.
- Two chapters of the National Development Plan refer to the gender-proofing of the structural funds. The plan acknowledges that much more must be done to improve female participation in the workforce and pledges improvements in areas where women have been under-represented, such as apprenticeship schemes, tourism training and agricultural programmes; commitments are given to improve childcare services.

- The section on the Community Initiative Programmes gives a commitment to supporting programmes for those most disadvantaged in trying to gain access to the labour market.
- The plan makes a number of differentiations in the level of labour market disadvantage, such as the long-term unemployed, people with a disability, early school-leavers and ex-offenders.
- The common chapter of the plan with the Single Programming Document in Northern Ireland refers to the need for equity: economic development should lead to a reduction in disadvantage and in the socio-economic differentials in the community. Extending equality of opportunity was a key to combatting social and economic exclusion and the voluntary sector had an essential role to play in this.
- In its chapter on implementing the funds, the National Development Plan gives a commitment that programmes and measures will be monitored to ensure not only that there is no gender discrimination but that equal opportunities are actively promoted. Data will be collected to ensure that this is checked. Several of these commitments are restated in the subsequent Community Support Framework.

At first sight, the Irish National Development Plan and the subsequent Community Support Framework represent an enlightened approach to issues of social equality and inclusion compared to the more limited framework of the regulation. The two Irish documents represent a distinct advance on the regulations. However, these commitments must be taken in the context of the plan and the framework as a whole. In its subsequent observations on the plan, *The same old story?*, the CWC commented that the plan demonstrated an over-reliance on training as a response to unemployment, that it showed little understanding of the importance of balanced and sustainable development within Ireland, that rural development focussed excessively on enterprise development and that there was an unwarranted emphasis on large-scale enterprise and infrastructure to the detriment of local development. The financial allocations to combatting disadvantage and inequality were, in many respects, quite limited compared to the overwhelming level of investment in physical and industrial infrastructure.

So much for the broad framework. Next it is important to test the degree to which the individual operational programmes addressed inequality and social exclusion so that lessons may be learned about the application of the regulations to the detail of the programmes.

## 2.2 THE OPERATIONAL PROGRAMMES OF THE STRUCTURAL FUNDS

The four structural funds are allocated in different proportions to the ten different operational programmes of the Community Support Framework in Ireland. The way in which they address social inclusion is now discussed, according to main programme headings.

### 2.2.1 SOCIAL INCLUSION IN THE OPERATIONAL PROGRAMME FOR HUMAN RESOURCE DEVELOPMENT

From the perspective of equality and social inclusion, the most important programme is the operational programme for human resource development, the second largest operational programme overall, one which uses 33% of its funds. Here one would expect to find the dedication of considerable resources and efforts to the combatting of inequality and social exclusion. Indeed, one entire sub-programme is devoted to social inclusion while others also address problems of disadvantage. The programme is very clear in stating that much needs to be done if gender equality is to be promoted effectively. The programme provides a variety of measures specifically targeted to support young people without qualifications, early school leavers, Travellers, the long-term unemployed, ex-offenders and people with disabilities.

Traditionally, human resources measures quantified the numbers and throughput of participants in training courses without paying serious attention to the social groups and categories from which they were drawn, nor the outcome of these training interventions. The operational programme for human resources marks a step forward by setting out to measure the participation of people *from disadvantaged groups* in training (including the form of training) and the *outcome of training* (my emphasis). The operational programme states: 'Post-programme follow-up of participants will

**How the current operational programmes attempt to address poverty and social exclusion**

- Operational programmes with important elements concerned with social exclusion (e.g. programmes for human resources; local, urban & rural development)
- Targeting of funds to the excluded (about 29% of the funds)
- Use of indicators and monitoring systems
- Placement, progression and certification
- Measuring the participation of disadvantaged groups
- Assessing the outcomes for disadvantaged groups

become a regular feature of monitoring during the operational programme period. Reports on this issue will be required on a regular basis indicating placement, relevant placement and progression'(142). In addition, there is a more detailed breakdown of participants by long-term unemployed, young people, and gender.

The Community Support Framework devotes some attention to measuring the progress and performance of the operational programme and devises a set of common indicators for all the human resources measures, baselined to 1993, with targets to be reached by 1999. These indicators were refined by the Programme Evaluation Unit of the European Social Fund in the Department of Enterprise, Trade and Employment, which breaks down courses by gender, age, pre-training status (e.g. long-term unemployed), the immediate destination of trainees (e.g. part or full-time employment, further education) and their destinations up to a year later. These indicators are to be reported to the monitoring committee.

The programme emphasizes the importance of placement, certification and progression, specifying a range of progression and certification targets. The measures list, in addition to traditional figures such as throughput numbers, the percentage of trainees expected to be placed and to have certification (in the last case, the target is normally 100%). An example is the Community Employment Scheme, a large programme normally used by 40,000 trainees at any one time: here, placement rates are targeted to rise from 18% in 1994 to 25% in 1999; progression rates from 2% to 15% in the same period. In the case of a much smaller measure, that for ex-offenders, certification is to rise from 10% to 50% (City & Guilds); an average of 30% of participants to be placed in employment by 1999; and the level of progression to further education or training to rise to between 10% and 20%. For those participating in the community training programme, placement rates are to rise from 28% to 35%; progression from 7% to 10%; and certification from 70% to 85%.

A number of supporting equality-promoting actions are planned, such as childcare training, reintegration of women returners, training for non-traditional work for women and support for local childcare facilities. Despite this, there are some significant shortcomings in the human resources programme. The equal opportunities budget in the programme is very small (less than a quarter of a percent); the allocation to childcare is also minimal; the bulk of the capital spending under the programme goes to second and third level education rather than the more disadvantaged sectors; and the link between mainstream measures and measures targetted on the disadvantaged is not adequately established.

### 2.2.2 SOCIAL INCLUSION IN THE OPERATIONAL PROGRAMME FOR LOCAL, URBAN AND RURAL DEVELOPMENT

The other programme which especially addresses social exclusion, disadvantage and inequality is the operational programme for local, urban and rural development. This is a small programme in the context of the funds as a whole (420m ecu, or about 4% of the funds) and has a sub-programme of integrated development for designated disadvantaged and other areas (137m ecu, or about a third of this programme). The sub-programme has a lengthy articulation of the problems of inequality and social exclusion and sets down a number of ways whereby it will assist disadvantaged communities tackle exclusion and marginalization resulting from long-term unemployment, poor educational attainment, poverty and demographic dependency. The sub-programme is pledged to focus on the needs of first and foremost the long-term unemployed but also Travellers, women, people with a disability, young people at risk and homeless people. The agency which has responsibility for the sub-programme, Area Development Management, subsequently devised equality and inclusion-based approaches for the execution of the sub-programme.

### 2.2.3 SOCIAL INCLUSION IN THE OTHER OPERATIONAL PROGRAMMES

For other operational programmes, the emphasis on inclusion and equality varies and is problematical. The operational programme for transport plans for the development of public transport (including access for people with disabilities) in the Dublin area, but does not respond to the needs of those dependant on public transport outside the capital. The operational programme for industry, the largest single programme of the structural funds (37% of the total) gives a commitment to gender equality, but in practice this applies to only one measure of one sub-programme (the food industry measure of the training sub-programme). It has no focus on social inclusion. The operational programme for agriculture and rural development has a section on equal opportunities and another on social exclusion, the latter discussing the problem of low-income farm households; but in practice, only a small part of the training programmes support rural women and the measures for social inclusion are in practice limited to existing systems of headage payments. The operational programme for fisheries acknowledges problems of low female participation in the industry, but at no stage spells out measures to rectify the problem. The operational programme for environmental services makes no links between social exclusion and a poor quality environment. The operational programme for tourism makes few efforts to develop tourism in disadvantaged or low-income areas. It neglects 'soft' tourism (small-scale tourism based on indigenous, vernacular facilities), preferring to concentrate on large-scale 'hard' tourism projects requiring substantial matching funding (it does, however, have a training programme for unemployed people, early school leavers and women returning to work). The operational programme for economic infrastructure, which deals with issues of energy, postal services and communications, does not acknowledge the existence or severity of the problem of domestic fuel poverty.

### 2.2.4 SOCIAL INCLUSION IN THE COMMUNITY INITIATIVE PROGRAMMES

Of the Community Initiative Programmes, several focus on problems of disadvantage and inequality. Some non-governmental organizations, which provide front-line services for people living in conditions of disadvantage, have benefited significantly from the Community initiatives. The EMPLOYMENT programme, for example, has strands for disadvantaged young people (YOUTHSTART), women (New Opportunities for Women, or NOW), people with disabilities (HORIZON) and, in the second stage of the funds, a strand specifically concerned with social exclusion (INTEGRA [formerly the HORIZON/disadvantaged programme]). The URBAN programme has operated in disadvantaged urban areas of Dublin and Cork. However, this emphasis on disadvantage, inclusion and the participation of voluntary and community organizations is offset by problems with other Community Initiative Programmes. The operational programme of the ADAPT initiative, although required by the regulations to give attention to promoting equal opportunities for women, does not appear to make any such provision. The initiative for small and medium-size enterprise (SMEs) makes only passing reference to supporting people from disadvantaged backgrounds and, contrary to regulations, none to promoting the role of women in new enterprises. The INTERREG programme for cross-border cooperation with Northern Ireland, much the largest of all the Community Initiatives, has allocated almost all its resources to statutory bodies. Only a small number of INTERREG-funded bodies target social exclusion, although the border area is known for its widespread disadvantage.

### 2.2.5 PROBLEMS EXPERIENCED BY COMMUNITY ORGANIZATIONS PARTICIPATING IN THE OPERATIONAL PROGRAMMES

In addition to these larger problems concerning the design and operation of the programmes in Ireland, there is a range of important technical issues for community organizations participating in structural funds programmes and policies. The CWC has carefully monitored the experience of community organizations in these programmes since 1994. Principal of the difficulties encountered in the Community Initiative Programmes, where there has been community organisation access are:

- Programmes are insufficiently or inappropriately advertized and many community groups do not hear about them in sufficient time to make applications;
- Community groups find the application process for structural fund projects to be extremely difficult. The language and terminology used are difficult to interpret. Technical assistance to prepare application forms is

often not available. There is little or no assistance available to help community groups to meet the requirement for finding transnational partners.

- Delays in payments. These can be lengthy (several months). Small community projects experience severe difficulties when project payments are not made. Enquiries to locate the bottleneck in question are often fruitless, the Commission in Brussels blaming the Department of Finance in Dublin and vice versa. There appears to be a practice in Ireland of not releasing money to a group of projects until all projects in the group are financially in order, thereby penalizing the better-organized;
- Projects may not recoup resulting bank interest and charges from their structural fund payments;
- Projects budgets are agreed in ECU's. This can result in monetary loss because of the Exchange Rate Mechanism;
- Projects may not count social welfare payments nor volunteer time as the equivalent of matching funding;
- Project funding is generally not available to support capacity-building or networking by community organizations, although these are essential elements in their work and successful operation;
- Although up to 1% of the structural funds are devoted to pilot schemes and demonstration projects, their outcomes are poorly disseminated to community organisations.

It is interesting to note that in the context of the MAP 2000 package<sup>3</sup> of administrative reform of the European Commission, it was decided in autumn 1997 that the Commission will pay its creditors interest on payments delayed more than 60 days. However, structural fund grants are excluded from this decision.

#### 2.2.6 COMMENTS ON THE OPERATIONAL PROGRAMMES

Some parts of the Community Support Framework and the Community Initiative Programmes respond to distinct problems of disadvantage, social exclusion and inequality between men and women. Detailed calculations suggest that the total amount targeted towards disadvantage is less than a third, about 29%.<sup>4</sup> This figure may be a significant improvement on the first round.

However, the funds fall far short of their full potential to address social exclusion and inequality. The principal problems are:

- Targeting is more apparent than real. Several programmes which have a strong rhetoric about social exclusion in fact deal with a range of other issues. The operational programme for local, urban and rural development, which has perhaps the sharpest focus on disadvantage, is not only one of the smallest programmes in the funds but only a third of the sub-programme deals specifically with disadvantage. Within some of the training programmes, the allocations to training which responds to social exclusion are sometimes minor (e.g. operational programmes for agriculture, industry). Training measures in the operational programme for human resources and the operational programme for local, urban and rural development measure the participation therein of 'disadvantaged groups', but training measures in most other programmes do not. As a result, it is difficult to know the degree to which people from backgrounds of disadvantage participate in and benefit from these parts of the structural funds.
- There is a failure to establish a cross-cutting approach to inequality and exclusion, one which applies to all the programmes. Objectives to combat social exclusion and inequality are set in what may be called the targeted areas, but not in the other ones. The promotion of equality, while an element present in the funds, is applied unevenly. Requirements, especially evident in the human resources programmes, to report on progress in confronting social inequality are not in evidence in other programmes, even though social inclusion may or should be important concerns there. The energy programme fails to address the problem of those who have greatest difficulty in paying for fuel. In the transport programme, the problems of unequal access to transport are recognized in the sub-programme for Dublin, but not in other parts of the country. In the operational programme for fisheries, for example, no specific indicators are laid down to report on the participation in the programme of people who have been socially excluded or women. In the industry programme, for example, equality for women is seen as a desirable objective in training for the food industry, but not in training for other industries, nor in industrial development as a whole. In the agricultural programme, gender is a concern of training programmes, but not for programmes of investment (e.g. installation aid). The ADAPT and SME programmes make no provision for the greater involvement of women in enterprise development.

- The model of development employed is limited. There is a strong emphasis in the funds on training rather than focussing on some of the root causes of inequality and social exclusion. Whilst important, training alone will not solve the problems of access to the labour market, nor of core problems of inequality within the labour market itself. Although this round of the structural funds began the first serious work on progression indicators, a real test of progression lies far beyond 12 months after the completion of training courses. Yet such long-term measurements are not built in as a matter of course. They could reveal some of the deficiencies of the training model. There is an underlying assumption that inequality of access to the labour market may be solved by a combination of economic growth and improved training alone.
- Poorly planned and executed arrangements for oversight. The way in which the equality and inclusion objectives of the funds may be realized are not well monitored, due to defects in the setting up and operation of the monitoring process. This is the subject of the next section.

## 2.3 OVERVIEW OF THE STRUCTURAL FUNDS

The failure to mainstream equality and inclusion throughout the structural funds is reinforced by the manner in which oversight is exercised over the funds. Essentially, the Commission relies on two related forms of on-going oversight for the structural funds: the use of indicators to report on progress made; and the use of monitoring committees. As already noted, outline requirements for both are laid down in the regulations. In neither case are these requirements satisfactory.

The Community Support Framework devotes some attention to the importance of indicators, putting forward prototypical indicators for the human resources programme. Considerable work has also been done in Ireland by the Programme Evaluation Unit of the European Social Fund in devising indicators which record inequality through, for example, the level of disadvantage of trainees prior to training (e.g. pre-training status). These indicators are applied to the human resources measures, some important sub-divisions also being devised (e.g. trainees with a disability, ex-offenders in training etc). The problem with the indicators is, reflecting the failure to mainstream issues of equality and social inclusion, that they do not apply significantly outside the human resources measures. As a general practice, specific gender and disability indicators are sought only in the training and human resource areas. A small number of equality indicators may be found in the operational programmes for agriculture and rural development, industry and transport. There is no provision to test the participation of minority ethnic groups such as Travellers. In the operational programme for local, urban and rural development, indicators are extensive and sophisticated within the sub-programme for designated disadvantaged and other areas but are absent from the adjacent sub-programme concerned

with urban and village renewal. If one may quantify the problem, equality and inclusion indicators are used in only 14 instances across the 86 measures of the ten operational programmes.<sup>5</sup>

### **Problems with the operation of the structural funds in Ireland**

- Targeting more apparent than real;
- Equality promoted in only a limited number of programmes. Opportunities to confront social exclusion missed in many programmes;
- Indicators to measure social inclusion limited to only a few programmes
- Many practical obstacles impeding the participation of community organizations. Difficult even to access some of the Community Initiative Programmes;
- Technical assistance not used effectively;
- Community organizations, women poorly represented on monitoring committees.

The outcome is that social inclusion is an invisible issue for the most of the structural funds, for indicators which measure these issues apply in only a limited number of areas. This is not just a problem for Ireland and the most recent analysis suggests that equal opportunities have been quite differentially applied across the structural funds in the other member states, some being quite rigorous in doing so (e.g. Sweden, Denmark), others (unnamed) not.<sup>6</sup>

The second area of oversight exercised by the Commission is through the monitoring committees. There is one monitoring committee for each operational programme (including the Community Initiative Programmes), a national

monitoring committee for the Community Support Framework, eight regional monitoring committees and a cross-programme monitoring committee for human resources measures. The role of the monitoring committees, which meet twice to four times a year, is to receive progress reports on the operation of the funds and make adjustments to ensure their greater effectiveness. Membership of the monitoring committees is defined in the regulations to include representatives of the Commission, the national government and the social partners. Although the concept of social partnership in Ireland has been broadened in recent years beyond that of employer, farmer and trade union representatives to include the community sector, in practice community organizations are poorly represented on these committees. They comprise only 17 out of the 264 monitoring committee members overall, or 6.4% of the total. On the regional committees, community sector representatives comprise only 16 of the 368 representatives, 4.3% of the total. Community organizations work on issues of poverty and exclusion and are organised around the participation of people living in situations of poverty and social exclusion: as a result, they are in the best position to articulate the needs, concerns and interests of those living in poverty and exclusion. The current structures make it difficult for their voice to be effectively heard, which is disappointing given the growing acknowledgement of the role of such groups in building civil society. Furthermore, analysis of the overall membership of the monitoring committees found that women comprise less than 20% of the membership of the operational programme monitoring committees and only 17% of the membership of the regional monitoring committees (it is still not clear why the Irish government waived its requirement adopted in 1993 that all appointed boards and advisory bodies comprise a minimum of 40% women). The low level of female representation is an indication of an unequal approach to the monitoring of the funds from the perspective of gender. While the presence of a more equal number of women on the monitoring committees is of itself no absolute guarantee of greater consideration of the wider range of equality issues, it would nevertheless make such a consideration much more likely.

Earlier, this report commented on the manner in which indicators had been devised to monitor targeting, progression, placement and outcomes. However, analysis of reports to the monitoring committees suggested, at least at the early stages, that many such reports to monitoring committees were incomplete, inconsistent, had significant gaps (e.g. progression and placement information, gender breakdown), lacked data on important disadvantaged groups and were particularly weak on the long-term outcome of interventions.<sup>7</sup>

Moreover, analysis of the use by the committees of technical assistance found only two instances of the technical assistance available to the committees, which was quite substantial (46m ecu) being used to examine the impact of the funds on equality or social inclusion. In most cases, information on how technical assistance was being spent was simply not available. In view of the large amounts involved, it is disappointing that such a resource has not been used more effectively to monitor the outcomes and impacts of the structural funds. How the committees are expected to carry out their planning role without the strategic use of such resources is unclear.

A final problem is the means of work of the monitoring committees themselves, which are structured in such a way as to make strategic examination of issues such as inclusion and equality quite difficult. The current structuring of the work of the committees makes participation difficult. Information provided to members particularly at regional level is often indigestible and focussed on spend rates rather than outcomes, impact or the policy issues arising.<sup>8</sup> As a result of the limited applicability of indicators and the problems associated with the monitoring committees, social inclusion and equality are low-profile issues within the structural funds. The committees have eschewed a more strategic, policy-orientated role: should their responsibilities be increased in the future, the Irish committees may find themselves ill-prepared for such a role.

## 2.4 CONCLUSION ON THE ROLE OF THE STRUCTURAL FUNDS IN IRELAND

It is clear that from the perspective of social inclusion and equality, the operation of the structural funds in Ireland is problematic. Although the National Development Plan and the Community Support Framework give firm commitments to social inclusion and equality, their rhetoric is undermined by the failure of such commitments to be applied effectively and evenly across all the funds. Although resources are devoted to improving the situation of the

disadvantaged, these resources are concentrated on a limited number of areas. Substantial areas of work of the funds do not address problems of social inclusion or equality. Indicators are used in a limited number of areas, which means that problems of equality and social inclusion are virtually invisible in many of the operational programmes. Finally, the oversight arrangements of the monitoring committees are unsatisfactory. Not only that, but the under-representation of women and the community sector means that the prospects of equality and social inclusion issues being raised in the committees are low.

The inability of the structural funds to confront problems of inequality and social exclusion is at least partly attributable to the regulations. Whilst it is true that in some respects the Irish National Development Plan and the Community Support Framework give commitments on social inclusion and gender that are stronger than those expected of them in the regulations, several of the other problems which have arisen could have been successfully addressed by the regulations. The regulations could have specified, for example:

- the application of social inclusion and equality objectives *throughout* the operational programmes;
- a more effective role and means of work for the monitoring committees;
- the use of social inclusion and equality indicators across the full range of operational programmes;
- long-term measurements of outcomes for disadvantaged people participating in structural fund programmes;
- a more comprehensive approach to data gathering on social exclusion and the use of technical assistance for this purpose;
- a meaningful presence of the community sector on the monitoring committees;
- gender balance on monitoring committees;
- the use of technical assistance to test the impact of the funds on social inclusion and equality.

It seems that the Commission may be unaware of the distinction between the presence on the monitoring committees of the traditional social partners on the one hand and the community sector on the other. The *Seventh annual report on the structural funds*, for example, reported that the involvement of the social partners varied in the different parts of the Union, ranging from no involvement to real involvement in decision-making. The report recorded the presence of voluntary organizations on the regional committees in Ireland, but seemed to be unaware of how small it was in size and, despite the difficulties encountered by the community sector, spoke glowingly of the work of the national monitoring committees.<sup>9</sup>

How the regulations can be more effective instruments in promoting inclusion and equality is the focus of chapter 5, *Recommendations*. The problem of more effectively addressing inequality and social inclusion is partly a national one, partly a political one, partly a conceptual one (for example, to understand the principle and process of mainstreaming), but is also a regulatory one in which the detail of the regulations has an important role to play.

## CHAPTER 3 THE CHALLENGE TO REFORM THE STRUCTURAL FUNDS: THE CASE FOR CHANGE

The regulations for the current round of the structural funds were drawn up in 1992-3, paving the way for the introduction of the second set of structural funds in 1994. As such, the regulations belong to a much earlier phase of Community social policy. Since then, social policy and an appreciation of equality and social inclusion have matured, broadened and deepened. The gravity of poverty, social exclusion and poverty in Europe is as acute as ever, if not more so: this is briefly reviewed (3.1). The main purpose of this chapter is to review the main changes which have taken place in Community social policy regarding equality and social inclusion since 1992 (3.2) and national social policy (3.3), before an assessment of their implications for the next set of regulations (3.4). These changes make a strong case that the next round of the structural funds take a more prominent role in addressing the problems of inequality and social exclusion.

### 3.1 SOCIAL EXCLUSION AND INEQUALITY IN EUROPE

The structural funds evolve against a background of continued high levels of poverty and social inequality in Europe in general and in Ireland in particular. In Europe, there are serious problems of poor economic performance, high unemployment (with subsets of high youth, female and long-term unemployment), social tensions, rural decline and urban deprivation. The level of unemployment in the European Union is calculated as 10.9%, or 18.3m people, a figure which includes 5m young people. The most recent European Household Panel survey found that 57.162m Europeans live in poverty, an increase of 5m persons on the time of the previous survey, suggesting an increase in poverty in Europe of 10% in a three to five-year period. Furthermore, it is estimated that 3m people are homeless in the Union. The First *cohesion report*, published by the Commission in late 1996, noted that the level of regional disparity within the European Union was 'largely unchanged' over the past ten years.<sup>10</sup> The level of income per head in the 25 poorest regions rose by only 2% in a decade, matching that of the 25 best-off regions, which also rose 2%, leaving the existing relationship effectively unchanged. In all states bar one, regional income disparities widened. Regional differences in unemployment rates increased, accompanied by, in some countries, a more unequal distribution of personal income and a fall in the share of wages in total income. The incidence of unemployment became more uneven in the Union, those areas with the highest rates going up from an average of 17.2% to 22.4%. The fact that unemployment, social exclusion and poverty are on the increase is now accepted at the highest levels of the European Union.<sup>11</sup>

Although Ireland's economic performance in the 1990s has won international praise and even envy, social realities in Ireland have remained problematic. Ireland's social performance lags some distance behind its economic achievements and the country continues to record social indicators well below the European average. Using the data from the European Household Panel survey, one finds that Ireland has 238,000 households below the poverty line, representing 759,000 people, of whom 322,000 are children. The Irish National Anti-Poverty Strategy *Sharing in progress*, found that 34% of the population was living on disposable incomes below 60% of the national average. A section of 9% to 15% of the population was found to be consistently poor, suffering income poverty compounded by additional forms of deprivation. The strategy added that poverty and unemployment:

point to a significant risk of an increasingly divided society emerging in Ireland over the years ahead. No society can view without deep concern the prospect of a significant minority of people becoming more removed from the income and lifestyle enjoyed by the majority (4).

The numbers out of work in Ireland are over 250,000 people, higher than the European average. Ireland remains one of Europe's unemployment black spots, with particularly high rates of long-term unemployment. In 1996, 32,600 people emigrated from Ireland, almost 1% of the population: while some emigration was voluntary, much of it was due to lack of employment prospects within Ireland. The most recent report, *Poverty in the 1990s - evidence from the 1994 Living in Ireland Survey* provides useful detail on the depth and breadth of the problem of poverty in Ireland.<sup>12</sup>

Ireland's performance has been disappointing compared to the rest of the European Union. Ireland has the fourth highest rate of poverty in the Union for households and individuals, at 21% in both cases. More strikingly, Ireland has the second highest rate of child poverty in the European Union (28%). The level of commitment to social protection remains low (21.1% of Gross Domestic Product, compared to the European average of 28.6%). Activity rates for women are 47%, compared to the European average of 57%. Life expectancy for Irish women is the lowest in Europe and the levels of payment for a single older woman are the fifth lowest in the Union. The numbers homeless are estimated by voluntary and community organizations to be in the range of 3,000 to 5,000 people. It is acknowledged that Travellers live in conditions of considerable difficulty, with low life expectations, poor conditions of hygiene and health, with discouraging educational and employment prospects. To conclude, it should be mentioned that the First cohesion report found that in a number of other key respects Ireland's economic performance was also unimpressive, with low rates of investment in railways, railway electrification, telephones, research and technological development and environmental protection.

This sketch of some of the current social concerns of Europe and Ireland suggests that questions of social inclusion should continue to be at the forefront of the next round of the structural funds in Europe as a whole and in Ireland in particular. It indicates clearly that Ireland has been much less effective in addressing its problems of social inclusion and inequality than in improving its economic performance. Social inclusion and equality must therefore remain a prime focus of the next round of the structural funds in Ireland.

## 3.2 DEVELOPMENTS IN EUROPEAN SOCIAL POLICY

Since the last set of regulations was issued, the European Union has considered or adopted a series of important texts concerning equality and social exclusion. Many are specifically linked to the operation of the structural funds. These are reviewed under a number of headings with reference to the key appropriate documents.

### 3.2.1 GENERAL DEVELOPMENTS

The broad sweep of the European Union's social policy has been dominated by a number of key documents. The most relevant are the white paper *Growth, competitiveness and work (1993)*, the white paper *European social policy - a way forward for the Union (1994)*, the Essen guidelines (1994), the *Medium-term social action programme 1995-7 (1995)* and the report of the Comité des Sages (1996).

The white paper *Growth, competitiveness and work* takes the view that solidarity is an essential element of European society - not only solidarity between the richer and poorer regions of the Union, but solidarity in the struggle against social exclusion. It iterates: 'We need a comprehensive policy, preventative as well as remedial, to combat the poverty which so degrades men and women and splits society in two'(16). The white paper identifies a number of key problems of European society, such as long-term unemployment, educational failure, inadequate training, early school leaving, young people without work and high unemployment among women. There is a section on targeting specific groups, which argues for particular efforts to assist the long-term unemployed, stepping stones back into the labour market and infrastructural support for women reentering the labour market, such as child care. The white paper advocates new jobs in local services in what would now be termed the social economy (19,20).

The white paper *European social policy - a way forward for the Union* complements the white paper *Growth, competitiveness and work*. It affirms the need for social and economic progress to go hand in hand and the need to address particular social problems (for example, school failure and illiteracy). The white paper identifies specific tasks for the European Social Fund, such as skilling women, helping women develop their own businesses and to provide pathways back into the labour market for people who have been out of work. On gender, the Commission states that it is time to move on from the phase of providing equal opportunities for women to one of equal treatment for women, not just in the labour market but in society as a whole. On social policy, the white paper affirmed the importance of the Union in assisting the most vulnerable groups, such as young people unable to enter the labour market, the long-

### Key documents in European social policy

- 1993 White paper *Growth, competitiveness & employment*
- 1994 White paper *Social policy - a way forward for the Union*
- 1994 The Essen guidelines
- 1996 Comité des Sages: *For a Europe of civic and political rights*
- 1996 Commission communication *Community structural policies and employment*
- 1996 Commission communication *Incorporating equal opportunities for women and men into all community policies and activities*
- 1997 Communication *Promoting the role of voluntary organizations and foundations in Europe*
- 1997 Treaty of Amsterdam

### Comité des Sages and the structural funds

The most recent contribution to the broad sweep of European Union policy is the report of the Comité des Sages *For a Europe of civic and social rights* (1996). The committee proposed that the impact of all European policies on social cohesion should be specifically assessed, on the same principle as that of environmental impact statements. The committee proposed that the structural funds be a more effective instrument for promoting social inclusion and that social partnership should include non-governmental organizations. The structural funds should have a role in promoting social rights and promoting equality of opportunity, it said. Non-governmental organizations should be involved in the management of the structural funds

term unemployed, people with disabilities and older people and pledging European social policy in the future to focus on women, the socially and spatially excluded and people with disabilities. The paper expresses a particular interest in the development of the role of voluntary organizations.

At the heads of government meeting in Essen, Germany, in 1994, the Council of Ministers agreed a set of guidelines to stimulate the European economy. They adopted five guidelines, several of these having a bearing on equality and social exclusion (they are often called the Essen guidelines). Perhaps the most relevant were commitments to investment in vocational training, the development of active labour market policies and the assistance of groups most severely affected by unemployment, such as school-leavers or young people without qualification, unemployed women and older workers. Essen was significant in additional ways. The summit acknowledged that economic recovery alone could not solve the problem of employment and unemployment in Europe, thereby marking a significant distancing from earlier theory which relied on the axiom that a more perfectly functioning market economy would resolve economic and social difficulties. The Essen guidelines, in referring to the promotion of local initiatives in the environmental and social sphere, also recognized the importance of the social economy (subsequently endorsed in the territorial employment pacts launched by the Commission in late 1997).<sup>13</sup>

The subsequent *Medium-term social action programme 1995-7* emphasized the importance of adapting and strengthening the role of the structural funds in promoting employment. The Commission communication *Community structural policies and employment*, argued that 'an economy of solidarity' can be developed within a competitive economy. It was essential to 'deal effectively with the difficulties of the unemployed, women and other disadvantaged groups by giving them better access to economic activity and social activity' (3).

### 3.2.2 INTERGOVERNMENTAL CONFERENCE AND NEW TREATY OF EUROPEAN UNION

Although it has not yet been ratified, the new Treaty of European Union agreed at Amsterdam (1997) at the conclusion of the 1995-7 intergovernmental conference includes a specific clause to strengthen the legal basis for Union action against social exclusion.

#### TEXT ON SOCIAL EXCLUSION (ARTICLE 118)

The Council may adopt measures designed to encourage cooperation between member states through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences in order to combat social exclusion.

This will give the European Union the unambiguous legal authority to develop programmes and support projects against poverty. Several other aspects of the Treaty of Amsterdam are important from the point of view of the struggle against poverty and social exclusion in Europe.

- The Union agreed to respect the fundamental human rights guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms of 1950; and 'confirmed its attachment' to fundamental social rights as defined in the European Social Charter of 1961. The latter includes clauses for social protection, the right to housing and protection from social exclusion. These now become article 117.
- Greater protection for women against inequality. The new treaty commits the Union to 'eliminate inequalities' (article 3, supplement) and to the principle of equal pay for work 'of equal value'(article 119).
- There is a chapter in the new treaty on promoting employment;
- There is recognition of the work of voluntary service activities in developing social solidarity. The Community will encourage the European dimension of voluntary organizations with particular emphasis on the exchange of information and experiences;
- A clause against discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

**TEXT ON DISCRIMINATION (NEW ARTICLE 6A)**

Without prejudice to the other provisions of this treaty and within the limits of the powers conferred by it upon the Community, the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, may take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

### 3.2.3 POVERTY AND SOCIAL INCLUSION

Dealing with social inclusion, the Council of Ministers adopted a resolution on social exclusion as far back as 1989. Since then, the Commission issued a communication Toward a Europe of solidarity - intensifying the fight against social exclusion, fostering integration, which argued that the structural funds must take a much more active role in the struggle against social exclusion. In 1993, the Commission proposed a new programme against poverty and social exclusion,<sup>14</sup> subsequently funding a range of small-scale anti-poverty projects (although the programme was subsequently stalled by a court action taken by two member states). If the new Treaty of European Union is ratified, with its clause authorizing action against social exclusion, it may be possible to anticipate a resumption in the progress of this programme. Two Community Initiative Programmes have demonstrated a renewed focus on social exclusion: the INTEGRA strand of the EMPLOYMENT initiative, introduced in 1996; and the ADAPT-bis Community Initiative Programme (1996) which included support for measures which would address the dangers of social exclusion in the information society.<sup>15</sup> INTEGRA has a number of important features, such as the identification of groups at high risk of social exclusion, the support of actions to assist minorities at risk of racism and discrimination, a much wider definition of the problematic of poverty and urban disadvantage, the commitment to building community infrastructure and the involvement of a broad range of social actors, such as non-governmental organizations, community groups and charitable trusts.

Facilities for supporting actions to promote integration and combat racism have for some time existed in the framework of the Social Fund...[INTEGRA] will put a particular emphasis on actions that focus on the special needs of immigrants, ethnic minorities, refugees and Gypsies who are facing greater discrimination on the labour market as a consequence of the continuing presence of racism and xenophobia in Europe. Particular emphasis will be given in this context to actions targeted at disadvantaged areas, where community based approaches to the revitalization of neighbourhoods can be combined with job creation initiatives.

*- Communication from the Commission on racism, xenophobia and anti-Semitism*

### 3.2.4 THE ROLE OF THE STRUCTURAL FUNDS IN PROMOTING EQUALITY FOR WOMEN

The role of the structural funds in promoting equal opportunities has grown. When the first reform of the structural funds was introduced (1988), the equal opportunities dimension was hardly mentioned.

- By 1994, the Council had adopted a resolution (22 June 1994) on the promotion of equal opportunities for men and women through action by the European structural funds. The resolution not only put forward the axiom that women should be able to benefit from all the structural fund operations, but that equal opportunities should be actively promoted through measures, action, specific projects and the national monitoring and assessment structures. It accepted that there was a gender dimension not only to the specific measures for women but the general measures of the programme as a whole.
- In a subsequent resolution on 6 December 1994, the Council adopted a position on the equal participation of women in the employment-intensive growth strategy of the European Union.
- In *Council resolution on the balanced participation of women in decision-making*,<sup>16</sup> the European Union drew attention to the lack of representation of women in places of power, influence and decision-making, including administrative councils, committees and advisory bodies and asked member states to draw up strategies to rectify the situation.
- In the *Fourth medium-term action programme on equal opportunities for men and women, 1996-2000*, member States were committed to the integration of women within society and the labour market, gender balance in decision-making, the reconciliation of work and family life and to make conditions more conducive to the exercising of equality. The action programme emphasized the importance of promoting entrepreneurship among women in the industrial and agricultural workforce.
- In 1996, the Commission communication *Incorporating equal opportunities for women and men into all community policies and activities* elevated the principle of mainstreaming to the level of Union policy and enunciated the axiom that all Union policies have a gender perspective and must promote equality for women.<sup>17</sup> Not only that, but the Communication drew attention to socially excluded, disadvantaged or isolated women, who should be priorities for Community assistance. These were identified as women living in remote areas, in farm households, women who have been out of work or were living in marginalized urban or rural communities.
- The European Council subsequently adopted a resolution on equal opportunities and the structural funds at its meeting in Dublin on 2 December 1996.<sup>18</sup> The resolution called on member states to refocus their structural fund programmes so as to more effectively promote equal opportunities, to ensure that all the authorities promoted equal opportunities within the structural funds at all levels, that there be improved statistical information on the role of women in the structural funds and that the Commission review the impact of the resolution each year in its annual report of the structural funds.

Mainstreaming does not mean simply making Community programmes or resources more accessible to women, but the simultaneous mobilization of legal instruments and financial resources to build balanced relationships between men and women.

The incorporation of equality into structural policies is, first, a response to the need to reduce the inequalities which exist between men and women with regard to the rate of employment, the level of training, access to the labour market and involvement in the decision-making process. But it is also a part of a desire to promote lasting development, by combining job and wealth creation with quality of life and preservation of the cultural and natural heritage.

The promotion of equal opportunities is a priority running through all the activities receiving structural fund assistance.

Monitoring committees will have to be alerted. Thought will have to be given to the indicators and ways of measuring the extent to which the principle of equal opportunities will be taken into account in the programming.

Commission communication *Incorporating equal opportunities for women and men into all community policies and activities*

### 3.2.5 ROLE OF THE STRUCTURAL FUNDS IN PROMOTING EQUALITY FOR PEOPLE WITH DISABILITIES

In *European social policy - options for the Union*, the Commission laid down the principle that not only should there be special facilities, institutions and legal rights for people with a disability, but that the needs of people with disabilities were a responsibility of society as a whole. People with disabilities should be accepted as full members of society, with opportunities for integrated education and training, leading independent lives and assisted by the development of accessible buildings and transport. The white paper *European social policy - a way forward for the Union* expressed the view that all Union programmes should be accessible to people with a disability, who should be actively encouraged to participate in them.

### 3.2.6 ROLE OF THE STRUCTURAL FUNDS IN PROMOTING EQUALITY FOR MINORITY ETHNIC GROUPS

The legal basis for Community action in favour of minority ethnic groups rests mainly on Union action against racism. The European Union made 1997 the international year against racism, xenophobia and anti-Semitism. The documents adopting the year made clear the Union's abhorrence of discrimination and intolerance, arguing strongly in favour of the recognition of ethnic and cultural minorities.<sup>19</sup> For a number of years, the Union has funded projects for migrant workers, which include minority ethnic groups. Minority ethnic groups have been targeted for assistance under a number of structural fund programmes, most specifically and recently INTEGRA.

### 3.2.7 ROLE OF VOLUNTARY AND COMMUNITY ORGANIZATIONS

Turning to the role of non-governmental organizations, there have been several important developments. The Maastricht treaty, declaration 23, recognized the importance of cooperation at European level between 'charitable social welfare associations'. In 1993, the European Foundation for the Improvement of Living and Working Conditions drew attention to the importance of voluntary and community action in responding to poverty and disadvantage.<sup>20</sup> In 1995, the European Commission convened the first European Social Policy Forum, where it brought together an impressive range of European networks and national non-governmental organizations for intensive consultation on the future direction of European social policy, the first of a biennial set of consultations. The forum recommended the development of a structured dialogue between NGOs and the European institutions.<sup>21</sup>

Voluntary organizations have led the fight for the recognition of human rights and the dignity of the human person and for the preservation of our cultural heritage and the natural environment. Many promote a spirit of solidarity on behalf of the less favoured, the sick, of people with disabilities, the poor and the excluded, the aged and the young, between those who have jobs and those who do not, between men and women, between generations, between the more prosperous regions and the poor and struggling regions. Voluntary organizations have made important contributions to the fight against social exclusion and the sexual exploitation of women and children.

*Communication from the Commission on promoting the role of voluntary organizations and foundations in Europe*

In 1997, the European Commission published a communication on their future role in the European Union (*Communication from the Commission on promoting the role of voluntary organizations and foundations in Europe*). The Commission took the view that voluntary organizations played a role of considerable economic, social and political importance in Europe, contributing to employment creation, active citizenship, democracy, representing citizen's interests to the public authorities and in promoting human rights and development policies.

The communication identified a number of particular problems concerning the access of voluntary organizations to the structural funds (difficulty in entering particular programmes, problems of finding matching funding, complications due to late payments). The communication recommended a number of actions to be taken by the member states and the European institutions to recognize the work of voluntary organizations, that they have a greater role in planning and policy-making and that they have better access to the structural funds: '[Member states] are encouraged to examine and review administrative practice so as to facilitate access to information and broader participation by the voluntary sector', it said. For its part, the Commission said it would make improvements at European level:

The complexity of application systems and administrative procedures, which often lead to delays in payments, can prevent small voluntary organizations from making the valuable contributions they have the potential to make in the implementation of various European Union funding programmes.

Insofar as the structural funds are concerned, the Commission will, in conjunction with the member states, continue to actively explore ways of facilitating access to Community finance, including the possibility of pre-financing by the member states and the increased use of global grant finance. In general terms, it will be proposing ways of streamlining and simplifying procedures in the context of the reform of the structural funds which is due to take place from the year 2000. Likewise, it will continue to encourage a broad interpretation of the concept of partnership extended to economic and social partners, compatible with the need for proper and effective systems for monitoring the management of public funds (14).

### 3.2.8 NEW THINKING IN THE STRUCTURAL FUNDS:

#### THE PROGRAMME FOR PEACE AND RECONCILIATION

Finally, a significant development specific to the structural funds themselves should be recorded. In 1995, following the cease-fires in Northern Ireland, the European Commission launched the *Special support programme for peace and reconciliation in Northern Ireland and in the border counties of Ireland*. This programme is funded by the four structural funds and, although a special programme, may be considered part of the structural fund operations. The special programme, which is governed by its own regulation, incorporates a number of features which mark an advance on the thinking of the 1993 regulations. These are:

- A substantial part of the funds - 43% - is delivered through global grants by intermediary funding bodies. While some are government bodies, most are non-profit agencies with close links to the voluntary and community sector;
- Another significant part, comprising 15% of the funds, is delivered by 26 district partnerships comprising local statutory agencies, democratically elected representatives, and people chosen by the local voluntary and community sector, delivered through the Northern Ireland Partnership Board;
- The largest single sub-programme is focussed on social exclusion (30%);
- In parts of the programme, there is a high level of targeting of groups most affected by social exclusion and the violence which has affected Ireland in the past 25 years;
- In addition to the monitoring committee, which models that of the existing operational programmes, there is a consultative forum of 109 people which involves a large number of representatives from the community sector;
- There was an intense level of consultation with interested organizations before the beginning of the programme, with funding advertised through roadshows and promotional activities.

In respects of all matters designated at the executive level, which would include EU programmes and initiatives to be implemented on a cross-border or island-wide basis in Ireland, the body itself would be responsible for the implementation of EU policies and programmes on a joint basis. This would include the preparation, in consultation with the two governments, of joint submissions under EU programmes and initiatives and their joint monitoring and implementation, although individual projects could be implemented whether jointly or separately.

#26, Framework agreement,  
22nd February 1995.

Although there have been a number of serious problems associated with the programme, the involvement of non-governmental organizations, the consultative forum and the establishment of district partnerships have proved to be success points.<sup>22</sup> The regulations establishing this programme set important legal precedents favouring the use of intermediary funding bodies and objectives promoting social inclusion.

In a separate development, one with great importance for Northern Ireland and the development of the economy and social policy of the island, the *Framework* agreement between the British and Irish governments, was signed in 1995. The two governments agreed that they could take a joint approach on European Union matters in the future, involving European programmes, initiatives and monitoring to be implemented and operated on an all-Ireland basis.

### 3.3 RECENT DEVELOPMENTS IN NATIONAL SOCIAL POLICY

Since the adoption of the structural fund regulations in 1993, there have been significant developments in national social policy in Ireland which have a close bearing on the structural funds. These involve the bringing together of two streams: the recognition of the role of the community sector in national policy making; and the development of national strategies against poverty, social exclusion and inequality. Each is discussed in turn.

The impact on poverty will be a key consideration when decisions are being made about spending priorities in the context of the national budgetary process and the allocation of EU structural funds.

*National Anti-Poverty Strategy, #19*

In 1993, the government established a National Economic and Social Forum (NESF) which significantly expanded the concept of social partnership. Traditionally, social partnership in Ireland had been confined to bodies representing employers, trade union and farmers. Besides involving the traditional social partners and members of the Oireachtas<sup>23</sup>, NESF brought in what has been termed a 'third strand' of women, youth, unemployed people, the disadvantaged, people with a disability, the elderly and environmental interests.

In 1996, the government expressed its commitment to deepen the process of national partnership to the community sector. For the first time, the community sector was able to participate in to the negotiations for a new national agreement between the government and the social partners, *Partnership 2000*. The sector was named as a pillar of the agreement. One of the key challenges in *Partnership 2000* is described as 'significantly reducing social disparities and exclusion', especially the reduction of long-term unemployment. Partnership 2000 includes chapters Action for Greater Social Inclusion and Action Towards a New Focus on Equality. These developments reflect an important prioritisation of inclusion and equality objectives.

In 1997, the government published a green paper for the development of the community and voluntary sector in Ireland (*Supporting voluntary activity*). The green paper affirmed the role of voluntary and community organizations in working with people living in poverty and situations of disadvantage, proposed improvements in funding arrangements and stated the need for government departments and bodies to consult effectively with the sector. The green paper stated that voluntary and community organizations should be involved in monitoring and evaluating programmes and services and in giving feedback on their effectiveness. All government departments should examine their policies in terms of their consultation with the sector and the degree to which they have encouraged its contribution.

Within Ireland, there has been a growing recognition of the role and value of community involvement in local economic development. The first area-based partnerships to respond to long-term unemployment under the Programme for Economic and Social Progress, begun in 1991, expanded under the operational programme for local, urban and rural development. They have won approval from outside Ireland as a means of developing new economic activity for disadvantaged people and have exceeded expectations.<sup>24</sup> The National Economic and Social Forum in *Jobs potential of the services sector* (1995), has drawn attention to the potential of the social economy in combatting social exclusion, unemployment and disadvantage (30-34).

Recent efforts to promote equality in Ireland gathered momentum in 1993 with the report of the Second Commission on the Status of Women. The same year saw the establishment of the Department of Equality and Law Reform (since integrated into the Department of Justice). The department appointed a Commission on the Status of People with Disabilities and a subsequent *ad hoc* establishment group to oversee the setting up of a national council of people with disabilities. A task force on the Travelling community was appointed and reported in 1995. Poverty and inequality experienced in the gay and lesbian community have been researched and highlighted.<sup>25</sup> Legislation is being prepared to address discrimination. In 1996, the National Economic and Social Forum (NESF) approved the report *Equality-proofing issues*, which made a range of recommendations to improve the situation of women, Travellers and people with disabilities and other groups treated unequally in modern Irish society. A section of the report was devoted to administrative procedures designed to promote greater equality. The NESF report made specific recommendations that the structural funds be more effective instruments in promoting equality.

In 1997, the Irish government published the National Anti-Poverty Strategy (Sharing in progress). While the strategy had its roots in the Irish government's commitments to the United Nations at the world social summit held in Copenhagen in 1995, the strategy represented the first attempt by the Irish government to present an integrated and comprehensive national strategy against poverty and social exclusion since the foundation of the state. The strategy adopted a number of objectives for the reduction and elimination of poverty in the areas of educational disadvantage, unemployment, income adequacy, the rural areas and disadvantaged urban areas. The significance of the strategy is that the reduction of poverty became a prime objective of national governmental policy, directed by a cabinet sub-committee chaired by the Taoiseach,<sup>26</sup> supported by a range of cross-departmental institutional mechanisms and involving the community sector.

### 3.4 THE IMPLICATIONS OF RECENT POLICY AND OTHER DEVELOPMENTS FOR THE NEXT ROUND OF THE STRUCTURAL FUNDS AND THE NEXT SET OF REGULATIONS

Chapter 1 indicated that issues of social inclusion and equality were not to the forefront (although they were not absent from) the regulations governing the second round of the structural funds. However, there is evidence of a significant evolution of thinking and policy on questions of equality and social inclusion at European and Irish level since the regulations were drafted in the course of 1992-3. This shift may be summarized as follows:

- European Union documents on economic and social policy - in the form of white papers, communications, council decisions and resolutions - have emphasized the importance of economic and social policy going hand in hand, with an equal emphasis on both. The hegemony of the economic model of development has been challenged;
- Targeting: documents have stressed the importance of structural funds and other European Union instruments being targeted at identifiable vulnerable groups (e.g. long-term unemployed, isolated or disadvantaged women);
- Combatting social exclusion is now a prime stated objective of European Union policy and a priority national objective in Ireland itself;
- Under the new Treaty of European Union, the Union will have new legal authority in taking action against social exclusion, discrimination and unemployment;
- It is now understood that the needs of women should not only be the focus of specific policies and measures but should be mainstreamed across the full range of European Union policies and financial instruments. The integration of people with disabilities, although a less prominent objective, has also been articulated. The Union has accepted a set of responsibilities to protect and promote the position of minority ethnic groups. The Union is to be allowed new competencies in relation to non-discrimination covering a range of groups including age and sexual orientation as well as the above named groups.
- The European Union has come to appreciate the limitations of the market economy in the resolution of economic and social difficulties. Positively, it has affirmed the value of the social economy;
- It is accepted that European Union policies in general and structural funds in particular should be tested as to whether and how effectively they promote equality and social inclusion;
- There is a consensus that non-governmental organizations should be brought into the policy-making process both within Europe as a whole and in Ireland. The Commission has accepted criticisms made for some time concerning the practical difficulties which non-governmental organizations face in participating in Union programmes;
- The view is widely held that non-governmental organizations should play a much more prominent role in the structural funds - in programmes, in projects and in monitoring;
- The Programme for Peace and Reconciliation has already demonstrated some of the new thinking in action and suggests models which should be followed in the future.

These changes are significant. They mean that the existing round of the structural funds is operating according to a set of priorities, criteria and underlying assumptions which were current in 1993. As this chapter has shown, much has changed since.

At present, the structural funds are reviewed at the mid-way point. In Ireland, the review was published in mid-1997 (Patrick Holohan (Ed): *EU structural funds in Ireland - a mid-term evaluation of the CSF, 1994-9*. Dublin, Economic and Social Research Institute, 1997). However, this review concerned itself primarily with the macro-economic issues and paid minimal attention to the changing social policy environment.

The changed policy environment means that the context for the next round of the structural funds is quite different now compared to what it was five years ago in 1992-3. It also poses a challenge as to how the next round of the funds can adjust to changing European policies as they in turn evolve in the early years of the next decade, rather than be frozen in the *status quo ante* of the year 1999 when they were defined. Chapter 5 will outline how the next set of regulations should reflect these new realities. First, chapter 4 examines and comments on the outline proposals for the next round of the funds.

## CHAPTER 4 THE CURRENT COMMISSION PROPOSALS FOR THE THIRD ROUND OF THE STRUCTURAL FUNDS (AGENDA 2000)

Although the new funds are not due to come into effect until 2000, the Commission has already issued its outline approach to the round and its broad financial perspective for the years 2000 to 2006. This is termed *Agenda 2000*. This chapter examines the Commission proposals for the structural funds in Agenda 2000 (4.1); analyses the implications of the proposals for Ireland (4.2) and for equality and social inclusion (4.3). It should be emphasized that *Agenda 2000* deals with a much wider range of issues than the structural funds, but these are not discussed here.

### 4.1 PROPOSALS OF *AGENDA 2000*

The main changes in the structural funds proposed by the Commission are as follows:

- There will be an overall shift of resources to eastern and central Europe;
  - The beneficiaries will be six new countries which may expect to join the EU from about 2003. These are Poland, Hungary, Slovenia, the Czech Republic, Estonia and Cyprus. Negotiations will be pursued with other countries (e.g. Slovakia) with a view to their admission after 2006;
  - The current seven objectives of the structural funds will be reduced to three;
  - Combatting social exclusion will be an important theme of new objectives 2 and 3;
  - The 14 Community Initiative Programmes will be reduced to three programmes;
- The pattern of farm supports will move from market intervention to compensatory aid. The level of support for farmers will rise.

On the financial side, the new round of the funds is valued at 275bn ecu. Of this sum, 210bn ecu is for the existing 15 member states, 45bn ecu for the new member states, with a further 7bn ecu as pre-accession aid both for the six before they join and for the other candidate countries. The level of structural funds for the existing 15 member states will rise by 5% from 200bn ecu to 210bn ecu, which is a decline in relative terms. The percentage of the structural funds devoted to Community Initiative Programmes (e.g. HORIZON, INTEGRA) is to be reduced from 9% of the funds to 5%. As under the present round, 1% will be allocated for innovative measures and pilot projects.

One of the main themes of the reform is that structural fund aid should be more concentrated. Whereas objective 1 and 2 areas now cover 51% of the Union, this will be reduced to around 35% to 40%. Second, aid will be concentrated in fewer packages. The current seven objective areas will be reallocated as follows:

Objective areas, 1994-9	Objective areas, 2000-2006
1 Areas lagging behind	1 Areas lagging behind
2 Areas of industrial decline	2, redefined as regions of economic and social restructuring
3 Integration of unemployed	3 is now a horizontal human resources measure, designed to assist areas outside 1 and 2.
4 Adaptation to industrial change	
5 Agricultural reconstruction and rural development 5a: Speeding up the adjustment of agricultural structures 5b: Developing and adjusting the structure of vulnerable rural areas	5 is transferred to 2.
6 Areas of low population density	

For the Community Initiative Programmes, the pattern is as follows:

CIPs, 1994-9	CIPs, 2000-2006
1 EMPLOYMENT	1 Cross-border, transnational and interregional cooperation  2 Human resources and equal opportunities  3 Rural development  Several areas of funding will be transferred to objective 1, 2 and 3 of the main funds.  Whereas the CIPs comprised 9% of the funds in the second round, they will now comprise only 5%.
2 INTERREG	
3 PESCA	
4 LEADER	
5 RESIDER	
6 ADAPT	
7 URBAN	
8 SMEs	
9 KONVER	
10 RECHAR	
11 PORTUGESE TEXTILES	
12 RETEX	
13 REGIS	
(14 Peace & reconciliation)	

Objective 1, areas lagging behind, will have the same themes as during the present round of the structural funds. Objective 1 will use two-thirds of the second round's resources, but will include areas being phased out from objective 1 (principally Ireland). The new objective 2 and 3 areas and the activities they will support are:

New objective 2	New objective 3
<b>Economic and social restructuring</b>	<b>Human resources</b>
Diversification Small and medium-size enterprises Local development Environment Social exclusion Human resources	Modernization of labour markets Access to employment Local development Local economic initiatives, including pacts Modernization of education, training and employment Lifelong education Social exclusion Active labour market measures

The criteria for inclusion in objective 2 areas will be that they are areas undergoing economic and social restructuring with high unemployment rates. Other criteria will be the level of industrial employment; the level of agricultural activity; and problems of social exclusion. Although Ireland's unemployment rate is only very marginally above the Union's average (and heading downward), the country is still likely to fall within the definition of objective 2 because of the other criteria.

For those parts of the Union which do not qualify for objective 2, they should be able to attract funding under objective 3, the horizontal measure, which is designed to help member states with less acute social difficulties modernize their systems of education, training and employment.

The *Agenda 2000* document has some important statements on the administration of the funds:

Making the structural funds more effective will require simplification of management and greater flexibility and decentralization in implementation. The Commission will require greater selectivity and rigour when priorities are defined at the outset. This is where the concept of partnership between the Commission and the member states will be given real meaning. The monitoring and evaluation systems will also have to be improved and checks made more efficient and rigorous.

For the innovative measures and pilot projects, which as in the last round will absorb 1% of the funds, these will 'develop stronger partnerships. However, a scattering of means and the proliferation of mini-projects which are difficult to manage effectively and monitor should be avoided at all costs. Consideration should therefore be given to concentrating on significant projects and making implementation simpler and more transparent'.

In a section on enhancing cost-effectiveness, the Commission states that the Union's structural instruments will be 'radically adapted to make them more effective through simplification, evaluation and auditing'. Simplification will 'build on the political dialogue between the member states, the regions, the economic and social partners and the Commission concerning the effectiveness and results of measures financed'. It goes on:

- The Commission and the national, regional and local authorities will identify in partnership the priorities for development and assistance in relation to verifiable targets;
- Management in the member states and the regions will be decentralized with special treatment of major projects. It will be facilitated by simpler financial management at both Commission level and that of the member states. In return for decentralized management, the member states and the regions will systematically have to account directly for the use made of the structural funds.
- To provide more stringent checks and verification of results, the Commission will ensure that member states have adequate systems for management, evaluation and auditing.
- There will be a reserve of at least 10% allocated half-way to regions with good performance in terms of results that are verifiable, according to a system that is simple and transparent (the Commission does not state how improved performance will be measured, or by who).

These statements make it plain that the Commission wishes to operate the next round of the structural funds in a manner that is simpler, more concentrated, more transparent, more targeted, performance-orientated, more rigorous, with a stronger role for evaluation, auditing, accounting and monitoring. This inevitably means a more demanding and strategic role for the monitoring committees.

## 4.2 IMPLICATIONS FOR IRELAND

The Commission has iterated that its criteria for aid under the structural funds will be strictly applied - viz: 75% of Gross Domestic Product for objective 1; and 90% of Gross National Product for the Cohesion funds.

In both cases, Ireland is certain to be ruled out. Because of Ireland's rapid economic growth in the mid-1990s, the country's Gross Domestic Product is currently in the order of 95% of the European average or above and is continuing to rise rapidly (although Gross National Product is at a lower level, it is projected to be above the minimum threshold by 2000). The *Agenda 2000* document makes it clear that for those areas leaving objective 1, aid will be phased out gradually in a way to be defined at a later date. From the point of view of obtaining aid, it is possible the country will be divided into different zones. For example, the western areas and the border counties (or, in a different scenario, the designated disadvantaged areas or another formula for zones of disadvantage) could retain objective 1 status while the rest of the country did not (it is also possible that some parts will be designated objective 2 and that others will not). However, Ireland has been treated consistently as one region ever since accession in 1973.

Ireland's move from objective 1 to relying on support from objectives 2 and or 3 will mean a reorientation around the priorities of objectives 2 and 3. These objectives focus much more on human resources activities and actions than the larger, infrastructural-type actions of objective 1.

In summary, for Ireland, the principal changes are as follows:

- Ireland as a whole will no longer be an objective 1 country from 2000;
- Nor will the country qualify for the Cohesion fund;
- The overall level of aid for Ireland will be much lower;
- There will be unspecified phasing - out arrangements for Ireland from the high current level of European Union aid;

- Ireland will be able to benefit from EU aid under the new objectives 2 and/or 3, which concentrate more on human resources;
- The new arrangements for the administration of the structural funds mean a reform of the existing arrangements for monitoring.

### 4.3 IMPLICATIONS FOR SOCIAL INCLUSION AND EQUALITY

The implications of the reform for social inclusion and equality are more difficult to predict. *Agenda 2000* is a document which concentrates mainly on financial perspectives and administrative themes.

On the positive side, levels of social exclusion will be one of the main criteria for qualification for aid under objective 2. Both objective 2 and 3 hold out the prospect of funding a range of actions concerned with social exclusion. The wider range of activities likely to be funded under objectives 2 and 3 are similar to the type of activities now being developed by non-governmental organizations concerned with social exclusion (e.g. training, local economic development, adult education). *Agenda 2000* suggests that the delivery of the funds will be more decentralized, which hints at the greater use of the type of intermediary funding bodies successfully developed during the Programme for Peace and Reconciliation. Finally, in the Community Initiative Programmes, the human resources initiative is renamed 'human resources and equal opportunities', giving it an explicit orientation around equality.

On the negative side, the reduction of funding for the Community Initiative Programmes from 9% of the overall budget to 5% is worrying. For non-governmental organizations have been beneficiaries of the initiatives during the current round of the fund (though not to the degree that is often claimed). Of further concern is that of the three new categories of CIPs, one is cross-border activity, which in Ireland has been dominated by governmental bodies, agencies and programmes to the detriment of non-governmental organizations. As a result, funding for governmental programmes in the Community Initiative Programmes may be even more dominant in a smaller funding block, unless measures are taken to protect the position of non-governmental organizations. More seriously still, EU funding for non-governmental organizations will fall from 75% (objective 1 areas) to a maximum of 50% (outside objective 1), making the participation of Irish NGOs in these Community Initiative Programmes even more problematic. A further concern is that the new requirements for performance, transparency and planning will require a much more strategic role for the monitoring committees, something which they are, based on their record to date, ill-adapted or prepared for.

The manner in which the transitional arrangements for areas leaving objective 1 is important. It is not known which other regions of the Union, if any, may be exiting from this objective. Because physical infrastructure projects are likely to be the main casualty of Ireland's transfer to objectives 2 or 3, there is likely to be pressure on the government to earmark the lion's share of the transitional funding to projects of physical infrastructure, to get flagship or prestige projects finished. If this were to be the case, the struggle against social exclusion would suffer, for such allocations would almost certainly be at the expense of allocations to human resources.

### 4.4 CONCLUSIONS

*Agenda 2000* has outlined the Commission's proposals for the future of the structural funds. The proposals are currently under consideration by the member states in the Council of Ministers, the European Parliament and the other European institutions. Although the amount of funding available to Ireland will be smaller compared to the present round and Ireland will lose its objective 1 status, structural fund aid is likely to be more concentrated around human resources, social inclusion and local economic development. The principal concern in the proposals is that they do not do enough to ensure the access of non-governmental organizations to the structural funds.

The Commission's proposals deal with the broad sweep of the structural funds and still leave a wide scope for detail in the regulations. How these regulations can be made more effective in promoting equality and social inclusion is the theme of the next chapter.

## CHAPTER 5 RECOMMENDATIONS FOR THE NEW REGULATION

During the revision of the regulations governing the structural funds in 1993, the CWC made a number of proposals to ensure that the new regulations would be more effective in promoting equality and social inclusion.<sup>27</sup> The CWC's proposals focussed first, on requirements that social inclusion be taken into account in determining the objectives of the funds and second, on a strengthened role for the community sector. Some of these proposals were echoed in Commission drafts but did not survive to the final document. In putting forward proposals for the next round of the regulations, the CWC revisits some of the issues raised in 1993 and takes up issues which have arisen in the operation of the funds in Ireland since the present round began.

This chapter makes recommendations to ensure that the next set of regulations of the structural funds are a more effective instrument in combatting inequality and social exclusion. The recommendations identify the most important points where these concerns may best be built into the regulations.

First (5.1), the chapter summarizes what are the main concerns of community organizations before going on to the detail of the changes proposed (5.2). Conclusions are then drawn (5.3).

### 5.1 MAIN CONCERNS OF COMMUNITY ORGANIZATIONS

The preceding chapters have demonstrated a number of key problems which have arisen in the operation of the structural funds in Ireland. These have been identified in the course of the studies which the CWC has made of the operation of the structural funds over the past number of years. In doing so, the CWC has acted in consultation with colleagues in the Northern Ireland Council for Voluntary Action and in the European Anti-Poverty Network. The CWC has consulted widely with voluntary and community organizations throughout Ireland and these concerns represent a distillation of the issues brought to the CWC in the period since 1993.

The roots of these difficulties in the operation of the funds lie in a number of places: in different visions of the role and purpose of the European Union; on the nature of the emphasis which should be placed, within the European project, on social concerns; in the model of development supported by structural funds; in views as to the appropriate level of involvement of non-governmental organizations in society. However, it is clear that the nature of the regulation governing the funds has an important role to play in laying down principles and policy. Regulations are more than administrative detail. Besides having legal force, regulations embody principles of social justice (or not), consent, economic and social priorities and procedures for oversight. They can give a lead in many of these areas. It is also clear from chapter 4 that European Union thinking and policy in a variety of areas that impinge on the funds have moved on considerably since 1993. The new regulations should reflect that new reality, rather than repeat defects that have been evident since 1993.

### 5.2 CHANGES PROPOSED

Changes are proposed under several headings. These are the priority areas of work for the community sector for the regulations governing the next round of the structural funds. The recommendations here are designed to deal with the following issues:

- Take issues of social cohesion into account;
- Mainstreaming and equality - proofing;
- Ensure the greater involvement of the community sector, with support for capacity-building and networking;
- Funding for intermediary funding bodies;
- Investment in community development, community infrastructure (transport, childcare, disability access) and the social economy;
- Targeting of the funds;

- Effective monitoring, reporting (e.g. annual reports) and transparency;
- Flexibility, so that the next round of the funds may be adjusted in the light of changing social policy;
- Transitional arrangements for Ireland leaving objective 1;
- Technical issues such as resources for applications, facilitation of transnational partnerships, late payments, matching funding.

These are recommended under their respective regulations, namely the framework regulation (5.2.1), the coordination regulation (5.2.2) and the specific regulations for each of the four structural funds (5.2.3).

### 5.2.1 FRAMEWORK REGULATION

In the preamble, add 'Recalling the Council of Ministers resolution on social inclusion of 1989; the white paper *Growth, competitiveness & employment*, the white paper *Social policy - a way forward for the Union*, the guidelines for employment agreed at Essen, the report of the Comité des Sages *For a Europe of civic and political rights*, the Commission communication *Community structural policies and employment*, the Commission communication *Incorporating equal opportunities for women and men into all community policies and activities*; referring to the development of local employment initiatives, territorial employment pacts, community responses to unemployment and social exclusion and the development of the social economy; referring to cooperation between associations embodied in the Treaty of Maastricht and their role in the structural funds as envisaged in the *Communication on voluntary organizations and foundations*; noting the Union's commitments to the integration of people with disabilities into society and its obligations to protect minority ethnic groups which are vulnerable to racism, xenophobia and anti-Semitism';

In *Objectives*, add 'Social inclusion, the promotion of equality and balanced sustainable and equitable development are objectives of the European Union';

Under *Tasks of the funds*, the European Regional Development Fund, add in new section 1 (d) shall provide support for 'community infrastructure, community development and the social economy';

Under *Forms of assistance*, 2 (c) *global grants*, the following to replace the existing statement: 'Community assistance may be granted in the form of global grants directly to decentralized organizations whose work relates closely to the activities of voluntary bodies, community groups and similar organizations; the aim should be to ensure that, during implementation, the management of the programme will facilitate genuine bottom-up involvement by empowering local agencies and groups to participate in the direction and control of spending, thereby providing a real input for local interests';

Under *Complementarity, partnership and technical assistance*, add in section 1: 'Partnerships shall include community sector non-governmental organizations';

Under *Forms of assistance*, add 2 (f) 'Technical assistance to facilitate the involvement of voluntary and community organizations in the operation of the funds, including the process of applying for and participating in projects supported by the structural funds and the establishment of transnational partnerships';

In the requirements for *Prior appraisal, monitoring and evaluation*, add (s. 2) 'The effects of the funds on social inclusion and the promotion of equality shall be taken into account';

In the *Provisions relating to the specific objectives*, in each of the respective sections on plans, by adding 'Member states, when they submit development plans, shall describe, assess and evaluate the situation of social exclusion and inequality in their country and indicate how the funds will address the problem; member states shall specify how they propose to involve community organizations in the planning and operation of the structural funds; plans presented by the member States shall state how they propose to develop community infrastructure and strengthen the social economy'.

Under *Differentiation of rates of assistance*, under 1, where the Community is required to differentiate funding in the light of particular criteria, add the following criterion: 'The level of social exclusion in the country concerned'; and, under 3, the following clause ' The ceiling may be higher in the case of support for non-government or community organizations';

Under *Transitional provisions*, add new section 4, 'For regions formerly within objective 1 but now no longer so, arrangements shall come into effect in order to ensure the transition to new objectives; these arrangements shall respect and prioritize social inclusion, the promotion of equality and the need to protect disadvantaged groups; the Community contribution to the work of non-governmental and community organizations shall continue to be provided at a maximum of 75%'.

Under *Reports*, add 'The Commission, in its reports to the other European institutions on the operations of the fund, shall include an assessment of the impact of the funds on social inclusion and equality';

Under *Committees*, add new section 4: 'Committees which assist the Commission in implementing the regulation shall include representatives of European non-governmental organizations'.

## 5.2.2 COORDINATION REGULATION

In the preamble, add 'Whereas it is important that the funds act in a coordinated way to combat the problems of inequality and social exclusion';

Under *Plans - scope and content*, add new section 5, 'The member states shall indicate how the funds will act together in a coordinated way to address inequality and social exclusion';

Under *Community Support Frameworks - preparation, scope and content*, add, in section 3, new clause to the effect that each Community Support Framework shall include 'an outline how the framework and its constituent measures will contribute to social inclusion and equality with clear targets and timescales in this regard'; and 'an outline of how each member state proposes to involve the community sector in the operation of the funds; how they will support community infrastructure and the social economy; and how the plans shall identify those groups most at risk of social exclusion';

Under *Assistance from the funds - processing of applications for assistance*, add, under section 2, 'Member states shall state in their applications how the funds will contribute to equality and social inclusion and how they propose to involve the community sector in the operation of the funds'; add new article 5: 'The availability of resources from the structural funds shall be advertised in a transparent manner in the member states; applications made by community organizations to the structural funds shall be processed with all due speed; clear criteria shall be published and made readily available whereby projects are selected; reasons shall be given for the rejection of individual applications'

Under *Financial contributions from the funds*, add the following clause to section 2: 'The European Union may, in supporting the operation of non-governmental or community organizations, take into account the financial value of work contributed by volunteers or persons dependant on social security or assistance as a matching contribution'.

Under *Payments*, add: 'Financial compensation shall be provided for projects which have suffered delays of more than 60 days in receiving payments, including the payment of bank and interest charges';

Under *Monitoring and evaluation*, under *Monitoring*, section 2, add 'Indicators shall show how the operations in question ensure the participation of disadvantaged groups, how they promoted social inclusion, and how they promoted equality of outcomes for disadvantaged groups and indicators shall track the participation of women, people with a disability, minority ethnic groups and the long term unemployed'; add new section 8: 'Monitoring committees shall include, in each sector, representatives of community organizations. Committees will have a minimum of 40%

membership of women and men. Each committee is required to publish an annual report detailing the measures and projects funded under the aegis of the committee in the course of the year, including the spending of the technical assistance budget, an assessment of how the operations in question contributed to the promotion of equality and social inclusion and a commentary on the outcomes and impacts achieved by these operations. Member states may establish broadly-based consultative fora to consider issues raised by structural fund operations. Such fora shall involve non-governmental and community organizations, including representatives of those most affected by the appropriate structural fund operations. These fora shall have the right to comment on the reports of appropriate monitoring committees before their publication’.

Under *Monitoring*, section on *Appraisal and evaluation*, section 2, change to ‘‘Effectiveness shall be measured at four levels...[as before]...add ‘the impact of the operation of the funds on social inclusion’; add ‘Such appraisals and evaluation shall be published; add a new article entitled *Flexibility*: ‘The operation of the funds shall be reviewed at appropriate stages, including the mid-point. Consideration will be given by the member states to changes that have taken place in policy and the legal framework at European and member state level since the commencement of the operation of the funds in such areas as economic policy and social inclusion, following which these findings shall be taken into account in the vetting of applications for assistance’.

Under *Committees*, add to each of articles 27, 28, 29, 29a: ‘Advisory committees shall include representatives of community organizations. They shall have a minimum of 40% membership of women and men. It shall be a specific task for the committees to assess the short and long-term impact of the appropriate funds on social exclusion and inequality’;

Under *Reports*, add, to section 1, ‘the progress of the funds in combatting social exclusion and inequality’ and ‘Changes in the operation of the funds which are necessary in the light of new economic and social policies adopted by the Union’; add, to section 2, ‘The Commission shall consult European non-governmental organizations’.

Under *Information and publicity*, add: ‘Member states shall be required to draw up and publish annual reports on the operation of the structural funds with an assessment of the manner in which they contribute to social inclusion and equality’.

### 5.2.3 SPECIFIC REGULATIONS FOR THE FOUR FUNDS

#### Regulation for the European Regional Development Fund

Under *Scope and forms of assistance - scope*, add to 1 (b) ‘Investment in community infrastructure (including such matters as resource centres and facilities, childcare, transport and access for people with disabilities), community development; the capacity of non-governmental organizations; the social economy; the study of problems and opportunities at neighbourhood level; the development of the capacities and skills of local neighbourhoods; measures to improve the accessibility and quality of services to vulnerable groups’;

#### Regulation governing the European Social Fund

Under *Scope*, add new clause 1.5: ‘Referring to new objectives 1,2 and 3, it shall be an objective of the European Social Fund to promote the integration of those most at risk of social exclusion, such as women, people with disabilities and minority ethnic groups. This may be done through the funding of non-governmental and community organizations and may include the building of the capacities and networking between them; through improved research and diagnosis of exclusion problems; the promotion of self-help activity and outreach services; and measures to promote the full inclusion of vulnerable groups and those at a disadvantage’.

Under *Concentration of assistance*, add: ‘Member states shall systematically identify those groups at greatest risk of social exclusion and concentrate operations accordingly’.

Under *Plans*, add to section 1: ‘Plans concerning the funds shall describe how they propose to address the situation

of those facing the most acute forms of social exclusion, such as the long term unemployed, women, people with disabilities and minority ethnic groups’.

Regulation governing FEOGA guidance

Under *titles I, II, III, IV, Objectives*, add as an aim of the fund ‘The promotion of equality and social inclusion in the rural areas, with the support of operations directed to those living in situations of greatest disadvantage’.

Regulation government Financial Instrument for Fisheries Guidance

Add, to *Tasks of the FIG*, add new section 2 (d) ‘The balanced development of communities dependant on fishing, including the building up of community infrastructure in such areas’.

To article 3 add ‘Community infrastructure’.

### 5.3 CONCLUSIONS

The changes proposed here, if adopted, would go some way toward making the structural funds more effective instruments in promoting equality and social inclusion in Ireland. They would ensure that the potential of the funds to promote equality and social inclusion would be considered at all the key points in the funds’ operation; that the objective of equality was mainstreamed across all the funds, not just the European Social Fund; that the funds were monitored and evaluated according to considerations of equality and social cohesion; that community organizations had the opportunity to make their contribution to the planning, operation and oversight of the funds; and that the funds were more precisely targeted. The funds would make a more effective contribution to the social economy, thus resulting in their being more effective instruments in combatting social exclusion. They would also confront the many technical issues which have arisen.

## CHAPTER 6 PROCEDURES FOR THE REVISION OF THE REGULATIONS

This document was prepared at the beginning of the process whereby the regulations governing the new round of the structural fund are revised. The first stage in the process has already taken place, namely publication of the *Agenda 2000* document which outlined the Commission's broad intentions and the financial perspective for the years 2000-2006. The new regulations will be agreed in the course of a process that will last until the end of 1998. This short chapter explains the process for the approval of *Agenda 2000* (6.1) and then outlines the process of negotiations on the new structural fund regulation in Brussels (6.2). The chapter lists the other European actors (6.3) and then the role of Dublin in the revision of the funds (6.4). Finally, the timetable is summarized (6.5).

### 6.1 THE AGENDA 2000 PROCESS

The *Agenda 2000* document is a proposal and has yet to find agreement with the member States. Technically, the new regulations will not be prepared until *Agenda 2000* is agreed by the Council of Ministers, expected December 1997.

### 6.2 THE REGULATIONS - AT COMMISSION LEVEL

In practice, work on the new regulations has already begun. Four directorates-general are involved: DG V (social affairs), DG VI (agriculture), DG XIV (fisheries) and DG XVI (regional development) (chaired by the services of the Commission Secretariat General). These directorates have responsibility for the social fund, the FEOG guidance fund, the fisheries guidance fund and the regional fund respectively. The lead department will be DG XVI. Officials will be or have been selected from each of the four directorates to participate in the drafting of the necessary regulations (October 1997). Once the first draft is completed (late 1997), it will be published by the Commission and sent to the Council of Ministers for approval (spring 1998) (the previous core set of regulations was ratified by a meeting of the general affairs ministers). During the spring, the draft of the regulation for the European Social Fund will be subject to the co-decision procedure for approval by the European Parliament, although the Parliament, the Committee of the Regions and the Economic and Social Committee are also likely to offer their opinion on the full range of the regulations. The Council of Ministers' viewpoint will, as ever, be decisive. Once this procedure is complete, the regulations will be adopted (summer-autumn 1998). From the perspective of trying to influence the draft texts, the most opportune time to make recommendations is the earliest possible stage of the process, when the first writing begins.

At this stage, it is understood that there will be six main regulations: a general regulation for the mission of the funds; their priorities, organisation and co-ordination; one for each of the individual funds; and a pre-accession structural instrument.

### The European Parliament and the revision of the funds

In 1993, the European Commission consulted the European Parliament in the preparation of the regulations for the second round of the structural funds. It did so under the cooperation procedure, even though it was not legally obliged at the time to do so, since the Treaty of Maastricht had not yet entered legal force. In the case of the main funds, the Commission forwarded to the Parliament the lists of objective 2 and 5a areas, development plans submitted by the member states and the implementing regulations regarding monitoring and publicity. In the case of the Community Initiative Programmes, the Commission issued a green paper and then a communication with a view to taking note of the Parliament's requests before adoption. Under the draft Treaty of Amsterdam, the European Parliament has the right to be consulted under the co-decision procedure for the European Social Fund regulation, but not for the other regulations.

Regarding the revision of the new round of the funds, the European Parliament has already drawn up working documents to channel its views on the reform of the European Social Fund. The following are the main points of the draft report on the future of the European Social Fund, drawn up by the Parliament's committee on employment and social affairs:

- A major problem in the current round of the funds is the delay in making payments to fund recipients. The payment deadline in the regulation is frequently not complied with. There must be faster speed in the arrival of such payments;
- It supports the proposals of Agenda 2000 for a concentration of funding into three objective areas and three Community Initiative Programmes;
- Parliament urges that the European Social Fund be more tightly focussed, with 40% of allocations devoted to those target groups in greatest need;
- The areas of action under the European Social Fund should be extended to area based employment pacts, local employment initiatives, new models for the organization of working time, the social economy, life-long learning, retraining of workers aged over 45 years, environmental protection and social education.

Some of the personnel who may be involved in the revision of the regulations are as follows (note that no formal listing has been announced and this represents the best information available at present).

### Key departments and personnel who may be involved in the revision of the structural funds in Brussels

Commission Secretariat General  
(coordination & liaison)

#### DG V (European Social Fund)

Hwyel Ceri Jones (Deputy Secretary General)  
Paul McAleavey (Assistant)  
David O'Sullivan (Director, European Social Fund)  
David Coyne (ESF Coordination Unit)  
Seamus Carroll (Flynn cabinet)  
Peter Zangl (ESF policy development & assessment)

#### DG XVI (regional affairs)

Jean-Charles Leygues (Director, Directorate A, policy formulation)  
Elisabeth Helander (Director, directorate C, coordination of operations)  
Jean-Marie Seyler (Directorate C, coordination of operations)

#### DG VI (Agriculture)

Dionysios Dessylas (directorate F-II-II, rural development)  
Michel Jacquot (FEOGA, directorate G)

#### DG XIV (Fisheries)

Richard Meaney (responsible for Ireland)

## 6.3 OTHER EUROPEAN ACTORS

The Commission is not the only European body expected to contribute to the formation of the new regulations. The European Parliament is already in the process of preparing its views on the future of the European Social Fund, and the Parliament is likely to offer opinions on the future of the three other structural funds as well early next year.

The current schedule for the Parliament's consideration of the future of the European Social Fund is as follows. A draft report of the committee on employment and social affairs was presented September 1997 for adopted in committee in October and by the Parliament itself during the November session. The rapporteur is Karin Jäns (Germany, socialist, Bremen). The 15 Republic of Ireland MEPs are likely to contribute to this debate. It should be stressed that this is the Parliament's view before the regulation is drafted and that the Parliament will present its reaction to the Commission's draft regulations on the social fund in the course of 1998.

Aside Karin Jäns, other MEPs considered likely to take an interest in the reform of the regulations are, in the social affairs committee: Inger Schirring (Sweden), Frieder Otto-Wolf (Germany), Stephen Hughes (Britain), Bernie Malone (Ireland) and Pierre Carniti (Italy). On the regional policy committee, those considered most likely to follow the issue are Arlene McCarthy (Britain), Outi Ojala (Finland) and Nuala Ahern (Ireland).

Two other European bodies are expected to comment on the future of the structural funds - the Economic and Social Committee and the Committee of the Regions. Ireland has nine members on each body. Each body is likely to prepare an Opinion, with recommendations, on the future of the funds.

The only country to have a tradition of representation from the voluntary sector on the Economic and Social Committee is Britain.

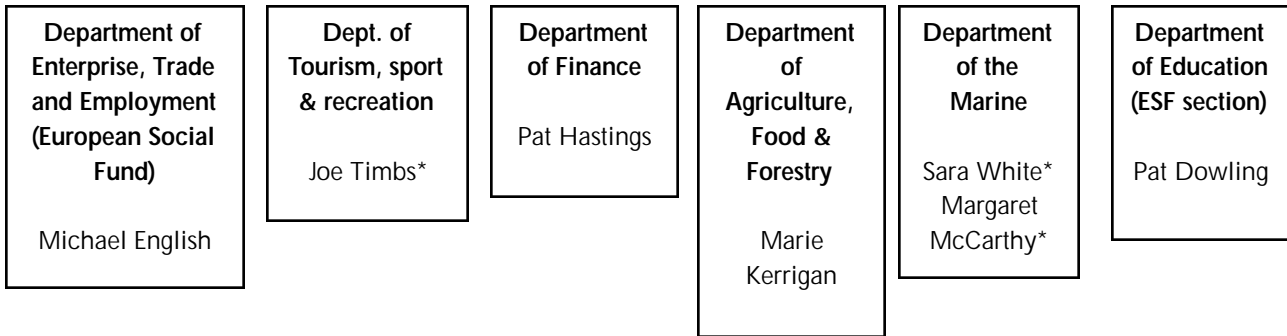
<b>Irish members of the Economic and Social Committee</b>	<b>Irish members of the Committee of the Regions</b>
William Attley	Deirdre Bolger (Wexford County Council)
John Carroll	Betty Coffey (Dublin County Council)
Liam Connellan	Aodh Flynn (Leitrim County Council)
John Donnelly	Mary Frehill (Dublin Corporation)
Roy Donovan	Tony McKenna (Tipperary County Council (NR))
Niall Meghan	Patrick Moylan (Offaly County Council)
Cornelius Scully	Frank Nash (Cork Corporation)
Bridin Twist	Jimmy O'Loughlin (Kildare County Council)
	Seán O'Neachtain (Udaras na Gaeltachta, Galway county Council)

## 6.4 THE ROLE OF DUBLIN IN THE REVISION OF THE REGULATIONS

Ireland's involvement in the regulations does not come into play until the Commission publishes draft regulations. The Irish government, the various government departments and the Irish representation in Brussels do not have a role in the process at the present stage. Once the regulations are published, then the appropriate Irish government departments will convene and, operating in a horizontal manner similar to the Commission directorates, make their views known. These will be relayed through the Irish representation in Brussels (COREPER) and through the Council of Ministers.

In Ireland, the lead department for this process is the Department of Finance, where an official has been appointed to lead the process. The other Irish government departments are expected to be involved in the negotiations in the spring.

## Key departments and personnel who may be involved in or who could be contacted in the revision of the structural funds in Dublin



\* to be confirmed

Note that these names are provisional and may change.

Likewise, please note that these persons have not formally been appointed as a group, nor is a formal listing available. This represents the best information available at the present.

## 6.5 TIMETABLE

Finally, the timetable for the revision of the structural fund regulations is summarized (below). This timetable is indicative, for it depends on the progress of the states in reaching agreement on *Agenda 2000* (there has been speculation that this process could even take up to a year); the priority given to the new round and the regulations by the respective presidencies of 1997-9; and the way in which other issues intrude on the Union's agenda in the meantime.

DATE	EVENT
<b>1997</b>	
October	Convening of four directorates in Brussels; start of drafting - best time to lobby European Parliament to adopt report on future of European Social Fund Council of Ministers asked to approve <i>Agenda 2000</i>
November	
December	
<b>1998</b>	
January	Publication of draft regulations
February	Irish government teams convene to consider regulations
March	Negotiation of draft Commission regulations with the member governments and by European Parliament, Economic and Social Committee, Committee of the Regions. Start of co-decision procedure for European Social Fund in European Parliament.
April	
May	
June	
July	Approval of regulations by Council of Ministers (earliest possible date)

## NOTES

1. European Commission: *Structural funds and cohesion fund, 1994-9 - regulations and commentary*. European Commission, Brussels, 1996.
2. European Commission: *The Commission proposes amendments to the regulations governing the structural funds*. COM 93/124, Brussels, 24 March 1993.
3. Modernization of Administration and Personnel for the year 2000.
4. The calculations are detailed in Brian Harvey: *Equality and the structural funds*. Dublin & Belfast, CWC and Northern Ireland Council for Voluntary Action, 1996, p38.
5. Harvey, 1996, *ibid*.
6. European Commission: *Equal opportunities for women and men in the European Union, 1996. Equal opportunities series*, Brussels, 1997.
7. Harvey, *ibid*, 75-6.
8. For further comments of the experience of the community sector, see Josephine Fogarty: *The structural funds and disadvantage in the south east region*. South east Community Development Network, 1996.
9. European Commission: *Seventh annual report of the structural funds, 1995*. Brussels, 1996, p231, 236.
10. COM 96/542.
11. See Moniks Wulf-Mathies: *The lessons of the past, pathways to the future*, address to the European cohesion forum, April 1997.
12. Tim Callan, Brian Nolan, Brendan Whelan, Christopher Whelan, James Williams: *Poverty in the 1990s - evidence from the 1994 Living in Ireland survey*. 1996, Oak Tree Press for Combat Poverty Agency and Economic and Social Research Institute.
13. European Commission: *Territorial employment pacts - examples of good practice*. Brussels, European Commission, 1997.
14. European Commission: *Medium-term action programme to combat exclusion and promote solidarity - a new programme to support and stimulate innovation (1994-9)*. Brussels, COM 93/435 final, 22 September 1993.
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16. COM 95/593, OJ C 168, 4.7.1995.
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18. OJ C 386, 20,12.96.
19. European Commission: *The European institutions in the fight against social exclusion - selected texts*. Social dialogue and social rights series, Brussels, 1997.

20. European Foundation for the Improvement of Living and Working Conditions: *Local community action and social policy - a discussion document*. Luxembourg, 1993.
21. European Commission and European Foundation for the Improvement of Living and Working Conditions: *Working on European social policy - a report on the forum*. Luxembourg, 1996.
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23. Parliament.
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25. Gay & Lesbian Equality Network: *Poverty - lesbians and gay men: the economic and social effects of discrimination*. Dublin, Combat Poverty Agency, 1995.
26. The equivalent of prime minister in other European states.
27. CWC: *Council regulation amending regulation EEC No 2052/88 and Council regulation amending regulation EEC No 4255/88*. Dublin, 1993.

## PUBLICATION LIST

**Monthly Newsletter: News & Views.** This is available free to members and covers a range of issues specific to the field of community work, and of broader concern. It also provides a news service on upcoming events and on new resources that come available for those working at community level.

**Occasional Briefing Documents:** The CWC also produces occasional specialised briefing documents. Amongst recent themes addressed are The Mid Term Review of the Structural Funds and Participative Democracy.

**Strategies to Encourage Participation (1997)** is a series of practical case studies outlining various strategies and actions used to encourage participation in local, regional and national development. This guide has been produced in order to assist local community groups learn from the experience of others, examine ways in which participation can be encouraged and develop models of practical action locally. This publication is produced by the Community Workers Co-operative in order to support the involvement of local community groups in the Operational Programme for Local Urban and Rural Development, administered by ADM Ltd.

**Partnership in Action, The Role of Community Development and Partnership in Ireland: (1996)** The series of articles presented in Partnership in Action draws from a range of experiences and perspectives: the sector itself, those directly involved in running and managing partnerships; government departments and statutory bodies; and academic and independent researchers.

**A Commitment to change? - Implementing the National Anti Poverty Strategy: (1996)** This report offers some valuable options for the design of mechanisms to implement the National Anti Poverty Strategy in Ireland. It explores the international experience of strategies which have been put in place to tackle poverty and inequality in countries as far apart as Canada, England, Russia and Australia and highlights some of the pitfalls and problems encountered. Building on these, it makes a number of recommendations for the changes needed in existing structures in Ireland at national, regional and local level.

**Equality and the Structural Funds: (1996)** A joint initiative by the Community Workers Co-operative and the Northern Ireland Council for Voluntary Action. It makes useful and revealing comparison between approaches to these issues north and south. It explores the methodologies employed to assess outcomes, reviews processes used to monitor structural funds and attempts to assess equality outcomes. The study finds serious limitations in the ability of the structural funds to achieve equality for women, people living in poverty, minority ethnic groups and people with a disability and makes recommendations for change.

**The Easy Guide to the Structural Funds (1995)** This publication is an accessible explanation to the complex issue of how structural funds are spent in Ireland. It looks at the terminology involved. Some basic questions about the funds and short summaries of how the Funds are spent in the North and South of Ireland.

**Undertaking Action Research (1995)** is a short guide to some of the key issues involved when carrying out action orientated research and is based on the proceedings of a seminar held on the theme.

**The Same Old Story (1993)** This booklet provides valuable information on the Irish National Development Plan (1994-1999). In particular it sets out to examine how the plan, around which related operational programmes are designed, addresses social exclusion in Ireland.

***Structural Funds: The Challenge to address Social Exclusion (1992)***. Produced in the run up to the 1994-1999 round of structural funds, this publication sets out to raise some fundamental questions on structural funds in Ireland - how will the funds be spent, who will benefit from the expenditure based on commissioned research the publication lays out the implications for structural fund spending of addressing social exclusion.

***Consensus or Censorship Community Work in Partnership with the State (1992)*** examines some of the key questions surrounding the trend towards the development of models of partnership and its relationship to community work in Ireland. This publication critically analyses the experience to date and generates some debate on future strategies.

***Towards a charter for voluntary action - A voluntary sector perspective (1992)***. This short pamphlet identifies the key elements of the relationship between the state and the community/voluntary sector, based on the proceeding of a conference organised by the CWC the charter sets out the role of statutory sector, the rights of the community/voluntary sector and its commitments.

***Co-options on "Women and the Community": (1989)*** This magazine explores the different experiences of women, examining both their oppression as women and also their further oppression based on class, ethnic origin and sexuality. It seeks to locate these experiences and struggles in their economic, social and political context. Finally it explores how community work has related to women and their struggle for justice.

***Co-options on Racism: (1987 - Second edition 1990)*** This magazine highlights the fact that racism is an Irish issue. It presents an analysis and shows how the mechanics of racism actually operate. Articles highlight the experience of both individual and institutional racism in an Irish context. Key elements of an anti-racist community work practice are also indicated.

***Whose Plan? - Community Groups and the National Development Plan: (1989)*** This booklet describes a campaign led by the Community Workers Co-operative on the National Development Plan, which plan was produced by the Irish Government as a request for new increased EEC, structural funds. It details the events describes the response and analyses the issues involved.

***Participation Not Representation - community groups and Reformed Local Government: (1990)*** This report was submitted to the Advisory Committee on Local Government Reform and Reorganisation. It sets out the deficiencies in the present Irish system of local government from the perspective of community-based groups; presents principles which should inform any reform process; and makes practical recommendations for the active participation of community groups in planning development at the local level.

***Community Work in Ireland - Trends in the 80s, Options for the 90s: (1989)*** This book draws together the papers presented at a major conference on community work organised by the Community Workers Co-operative, Combat Poverty Agency and St. Patrick's College, Maynooth. The book was published by the Combat Poverty Agency.









