



EUROCITIES statement on the Programme for Social Change and Innovation

Three-quarters of Europe's population lives in cities and towns. Cities provide a structure for economic growth and social mobility through their extensive business, transport, education and services infrastructure. However, problems such as poverty and social exclusion are rife in urban areas. These social problems tend to concentrate in certain neighbourhoods, creating pockets of deprivation regardless of a city's prosperity.

City administrations have first-hand knowledge of these problems and play a key role in co-ordinating and leading actions to address them. Experience in dealing with these challenges is crucial to realising the Europe 2020's objectives.

The Progress axis of the European Commission's proposed Programme for Social Change and Innovation will play an important role in achieving the objectives of the Europe 2020 strategy. By engaging stakeholders in EU policy, the Commission will be able to utilise their expertise and experience in tackling social problems. The programme will be a crucial instrument for cities as it will allow them to learn from each other, test and develop innovative approaches to resolving social problems and have access to an extensive knowledge resource on social policy. Ultimately, it will help build cities' capacity to contribute their experience to EU policy.

As EUROCITIES, the network of major European cities, we recommend that the EU institutions:

1. Strengthen the local and urban dimension of the programme;
2. Recognise that poverty and exclusion are multidimensional and require integrated approaches, in line with the EU active inclusion strategy;
3. Support innovative approaches to dealing with poverty and social exclusion;
4. Use qualitative and quantitative data to evaluate socially innovative schemes, including social experimentation;
5. Allocate sufficient funding to the programme to make an impact.

1. Strengthen the local and urban dimensions of the programme

We are encouraged that the current proposal provides for the participation of local bodies in the programme (as stated in the Article 6.3.d) and in the Progress axis (as outlined in Article 16.2a). However, the regulation makes no direct reference to cities despite the fact that they are the places where poverty and exclusion are most concentrated. Moreover, it does not mention territorial cohesion in its objectives (Articles 4 and 15) and recitals.

- make a clear reference to cities in the recitals

Poverty and exclusion take a very specific form in cities due to the population density and their concentration in certain city districts. City governments have a lot of experience in dealing with such complex problems through urban regeneration programmes that combine interventions in different policy areas. Cities also pioneer innovative approaches in delivering public services and in local governance.

- **add a reference to promoting territorial cohesion in Article 4.1b**

Promoting territorial cohesion is an objective set by the Lisbon Treaty, the Europe 2020 Strategy and its flagship initiative European Platform against Poverty (EPAP), which underlines that 'the nature of disadvantage affecting people in situations of poverty and social exclusion is influenced by the area where they live'¹.

- **add a reference to local governments in Articles 3.1a, 4.1a, 15b and 15d**

Achieving the objectives of the Europe 2020 Strategy must be based on all levels of government being responsible for them. It is therefore crucial to strengthen the capacity of local and city authorities to support the implementation of the EU policies through mutual learning, producing evidence and capacity building.

- **safeguard the provision of operational grants for the EU-level associations as outlined in Article 6.3a**

EU-level associations are essential for improving policy making at EU level. They are an important channel through which local experience feeds into EU policy and vice versa. Operating grants allow these organisations to focus on social policies and broaden the scope of their activities. They also build their capacity to achieve the EU social policy objectives and facilitate their involvement in policy making in the long-term.

- **retain the current proposal for funding for networking among national, regional and local authorities as outlined in Article 6.3d**

Networking to exchange experience and knowledge is the one of the most practical ways of sharing and transferring good practice and facilitating mutual learning.

- **include a reference to local governments in the provisions regarding capacity building and exchanges of personnel between administrations (Articles 6.3b, 6.3c and 6.3f)**

Capacity building is essential to support local authorities' efforts to tackle poverty and exclusion. It helps test new approaches, learn from peers and share experiences. Exchanges between public administrations should benefit all levels of governments as most public policies are shared and are not the sole competence of national administrations. Finally, monitoring the implementation of EU law must also take local contexts into account and should, therefore, involve local government representatives.

- **retain the proposal to provide funding for social enterprises as outlined in Article 6.5**

Social enterprises are essential to reduce poverty and exclusion at local level. They offer a pathway to stable employment to those furthest away from the labour market. Local activities and support from local authorities are recognised as key to developing social enterprises².

- **add reference in Recital 6 to the need for better evidence on challenges to achieving territorial cohesion at local level, especially in cities**

Recent evidence from the OECD suggests that social inequalities have increased over the past two decades. Similar trends can be observed within cities where the disparities in wealth and opportunities between urban neighbourhoods have widened, thus weakening social cohesion at local level.

- **simplify the administrative and financial rules**

Complex financial and administrative requirements often discourage local authorities and small local operators from taking part in the programme. The focus of Article 11.2 appears to be

¹ COM(2010) 758 final, The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion, Brussels, 16.12.2010, p13.

² COM(2011) 682 final, Social Business Initiative, Brussels, 25.10.2011, p 5.

mainly on using lump sums and flat rate costs for mobility schemes and does not specifically mention other types of activities. Financial and administrative requirements must be proportionate to the sums of money involved and should not deter smaller, local organisations from being involved in the programme.

2. Recognise that poverty and exclusion are multidimensional and require integrated approaches, in line with the EU active inclusion strategy

The regulation does not refer to the multiple causes of poverty and exclusion, which cut across several different policy fields and often occur together.

- **add reference to the multidimensional nature of poverty and exclusion in the recitals of the regulation**

The European Platform against Poverty, which the Programme for Social Change and Innovation will support, clearly refers to 'multiple factors underlying poverty and/or exclusion' and the diversity of problems Member States face³. Poverty and social exclusion are multidimensional and must consider many factors (such as inequality in income distribution, living and health conditions, low education levels, long-term unemployment). Moreover, all types of people are affected by social exclusion (such as large families, the elderly, women, immigrants, the long-term unemployed).

- **make a clear reference and commitment to support the implementation of integrated approaches to poverty and exclusion at local level**

Complex problems call for equally complex responses, such as integrated programmes across sectors, to help lift people out of poverty or exclusion⁴. Therefore, cooperation between different departments at local, regional and national level, as well as with non-public organisations becomes more important.

- **add a clear reference to the EU active inclusion strategy in the recitals**

The EU active inclusion strategy is an integrated approach to poverty. It calls for anti-poverty policies to include three pillars: inclusive labour markets, access to quality services and minimum income.

3. Support innovative approaches to dealing with poverty and social exclusion

We welcome the programme's commitment to step up efforts to promote social innovation as a tool for addressing Europe's socio-economic challenges, such as the ageing population or rising unemployment, as stated in Article 4.1b. Social innovation is fundamental to dealing with the complexity of poverty and exclusion, especially in times of budget cuts.

- **clarify the concept of social innovation in the proposal (in Recital 4 or in a separate recital)**

Social innovation in Europe requires adequate funding, specifically designed to test new ideas, new approaches and new partnerships. The Progress axis should encourage creativity, the testing of pilot projects and calculated risk-taking. However, without clarification on what is

³ COM(2010) 758 final, The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion, Brussels, 16.12.2010, p3.

⁴ Key conclusions and recommendations from the EUROCITIES campaign for the 2010 European Year for combating poverty and social exclusion, September 2010, p1.

meant by social innovation, there is a risk that little funding is used on innovative activities.

- **retain the reference in Recital 4 to local and regional authorities and their role in supporting socially innovative actions**

Local governments have the best insight into the interrelation of social problems and can understand why old approaches to public intervention are not working. This proximity offers the greatest potential for developing innovative solutions, undertaken in partnership with the right players - local stakeholders, such as grassroots organisations, social economy associations, NGOs, and local businesses.

- **clarify the notion of 'scaling up' innovative solutions in Article 6.1e**

Implementing socially innovative actions on a large scale should take into account the changing social and economic conditions, which may change between the roll-out of the pilot and full implementation. The programme may therefore need modification.

- **include clear provisions in Article 8 on how the Progress axis and ESF could work together**

A closer link between the two instruments would allow the ESF to support implementing actions identified through the Progress element. It is important to clarify the links between the two instruments given that they will have different management structures and timetables: for example, through provisions enabling the mainstreaming of pilot projects and scaling-up of innovative approaches that have been successfully tested; or arrangements to disseminate information on successful innovative approaches to the Managing Authorities or through the EU ESF learning networks.

4. Use qualitative and quantitative data for the evaluation of socially innovative schemes, including social experimentation

We welcome the programme's focus on supporting social experimentation, as referred to in Articles 5.2a, 6.1e and 15c. This is one method to evaluate the effectiveness of public policy and it can produce crucial evidence to inform policy making. However, the concept of social experimentation and its methodology are still unclear to many, especially at local level.

- **clarify the concept of social experimentation in the regulation, taking due account of the importance of using quantitative and qualitative data**

Evaluating social policy interventions should not be limited to quantifiable and hard outcomes. In fact, in dealing with such interventions, soft outcomes are equally important. Qualitative data offers extremely useful insights into the context, which best illustrates how an action operates in practice and what impact it has. This is crucial when it comes to transferability and learning about successes or failures.

5. Allocate sufficient funding to the Progress axis to make an impact

We support the proposed budget of the Progress axis, as stated in Article 5.2a. This allocation needs to be safeguarded to tackle the social consequences of the crisis faced by the communities and stakeholders, in particular at the local level.