



July 2012
AK Position Paper

EU Structural Funds for Social Services, 2014+

Overview

About us

The Federal Chamber of Labour is by law representing the interests of about 3.2 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership.

The AK EUROPA office in Brussels was established in 1991 to bring forward the interests of all its members directly vis-à-vis the European Institutions.

Organisation and Tasks of the Austrian Federal Chamber of Labour

The Austrian Federal Chamber of Labour is the umbrella organisation of the nine regional Chambers of Labour in Austria, which have together the statutory mandate to represent the interests of their members.

The Chambers of Labour provide their members a broad range of services, including for instance advice on matters of labour law, consumer rights, social insurance and educational matters.

More than three quarters of the 2 million member-consultations carried out each year concern labour-, social insurance- and insolvency law. Furthermore the Austrian Federal Chamber of Labour makes use of its vested right to state its opinion in the legislation process of the European Union and in Austria in order to shape the interests of the employees and consumers towards the legislator.

All Austrian employees are subject to compulsory membership. The member fee is determined by law and is amounting to 0.5% of the members' gross wages or salaries (up to the social security payroll tax cap maximum). 560.000 - amongst others unemployed, persons on maternity (paternity) leave, community- and military service - of the 3.2 million members are exempt from subscription payment, but are entitled to all services provided by the Austrian Federal Chambers of Labour.

Herbert Tumpel
President

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Director

Preliminary Note

The European Union must use its budget to improve the economic and social conditions for its citizens and to prepare itself for future challenges.

The European Union must use its budget to improve the economic and social conditions for its citizens and to prepare itself for future challenges. For that, it needs

- a **sufficient allocation for employment, social affairs and poverty alleviation**; which shall include
- a significantly higher than planned endowment for the **European Social Fund** as well as
- the assurance that the **European Globalisation Fund** continues to be reserved exclusively for employees and
- a reform of the revenue side through the introduction of a **financial transaction tax**.

In addition, it is also critical, **how the resources of the individual funds are used**. In the present paper, it will be shown how, with a focus on social services, the objectives of growth and employment can be achieved in a better and more efficient way.

The AK position in detail

Investments in social services meet, in many different ways, the high demands of an intelligent, sustainable and integrative growth strategy.

Why social services?

Investments in social services meet, in many different ways, the high demands of an intelligent, sustainable and integrative growth strategy - at European level as well as in Austria. This is also confirmed by **recent studies**.¹ Key aspects are:

- Regarding the increase in employment, the expansion of social services has **greater effects** than any other form of public expenditure;
- the **Employment target** of 75% Europe-wide cannot be achieved without a corresponding increase in women's employment, for that it needs an **abolishment of employment barriers** by the relief of unpaid family work;
- This is also an indispensable prerequisite for managing **the demographic change** and to ensure the financial viability of pension systems;

- If social infrastructure is lacking, the result is dislocations in the **regional labour market** due to an exodus of qualified workers, the presence of which is an important factor for the **location decisions** of companies.

The EU funds could also play an important role. Further arguments and details are given in the paper: "11 good reasons for using EU funds for social services."

What are the EU Structural Funds?

The Structural Funds are the budget pots of the EU. Of the five funds, which are of importance for Austria, from the point of view of the Federal Chamber of Labour, two are to be used in the future for the expansion of social services: The **European Agricultural Fund for Rural Development (EAFRD)** and the **European regional Development Fund (ERDF)**.²

¹ Growth through expansion of social services, Michael Dauderstädt, Friedrich Ebert Foundation; WISO direct <http://library.fes.de/pdf-files/wiso/08887.pdf> as well as Women and the economic crisis - social services networking as a response to economic and structural crisis, by Gudrun Biffl, Anna Faustmann, Isabella Skrivaneck, Danube University Krems, http://www.arbeiterkammer.at/bilder/d163/Studie_Sozialedienste_englisch.pdf

² A series of presentations as well as all draft regulations can be found here: http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm, the draft of the EAFRD Regulation here: http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/com627/627_en.pdf

What is needed is a clear enshrinement of and budgeting for equality and social services in all the regulations.

How much money is involved?

The EAFRD is envisaged to have more than **€ 101,2 billion** at its disposal in the EU for seven years now, the ERDF **€ 183,3 billion**.

What are the objectives of the EU Structural Fund?

In future, the EU subsidies will support the **Europe 2020 strategy** of an “intelligent, sustainable and inclusive growth” Objectives include **achieving an employment rate** of 75% and the fight against poverty. To this social services can contribute significantly

How do the Structural Funds work?

The structural funds are a complex system of regulations. Specified at European level are **the political** (EU 2020 Strategy) **and the regulatory frameworks** (regulations). For the European Commission, it is highly desirable to anchor social services there more solidly, but first this must be enforced against the existing structures and practices.

Design freedom also exists at national level, in the **core Document**, the so-called **partnership agreement**.³ This is the agreement between the member state and the European Commission in which the substantive priorities and funding are set. There and in the individual **operational programmes** of

the respective fund, the social services should find their way in.

What does the time schedule look like?

The draft EU regulations have been discussed since autumn 2011 and are to be decided in **autumn 2012**. The national documents are also currently being prepared. If the results **on both levels** are still to be influenced, **activities** should already now be deployed.

What needs to be done at EU level with regard to EU structural funds and social services

What is needed is a clear enshrinement of and budgeting for equality and social services in all the regulations:

Equality between women and men

An explicit enshrinement of the equality target and the expansion of social services in the three relevant regulations is needed:

- Better **incorporation of gender mainstreaming and the advancement of women** in all the regulations in accordance with the proposals of the Gender CoP or analogous to them: http://www.gendercop.com/wp-content/uploads/2011/12/Comments_GE_General-Regulation_ESF_Regulation_191211.pdf

³ In Austria this is called STRAT.AT. For detailed information go to www.stratat2020.at

General Regulation

- to provide a compulsory requirement for all funds, at least **5% of the funding for local population-driven measures** (Article 28).

lowering of the national co-financing share to 30%

- **Sufficient funding for LEADER** (= a part of the EAFRD programme) in order to be able to promote partnerships in the area of social services (Article 44)

Regulation on the Regional Development Fund (ERDF)

- **at least 5% of the funding** must be committed for "investments in the social infrastructure, health care and educational infrastructure" (Art 3 no. 1 (c)).
- These funds must be used for Article 5(9) (b) **local employment initiatives** or (10) (a) investment in the health and **social infrastructure** for social services (Art 9b and 10a)

What needs to be done at national level with regard to EU structural funds and social services

What is needed is a clear enshrinement of and budgeting for equality and social services in all documents:

In the **partnership agreement** between the European Commission and the member states:

- Absolute **consideration of the aim of equality** of women and men in the analysis, objectives, measures, participating organisations, monitoring and assessment
- Enshrinement of the **expansion target of social services** as an essential contribution to a strategy of intelligent, sustainable and inclusive growth in terms of the Europe 2020 strategy
- At least 25% of the EAFRD funds for the promotion of social inclusion/rural development (Article 5, Priority 6) and 5% from the ERDF for investment in infrastructure (Article 3 (c))

Absolute consideration of the aim of equality of women and men in the analysis, objectives, measures, participating organisations, monitoring and assessment.

Regulation on the Fund for Rural Development (EAFRD)

- **Development programmes for rural areas:** Social Services must be a compulsory part of the strength-weakness analysis (Article 9 paragraph 1 b) and strategy (Article 7 paragraph 1)
- Explicit anchoring of social infrastructure in the **development priorities** (Art. 5 § 6 b)
- Use of **at least 25% of the funding** for priority 6 with simultaneous

Adequate allocation for local population-driven measures for local development.

- Adequate allocation for local population-driven measures for local development (= the LEADER part of the programme in EAFRD and corresponding financial commitment in the ERDF)

Operational Programme on the ERDF: Regional Development Strategies

- Absolute **consideration of the aim of equality** of women and men in the analysis, objectives, measures, participating organisations, monitoring and assessment
- **At least 5% of funding** for the area of Article 3 (1) (c) "Investment in the **social infrastructure**, the health and education infrastructure" and for the measures according to Article 5 (9) (b) "local employment initiatives" and/or (10) (a) "investment in health and social infrastructure."
- Definition of social services like child care, nursing care or educational facilities **as SMEs**.
- **At least 5% of the funding for local population-driven measures** for local development with the focus on expansion and improvement of social services

Operational programme for EAFRD

- Absolute **consideration of the aim of equality** of women and men in the analysis, objectives,

measures, participating organisations, monitoring and assessment

- Absolute consideration of the provision and quality of social services in the **strength-weakness analysis** and in the **strategy** for rural development
- Use of **at least 25% of the funding** for the priority according to Article 5 § 6)
- Sufficient funding for LEADER (= a part of the EAFRD programme) in order to be able to promote partnerships in the field of social services (Article 44)

Should you have any further questions
please do not hesitate to contact

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