



EUROPA

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AK Position Paper

11 GOOD REASONS to use EU structural funds for social services

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.

Herbert Tumpel
President

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.

Werner Muhm
Director

11 good reasons to use EU structural funds for social services

The use of the talents and skills of women and men alike is also essential to be competitive in the global context.

1. More growth and competitiveness

The consolidation packages in the individual EU countries will contribute in the coming years to a slowdown in economic dynamics. It is therefore all the more important to achieve a sustainable economic growth through an increase in women's employment, by way of a **strengthening of domestic demand**. The use of the talents and skills of women and men alike is also essential **to be competitive in the global** context. Lack of social infrastructure is a key earnings barrier for women in particular; the removal of this barrier is an important contribution to increased employment.

A series of new studies points to the indispensability of social services for an intelligent, sustainable and inclusive growth in line with the Europe 2020 strategy and a **balanced** regional development.¹ In the study by the European Parliament **"The Multi-Annual Financial Framework 2014-2020 from a Gender Equality Perspective"** the importance of women's

employment in the competitiveness and the **importance of social services** are highlighted.²

2. More employment

Regarding the **increase in employment**, the expansion of social services has **greater effects than any other form of public expenditure**, and can contribute effectively to the creation of jobs in the region. On the other hand, the **employment target of 75% Europe-wide** cannot be achieved without a corresponding increase of **women's employment**. It is therefore essential to relieve women of unpaid family work and make it possible for them to combine career and family. Concrete calculations exist in this regard for Austria.³

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 See page 37, section 1.6., subsection b: <http://www.europarl.europa.eu/document/activities/cont/201201/20120123ATT36024/20120123ATT36024EN.pdf>

³ With 60 million annually for the expansion of child care, a total of 37,000 people could be employed. See <http://www.arbeiterkammer.at/bilder/d128/Sozialstaat.pdf>

To ensure a balanced regional development and the promotion of territorial cohesion the provision of social services is essential.

3. Managing demographic change

The continuously increasing life expectancy means that more and more older people will be living in Europe. The question is how, despite this, the financial viability of pension systems can be ensured. The decisive factor is how many people are in employment, as shown so impressively by the Chamber of Labour's **dependency ratio calculator**⁴. Investments in social services are an effective strategy, especially for bringing women into employment or for enabling them to work and to ensure sustainable funding of pensions.

4. Attracting companies and improve regional development

In the **rural areas** a lack of social infrastructure often leads to the exodus of skilled labour, especially women. This has a negative influence on the **location decisions of companies**. However, if jobs are created in the region, the additional income increases local demand and boosts the local economy. To ensure a balanced **regional development and the promotion of territorial cohesion** the provision of social services is, therefore, essential.

5. A benefit for public budgets and the local authorities

Through targeted investments in social infrastructure (especially in child care and nursing) tens of thousands of people can find employment directly and indirectly. Overall, the **targets** from the additional employment and **savings** in unemployment benefits produce a massive **easing on the budgets** of the public authorities. Concrete calculations exist in this regard for Austria (see footnote 3).

The EU funding could also play an important role in **assisting local authorities** to fulfil their task of making communities into attractive and economically successful habitats, despite their tight finances. The partnership programmes such as LEADER can also create significant impetus for **cooperation** at regional level for a better and more efficient performance.

6. An important step for equality between women and men

While there are much the same educational opportunities for women and girls, it is not often possible to use these qualifications because of care responsibilities. The Strategy for

⁴ Further details on the calculator can be found at : <http://www.etui.org/Publications2/Policy-Briefs/European-Economic-and-Employment-Policy/Dependency-ratios-and-demographic-change.-The-labour-market-as-a-key-element>

The objective of reducing poverty which is enshrined in the Europe 2020 Strategy is best achieved by the possibility for women and men to earn their own income.

equality between women and men (2010-2015) sees, for good reason, the expansion of child care and nursing facilities as a key to a gender-neutral Europe.

7. To cover urgent needs

The need for childcare and nursing care provisions already exists and will grow over the next few years. A recent study for Austria shows a **distinct overloading of nurseries in very rural areas**. The average capacity utilisation is just under 102%, with maximum values achieved of 150-165%.⁵ The lack of supply is a hindrance to the development of local and regional potential (see Section 4).

8. More education and equal opportunities

The European Commission points out in its recent announcement the **significance of child care as an institution for early childhood education** (KOM (2011) 66) and its importance for children's future educational and employment opportunities. This requires that

the appropriate range of facilities be created.

9. Prevent poverty effectively

The objective of **reducing poverty** which is enshrined in the Europe 2020 Strategy is best achieved by the possibility for women and men to earn their own income.

10. Environmentally and climate-friendly

Social services are a strategy for **optimising the employment potential in an environmentally friendly way**, because employment in this area needs neither a high consumption of energy nor other resources. This also corresponds to the goal of a sustainable economy as part of the EU 2020 strategy.

11. Successful examples

In the past, there have already been **successful LEADER projects** in this area: in Upper Austria, the local provision and the care for the elderly was ensured in 22 municipalities⁶; flexible child care services were created in the

⁵ Characteristics of child care in rural areas, WKO Symposium, 24.05.2011, Presentation Christine Geserick MA, Austrian Institute for Family Studies (ÖIF) <http://tinyurl.com/d72p986>

⁶ http://www.land-oberoesterreich.gv.at/cps/rde/xchg/SID-85511302-6FDD8DBA/ooe/hs.xsl/93874_DEU_HTML.htm

⁷ <http://www.leader-innviertel.at/kick-off-for-a-family-oriented-leader-region/>

⁸ <http://www.service-wohnen-brauneis.de/>

context of the “family-friendly Leader Region”⁷; or in Germany, the project “assisted living in the countryside for the vulnerable”⁸ came into existence.

In addition, case studies from Austria, which have been financed by other sources, also show how such cross-community partnerships noticeably improve the rural habitat for people and businesses.⁹ The targeted use of EU funds for this would be an effective lever toward extending this.

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 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))
- 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.”

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

⁹ See <http://wien.arbeiterkammer.at/online/vernetzung-sozialer-dienstleistungen-64409.html>

- 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)

At least 5% of the funding for local population-driven measures for local development with the focus on expansion and improvement of social services

Should you have any further questions
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