

Adjusting EU Social Policies to Local Contexts: Challenges and Opportunities for Action

White Paper

POLICY RECOMMENDATIONS

- Cooperative practices in funding must shift to a collegial exchange with the local level in order to optimize trade-offs in structural implementation practices.
- The current bias in the participation mechanisms of fund design and implementation needs to be corrected in the interest of greater local co-creation and adaptation to local needs.
- A coherent EU funding policy needs tools to promote institutionalisation and the self-sustainability of local non-governmental partners, and it must address the current reality of co-financing in EU Member States.

This *White Paper* is result of the research project **AIM** – Analysis of Institutional Action in Governing the Mobility of People in Europe. Conditions to foster European Cohesion – funded by the German Federal Ministry of Education and Research.

We developed the statements cooperatively during a participation process with an inter- and transdisciplinary as well as international group of scientists and practioners.

Introduction: Challenges for adapting and implementing EU social policies

With the European Pillar of Social Rights and its Action Plan, as well as the restructuring of funds, European social policy has undergone a holistic evolution and seriously addresses issues of equal opportunity and inequality. The policies recognise the crucial role played by local authorities and non-governmental partners in defining goals for further development and achieving objectives by implementing funds. However, we warn that the multi-level governance system (MLG) underlying fund design shows dysfunctional features, to the detriment of the local level.

The unrecognised local struggle

The current culture within fund design (1), a participation bias (2) and the insufficient practice of co-financing (3) are overburdening non-governmental partners and many local authorities. The consequences of this are permanent **chain financing, a lack of funding for staff, inconsistencies in the content of funding schemes, and bureaucratic burdens** that place heavy pressure on the implementing partners. **Efforts to engage in the MLG system and to ensure the sustainability of project results are not covered by funding opportunities.**

There is a gap between the way funding policies are designed and the need existing at the local level to solve social problems. Funding policy development is dominated by state actors from the highest levels, and as a result these policies are not sufficiently responsive to local problems. This means that current funds only

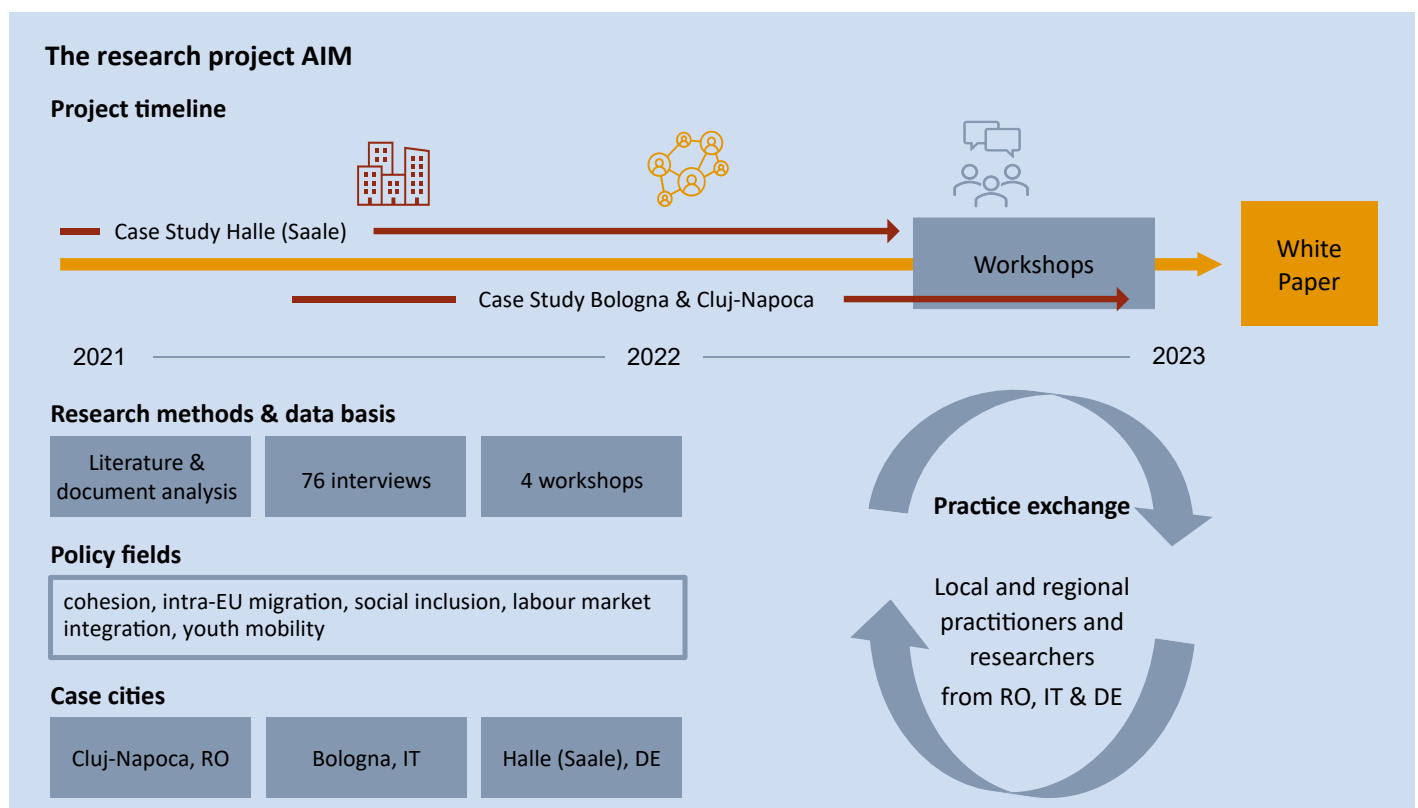
marginally reflect the diversity and complexity that exist at the local level, as well as specific prerequisites and Member States' political systems.

The system depends on local input for policy development and solutions to social problems. However, the achievement of long-term objectives is pursued through time-limited programmes, while the political work of partners at the local level seems to remain invisible and is unsupported by project funding.

Taking responsibility together

EU funds are one of the most valuable source of funding for innovative local social policy. In the current climate of multiple crises and financial constraints, however, public budgets at the national, regional and local levels are tight, making it difficult to maintain permanent structures delivering (EU) social policy on the ground. The result is a trade-off when it comes to the implementation of the Structural Funds, which contributes to high staff turnover, burnout among local actors and, limitations in achieving the EU's social policy goals.

It is crucial that all levels of the European MLG take ownership of the problem and work together to address the gaps in the funding architecture to ensure successful interlocking multi-level policies on the ground. To address the challenges, we propose that three actions be taken.



ACTION 1

Promote a collegial culture and reduce existing tensions through direct communication

“We have reached a level where policies are no longer local policies. That is, if you want to change this thing, you really have to change the national contract; you have to change the issue of contributions.”

(Representative of a local authority, Bologna)

The culture of cooperation in the MLG system has developed extensively in recent decades. Still, the working realities in the layers of the European MLG diverge and their interplay is characterised by the distance between European policy-making institutions and the implementing organisations on the ground. There is a lot of **mutual unawareness**, speculation, attribution, and expectation causing personal and structural tension within cooperative efforts, and this reduces the success of local activities.

Even though its involvement is necessary, the local level still has the weakest position in funding policy development. The one-sided (financial) dependency creates an atmosphere in which **local partners find it difficult** to address problems and controversies in implementation, because they fear losing European funds as a resource with which to tackle problems.

Future sustainable cohesion policy must embrace and facilitate the building of collegial relationships between levels and create more space for local power.

RECOMMENDATIONS

- Develop a culture of cooperation that promotes recognition and gratitude among the actors involved, as these aspects are currently underdeveloped.
- Organise mutual visits, in-person consultations and personal contact between fund administration, implementing organisations and policymakers to nurture an understanding of each other's working reality.
- Offer anonymous feedback and complaint management so that local partners can address problems in the hierarchy of political systems without fear of being penalised.
- Make space for mistakes as natural steps towards learning.
- Transform the current unequal applicant-financier dynamic into a more balanced and interdependent working relationship with local partners.

ACTION 2

Change the participation bias into co-creation

“I would like to take the ministry along more often, because we definitely noticed a certain lack of practical experience at the ministerial level during the last funding period. It's all very well intended, but there's really a lack of practical relevance.”

(Representative of a local authority, Halle (Saale))

The MLG system offers multiple opportunities to participate in policy design. Yet, mechanisms and expectations of policymakers sometimes do not fit the working realities and capacities of local partners. The **input methods** used to impact fund design in direct, indirect, and shared management are still **largely singular and selective**.

The result is a **participation bias** that privileges the well-resourced and powerful collaborators. Smaller, innovative social organisations often struggle with raising the necessary funds and having their work noticed in the development of policies and are therefore often overlooked.

The design of EU funds requires the revision of current participation mechanisms in order to better adapt policies to local contexts and to integrate a broad range of local voices.

RECOMMENDATIONS

- Prioritise local narratives on needs and funding practicalities.
- Create space within fund design for feedback loops that repeatedly involve the local level in order to effectively address existing grievances on the ground.
- Consider implementing a system of “Local Priority Letter” where local partners can address their needs to fund designers.
- Work towards greater transparency on the single steps, processes and road maps behind fund design for local partners.
- Adapt funding mechanisms to the diversity of local conditions and Member State political systems and enhance flexibility for changing needs.

ACTION 3

Address capacity building for institutions and face the co-financing problem

“Between the first project and the second project you won, you could go off for six to seven months, because you couldn't keep people without pay or without resources. If you wanted a team that would stay loyal to the organization, you had to ensure continuous funding.”

(Representative of a local NGO, Cluj-Napoca)

The current system of co-financing builds on the idea of promoting policy goals through the financing of projects to stimulate local change and social innovation. However, the current MLG approach fails to recognise that **local permanence of action, cooperation, and adaptation to new problems is the actual source of innovation to solve problems**. Local non-governmental organisations involved in implementing social policy often have limited opportunities to make financial profits through their work and therefore struggle to provide co-funding contributions.

The general climate of declining welfare state commitment and increasing competition for funding has led to a system of chain financing, self-exploitation and precarious working conditions among implementing organisations. Further, regional and local public budgets are under high pressure and rarely prioritise social efforts in co-funding.

In order to support long-term work in an environment of short-term funding opportunities, a coherent funding policy must achieve both: provide tools to promote the institutionalisation and self-sustainability of the non-governmental partners involved and address co-financing realities within the MLG system.

RECOMMENDATIONS

- Support the institutionalisation and the capacity-building of local non-governmental organisations, exploring ways to enable them to become more self-sustaining.
- Include a budget for application works and political engagement within the staff financing in projects.
- Extend the duration of project funding to a minimum of 4 years and cover project transition periods via temporary refinancing
- Explore experimental funding approaches for up to 15 years to develop new ways of stabilizing local partners and achieving sustainable policy outcomes.
- Begin to communicate about the co-funding realities in the European Union's Member States and regions. Develop the appropriate tools to support municipalities that cannot afford the co-funding rate.

CONCLUSION

The main challenge for the MLG is to manage the shift in perspectives that occurs across levels, changing the needs and requirements for fund design. The current culture of funding, participation bias, and maintenance of local delivery structures are insufficient to efficiently tackle current challenges and sustainably achieve EU social policy goals locally.

Our policy recommendations represent ideas gathered from the field of fund implementation, are based on urban research, and were developed collaboratively with partners from local practice and regional administration in three European cities. As fund content has matured tremendously in recent years, it is now time to target the trade-offs in structural implementation practices.

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The statements here were developed cooperatively and were supported by an international inter- and transdisciplinary group.

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