Cohesion policy and marginalised communities

SUMMARY
Marginalised communities largely live on the fringes of European society, often with little access to the services that the rest of the population take for granted. The responsibility for marginalised groups lies primarily with the Member States, yet the objective of social cohesion also calls for an EU-level response. While there is no definition of marginalised communities under the EU Treaties, certain groups such as the Roma suffer from a combination of factors including discrimination and material deprivation, and are therefore a particular area of focus in discussions on marginalised communities.

EU structural funds have not always taken full account of these communities during previous programming periods, while their involvement in the preparation and implementation of programmes has been limited. The current 2014-2020 cohesion framework puts forward new measures with a wider scope for improving the situation of such groups, including an investment priority targeting marginalised communities. Many stakeholders argue, however, that Roma issues need to be mainstreamed across all policy areas in order to achieve lasting structural change.

The European Parliament is preparing an own-initiative report on marginalised communities and cohesion policy, to help feed into the discussions on the future programming period, and has been in the vanguard of EU-level initiatives to improve the living conditions of these groups. Ultimately, however, the inclusion of marginalised communities will depend on strong political will from local and national authorities on the ground.

- In this briefing:
  - Introduction
  - The EU Roma framework
  - Roma and 2007-2013 cohesion policy
  - New policy developments in the 2014-2020 cohesion policy framework
  - European Parliament
  - Outlook
  - Main references
Introduction

Marginalised communities are to be found on the fringes of society in all EU Member States, living in exclusion from the majority and often with little or no access to basic infrastructure and public services. Severe cuts to local budgets mean that many authorities have been forced to rein in their spending, potentially further entrenching the difficulties of marginalised groups. While responsibility for addressing the problems of such communities lies primarily with Member States, the objective of social cohesion also calls for an EU-level response to the challenges of marginalised people. Encompassing several major EU investment programmes, cohesion policy can make a vast contribution to improving the lives of marginalised communities. However, in the past, EU funds have not always taken full account of the people concerned; moreover, their involvement in key decision-making or implementation processes has been minimal. Within cohesion policy, a number of measures have been taken during the previous and current programming periods to support marginalised communities.

Defining marginalised communities

There is no definition of marginalised communities within the EU legislative framework. It is up to individual Member States to identify which groups they consider to be marginalised based on their own criteria. People can be marginalised in many ways, with marginalisation embracing factors such as material deprivation, inadequate housing, low educational levels, high unemployment, poor health as well as discrimination and prejudice. Certain groups, however, such as the Roma, suffer from a combination of all these factors, leading to a vicious circle of exclusion. Discrimination and racism can often lead to spatial segregation and poor housing, limiting people's access to healthcare and education. In turn, low educational levels and high rates of drop-out from school can lead to high unemployment and thus severe material deprivation, resulting in yet further discrimination and exclusion. As Europe's largest ethnic minority, with around 6 million living in the European Union, the Roma are one of the most marginalised groups in Europe, with an estimated 90% of all Roma in those countries with the largest Roma populations living in or at risk of poverty and social exclusion. According to the Common Basic Principles on Roma Inclusion adopted by the Council in 2009, measures to help the Roma should be targeted but not exclude other marginalised groups in similar socio-economic circumstances. When seen in the context of the multiple forms of discrimination facing the Roma, this approach helps explain the focus placed on Roma in many discussions on marginalised communities.

The EU Roma framework

In recent years, the issue of Roma inclusion has acquired an increasingly important position on the EU's political agenda, fuelled by the realisation that the integration of the Roma is not only a moral but also an economic necessity, with a 2010 World Bank study suggesting that the estimated economic costs of Roma exclusion could run to billions of euros per year. The 2011 European Commission communication on an EU Framework for National Roma Integration Strategies up to 2020 represented a veritable step change in the EU's attitude towards improving the socio-economic integration, social conditions and rights of the Roma, by calling on Member States to draw up annual National Roma Integration Strategies (NRIS) in four areas considered vital for Roma inclusion: education, employment, healthcare and housing. The NRIS must dovetail with Member States' national reform programmes and with the Europe 2020 Strategy for smart, sustainable and inclusive growth, which includes three headline
targets that directly concern marginalised groups such as the Roma. Additional guidance is also provided by the annual country-specific recommendations (CSRs) drawn up by the Commission, which put forward specific Roma objectives for a number of countries with significant Roma populations. From the outset, the European Structural and Investment Funds have been seen as a vital instrument for delivering Roma inclusion, with the 2011 communication urging Member States to deploy structural funds for Roma inclusion as part of their NRIS, and the 2013 Council Recommendation on Effective Roma Integration Measures calling for local authority involvement in implementing structural funds for Roma inclusion as well as action to ensure that such funding reaches the Roma e.g. through the use of National Roma Contact Points.

Roma and 2007-2013 cohesion policy

Before proceeding to examine the current measures in place to help marginalised communities, it would be useful to take stock of the situation during the 2007-2013 programming period. The Joint Report on the use of Structural Funds for Roma Inclusion by the EURoma+ network provides an interesting analysis of how funds were deployed to promote Roma inclusion in the network’s eight countries (Bulgaria, Czech Republic, Greece, Hungary, Italy, Romania, Spain and Slovakia). During the 2007-2013 period, action to help the Roma focused on the three main areas of employment, education and social integration, largely on the basis of specific operational programmes, with particular attention on projects geared towards meeting the basic needs of the Roma and ensuring key social-service provision. Comparatively speaking, less priority was given to healthcare and housing, which were included in programmes through mainstreaming rather than via a specific, targeted approach. In terms of funds used, the countries covered by the report showed a general tendency to use the European Social Fund (ESF), with limited recourse to the European Regional Development Fund (ERDF) and the European Agricultural Fund for Regional Development (EAFRD).

Amendment of ERDF Regulation

In recognition of the key role that housing can play in the integration of marginalised communities, Article 7.2 of the ERDF Regulation was amended in 2010 to help improve the housing conditions of marginalised communities. Under this provision, up to 3% of each Member State’s ERDF allocation may be spent on housing initiatives for marginalised communities, representing an important new area of funding. According to the EURoma+ report, however, projects in the housing sector have been limited, and predominantly focused on urban regeneration and basic infrastructure rather than the actual construction or renovation of housing. Equally, although a total of six countries made reference to these new opportunities in their NRIS, few have begun their implementation. The Member States appear to have failed to fully tap into the potential of this new provision during the previous programming period.

A need for tangible results

While the EURoma+ report’s findings show that more attention was given to Roma issues in 2007-2013 than in previous periods, with an increase in the number of operational programmes and resources targeting the Roma, it has proven difficult to measure their effectiveness due to a lack of information and indicators for measuring the impact of structural funds on Roma inclusion. The report stresses that many of the initiatives during the 2007-2013 period represent 'palliative measures' which – although they improve the living conditions of the Roma – in reality maintain segregation and do not lead to greater integration. In terms of equal opportunities and non-discrimination
for instance, the report notes that despite the inclusion of these principles as horizontal priorities in many operational programmes, there were no substantial or tangible achievements in these areas. According to the report, there has been progress in the area of planning, involving wider stakeholder participation, yet there have been few such advances in terms of practical implementation and results. This is compounded by the often limited institutional capacity of local authorities, which lack the necessary knowledge or experience in the implementation of such projects, with Member States making little use of the technical-assistance budget available to them to develop their skills in such areas. The report found little alignment between policies and funds during the 2007-2013 period, noting that the adoption of NRIS by Member States ‘has not led to any revision of the Operational Programmes or at least not to any major changes’.

**New policy developments in the 2014-2020 cohesion policy framework**

The cohesion policy package for 2014-2020 covers a broad range of cross-cutting measures promoting the inclusion of marginalised communities. Particular attention has been given to the issue of discrimination and exclusion, with Member States required to set out how they will address the needs of geographical areas affected by poverty, or of target groups at highest risk of discrimination or social exclusion, in both their partnership agreements and operational programmes. Member States should take appropriate steps to avoid any discrimination during the preparation and implementation of these programmes and, in accordance with the partnership principle, must involve partners including civil-society bodies responsible for promoting social inclusion and non-discrimination, in the preparation and implementation of partnership agreements and operational programmes. Following the [Charter of Fundamental Rights](https://eur-lex.europa.eu/) of the European Union gaining legal force in 2009, greater focus is being placed on examining whether the use and/or allocation of funding complies with fundamental rights, with the Commission launching infringement procedures against the Czech Republic (2014) and Slovakia (2015) for violations of the Racial Equality Directive, due to discrimination of Roma in the area of access to education. Indeed, the 2014-2020 legislative package widens the scope of monitoring and evaluation in general. The introduction of appropriate financial, output and results indicators in relation to target groups and specific areas of intervention represents an important new development during the 2014-2020 period, and will provide a viable means of measuring the effective impact of structural funds on the inclusion of marginalised communities.

In addition to these cross-cutting measures, the [legislative package](https://eur-lex.europa.eu/) for EU cohesion policy also outlines a number of objectives specifically targeting marginalised communities. Perhaps principal among these is the establishment under the European Social Fund of a specific investment priority (9.2) on the Integration of marginalised communities such as the Roma, with a further two ERDF investment priorities also targeting this group: Investment in health and social infrastructure to improve access to health and social services, and Support for physical and economic regeneration of deprived urban and rural communities. Moreover, the ESF and the ERDF Regulations make specific reference to marginalised communities as beneficiaries of support, and a minimum of 20% of each Member State’s [ESF allocation](https://eur-lex.europa.eu/) must be set aside for promoting social inclusion and combating poverty, with housing support available as part of an integrated intervention under the ERDF. The use of EU funds for social inclusion is subject to the preparation of an NRIS, an ex ante condition that Member States must meet to ensure that the prerequisites for the effective and efficient use of EU support are in place. The legislative package also sets out a number of other ex ante
conditions relating to Roma, including in the field of discrimination. Failure to fulfil an *ex ante* condition may lead to the suspension of interim payments to a Member State.

**Partnership agreements and marginalised communities**

According to the Commission's June 2015 *Report on the implementation of the EU Framework for National Roma Integration Strategies 2015*, Member States have earmarked over €80 billion for investment in human capital in the areas of employment, education and social inclusion under the ESF, as set out in their partnership agreements. On average, Member States have allocated 25% of their ESF budget to measures aimed at social inclusion, significantly above the 20% minimum required. Along with Belgium, Greece, Spain, France and Italy, all five Member States with CSRs on Roma (Bulgaria, Czech Republic, Hungary, Romania and Slovakia), have chosen the ESF investment priority on the socio-economic integration of marginalised communities. In addition, Member States have set aside some €20 billion of their ERDF funds for inclusive growth, of which €10.8 billion will go to promoting social inclusion and combating poverty. The operational programmes of the five Member States with the largest Roma populations are expected to include measures focusing on the integration of marginalised groups.

In terms of the new tools available under the cohesion package, Member States have opted for territorial and integrated approaches, including *Integrated Territorial Investments* (ITI) and *Community-led Local Development* (CLLD), to tackle the needs of areas affected by poverty and social exclusion. They have provided support for the physical, economic and social regeneration of deprived communities in urban areas, and sought to apply the partnership principle to involve civil society and partners in the planning and implementation of EU-funded measures, using thematic concentration to focus on a limited number of priorities. They have adopted a results-oriented approach, involving the use of output and result indicators for measuring progress towards Roma inclusion, as well as strengthened capacity building for civil society organisations, and ensured the use of global grants to improve the delivery of funds. The Commission report pinpoints a number of improvements compared to the 2007-2013 period, noting the wider use of integrated and multi-fund approaches involving explicit but not exclusive targeting, along with greater efforts to tackle insufficient administrative capacity. It highlights a move away from short-term actions with limited impact to long-term measures with potential for genuine social impact. It notes an improvement in terms of the alignment of EU funds with policy priorities, stressing that Roma are mainly targeted by social interventions rather than in education and employment.

**European Parliament**

The European Parliament (EP) was instrumental in raising awareness of marginalised communities during the negotiations on the cohesion policy package for 2014-2020. Among its achievements in the previous legislature, it managed to keep the *20% minimum allocation* for fighting poverty and social exclusion under the European Social Fund, helping to retain a high level of ambition in this area. The EP has adopted numerous resolutions relating to the Roma, with MEPs keeping this issue on the agenda through parliamentary questions on marginalised communities and the Roma.

**European Parliament own-initiative report**

The Committee on Regional Development (REGI) is drawing up an own-initiative report on cohesion policy and marginalised communities (rapporteur Terry Reintke, Greens/EFA, Germany). While welcoming the EU’s awareness of the urgent need to address marginalised communities, the draft report stresses the importance of applying...
the horizontal principle of equal opportunities and non-discrimination and considers marginalised groups’ access to public services as a major goal, at the same time calling for closer alignment between NRIS, National Poverty Reduction Strategies and cohesion policy. In particular, the draft report makes a number of recommendations regarding the preparation, implementation and monitoring of operational programmes that address marginalised communities. In terms of preparation, the draft report stresses that the partnership principle must be applied on an obligatory basis and calls on the Commission not to authorise payments for programmes that do not involve partners. It believes that funding measures are needed which go beyond targeted action under the thematic objective for social inclusion, helping to ensure a more systematic approach. On the issue of implementation, the draft report considers that funds should be used in a more integrated way (via CLLD or ITI) and emphasises the need to strengthen the capacity of stakeholders such as public administrations and civil society. In terms of monitoring, it notes that EU-funded projects need a long-term perspective if they are to be effective, and calls for qualitative evaluation and monitoring mechanisms, stressing that marginalised communities should be involved in the monitoring process.

Outlook

The 2014-2020 cohesion policy framework has given Member States wider scope to address marginalised communities, with the Commission’s review of the EU framework for NRIS 2015 showing improved alignment between NRIS and EU funding mechanisms for 2014-2020, and greater Roma involvement in planning and decision-making. Much remains to be done, however. There is a need to strengthen the capacity-building of local authorities and civil society, and increase action to combat discrimination and segregation. While the greater use of results-based indicators has the potential to improve monitoring, it could risk leading to a focus on meeting easy-to-measure indicators rather than addressing the needs of communities. Ultimately, the inclusion of marginalised communities will depend on the political will of public authorities. With the migrant crisis the subject of so much public interest, it is possible that attention may shift further away from groups such as the Roma, marginalising them even further.

Main references


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