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### The making of a European Social Union: The case of food banks and the right to minimum income protection

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University of Antwerp Herman Deleeck Centre for Social Policy https://www.uantwerpen.be/en/research-groups/csb/ The making of a European Social Union: The case of food banks and the right to minimum income protection

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#### Abstract

With the Fund for European Aid to the Most Deprived (FEAD), the European Union (EU) is involved in the field of last resort social protection, mainly by subsidising food aid. This working paper examines (a) to what extent FEAD funds are geared towards poor Member States with greater social needs, (b) how important food aid in general, and FEAD in particular, is to supplement insufficient minimum income protection for the poor, (c) to what extent food aid is embedded in and supported by (welfare) state institutions, and (d) how important FEAD accompanying measures are to strengthen individual power resources. The paper builds on primary and secondary data and includes case study research covering eight European countries and four European cities. Our results show that FEAD organises an – albeit very limited – form of pan-European solidarity. Although FEAD budgets are very small, in some poorer countries they are not trivial compared to national unemployment and social exclusion spending. However, FEAD's share in food aid packages is small. Moreover, compared to the efforts needed in order to lift minimum incomes to the EU-wide poverty threshold, the funds are relatively smaller in poor countries than in the richer ones. Our findings also suggest that on the one hand, FEAD could strengthen power resources of European citizens through its accompanying measures, but on the other hand, it seems to support the increasing penetration of food aid into welfare state institutions. Nonetheless, FEAD might be used as a stop-gap measure in a political strategy aimed at the implementation of the right to adequate minimum income protection.

Key words: FEAD, food aid, minimum income, social citizenship

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#### 1. Introduction

Social citizenship is inextricably linked to the state's responsibility to guarantee its citizens a minimum level of economic well-being and security and the right to participate fully in society. The right to a *minimum income* is of paramount importance in this regard, as it effectively defines what social citizenship entails as a modicum (Bahle, 2011; Leibfried, 2002; Yerkes & van der Veen, 2011). While not the only one, adequate minimum protection for working and non-working households is the most important lever to fight poverty and, more specifically, to achieve the European 2030 social inclusion targets (Cantillon et al., 2018). With respect to the issue of minimum income, the European Pillar of Social Rights (EPSR) affirms that "everyone lacking sufficient resources has the right to adequate minimum income benefiting, ensuring a life in dignity at all stages of life and effective access to enabling goods and services." The recently adopted 'Council Recommendation on adequate minimum income ensuring active inclusion' attempts to substantiate this principle.

However, minimum income protection is inadequate in almost all European countries to get out of poverty (Marchal & Siöland, 2019; Penne & Goedemé, 2021) while for long poverty trends have been disappointing in many European countries (Cantillon, Goedemé, & Hills, 2018). For low skilled, work-poor households relative income poverty has for many years and in many countries seen a slow but steady upward trend. The level and speed of rising trends vary widely between countries, but everywhere, even in the best performing countries, the upward poverty curve has failed to reverse for several decades (Cantillon, 2022).

Against this backdrop, there is a growing consensus that the EU needs to act as *European Social Union* by expanding its role to support national welfare states in some of their critical functions and to guide the substantive development of national welfare states (Vandenbroucke, Barnard & De Baere, 2017). Recent developments seem indeed to strengthen the EU's social role. In particular, the EPSR may stand for a paradigm shift regarding the normative-operational dimension of European social policy, as it is evolving from broadly stated objectives to social rights 'awarded' to European citizens. The EPSR provides citizens with *normative power resources*, i. e. resources providing general justifications that legitimise claims (Ferrera et al., forthcoming; Vandenbroucke et al., 2021). In order to actually implement the rights of the Pillar, there also need to be *enforcement power resources*, i.e. guaranteed powers that address a third party in the event of a dispute, and *instrumental power resources* that enable actual access to services.

The EU also acts as a "material supporter" of national social policies when it comes to EU budget spending in the social field (Vandenbroucke, Keune, Ferrera, & Corti, 2021). In particular, the European Social Fund Plus (ESF+) is intended to help create a more powerful and resilient social Europe and implement the EPSR. The ESF+ includes (among other funding instruments) the former European Social Fund (ESF) and the Fund for European Aid to the Most Deprived (FEAD), two main instruments in the fight against poverty and social exclusion. While the ESF aims to "invest in people" by helping them find (better) jobs, as well as investing in education and skills and promoting social inclusion, FEAD aims to complement the ESF by focusing exclusively on the basic needs and social inclusion of the most disadvantaged, mainly through the provision of food and material assistance. Against the background of the increasing use of food aid across Europe (Greiss et al., 2022; Lambie-Mumford & Silvasti, 2020), the fund seems to provide much needed support for people experiencing poverty. Given the increasing role food aid plays in today's European welfare states, however, more than ever the pressing question arises as to the balance between charity-based social initiatives on the one hand, and welfare states in their duty to socially protect their citizens on the other hand and the role of Europe in this respect. A number of authors formulate the fear that charitable food aid could shift the responsibility for people experiencing poverty and social exclusion from the state to civil society (Greiss, Cantillon, & Penne, 2021; Lambie-Mumford & Silvasti, 2020; Poppendieck, 1998; Riches & Silvasti, 2014). Moreover, given the frequently emphasised issues of stigmatisation and unequal power relations in food assistance (Garthwaite, 2016; Ghys, 2018; Schoneville, 2013), this type of support appears as a highly questionable alternative to adequate minimum income and effective activation strategies. These issues raise the question of the role of the EU in the charity vs. social rights dilemma in the context of FEAD.

The sparse literature on FEAD to date has mainly dealt with the political and institutional dynamics behind the fund's adoption and its evolution into a social inclusion programme (Caraher, 2015; Madama, 2016) and the fund's contribution to food security and its beneficiaries' diets in a single country case (Vlassopoulos et al., 2020). This paper deals with the following questions: First, how important is FEAD and to what extent is FEAD funding geared towards poor Member States with greater social needs (Hermans, Greiss, Delanghe, & Cantillon, 2022)?; second, to what extent does food aid supplement inadequate minimum incomes and how important is FEAD in that respect (Hermans et al., 2023)?; third, to what extent is food aid in European countries embedded in and supported by (welfare) state institutions (Greiss et al., 2022)?; fourth, does FEAD strengthen instrumental power resources (Greiss & Schoneville, forthcoming)?

The paper bases on primary and secondary data and includes case study research covering eight European countries (Belgium, Germany, Hungary, Lithuania, the Netherlands, Poland, Portugal, Spain) and four European cities (Antwerp, Barcelona, Budapest and Helsinki).<sup>1</sup> It is organized as follows. Part 2 sets the scene about FEAD. In part 3, we look at FEAD from a macro perspective by examining the distribution of EU social funds (ESF and FEAD) in relation to national economic and social indicators. To what extent does the distribution of the ESF and FEAD means correspond to Member States' economic capacity, social needs, social policy outputs and efforts required to meet the European social goals? Part 4 examines the importance of food aid – including FEAD – for the European poor. We will look at minimum income support and the potential value of food aid in several Member States with different institutional contexts. Concretely, we present calculations of the hypothetical monetary value of food aid and on FEAD in the context of social citizenship. For this purpose, we will examine whether FEAD's accompanying measures have the potential to strengthen social citizenship by offering *instrumental power resources*. Finally, in Part 6 we present an outlook on the question if, and how, FEAD could reinforce European social citizenship.

<sup>&</sup>lt;sup>1</sup> We will discuss the respective data and method in the individual chapters.

#### 2. Setting the scene: FEAD and the implementation of the EPSR

Civil society organisations have always been an integral part of modern welfare arrangements (Evers, 2005). More so: many institutions of the welfare state have originated from local, often charity-based, social initiatives. Since the last decades, however, a process of territorial reorganisation of social care has taken place, where regional and local authorities are increasingly becoming important actors in the provision of social services (Oosterlynck, Kazepov, Novi et al. 2015). This development can also be followed in the field of assistance for people experiencing poverty and social exclusion. The most drastic example of this development at present is charity food aid which has evolved into a complex and sophisticated system of assistance involving a wide range of resources and actors with many different providers such as religious and non-religious organisations and multitudes of volunteers (Caraher & Cavicchi, 2014). Fuelled by the recent years of socio-economic crises, food aid seems to have become increasingly established as an informal but regular support service for people in need.

With FEAD, the EU is involved in the field of food aid, too. The fund supports local initiatives in most European countries to provide food aid and basic material assistance. It aims at alleviating the worst forms of poverty by focusing on the basic needs and social inclusion of the most deprived persons (EC, 2014a). In 2021, the fund became part of ESF+, the EU's main funding instrument for promoting social inclusion and combating poverty (EC, 2022). ESF+ integrates the previously stand-alone European Social Fund (ESF) and some smaller funds including FEAD<sup>2</sup> (EC, 2021). ESF+ is supposed to support policies in the areas of employment, social inclusion, access to healthcare, long-term care, education and poverty eradication. Moreover, ESF+ is more intricately linked to the European Semester: "Member States should allocate an appropriate amount of their resources of the ESF+ strand under shared management to implement relevant country-specific recommendations" (EC, 2021a). Importantly, at least 25% of the ESF+ resources should be allocated to fight social exclusion and at least 3% to support the most deprived persons. The latter refers to the support that was provided under FEAD during the 2014-2020 programming period. To tackle the consequences of the COVID-19 crisis, the program got extended in 2021 and 2022 and additional resources were made available<sup>3</sup>. Furthermore, as part of ESF+, FEAD is explicitly linked to the implementation of the EPSR: According to the EPSR Action Plan, "ESF + f...] will continue to be the EU's main instrument to support the implementation of the Social Pillar" (EC, 2021b, p.34). The EU targets in the areas of employment, skills, and social protection to be achieved by  $2030^4$  are said to be pursued by 'unlocking social investment through EU funds' (EC, 2021b).

Remarkably, FEAD's origins lie in the common agricultural policy (CAP). Because of existing food surpluses due to intervention stocks that were held back not to lower market prices, in 1987, the 'Food Distribution Programme for the Most Deprived Persons in the Community' (MDP) was launched. Member States were given the opportunity to use the food surpluses as food aid for the needy (Caraher, 2015, Madama, 2016). After stocks declined due to a CAP reform, countries could buy food on the open market. However, this led to a formal challenge of the programme, as it shifted the focus to a social objective

<sup>&</sup>lt;sup>2</sup> Besides ESF and FEAD, also the Youth Employment Initiative (YEI) and Employment and Social Innovation Programme (EaSI) are merged into ESF+

<sup>&</sup>lt;sup>3</sup> <u>https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0223-20210217&from=EN</u>

<sup>&</sup>lt;sup>4</sup> At least 78% of people (20-64y) should be in employment. At least 60% of adults should participate in training every year. The number of people at-risk-of-poverty or social exclusion should be reduced by at least 15 million.

(Caraher, 2015). In 2014, the programme was replaced by FEAD and transferred from DG Agriculture and Rural Development to DG Employment, Social Affairs and Inclusion. The dimension of social cohesion was added, by supplementing food and material assistance with 'accompanying measures' providing guidance and advice aiming at their social inclusion. However, the majority of 2014-2020 FEAD resources (83%) was used for food support (European Court of Auditors (ECA), 2019a).

Against this backdrop, it should be emphasized, that FEAD operates in a controversial area of humanitarian assistance. Research on food aid raises critical questions related to issues of shame, stigmatization, paternalism, and the lack of freedom of choice (e.g. Van der Horst et al., 2014, Pybus, Power & Picket, 2021). Furthermore, the literature reflects on the issue that food aid systems could contribute to shifting responsibility for the most deprived from the state to civil society (Greiss et al., 2021; Lambie-Mumford & Silvasti, 2020; Poppendieck, 1998; Riches & Silvasti, 2014).

However, leaving aside these concerns, it is remarkable that for the first time in EU history, European funding is explicitly used to encourage Member States to orient their programming towards the realization of social rights. According to the EPSR Action Plan, "Member States should make full use of the unprecedented EU funds available to support reforms and investments in line with the European Pillar of Social Rights" (EC, 2021, p.33). Importantly, due to the pandemic outbreak, new EU initiatives allowed social funding to be used in a more flexible way (e.g. the Coronavirus Response Investment Initiatives CRII and CRII Plus) while cohesion policy resources were temporarily increased, specifically through the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU). Regarding EU budget in the area of poverty reduction and social inclusion, European funds also finance important umbrella organisations like the 'European Anti-Poverty Network' and the 'European Federation of National Organisations working with the Homeless', leading in the past to successful litigations before international bodies to defend the European poor. FEAD, however, is the only channel through which the EU can directly address the living conditions of European poor citizens. The fund therefore not only has great symbolic value. Complementing the ESF, FEAD carries within it the potential to become more important in the future as evidenced by the important role it is supposed to play in the implementation of the EPSR.

#### 3. The size and distribution of FEAD across Member States

Given the prominent role assigned to the European social funds in delivering on the EU social agenda and particularly the EPSR, the question can be raised to what extent the distribution of ESF and FEAD means corresponds to Member States' economic capacity, social needs, social policy outputs and efforts required to meet the European social goals? Previous studies have focused on the impact and effectiveness of European cohesion funding in terms of economic or employment growth (e.g. Davies, 2017) and the administrative and financial capacity to absorb ESF funding (e.g. Hagemann, 2019; Incaltarau, Pascariu & Surubaru, 2019). Less attention, however, has been given to the distribution of the funds according to respective social needs in the Member States. Therefore, in this section, we look at (a) FEAD from a macro perspective by examining the budgetary size and allocation criteria, (b) the distribution of ESF and FEAD according to economic capacity and (c) the funds' distribution in relation to various economic and social indicators, which has been studied by Hermans et al. (2022). Subsequently, (d) we combine a national with a pan-European perspective, which is very relevant since the EPSR was launched as a compass for new

upward convergence between and within Member States. Finally, (e) we examine the funds' distribution according to policy outputs.

#### (a) Size and allocation rules

In the Multiannual Financial Framework period 2014-2020, which is the focus of our assessment, ESF resources represented almost 9% of the EU budget. Specifically, ESF resources were used to i) promote employment and support labour mobility; ii) promote social inclusion and combat poverty; iii) invest in education, skills and lifelong learning; iv) enhance institutional capacity and ensuring efficient public administration (EC, 2013). FEAD is a much smaller fund, comprising only 0,4% of the total EU budget. Contrary to ESF, FEAD focuses exclusively on the most deprived people by addressing their basic needs, which is a precondition for them to be able to get a job or follow an inclusion pathway under ESF<sup>5</sup>.

Despite the release of additional temporary resources for EU social funding to cope with the consequences of the COVID-19 pandemic, Figure 1 shows that the size of ESF and FEAD means in the total EU budget has slightly decreased over the past decades. Whereas ESF resources (as a percentage of the total EU budget) have risen sharply from around 3% in the 1970s to over 12% in the 1990s, their share has declined to around 8-9% during the latest programming periods. This downward trend seems to contradict the increasingly important role of the European social funds for reaching the EU social goals. However, compared to national public investments, ESF and FEAD became a more important investment source after the 2008-9 economic and financial crisis. From the 2007-2013 programming period to the 2014-2020 period, cohesion funding rose from 34% to 52% of total public investments in cohesion countries (with GNI per capita below 90% of EU average) (EC, 2022).

<sup>&</sup>lt;sup>5</sup> <u>https://ec.europa.eu/social/main.jsp?catId=1089</u>

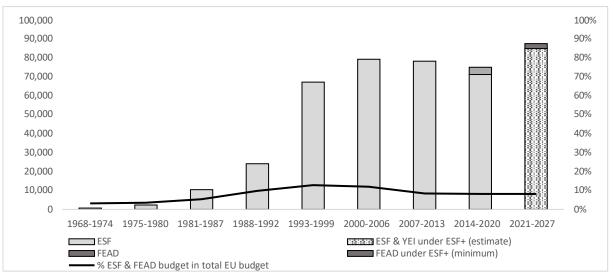


Figure 1: Evolution of the size of ESF, FEAD and ESF+ (in million EUR, left hand axis) and share of ESF and FEAD in the EU budget (right hand axis)

Note: Data about the ESF budget was only found from 1968 onwards. No data was found on MDP budgets; the first budget period for FEAD was in 2014-2020. Since 2021-2027, ESF and FEAD are merged (together with YEI and EaSI) into ESF+: a minimum of 3% of ESF+ resources has to go to 'the most deprived persons' (previous FEAD), 676 million euros (2018 prices) is going to EaSI, so the rest of ESF+ resources is supposed to go to ESF & YEI, which is shown in the graph. Source: Hermans et al. (2022).

For ESF, a concrete allocation methodology, including different indicators and weights for less developed regions, transition regions and more developed regions, defines the initial country allocations. Since 1999, GDP per capita has been predominant, determining more than 80% of the allocations (ECA, 2019b). This is supplemented with some unemployment and educational attainment indicators, but these have much lower weights. The initial allocations are adjusted with so-called 'caps' and 'safety nets', to limit periodic fluctuations in countries' Structural Funds budget (Mendez et al., 2014) and to limit Member States' funding to 2,35 percent of GDP (and 2,59 percent for 'low growth' countries) to avoid 'overheating of the recipient economy' (EC, 2014b; Mendez, Wishlade & Bachtler, 2014). Subsequently, the distribution of ESF funding is influenced by lobbying, political negotiations as well as national and regional preferences (Bodenstein and Kemmerling, 2011; Chalmers, 2013; Bouvet and Dall'Erba, 2010). In the case of FEAD, on the contrary, no strict allocation methodology was in place during 2014-2020: "Member States chose how much they wanted to dedicate to FEAD while complying with the minimum amount" (EC, 2019). In this decision, it is important to realize that Member States' FEAD means were deducted from their Structural Funds budget, meaning that there was a trade-off between FEAD and ESF resources (EC, 2014a). Although the FEAD regulation states that "the population suffering from severe material deprivation and the population living in households with very low work intensity" (EC, 2014a) was taken into account, budget continuity and path dependency may have had a larger importance (Madama, 2016; ECA, 2019a). For a more detailed description of the ESF and FEAD allocation rules, see Hermans et al. (2022).

#### (a) The distribution according to economic capacity

To give an overview, Table 1 shows the ESF and FEAD amounts for 2014-2020 (planned budget) per Member State, broken down by EU and national amounts, as well as ESF and FEAD EU amounts<sup>6</sup> as a percentage of national GDP<sup>7</sup>.

In Figure 2, we present the relationships between Member States'  $EU^8$  yearly ESF and FEAD budgets<sup>9</sup> (as a percentage of GDP<sup>10</sup>) and GDP per capita (in Purchasing Power Standards (PPS)). Because countries' ESF and FEAD budgets are highly influenced by their population size, we show the budgets in relative terms as a percentage of GDP. In general, poorer Member States receive higher relative ESF and FEAD budgets. However, there is no perfect relation, as for example Portugal receives a relatively high ESF budget (0,58%) compared to poorer countries like Latvia (0,41%) or Romania (0,41%)<sup>11</sup>.

In relative terms, the budgets of richer countries are almost negligible, with accumulated budgets below 0,05% of GDP. For poorer countries, the accumulated relative budgets are more important, ranging from 0,10% of GDP in Italy and Spain, 0,41% in Romania to almost 0,60% in Hungary and Portugal. By comparison, between 2014 and 2018 Romania spent on average 0,24% of its yearly GDP on unemployment benefits and social exclusion<sup>12</sup> and Hungary 0,50%, meaning that for some countries their one-year accumulated ESF and FEAD budget is larger than their national spending on these benefits.

<sup>&</sup>lt;sup>6</sup> We take the average amounts (planned budgets) of ESF and FEAD budget for 2014-2020.

<sup>&</sup>lt;sup>7</sup> We take the average GDP level in constant market prices of 2014-2020 (for the UK: the 2014-2019 average).

<sup>&</sup>lt;sup>8</sup> Because our main interest is to understand how much money flows from the EU to the Member States.

<sup>&</sup>lt;sup>9</sup> We divided the total EU ESF and FEAD budget for 2014-2020 by seven.

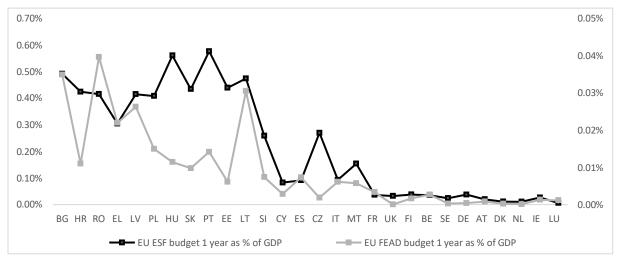
<sup>&</sup>lt;sup>10</sup> We take the average GDP level in constant market prices of 2014-2020 (for the UK: the 2014-2019 average).
<sup>11</sup> This is (at least) partly due to the cap that limits the Structural Funds' budget to a certain percentage of countries' GDP. For Romania, also the cap limiting budgetary fluctuations over different programming periods has an impact.
<sup>12</sup> This function includes benefits in cash or kind (except health care) specifically intended to combat social exclusion where they are not covered by one of the other functions (Eurostat website).

Table 1: Planned ESF and FEAD budgets 2014-2020, separated by EU and national amounts (in million EUR; 2011 prices), and one-year ESF and FEAD EU amounts expressed as percentage of average GDP 2014-2020.

Member State	ESF EU amount	ESF national amount	ESF total amount	FEAD EU amount	FEAD national amount	FEAD total amount	ESF EU amount as % of GDP	FEAD EU amount as % of GDP
Austria	442,1	433,7	875,7	18,0	3,2	21,2	0,02%	0,00077%
Belgium	973,4	1.201,0	2.174,4	73,8	14,4	88,2	0,03%	0,00239%
Bulgaria	1.466,4	256,5	1.722,9	104,8	18,5	123,3	0,49%	0,02836%
Croatia	1.414,7	249,7	1.664,4	36,6	6,5	43,1	0,42%	0,01060%
Cyprus	114,3	20,2	134,5	3,9	0,7	4,6	0,08%	0,00276%
Czech Republic	3.416,4	786,2	4.202,6	23,3	4,1	27,4	0,27%	0,00172%
Denmark	213,0	197,9	411,0	3,9	0,7	4,6	0,01%	0,00019%
Estonia	581,1	102,5	683,7	8,0	1,4	9,4	0,44%	0,00478%
Finland	518,3	518,3	1.036,5	22,5	4,0	26,5	0,04%	0,00143%
France	5.553,7	4.269,6	9.823,3	499,3	88,1	587,4	0,04%	0,00312%
Germany	7.495,6	5.074,9	12.570,5	78,9	13,9	92,8	0,04%	0,00035%
Greece	3.899,9	1.139,6	5.039,4	280,9	49,6	330,5	0,31%	0,02278%
Hungary	4.662,4	982,4	5.644,8	93,9	16,6	110,5	0,56%	0,01064%
Ireland	476,4	476,4	952,7	22,8	4,0	26,8	0,03%	0,00109%
Italy	10.192,9	7.516,9	17.709,8	670,6	118,3	788,9	0,09%	0,00561%
Latvia	609,5	107,6	717,1	41,0	7,2	48,2	0,41%	0,02150%
Lithuania	1.095,5	193,3	1.288,8	77,2	13,6	90,8	0,47%	0,02579%
Luxembourg	20,1	20,1	40,1	3,9	0,7	4,6	0,01%	0,00096%
Malta	105,9	26,5	132,4	3,9	0,7	4,6	0,15%	0,00478%
Netherlands	510,3	520,5	1.030,8	3,9	0,7	4,6	0,01%	0,00008%
Poland	12.923,3	2.280,4	15.203,8	473,4	83,5	556,9	0,41%	0,01441%
Portugal	7.319,8	1.518,7	8.838,4	176,9	31,2	208,1	0,58%	0,01305%
Romania	4.622,9	811,1	5.434,0	441,0	77,8	518,8	0,41%	0,03552%
Slovakia	2.045,4	415,9	2.461,3	55,1	9,7	64,8	0,43%	0,00918%
Slovenia	718,8	179,7	898,5	20,7	3,6	24,3	0,26%	0,00687%
Spain	7.087,2	3.135,0	10.222,2	563,4	99,4	662,8	0,08%	0,00708%
Sweden	719,9	719,9	1.439,9	7,9	1,4	9,3	0,02%	0,00024%
United Kingdom	4.763,6	3.994,1	8.757,6	3,9	0,7	4,6	0,03%	0,00002%
Total				3.813,4	674,2	4.487,6	0,08%	0,00356%

Source: own calculation based on Eurostat and EU Cohesion policy data.

Figure 2: One-year EU ESF budgets (left hand axis) and EU FEAD budgets (right hand axis) as % of average GDP 2014-2020 of the Member States ranked horizontally from lowest to highest average GDP per capita (in PPS) 2014-2020



Source: own calculation based on Eurostat and EU Cohesion policy data, derived from Hermans et al. (2022).

#### (b) The distribution according to social needs

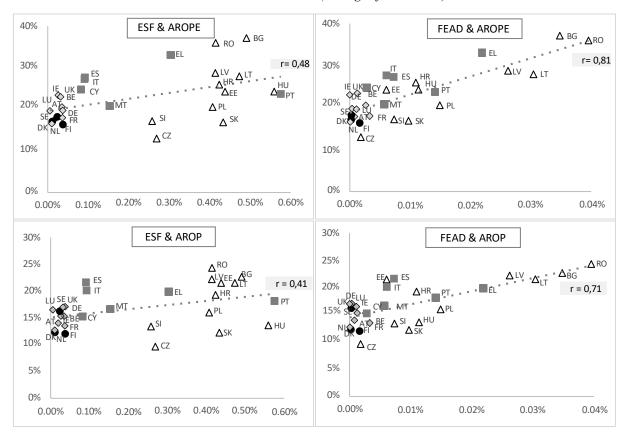
Additional to the analysis of ESF and FEAD means according to economic capacity, we study the funds' distributions according to Member States' social needs. We use Social Scoreboard<sup>13</sup> indicators which give us an interesting opportunity to look 'beyond GDP'. In general, Member States facing higher social needs tend to receive more funding: Figure 3 shows that the composite headline indicator AROPE is positively associated with ESF and especially FEAD budgets. The AROPE sub-indicators show quite divergent patterns: the association is strongest for SMD whereas the association with AROP is weaker (especially for ESF) while there is no or a small negative association with VLWI<sup>14</sup>. The strong associated with SMD is related to the strong relationship between the social funds and GDP which is also greatly associated with SMD. The weaker associations with AROP and VLWI are congruent with the weaker correlations between these indicators and GDP.

For most indicators, however, we observe many departures from the trendlines. While in the EU as a whole there is a positive correlation between level of support and social need, within the group of countries with high levels of social needs the differentiation is rather small (compare Romania, Bulgaria and Greece). The positive associations with the social need indicators are consistently stronger for FEAD than for ESF, suggesting preferences for FEAD of countries with greater social needs, as Member States chose how much of their Structural Funds' budget they want to dedicate to FEAD. The weaker associations between ESF and social needs are arguably related to the ESF allocation methodology that puts a strong focus on

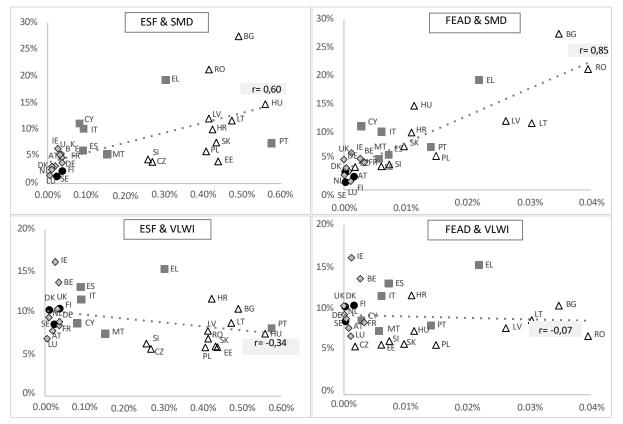
<sup>&</sup>lt;sup>13</sup> https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&newsId=9163&langId=en

<sup>&</sup>lt;sup>14</sup> The variation across countries in the composition of joblessness indicates that VLWI does not capture the same phenomenon in every country (Atkinson, Guio & Marlier, 2017; Nolan & Whelan, 2011).

economic capacity, which is only loosely correlated with some social indicators. Besides that, several countries with high social needs are affected by the cap limiting ESF and FEAD budgets to a percentage of their GDP (BG, EE, HR, LV, LT, RO), which may also partially explain the inadequate differentiation of budgets to countries with higher social needs.



*Figure 3: Associations between one-year EU ESF and FEAD budgets (as % of average GDP 2014-2020) on the horizontal axis and social need indicators (average of 2014-2020) on the vertical axis* 



Note:  $\Box$ Northern EU-countries,  $\Delta$  Eastern EU-countries, Western EU-countries, Southern EU-countries. For the UK, 2019 and 2020 data is missing for AROPE, AROP, SMD and LWI. For Italy, there is no 2020 data yet on AROPE, AROP, SMD and LWI.

Source: own calculation based on Eurostat and EU Cohesion policy data, derived from Hermans et al. (2022).

#### (a) The distribution according to efforts needed to close the poverty gap

In this section, we seek to express the budgets as a percentage of the efforts required to address *country-specific* social needs. The indicator we use is the poverty gap, i.e. the cost to lift all income-poor citizens to the 60% national at-risk-of-poverty line. (in a static simulation). In Figure 4, the circumferences of the circles indicate the size of the ESF and FEAD budgets countries receive, relative to the efforts Member States must make to raise their citizens' incomes to the national poverty line. Furthermore, countries are positioned along two dimensions: median equivalent disposable income and the national median relative poverty gap, defined as the difference between the median equivalised disposable income of people below the AROP threshold and the AROP threshold (Eurostat definition). In the upper right quadrant the countries with above average median incomes and below average poverty gaps are displayed. The lower left quadrant displays the countries with below average median incomes and above average national poverty gaps. Figure 4 shows, first, that in some countries ESF budgets expressed as a percentage of the poverty gap are quite substantial, rising to almost 55% in Hungary and the Czech Republic. The same holds for FEAD: the budget of Romania reflects more than 2% of the cost to close their national poverty gap. Second, budgets tend to

be higher for poor countries with a large national poverty gap than for richer countries with smaller poverty gaps, ranging between 53% in Hungary and 1,4% in Austria for ESF, and between 2,2% (Romania) and 0,2% (Finland) for FEAD. Third, there are significant deviations from this general pattern. For example, we see that the relative ESF budget of the Czech Republic (52,1%) is more than three times as big as that of Greece (16,1%), whereas Greece has a lower median income and higher median poverty gap. There is no single and clear-cut explanation for this substantial difference, but several factors might have played a role such as national and regional negotiations and lobbying.<sup>15</sup>

<sup>&</sup>lt;sup>15</sup> Additionally, the years that were chosen to calculate the average regional GDP per capita (which is used to decide to what category regions belong), seem to matter strongly for a few countries, including Greece. If the average regional GDP per capita of 2009/2010/2011 would have been used instead of the 2007/2008/2009 average, Greece would have received 5% more funding for ESF and ERDF, because in that case two Greek regions would have switched from Transition Regions to Less developed Regions

http://www.crpm.org/pub/agenda/2584\_analysis\_from\_the\_cpmr\_secretariat\_reference\_period\_07042014.pdf

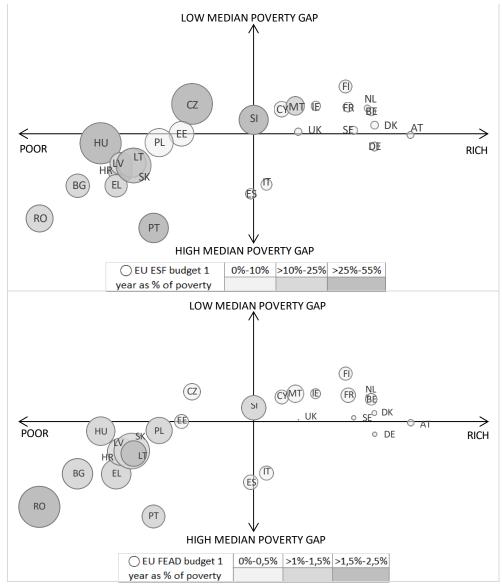


Figure 4: One-year EUESF and FEAD budget as % of Member States' efforts needed to close the national poverty gap (average of 2014-2020)

Note: on the horizontal axis, countries are positioned according to their equivalent median income in PPS (average 2014-2020). On the vertical axis, their position is determined by the national relative median atrisk-of-poverty gap (average 2014-2020). Luxembourg is not included, because of its outlier position concerning median income.

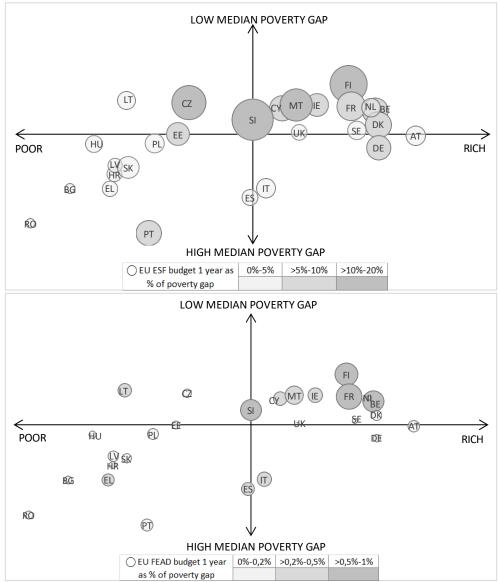
Source: own calculation with EU-SILC and EU Cohesion policy data, derived from Hermans et al. (2022).

How are the funds' distributions related to the efforts required to address social needs from a pan-European perspective? By benchmarking household incomes against a common European standard, it is possible to gain a better insight into the improvements or deteriorations in the living standards of the poorest people in the EU compared to the rest of the EU population. This helps to put progress towards the goal of greater

social cohesion in the EU in a different light (Goedemé et al., 2019). Furthermore, this perspective is relevant because ESF+ is presented as the main instrument to implement the EPSR, which was initiated to serve as a compass for upward convergence. Figure 5 expresses the budgets as a percentage of the cost to lift all income-poor citizens to the EU-wide 60% at-risk-of-poverty line<sup>16</sup>. Hence, it presents the budgets in relation to the cost to close the gap with the EU-wide poverty instead of the respective national poverty lines. The circumference of the circles show how large countries' ESF and FEAD budgets are relative to their cost to close the EU-wide poverty gap. Considered in this way, a large share of the budgets accrues to close the EU-wide poverty gap. Theoretically, with a one-year ESF budget, some richer countries would be able to reduce their EU-wide poverty gap with almost 10% (France) to almost 16% (Finland). In contrast, the ESF budget of Romania and Bulgaria only represents about 1% of their cost to close the gap with the EU-wide of France expresses over 1% of its efforts required to lift its poor citizens to the EU-wide poverty line, whereas in Romania this is less than 0,1%.

Hence, a pan-European analysis presents a quite different picture compared to the national perspective taken in the previous figures. Expressed as a percentage of GDP and as a percentage of the efforts needed to close the national poverty gap, ESF and FEAD budgets are larger for poorer countries with higher social needs. From a pan-European perspective the reverse is true: relatively less funding goes to the countries who need to make the greatest efforts to lift their income-poor citizens to the EU-wide poverty threshold. Although the funds accrue more to poorer countries with greater needs, they are relatively limited compared to the efforts needed to close the EU-wide poverty gap. Conversely, for richer countries, the ESF and FEAD budgets are quite substantial compared to the size of the EU-wide poverty gap.

<sup>&</sup>lt;sup>16</sup> This is constructed using the EU-SILC dataset. In line with the work of Goedemé et al. (2019), we standardized disposable incomes using the modified OECD equivalence scale and adjusted this with PPPs for individual consumption.



*Figure 5: One-year EU ESF and FEAD budget as % of Member States' efforts needed to close the EU-wide poverty gap (average 2014-2020)*<sup>17</sup>

Note: on the horizontal axis, countries are positioned according to their equivalent median income in PPS (average 2014-2020). On the vertical axis, their position is determined by the national relative median atrisk-of-poverty gap (average 2014-2020). Luxembourg is not included, because of its outlier position concerning median income.

Source: own calculation with EU-SILC and EU Cohesion policy data, derived from Hermans et al. (2022).

<sup>&</sup>lt;sup>17</sup> The scale of the circle sizes in Figure 5 differs from the scale of the circles in Figure 4, because of visibility reasons. Because of data lacks, for the UK the 2014-2018 average is included, for Italy and Germany the 2014-2019 average.

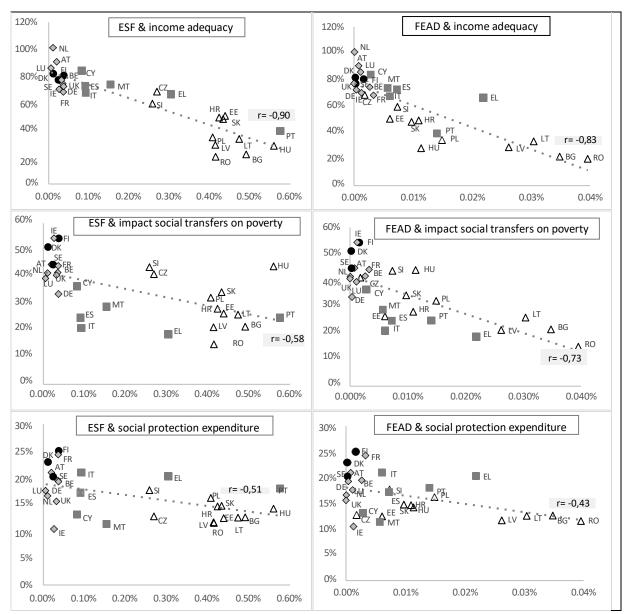
#### (c) The distribution according to policy outputs

Lastly, we are interested in how the funds are distributed according to policy outputs, in order to reflect on the potential risk of moral hazard. Specifically, Figure 6 presents the associations between Member States' ESF and FEAD budgets and the adequacy of minimum incomes<sup>18</sup>, the impact of social transfers on poverty reduction<sup>19</sup> and social protection expenditure as a % of GDP<sup>20</sup>. From Figure 6, we observe that Member States who score worse on policy output indicators tend to receive more funding, although there are many departures from the trendline (see e.g. social protection expenditure of Finland and the Czech Republic). The negative associations in Figure 6 suggest that countries who need to make the greatest efforts in terms of the realization of social rights receive the most support (expressed as a % of GDP) from Europe. However, the relationships also carry a warning referring to the moral hazard conundrum central to the European social policy agenda: the funds should support Member States without creating incentives for Member States to reduce or freeze their own efforts (Greiss, Cantillon & Penne, 2020).

<sup>&</sup>lt;sup>18</sup> We use the MIPI-HHoT database (see Marchal et al., 2018) to assess the level of national social assistance benefits for a single person expressed as a percentage of the AROP threshold.

<sup>&</sup>lt;sup>19</sup> Reduction in the AROP rate due to social transfers (difference of the pre- and post-transfer AROP rate; pensions not included) (Eurostat definition).

<sup>&</sup>lt;sup>20</sup> Total expenditure on: 1) old age, 2) survivor, 3) sickness/health care, 4) disability, 5) family/children, 6) unemployment, 7) housing and 8) social exclusion not elsewhere classified (Eurostat definition).



*Figure 6: Associations between one-year EU ESF and FEAD budgets (as % of average GDP 2014-2020) on the horizontal axis and policy output indicators (average of 2014-2020) on the vertical axis* 

Note:  $\Box$  Northern EU-countries,  $\Delta$  Eastern EU-countries,  $\diamond$  Western EU-countries,  $\blacksquare$  Southern EU-countries. For the UK, 2019 and 2020 data is missing on social expenditure and social transfers. For Italy, 2014-2017 data is missing on income adequacy and 2020 data on social transfers. For Greece, 2014-2015 data is missing on income adequacy.

Source: own calculation based on Eurostat, EU Cohesion policy and MIPI-HHoT data, derived from Hermans et al. (2022).

#### (d) Conclusions

ESF and FEAD are unique EU-level material support instruments for the implementation of the EPSR. However, the distributions are mainly based on GDP per capita (for ESF) and the choice/preferences of Member States. Because the associations between countries' budgets and social needs are stronger for FEAD than for ESF, it seems that poorer countries have stronger preferences for FEAD. Moreover, although FEAD budgets are relatively small compared to countries' GDP, in some poorer countries they are not trivial compared to spending on for instance unemployment and social exclusion benefits. For instance, between 2014 and 2018 Romania spent on average 0,24% of its yearly GDP on unemployment benefits and social exclusion<sup>21</sup>, while their FEAD budgets represented 0,04% of GDP. In other words, Romania's seemingly small FEAD budget equals around one sixth of their national spending on these benefits.

The observation that FEAD and ESF resources are not trivial in some (poorer) Member States, is important with regard to the potential risk of moral hazard. The funds should support Member States without creating incentives to reduce own structural social protection measures. Although the additionality principle is in place which stresses that EU funding could not replace national spending, the risk of moral hazard is looming. Generally, higher social needs tend to concur with less policy efforts (both in terms of quantity and quality) of Member States. Therefore, a level playing field is needed. The question is particularly pressing for FEAD, which Greiss et al. (2020) described as a *Trojan horse dilemma*: does FEAD ultimately foster political consensus on common social goals and better social protection standards, or does it unintentionally open up ways for the EU as an agent to fill the gaps of inadequate social protection in European welfare states?

Furthermore, although in general countries with relatively low GDP per capita, high at-risk-of poverty rates and a high share of materially deprived persons tend to benefit more from ESF and certainly FEAD, there are large departures from the trendlines (especially for ESF). Some countries consistently receive less funding than others with similar levels of social needs, and vice versa. The reasons for these differences are multiple and deserve further research: they relate to factors such as political preferences and negotiations, the allocation criteria (particularly GDP per capita, including the years considered for this) and the cap and safety net mechanisms.

Moreover, taking the perspective of European upward convergence, if we express ESF and FEAD budgets as a percentage of the efforts required to lift all citizens to the European-wide 60% poverty line, it appears that countries who need to make the greatest efforts get relatively less funding. Although the funds accrue more to poorer countries with greater needs, they are relatively limited compared to the efforts needed to close the EU-wide poverty gap. Conversely, for richer countries, the ESF and FEAD budgets are quite substantial compared to the size of their EU-wide poverty gap.

Our findings lead to two recommendations. First, the relatively weak associations and many departures from the trendlines imply that a more intentional and planned social needs-oriented distribution of the European social funds should be considered. Second, in order to foster upward convergence, an increase in

<sup>&</sup>lt;sup>21</sup> This function includes benefits in cash or kind (except health care) specifically intended to combat social exclusion where they are not covered by one of the other functions (Eurostat website).

the volume of the social funds should also be considered. Especially for FEAD, which currently has limited budgets but is more selective and targeted, it should be examined whether this is feasible and desirable. That is, an increase of budgets is desirable under the condition that the funds are shown to be successful in the implementation of social rights. However, since relatively little is known about the efficacy of the funds in terms of the effectuation of the EPSR, this issue should feature high on the research agenda.

#### 4. How important is food aid for the European poor?

Whereas the previous section adopted a macro perspective by analysing the distribution of FEAD resources across Member States, this section concentrates on the potential importance of FEAD – and food aid in general – for low-income families within several Member States. This research has only been undertaken by a few single country studies so far (Caraher & Furey, 2018; Hermans & Penne, 2019; Pollastri & Maffenini, 2018). Here, the focus is on the potential value of charitable food aid for households receiving active-age social assistance benefits. Minimum income schemes, commonly known as social assistance, are last-resort income support schemes intended to ensure a decent living standard for those who are not covered or, who fail to gain access to higher-tier welfare state protection (e.g. Bahle et al., 2011). However, minimum income benefits are inadequate in almost all European countries to get out of poverty (Marchal & Siöland, 2019; Penne & Goedemé, 2021). Hence, the right to minimum income shows deficient normative resources (insufficient generosity). Because of this, many low-income households try to find ways to reduce their household expenses, for instance by going to a food aid organisation (Geerts et al., 2013). Could food aid, if expressed in hypothetical monetary values, act as a substantial top-up to inadequate minimum incomes? And can we identify important differences between countries who have different systems of food aid and cooperation with welfare state actors?

In order to answer these questions, we conducted exploratory case studies in Belgium, Finland, Hungary and Spain. We include a Northern, Southern, Western and Eastern European country for several reasons. First, these countries represent different welfare state regimes (Arts & Gelissen, 2002) and vary greatly in GDP per capita and the size of their welfare state (Goedemé et al. 2015). Second, they all spend (part of) their FEAD budget on food aid. Third, recently cross-country comparable food baskets were updated and improved in these four countries (Storms et al., 2023). Because of the (historically developed) urban context of food banks, we conducted case studies in twelve food aid organisations across four major cities: Antwerp, Barcelona, Budapest and Helsinki. The next section discusses the data and methods in more detail, whereafter we show the most important results and formulate some conclusions.

#### (a) Data and methods

In order to assess the importance of food aid for the European poor we make use of newly collected data on the monetary value of food aid packages (Hermans et al., 2023). Data about the content of food aid packages for different household types was collected in twelve local food charities in Antwerp, Barcelona, Budapest and Helsinki. Additionally, interviews were conducted at the organisations to get a better understanding of how these organisations operate and to contextualize the data. Besides that, we apply information from exploratory conversations that were held with large food aid actors in all four countries. Subsequently, the food aid products were priced using the reference budget method. Reference budgets are priced baskets of goods and services that illustrate what specific households minimally need to live a decent life and participate adequately in society (e.g. Goedemé et al., 2015). One of these baskets is the food basket, which consists of a list of food items expressing the minimal cost for a healthy and varied diet. By using recent cross-country comparable food basket data (Carrillo-Alvarez et al., forthcoming), we were able to estimate a hypothetical monetary value of food parcels for different household types.

It is important to mention that the estimated values present an upper limit of how much food parcels are worth, because the following assumptions were made: i) recipients are allowed to consume all products from a health perspective (e.g. no food allergies, diseases), ii) recipients are able to consume all products (they have the necessary tools to cook and store food), ii) recipients want to consume all products (the products correspond to cultural, religious, ... preferences), iii) the products maximise recipients' utility, i.e. they would have bought the exact same products if they had the choice. Often these assumptions do not hold, meaning that recipients will rate the received food aid at a lower value (see Hermans et al., 2023).

In order to compare the value of food aid packages with the level of minimum income benefits and poverty thresholds, we build on the MIPI-HHot<sup>22</sup> database, which contains hypothetical household simulations, i.e. calculations of the legally guaranteed income of a hypothetical household in line with the applicable taxbenefit rules, allowing to gauge a minimal situation while including the full range of rights-based benefits in a given country (see Marchal et al., 2018 for a full discussion). The indicators are calculated for a single person household, a married couple, a married couple with two children and a divorced lone parent with two children. Adults are 35 years old, children are aged 7 and 14. For all these household types, the simulations assume that the households rent on the private market<sup>23</sup> and live in a large city or urban region in each country. Furthermore, the couples are assumed to be married and the single mother divorced, but the other parent is known. The households have no assets and income other than explicitly assumed or the income that is guaranteed by the tax-benefit system. Lastly, out-of-work adults are looking for work, and the children regularly attend school. An advantage of hypothetical household simulations is that they allow to assess actual policy rules in a comparable way over time and across countries. However, they refer to the situation of very specific households, that may be more or less representative for individual country experiences. Still, they are a commonly accepted way to assess and compare the generosity of benefit systems (see e.g. Bahle, Hubl, & Pfeifer, 2011; Bradshaw & Finch, 2002; Gough, Bradshaw, Ditch, Eardley, & Whiteford, 1996; Immervoll, 2012).

The currency used in this study is the euro. For Hungary, we applied the exchange rate of Hungarian Forint (HUF) to euro on the days the food aid packages were priced. Unlike the food basket, which does not take account of discounts or promotions (Carrillo-Alvarez et al., 2019), we adopt a discount of 30% for products that are handed out on or behind the expiration date. Because the food aid packages were priced in May and June 2022 whereas the MIPI-HHoT data is from June 2021, we recalculate the values of the food aid packages to June 2021 when comparing them with minimum income benefit levels and the at-risk-of-

<sup>&</sup>lt;sup>22</sup> We are very grateful to Elise Aerts for delivering the 2021 MIPI-HHOT data.

<sup>&</sup>lt;sup>23</sup> Housing costs are assumed to be equal to the median housing costs for the respective household type according to the 2015 EU SILC numbers (uprated in line with inflation).

poverty threshold. We do this by using the Harmonised Index of Consumer Prices (HICP) for food and non-alcoholic beverages<sup>24</sup>.

#### (b) Results

Figure 7 shows, first of all, the findings on the estimated absolute monthly values<sup>25</sup> of food parcels in the twelve food charities in purchasing power parities (PPPs)<sup>26</sup>, as well as the average share of FEAD-funded products per organisation. We observe strong between- and within-city variation in both the total values of food parcels and the importance of FEAD in the parcels. The average value of food aid packages is highest in Barcelona with 117,8 euros (i.e. 120,6 PPP) and slightly lower in Antwerp with 113,6 euros (or 107,8 PPP). The average estimated value in Helsinki is 80.9 euros (or 71,5 PPP). In Budapest, food aid packages are worth the least: 10,2 euros (or 13,4 PPP) on average. However, we also notice considerable variation between organisations within the same city. In Barcelona, the highest value of a food parcel is more than twice as high as the lowest food parcel value. In Antwerp and Budapest, the difference is even larger as the highest values are respectively more than three and four times higher than the lowest values. Hence, it makes a really big difference for food aid recipients in which organisation they receive a food aid package. Considering the share of FEAD-financed products (the black line in Figure 7) in the food aid packages, we see similar substantial variation. In some cities and organisations (especially Antwerp, but also two Barcelona organisations and one Helsinki organisation) FEAD seems to be a quite important part of the total food aid package: the value of FEAD-products in these organisations varies from 10 to almost 30 euros a month. Or said differently, here FEAD-products represent between one tenth to one third of the total food package values. In other food aid packages, however, FEAD is (almost) non-existent (Budapest, two Helsinki organisations and one Barcelona organisation).

Figure 7 also reveals that in several organisations the monetary values are higher for larger families, whereas other organisations distribute a uniform package independent of the family size<sup>27</sup>. This is especially the case in Helsinki. Even if more products are distributed to larger families, this often happens in a discretionary and arbitrary way, as this depends on the stock of products available and the individual assessment of volunteers what to give to which family. This makes it a rather discretionary and unstable practice. Moreover, it is illustrated in Hermans et al. (2023) that the content and hence the values of the food aid packages vary greatly over time, making it an unpredictable source of supply for low-income families.

https://ec.europa.eu/eurostat/databrowser/view/PRC\_PPP\_IND\_\_custom\_3152660/default/table?lang=en\_

<sup>&</sup>lt;sup>24</sup> Eurostat: <u>https://ec.europa.eu/eurostat/web/hicp</u>

<sup>&</sup>lt;sup>25</sup> The values of the distributed food packages were recalculated to obtain a monthly value to be able to compare the different package values (since not all organisation distributed food aid with the same frequency).
<sup>26</sup> We used the 2021 PPPs of food and non-alcoholic beverages:

<sup>&</sup>lt;sup>27</sup> In Hungary, organisation 1 does distribute different food aid packages depending on the household composition. However, since this organisation only prepares a food parcel when someone has an appointment, we could only register one package for a specific family during each data collection. Because packages for larger households were not necessarily larger, we decided to use the values of the specific packages for all household types, so that we would have complete data for this organisation. The third Budapest organisation only distributes food to households with children.

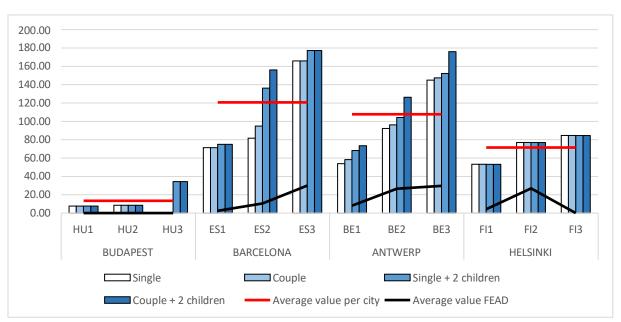
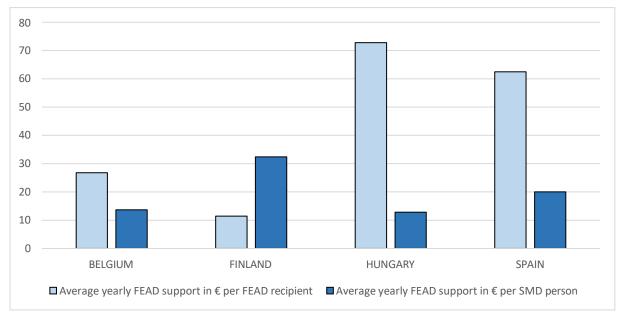


Figure 7: Monthly value of food aid packages in twelve organisations (2022 prices, in PPPs)

Source: own calculation based on Hermans et al. (2023).

These between- and within-city differences seem to be at least partially explained by differences in organisations' administrative and human capacity (number of volunteers and staff), as well as the broader food aid network in the municipality and country. Especially in Antwerp and Barcelona, the municipality is more involved in food aid and gives more regular subsidies to food aid organisations (under certain conditions). On top of that, local social welfare centres often check the eligibility of potential food aid recipients. In Budapest but especially Helsinki, food aid organisations seem to be less supported and the food aid network in the municipality and country as a whole appears to be a bit less coordinated and established. Additionally, the frequency by which organisations distribute food aid seems to matter, because in general, organisations who distribute food aid more frequently appear to have higher value of food aid packages (for a more detailed explanation, see Hermans et al., 2023).

The large differences in the shares of FEAD have at least partially to do with the way countries use their FEAD budget and which vulnerable groups are targeted. In Budapest, for instance, only FEAD meals to homeless persons are distributed. FEAD packages are reserved for poor mothers with (young) children, persons with reduced working capacity and elderly with low income in poorer regions of the country. Thus, FEAD aid in Hungary is strongly targeted. In Finland, on the contrary, everyone queuing for food aid may receive FEAD support. Belgium and Spain are situated in the middle. Figure 8 shows that, if hypothetically all EU FEAD budget would be distributed equally among the reported amount of FEAD recipients, each recipient in Hungary would receive around 70 euros of FEAD support per year, whereas in Finland this would be around 10 euros. However, if each country would distribute their EU FEAD budget towards the same target group, namely persons experiencing severe social and material deprivation, it appears that Finnish SMD persons would receive more than twice as much FEAD support than Hungarian SMD persons. Hence, this confirms the conclusion of Section 3 that, from an EU-wide perspective, some richer Member States like Finland with a low SMD rate receive relatively high FEAD budgets.





Source: own elaboration based on data from Hermans et al. (forthcoming). Note: the data on the number of FEAD recipients and SMD persons is from 2020. The 2014-2020 EU FEAD budget amount is divided by seven to obtain a one-year EU FEAD budget.

In Figure 9, we express the total food package values in relative terms, as a percentage of net disposable social assistance benefits. From the four countries, minimum income benefits are most inadequate in Hungary, followed by Spain, Belgium and eventually Finland. Unsurprisingly, if we present the food package values relative to net social assistance, food aid is relatively more important in countries with more inadequate social assistance benefits. Whereas the calculated absolute food package values were lowest in Budapest, this is not the case here. Budapest food aid packages represent on average 5,9% of net minimum income benefits. Helsinki, who has the highest minimum income adequacy levels, has the lowest relative food package values (as % of social assistance): on average 3,8%. Due to the high absolute food package values of Antwerp and especially Barcelona, their relative food aid package values are again the highest: on average, they represent respectively 7% and 11,2% of social assistance benefits. Due to the limited capacity of providing differentiated packages for different household sizes, whereas social assistance benefits do often increase for larger families, the relative value of food aid packages is – in general – highest for single adult families and decreases for larger families.

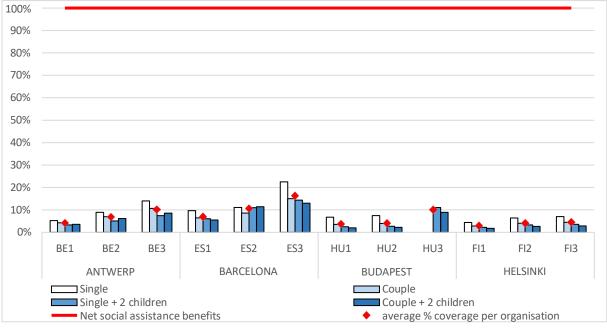


Figure 9: Monthly value of food aid packages expressed as a percentage of net disposable social assistance benefits (2021)

Source: MIPI-HHoT and food aid package data, based on Hermans et al. (2023).

Finally, in Figure 10 we assess the potential impact of food aid – including FEAD – in closing the at-riskof-poverty gap for social assistance families, by adding the calculated values of food aid on top of the level of social assistance benefits in each country. Based on the data of twelve food aid organisations, food aid packages can hypothetically have the highest impact on closing the poverty gap in Spain, where food aid can maximally raise the average net disposable income from 64,5% to 71.8% of the poverty threshold. In other words, the food parcels could maximally decrease the poverty gap by 7,3 percentage points (pp), still leaving a gap of 29,2 pp. In other countries, the possible impact of food aid packages is lower as net disposable incomes added with a food package top-up remain substantially below the at-risk-of-poverty threshold. In Hungary, the value of a food aid package increases the net disposable income of social assistance recipients at best from 26% of the poverty threshold to 27,3%. In Belgium, food aid on top of social assistance could – at best – increase disposable household income from 71,2% to 76,1% of the poverty line, and in Finland from 81,7% to 84,7%. However, not surprisingly, food aid packages are not able to close the poverty gap for households receiving insufficient social assistance benefits in all of these four countries. Furthermore, although the estimated food aid values are not negligible in some countries, these values present an upper limit and only hold when all the presupposed assumptions hold, which is often not the case due to for instance limited freedom of choice. Therefore, in reality the impact of food aid will be lower for most food aid recipients than the upper limit of 'net social assistance benefits + food aid' in Figure 10.

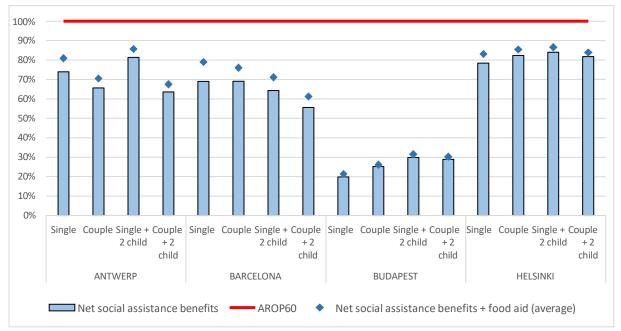


Figure 10: The level of social assistance benefits and the top-up of food aid packages, compared to the 60% at-risk-of-poverty line (June 2021 prices, in euros)

Source: own calculations based on the MIPI-HHoT database, Eurostat and Hermans et al. (2023). Note: AROP60 = 60% at-risk-of-poverty threshold.

#### (c) Conclusions

The findings on the potential importance of food aid for the European poor, in particular families living on inadequate social assistance benefits, lead to several conclusions. First of all, the share of FEAD in the total value of the food aid packages is rather small in most organisations. Nevertheless, due to its intention of strong targeting towards the most deprived citizens, it does not seem trivial for households living in a situation of poverty and deprivation. This is especially the case in Spain, but also in richer countries like Belgium and Finland. Although FEAD – and food aid in general – is far from being able to close the gap of inadequate social minima, we found, for instance, one organisation in Barcelona where a food aid package can represent around one fifth of net social assistance benefits for a single person household, if all the established assumptions are fulfilled.

Second, the comparison between the theoretical importance of FEAD support for FEAD recipients and for persons experiencing severe material and social deprivation, confirms the finding of section 3 that, from an EU-wide perspective, FEAD support is relatively high in some richer Member States like Finland compared to Member States with high social needs like Hungary. Whereas Finland can afford to apply loose eligibility criteria for receiving FEAD aid – queuing is sufficient – Hungary is more restricted to strongly target FEAD support towards specific vulnerable groups, more specifically the homeless, poor mothers with children and people with reduced working capacity having low incomes.

Third, the tremendous variation in the values of food aid between organisations and throughout time point to the great discretion and uncertainty for food aid recipients, which is obviously incompatible with the normative and instrumental power resources related to the guarantee of adequate minimum incomes. Households living in the same city and having the same household characteristics, appear to be unequally treated due to the large differences in the way local food aid organisations operate and the variation in the sources of food supply on which these charities are often dependent. Furthermore, the fluctuations over time in the type and amount of food products families receive, make the current way of food aid distribution in our twelve case studies a rather unstable support channel.

Finally, given these serious concerns mentioned above, we should pay close attention to the fact that in some countries like Belgium and Spain, food aid organisations and welfare state institutions (particularly the local government level) have become strongly intertwined and cooperating with each other, for instance in the assessment of food aid eligibility or social workers sending clients to food charities for additional support. This development signals the persistent problem of the inadequacy of the social floor and the effective realisation of social rights, also in richer countries. Whether and to what extent food aid support – and in particular FEAD – can contribute to strengthening EU citizenship is the subject of the next section.

# 5. The private-public interplay in food aid and FEAD's role in instrumental power resources

While in the previous chapter we looked at the potential importance of food aid in terms of the disposable income of users, in this chapter we will look at the extent to which food aid and the welfare state are intertwined. We will also shed light on the role FEAD plays in the field of food aid and on the tension between charity and social rights.

Given the fact that food aid in Europe is increasingly deployed to assist people experiencing poverty, the literature reflects on the issue that food aid systems could contribute to shifting responsibility for the most deprived from the state to civil society (Greiss et al., 2021; Lambie-Mumford & Silvasti, 2020; Poppendieck, 1998; Riches & Silvasti, 2014). In addition, research points to issues such as stigmatisation, lack of choice and unequal power relations that can accompany food assistance (Garthwaite, 2016; Ghys, 2018; Schoneville, 2013), suggesting this type of support to be a highly questionable alternative to adequate minimum income and effective activation strategies. Against the background of these issues, it therefore also seems relevant to take a closer look at FEAD's role in food aid systems in Europe and the charity-rights conflict.

However, the entanglement between informal and formal layers of charity food aid systems in different European countries and the role of FEAD has, to our knowledge, not yet been investigated. Moreover, as far as FEAD is concerned, it seems also relevant to us not only to look at the fund's impact on food aid itself, but also to explore its contribution to facilitating food aid users' access to structural poverty reduction measures through so-called accompanying measures. The FEAD regulation states that FEAD-supported organisations delivering food and/or basic material assistance shall themselves or in cooperation with other organisations undertake measures "consisting of a re-orientation towards competent services, that complement the provision of material assistance, aiming at the social inclusion of the most deprived

*persons*" (art 7(4)).<sup>28</sup> Thus, accompanying measures could facilitate the access of food aid users to a formal relief system. As Ferrera et al. (forthcoming) argue in the context of social citizenship, it is important for the realisation of social rights to also consider citizens' *instrumental power resources*, i.e. formal and informal channels that actually ensure citizens' access to social rights. Instrumental power resources are hardly visible and poorly studied, but play a key role in facilitating the exercise of rights, especially for vulnerable groups.

Therefore, we will firstly examine the formal-informal interplay in food distribution systems in different European welfare states and the role of FEAD in this. Secondly, we will shed light on FEAD's possible contribution to strengthening instrumental power resources of food aid users through the establishment of accompanying measures in addition to food distribution.

Hence, we address these objectives by means of the following research questions (RQ):

## RQ1): To what extent is food aid in European countries supported by (welfare) state institutions and what role does FEAD play?

In order to operationalize this question, we differentiate between the following four aspects: a) Public agencies and FEAD providing assistance to food aid organisations; b) Public agencies distributing food aid themselves and the role of FEAD; c) The role of public agencies in access to food aid; d) Food aid user groups.

## RQ2): To what extent does FEAD potentially contribute to strengthen instrumental power resources through accompanying measures?

In the following, we will first briefly discuss the data used as a basis for the analyses in this chapter. For a more detailed presentation of the method of data collection and the data see Greiss et al. (2022) and Greiss and Schoneville (forthcoming). Subsequently, we will present our results. Finally, we will draw a conclusion.

#### (a) Data

Firstly, we draw on primary data of an international survey project on food aid in Europe (Greiss et al., 2022; Greiss, 2022). The cross-sectional survey was conducted with local organisations/ distribution points<sup>29</sup> providing food or meals for free or at a low price to people in need in Belgium, Germany, Hungary, Lithuania, the Netherlands, Poland, Portugal and Spain from 22 March to 4 August 2021.<sup>30</sup>

<sup>&</sup>lt;sup>28</sup> However, accompanying measures shall not be compulsory in cases where the food and/or basic material assistance is provided solely to most deprived children.

<sup>&</sup>lt;sup>29</sup> In the following, we will only refer to 'food aid organisation' as the comprehensive term that also encompasses 'food distribution points'.

<sup>&</sup>lt;sup>30</sup> The first survey round took place from 22 March to 19 April 2021 and concerned Belgium, Germany, Lithuania, the Netherlands and Poland. The second round took place from 12 April to 25 May 2021 in Hungary, Portugal and Spain (Portugal partly started already on 9 April). A third round from 25 May to 2 June concerned only Belgium, followed by a fourth round taking place from 28 July to 4 August in the Netherlands only. The latter survey rounds were especially attributed to the support from the respective umbrella organisations at that time.

In preparing the survey in the different countries, we were first of all confronted with the fact that our research field is difficult to access, because it is not possible to determine a country's entire scope of food aid providers, neither with respect to an overarching standardised system nor one across countries. Therefore, in terms of both definability and comparability between countries, we set the target population as the total number of local food aid organisations affiliated with the largest national food aid umbrella organisation(s) in each country.

In order to create relevant, understandable and contextually appropriate questions for all countries, the English source questionnaire was developed based on many feedback loops with all project partners as well as a pilot study. For reasons of consistency, the translation process from the source questionnaire to the target languages<sup>31</sup> followed the translation recommendations of the 'Cross-Cultural Survey Guidelines'<sup>32</sup> as much as feasible within the context of this project.<sup>33</sup>

The final questionnaire included multiple choice questions, dichotomous questions, matrix questions and open-ended questions. Survey participants were recruited by means of a self-administered questionnaire and the technique of computer-assisted web-interviewing as well as via email (in Belgium and partly in Lithuania and Portugal). The response rates of most countries were good, in the case of the Netherlands even excellent, but in three of the countries only below 10% (see Table 2).<sup>34</sup> In these countries it is therefore difficult to take the results as statements about the population.

	Number of invites	Number of responses <sup>35</sup>	Response rate
Belgium	573	239	42%
Germany	838	73	9%
Hungary	315	129	41%
Lithuania	727	142	20%
The Netherlands	169	87	51%
Poland	663	36	5%
Portugal	2896	549	19%
Spain	3030	144	5%

Table 2: Number of invites, number of responses and response rate per country surveyed

<sup>&</sup>lt;sup>31</sup> One final language version was created for each participating country, except for Belgium, where three different language versions were created.

<sup>&</sup>lt;sup>32</sup> See e.g. <u>https://ccsg.isr.umich.edu/</u>.

<sup>&</sup>lt;sup>33</sup> The independent Ethics Committee for the Social Sciences and Humanities, installed by the Executive Board of the University of Antwerp, Belgium, formulated a final positive clearance with regard to the survey project.

<sup>&</sup>lt;sup>34</sup> As far as we know, the low response rates are not due to our survey methods, as these have proven successful in other countries with better rates. In the case of the German survey, for example, one reason could be that the timing of our survey was unfortunate, as an internal survey of the national umbrella organisation among its affiliates had run immediately before our survey.

<sup>&</sup>lt;sup>35</sup> We only considered completed surveys.

Secondly, we draw on secondary data of an analysis of FEAD related documents. The documents we analysed are related to the funding period 2014-2020<sup>36</sup> and encompass the fund's legal text ('FEAD Regulation')<sup>37</sup> and the related national FEAD Operational Programmes (OP) as well as other non-legal texts.<sup>38</sup> For the purpose of our paper's focus, we only looked at those OPs that (exclusively or mainly) use FEAD funds for food aid.<sup>39</sup>

#### (b) Results

Our results are based on descriptive analyses. Particularly with regard to the results of Germany, Poland and Spain, we do not claim generalisability due to the low response rate. We will first present the respective results for the four aspects of RQ1 followed by the results related to RQ2. The presentation of the results is based on Greiss et al. (2022) and Greiss & Schoneville (forthcoming).

#### Public agencies and FEAD providing assistance to food aid organisations

Our results show, firstly, that food aid organisations in all country samples receive support mainly from private sources such as supermarkets and restaurants, mainly in the form of food donations, but also in other forms like material support (other than food) and financial support. Secondly, however, our results also show that there is a certain proportion of organisations in all country samples regularly receiving support from public sources. This proportion is varying, with up to 90% of respondents in Belgium as the largest. Regarding all samples, the most frequently mentioned public actor is the local government level, e.g. municipalities and cities. Additionally, in countries using FEAD means to subsidise food aid, FEAD is the second most frequently mentioned actor (except in Hungary). Looking only at support in the form of food donations, in Belgium, Portugal and Spain FEAD is even the first most frequently mentioned actor. Moreover, in most samples we could identify increased or initial support from public sources in addition to support from private sources to cope with the COVID-19 crisis. Again, the most commonly mentioned sources of support in this respect were the local government level and FEAD in Belgium, Portugal and Spain.

<sup>37</sup> Consolidated FEAD Regulation (Regulation No 223/2014) and 2020/ 2021 amendments.

<sup>38</sup> European Commission, 2019; European Commission's annual FEAD case studies, retrieved from <u>https://ec.europa.eu/social/main.jsp?catId=1089&langId=en&furtherPubs=yes;</u> Thematic Dossier 1: FEAD's contribution to sustainable inclusion, retrieved from

https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherEvents=yes&newsId=2880; European Commission, 2016.

<sup>&</sup>lt;sup>36</sup> Due to the COVID-19 crisis the initial FEAD 2014-2020 funding period was extended to 2022 and topped-up through the Recovery Assistance for Cohesion and the Territories of Europe ('REACT-EU'). The new EU funding programme ESF+, in which FEAD has also been integrated, has started with a delay. Not all new national programs for the use of funds for the ESF+ strand of the previous FEAD are available to date.

<sup>&</sup>lt;sup>39</sup> We thus excluded two countries that only distributed basic material support (no food) (Austria and Cyprus) and another four that did not use their FEAD funds for any form of food/material aid but followed the second FEAD OP type (OP II) and offered non-material social inclusion measures (Denmark, Germany, the Netherlands, Sweden).

#### Public agencies distributing food aid themselves and the role of FEAD

First of all, it can be said that, according to information provided by the respective National Food Aid Federation, the affiliated local food aid providers in all the countries studied are predominantly private initiatives. However, in all countries except for Germany and the Netherlands, there is also a varying proportion of public institutions affiliated with the respective Federation. For example, in Belgium, these institutions are Public Centres for Social Welfare, which are public welfare institutions providing social services to citizens, including minimum income for citizens with insufficient income; In Hungary, these institutions are municipalities. Consequently, there is a certain proportion of public food aid providers in most samples, with up to 32% in the Hungarian sample (see Figure 11). With these figures, we do not want to make any statements at the population level. What these figures do indicate, however, is that there is a certain, and in no case negligible, proportion of public food aid providers in all of these countries.

Regarding the role of FEAD in this context, it is noteworthy that the regulation states that, in order to implement the FEAD on the ground, the managing national authority should work together with partner organisations, meaning "*public bodies and/or non- profit organisations that deliver food and/or basic material assistance*" (art 2(3)). Hence public bodies are explicitly promoted by FEAD as a crucial part of local food aid systems.

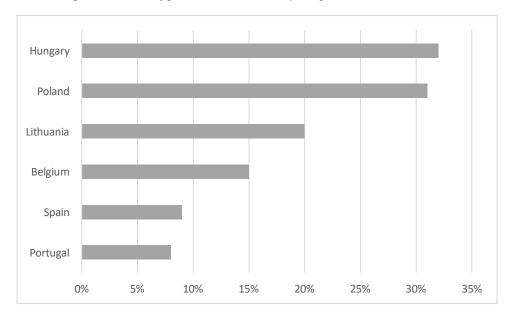


Figure 11: Share of public bodies in country samples.

Note: In Germany and the Netherlands there where no public food aid organisations at the time of our survey.

Source: survey data (Greiss, 2022)

#### The role of public agencies in access to food aid

Most organisations surveyed have introduced some kind of arrangement in order to regulate access to food aid. Basically, two main types of arrangements can be distinguished: Arrangements where a proof of need, e.g. proof of insufficient income, is verified by the organisation itself or arrangements based on referrals from a public institution that verifies need. The latter is particularly the case for the Belgian organisations where the main referring public body is the Public Welfare Centre. For organisations in other countries, arrangements of own verification predominate, but referrals from a public institution are also often used to prove need. Therefore, public (welfare) agencies play an important role for people experiencing poverty in accessing food aid by determining their need and referring them accordingly. The local organisations use these referrals as approvals of the peoples' need and as their permission to access food aid.

#### Food aid user groups

If we look at the user groups with high demand (before the COVID-19 crisis in 2019) identified by the organisations surveyed, our results show that these are primarily households whose main income is social assistance (see table 3 and figure 12).

Household type	BE	DE	HU	LT	NL	PL	РТ	ES
Households in which <b>paid work</b> is the main source of income	9%	8%	40%	18%	2%	14%	23%	26%
Households in which <b>short-time work</b> is the main source of income	38%	10%	74%	44%	12%	50%	22%	45%
Households in which unemployment benefit is the main source of income	48%	30%	83%	62%	29%	42%	44%	63%
Households in which social assistance is the main source of income	69%	77%	85%	68%	60%	56%	56%	72%
Households in which <b>pension</b> is the main source of income	24%	55%	68%	51%	10%	50%	53%	49%
Households in which sickness or invalidity benefits are the main source of income	34%	23%	79%	54%	22%	36%	39%	34%
Households without any income	39%	33%	84%	59%	26%	58%	56%	72%

Table 3: High demand of certain household groups in 2019 according to organisations surveyed.<sup>40</sup>

Source: Survey data (Greiss, 2022)

<sup>&</sup>lt;sup>40</sup> The results are based on a multiple response question. The categories 'Very high demand' and 'high demand' were grouped together as 'high demand'.

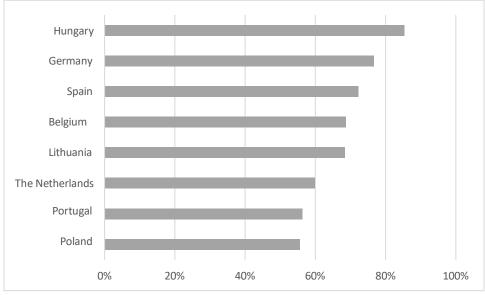


Figure 12: High demand of households in which social assistance is the main source of income in 2019.

Many of the respondents said that the demand increased regarding most or all user groups during the COVID-19 crisis compared to the time before the crisis. Many of the respondents also stated that they have experienced demand of specific or new user groups in particular. These respondents most frequently indicated households in which social assistance was the main source of income. Also, many respondents mentioned households in which unemployment benefits was the main source of income. Furthermore, many Belgian and Portuguese respondents also indicated households in which paid work was the main source of income.

## FEAD's potential contribution in strengthening instrumental power resources through accompanying measures

Our findings show that accompanying measures indeed could have the potential to support social citizenship. These measures are aimed to socially include the beneficiaries, providing them with further and more sustainable assistance, as well as supporting them in gaining access to social rights, e.g. through information and awareness raising, counselling and the provision of procedural channels for claiming and enforcing social benefits. We therefore understand the accompanying measures as a possible form of instrumental power resources.

For example, the Belgian OP more in particular emphasises that the indicative list of accompanying measures "consists mainly of guidance measures to refer the final beneficiaries to the public social welfare centres" (OCMW/CPAS). The accompanying measure therefore can be characterised as a form of referral to other agencies. Another example gives the Portuguese OP, where a detailed list is given of measures which already exist in the regular system of social services, and which has to be supported by FEAD-supported organisations. This list includes also the implementation of a first point of contact to advise each

Source: Survey data (Greiss, 2022)

person/family of their rights and of the services and resources appropriate to their situation. However, we also identified crucial shortcomings in the regulation of these measures. Particularly, only 5% of the national FEAD funding is earmarked for these measures, which does not reflect the importance attributed to these measures for the entire programme.<sup>41</sup> Furthermore, the framework documents lack more detailed descriptions of the measures. The Lithuanian OP, for example, emphasises that local actors know the needs and concerns of the beneficiaries best and should therefore decide for themselves which concrete measures they will ultimately implement. While this position is understandable, it lacks the definition of concrete objectives and evaluation possibilities to assess the effectiveness of the measures.

These observations are also confirmed by the European Court of Auditors emphasising that no indicators are set to measure the effectiveness of the accompanying measures, nor are official audits stipulated (European Court of Auditors, 2019). Furthermore, the FEAD Mid-term Evaluation points out that local organisations may not have the necessary knowledge and resources to implement the measures effectively (European Commission, 2019). The 'FEAD Community', an open network with actors from different levels, are supposed to exchange experiences on good practices.<sup>42</sup> Further research at the local level would needed examine the implementation of the measures in be to more detail. In addition, our survey results do not indicate that non-food services are implemented to a greater extent in FEAD-funded organisations than in non-FEAD-funded organisations in all FEAD (food aid) countries. In particular, for the accompanying services of 'social rights advice' and 'referral to competent social services', only in the Portuguese sample were FEAD-funded organisations more likely to provide these services than non-FEAD-funded organisations providing non-food support. Regarding the Lithuanian sample, it is interesting to note, however, that most of FEAD-funded organisations with additional nonmaterial assistance offered advice on social rights. Further research would be important to explore these findings in more detail.

#### (c) Conclusions

Firstly, the fact that many of the organisations surveyed received regular public support as well as additional public support to cope with the COVID-19 crisis shows that there are relevant ties between food aid organisations and public actors. It indicates a form of cooperation between public agencies/welfare state authorities and food aid organisations and, consequently, a certain extent of establishment of food aid as source of support for citizens in need. The role of FEAD in this respect is not negligible, as FEAD is the most frequently mentioned source of public support in most of the FEAD (food aid) countries surveyed, together with local agencies/ municipalities.

Secondly, public actors are not only subsidising food aid but also play an active role in the food aid systems in various European countries. Due to the fact that FEAD promotes public actors as food aid providers through regulation, it can be assumed that this leads to a strengthening of the role of public actors in the food aid system. Against the historical background of the emergence of food aid from a grass-roots movement, this is a significant development. Furthermore, it should be emphasised that, despite its link to

<sup>&</sup>lt;sup>41</sup> There are Member States that do not use the 5% FEAD means but exclusively use own resources, e.g. Belgium.

<sup>&</sup>lt;sup>42</sup> <u>https://ec.europa.eu/social/main.jsp?langId=en&catId=1207</u>

public agencies, food aid remains a form of support based on charity and not on rights. That means that people who meet certain eligibility criteria for receiving food aid ultimately have no legal entitlement and therefore cannot claim food aid. Hence, eligible persons have also no *enforcement power resources*, i.e. guaranteed powers to turn to a third party for enforcement in the event of a dispute. This makes food aid fundamentally different from welfare state benefits. However, it seems that public actors regard food aid as a further form of welfare state service offered by an external provider – or even by themselves.

Thirdly, our findings suggest that food aid users are in most cases *not* belonging to groups that cannot be reached by the welfare state but on the contrary, are belonging to groups *inside* the welfare system or even the labour market as recipients of social assistance and as wage earners respectively. The socio-economic crisis following the pandemic seems to have increased the demand for food aid, especially among these groups, underlining that food aid in Europe is not a marginal phenomenon, but an integral part of European societies and welfare state arrangements.

Fourthly, the results of our document analysis show that FEAD accompanying measures obtain the potential to support social citizenship. However, these measures remain *accompanying* measures of food aid as the predominant form of FEAD assistance. Since food aid is often associated with issues like stigmatisation and lack of freedom of choice, it is questionable whether FEAD's food aid support is generally able to strengthen social citizenship. It can be assumed that FEAD provides for more stability of food aid organisations' food stocks, since it is not based on donated but on purchased products. It could also lead to a more reliable and increased choice of products. Yet it remains a limited offer that does not necessarily correspond to individual needs and preferences.

In this context, vouchers or cards to purchase food and basic materials in conventional shops are particularly interesting. This form of in-kind support is mainly associated with the potential to provide beneficiaries with a greater sense of dignity and autonomy (European Commission, 2021).<sup>43</sup> The distribution of food vouchers is also allowed under ESF+, which basically takes over the frameworks of FEAD.<sup>44</sup> It could thus appear attractive to more Member States in the future to integrate material FEAD assistance in the form of vouchers into national social protection. This is already the case in Portugal and Lithuania, for example.

Consequently, this raises the question whether FEAD ultimately contributes to the development of food voucher programmes in Europe becoming part of national last-resort social assistance schemes. In this way, it could end-up in a similar development as in the United States with regard to the federal food voucher programme SNAP, which has more or less replaced last-resort support by the states in the course of the last

<sup>&</sup>lt;sup>43</sup> However, the introduction of voucher systems raises the question of how the beneficiaries can continue to be reached and socially included by the organisations. Furthermore, a voucher system does not necessarily mean less stigma. For example, if the voucher cards that recipients have to show at the checkout are recognisable as vouchers for those in need, this could very well be perceived as stigmatising by the recipients. Therefore, when introducing voucher systems, care must always be taken to ensure that they are implemented in a way that is appropriate for the recipients.

<sup>&</sup>lt;sup>44</sup> Member States shall allocate at least 3% of their resources of the ESF+ strand under shared management to support the most deprived persons. They may either address material deprivation through food and/or basic material assistance provided directly to the most deprived persons or indirectly, for example, through vouchers or cards, and providing accompanying measures supporting their social inclusion (like FEAD OP I), or promote social integration of people at risk of poverty or social exclusion, including the most deprived persons and children (like FEAD OP II), or both of those specific objectives (art 7(5) Regulation (EU) No 1296/2013).

decades (Brady & Parolin, 2019; Greiss et al., 2021). This would be a remarkable development with respect to the different welfare traditions between the US and the EU.

#### 6. Outlook: Can FEAD reinforce European social citizenship and if so, how?

The phenomenon of food aid in Europe has spread, professionalized, and penetrated the institutions of the welfare state. With FEAD, the EU is playing a role in these processes involving also pan-European solidarity, albeit extremely limited. What should we make of this?

The normative right to an adequate income is firmly rooted in international and national law. It is included in Article 25 of the Universal Declaration of Human Rights on 10 December 1948: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control." Article 1 of the Charter of Fundamental Rights of the European Union proclaims that: "Human dignity is inviolable. It must be respected and protected." Recently, the European Pillar of Social Rights, Article 14, added: "Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.".

Normative social rights are usually not immediately enforceable, they define goals and provide direction. Social rights are guaranteed through legal resources, regulations and provisions (social benefits and services). Hence, to implement the right to adequate minimum incomes, social benefits and services should be provided by governments, NGOs, private organizations, and individuals; there should be a legal basis for their individual enforceable use while access should be guaranteed and supported through instrumental power resources. The realisation of normative rights involves slow, often bottom up, long-term processes, of social and political struggle and eventually of incremental building and enhancing regulations, provisions and institutions. More specifically, to effectively guarantee the right to adequate minimum incomes, even in the best performing European welfare states significant additional efforts are needed, on many fronts: in most countries significant structural interventions are needed in the architecture and quality of welfare state institutions, ranging from education to the labour market, taxation, social protection and welfare.

So conceived, the question arises if and to what extent food aid organisations (and their European support through FEAD) can or cannot be considered as support of or vehicle to the gradual implementation of the right to adequate minimum income protection for European citizens.

There are two alternative routes. In the first route, European food aid funding becomes an alibi for not working on strengthening fundamental social rights. The underlying mechanism is the well-known moral hazard problem, briefly discussed in section 3 of this paper. FEAD's assistance could disincentivize Member States to strengthen national social protection systems. Moreover, that mechanism could be reinforced by a similar, local logic: food aid could increasingly become an instrument to circumvent the trade-off between adequate minimum income protection and the fight against employment traps. This route may set in motion a vicious circle: Member States may misuse European aid to avoid having to make

additional efforts themselves, which may eventually undermine the legitimacy of European social intervention and pan-European solidarity. By not taking the phenomenon of food aid seriously and dismissing it as a temporary, transitory, and marginal phenomenon, we unintentionally risk ending up on this route.

The second route departs from three facts: first, the significant efforts needed in most countries (especially, but not exclusively, in poor Member States) to guarantee decent incomes for all; second, the very fact of expanding food aid across Europe and, third, the difficulty of creating political support for expanding European solidarity. Against this background, if well-conceived, FEAD and food aid could be used as a unique lever to European social citizenship. How might that work?

First, the 'right to healthy food' might give FEAD a strong basis of legitimacy. Although that 'right' is inconsistently defined, it might become an instrument in spearheading rules and tools to make the right enforceable for European citizens. It could, furthermore, fuel the debate about the flaws of food aid and offer a steppingstone to a broader conversation about who bears responsibility for European citizens relying on it. In line with the participatory tradition of social innovation, FEAD could give food aid users a voice and strengthen the social rights discourse at the European and national levels.

Second, an equitable functioning of FEAD presupposes binding agreements at the EU-level on minimum efforts to be made by national governments. Should FEAD-budgets be increased a level playing field with minimum standards on social protection would become necessary in order to avoid shifting responsibilities on safeguarding fundamental social rights from the national to the European level. Fundamentally, enhanced solidarity between Member States cannot be decoupled by enhanced solidarity within Member States. The efforts to be made in order to implement adequate social floors are significant and unevenly spread across the Union. The distance between minimum incomes and needs is greatest in poor countries, especially if a pan-European poverty line is used. Binding agreements on minimum income protection should therefore involve stronger elements of pan-European solidarity. Should the funds be increased and more selectively be deployed, FEAD could take on a pivotal role in that policy conundrum. Through FEAD, the EU could put pressure on Member States to enhance the quality of their minimum income schemes. FEAD could also become a vehicle to help Member States to gradually implement a binding European framework on minimum income protection, through budgetary support and raising public awareness.

Third, the use of food vouchers (which have already been introduced in a number of countries) could facilitate the movement towards right-based entitlements. Certainly, because of the strong conditionality, food vouchers detract from the essence of European welfare states, as expressed long ago by Beveridge: *"Freedom to spend, is part of essential freedom."* Therefore, vouchers as well can only act as a stop-gap measure until structural improvements of minimum income protection are achieved at the national level. However, as long as European food aid still exist, vouchers, if implemented in a way respecting the target group's needs and insofar as they lessen the problem of stigmatization, could increase the living standards of poor families

It may seem counterintuitive, but FEAD could pave the way for guaranteeing the right to decent incomes for all European citizens. This route is not without danger. The risk of traying into the former vicious route is real. So, how could food aid become part of a virtuous circle of enhanced solidarity within and between Member States? *First*, increasing FEAD budgets should be part of a coherent policy agenda of a) the implementation of the European Pillar of Social Rights through a binding European Minimum Income

Directive; b) a more needs-based distribution of the budgets targeted to the Member States that have to make the greatest efforts in order to implement the right to minimum incomes and c) the implementation of food vouchers. *Second*, FEAD interventions should be made conditional on Member States' efforts to make progress on guaranteeing adequate minimum incomes. *Third*, FEAD should support voluntary food aid organizations to give a voice to the poor and to make visible the violation of social rights. So conceived, FEAD might become a secret weapon for the strengthening of European social citizenship.

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