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How do European countries use EU-funded food aid and how important is it for the most deprived?

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Abstract

The Fund for European Aid to the Most Deprived (FEAD) aims at providing food and (non-)material assistance to the most vulnerable European citizens. Linking macro and micro data on the importance of FEAD resources shows, however, a mixed picture of targeting the most deprived: although FEAD budgets accrue more to countries with greater social needs, when the budgets are compared to the number of severely deprived persons, FEAD resources were found to be more than twice as high in Finland than in Hungary. This suggests that FEAD does not differentiate sufficiently across countries to focus on the poorest citizens within the Union. Moreover, a micro-level analysis of how these budgets are spent in a number of selected countries (Belgium, Finland, Hungary and Spain) reveals large between- and within-country variation in the developed FEAD programmes, indicating substantial discretionary leeway for Member States and social organisations to implement FEAD.

Introduction

According to principle 14 of the European Pillar of Social Rights (EPSR), "everyone lacking sufficient resources has the right to adequate minimum income benefits [...]. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market" (European Commission (EC), 2017, p.20). To help make this principle a reality, the European Commission has launched multiple initiatives, such as the Directive on adequate minimum wages¹ and more recently, the Council Recommendation on 'adequate minimum income ensuring active inclusion' (EC, 2022). This recommendation stresses that European Union (EU) funding is available to support Member States in improving their minimum income systems². The recommendation mentions the European Social Fund Plus (ESF+), the EU's main funding instrument for promoting social inclusion and combating poverty (EC, 2022). Since 2021, the ESF+ integrates the previously stand-alone European Social Fund (ESF) and some smaller funds like the Fund for European Aid to the Most Deprived (FEAD)³ (EC, 2021). 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 2014-2020. To tackle the consequences of the COVID-19 crisis, the program got extended in 2021 and 2022 and additional resources were made available⁴. Specifically, FEAD focuses on the basic needs and social inclusion of the most deprived persons (EC, 2014). In reality, the majority of FEAD resources are used for food support (83%) (European Court of Auditors (ECA), 2019). For the first time in the history of the EU social agenda, the use of EU resources for in-kind (food) support is implicitly mentioned in the context of minimum income systems.

¹ https://ec.europa.eu/commission/presscorner/detail/en/ip 22 5706

² "EU funding is available to support Member States improve their systems." (EU, 2022).

³ Besides ESF and FEAD, also the Youth Employment Initiative (YEI) and Employment and Social Innovation Programme (EaSI) are merged into ESF+

⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0223-20210217&from=EN

Although FEAD is a small fund in financial terms, representing only 0,3% of the total EU budget during 2014-2020, it is a unique EU-policy instrument. First of all, FEAD means are invested in direct assistance to individuals. Second, previous research has found that FEAD means go relatively more to poorer Member States with higher social needs (Hermans et al., 2021), making FEAD a 'redistributive and highly targeted European anti-poverty programme' (Greiss, Cantillon & Penne, 2020). Third, the forerunner of FEAD and its transition from an agricultural to a social policy instrument (Caraher, 2015; Madama, 2016) have strongly influenced the development of food aid systems in EU countries (Riches & Silvasti, 2014). Fourth, FEAD operates in a controversial area as multiple studies point to food aid recipients often experiencing shame, stigmatization, paternalistic attitudes and a lack of freedom of choice (Van der Horst et al., 2014; Geerts et al., 2013; Pybus, Power & Picket, 2021). Moreover, FEAD supports charity-based initiatives such as food banks, food pantries and soup kitchens, which differs fundamentally from rights-based state (food) assistance (De Schutter, 2013). This makes FEAD an interesting case in the debate on whether the EU should focus on supporting small-scale charity-based initiatives, or rather concentrate on improving structural conditions of the most vulnerable.

However, little research has focused on how FEAD means are used within Member States and what implications this has for end recipients and European welfare states. Recently, Greiss et al. (2022) performed a cross-national survey in food aid organisations in eight EU countries to get insight in how food aid – including FEAD – is organised and embedded in national welfare states. This paper digs deeper into how the 2014-2020 FEAD budgets are used in four different welfare states: Belgium, Finland, Hungary and Spain. Concretely, this research provides a novel approach by combining macro data on Member States' FEAD budgets and their social situation with a micro-level analysis of how FEAD budgets are used in different settings, and what implications this entails for end recipients, the welfare state and the role of the EU. Moreover, we will pay attention to the large regional disparities within these countries.

The paper is structured as follows: the next section describes the historically important role of the EU for the development of coordinated food aid systems in European countries. Subsequently, we explain the data and methods. Then, we analyse the size of FEAD budgets and the social situation in different EU welfare states, with a focus on Belgium, Finland, Hungary and Spain. Thereafter, we discuss more on a micro level how FEAD budgets are spent in these four countries, paying attention to the territorial distribution and (non-)governmental actors, the types of FEAD support, the FEAD recipients and the importance of FEAD support. Finally, we conclude and discuss our findings.

1. The roots of large-scale food aid provision in Europe: importance of the EU food aid programme

Food aid provision has long been a fragmented practice mainly provided by charitable and religious bodies (van Leeuwen, 1994; Van Bavel & Rijpma, 2016), as well as through family and the local community (Clément, 2001). After the second world war and coinciding with the first steps of European integration, however, there was a strong belief that the welfare state would be able to protect the basic needs of all citizens (e.g. Silvasti, 2015). In the subsequent years and decades, European welfare states were indeed able to reduce inequalities and poverty, through social protection systems, public goods and services and redistribution through taxes (e.g. Atkinson, 2019). Nevertheless, from the 1970s onwards, following the economic crisis and changing family structures, globalisation and

technological change, the traditional welfare states faced increasing difficulties to protect citizens against new social risks (e.g. Bonoli, 2005).

Influenced by worrying unemployment and poverty numbers, together with high amounts of food surpluses disrupting the food system, the 1980s marked the beginning of a 'comeback' of food aid provision in Europe (Clément, 2001; Riches, 2002). During this decade, some major new food aid initiatives were introduced. After the foundation of the first 'food bank'⁵ in the US in the late 60s, the concept spread to Europe where the first food banks were established in Paris (France) in 1984 and Brussels (Belgium) in 1985. Soon other European countries followed, for example Spain with its first food bank in Barcelona in 1987. Almost simultaneously, another highly mediatized food aid initiative lay its foundations in France and French-speaking Belgium: *les restos du coeur*⁶ (Carimentrand et al., 2016). In 1985, driven by the issue of European food surpluses and food waste, the French comedian 'Coluche' wanted Europe to make these surpluses available to use them as food aid. With the support of Jacques Delors, Commission President back then, the 'EU Food distribution programme for the Most Deprived Persons (MDP)' was initiated in 1987 (Carimentrand et al., 2016; Chambon, 2011).

The MDP programme intended to reduce the soaring food surpluses of the 1980s caused by public intervention stocks⁷, by releasing them to Member States who could give it as food aid to the needy (Caraher, 2015). The programme was funded from Common Agriculture Policy (CAP) budget and administered through the Directorate General (DG) of Agriculture (Caraher, 2015). Importantly, it was a voluntary programme. Several Member States did not wish to take part (such as the Netherlands and Germany), or dropped out (the UK and Denmark) (Caraher, 2015). Belgium and Spain, however, joined the program from the beginning.

Further enlargements of the EU led to new countries joining the MDP programme. This was also the case for Finland in 1996, after becoming an EU member in 1995. It is notable that Finland is the only Nordic country that participated in the programme. However, the deep economic recession at the beginning of the 1990s in Finland had formed the start of rising food aid distribution through so-called 'breadlines', after which it became permanent (e.g. Silvasti, 2015). Silvasti and Tikka (2020) argue that joining the EU and the MDP program have contributed to the establishment of food aid in Finland, through a nationwide delivery system and regular food donations. Also in Hungary, after the transition to a capitalist democratic regime in the 1990s, food aid provision came again more to the fore. In 2005, the Hungarian Food Bank Association was established⁸ and, following the Hungarian EU membership in 2005, the MDP food programme was implemented from 2006 onwards (MHC, 2014).

For many European countries, the MDP programme was the first nation-wide food aid distribution model in which national governments had an active role in directing the food surpluses towards local food charities and associations. As such, although unintendedly and without fully realising what consequences it would have, the EU has had a large influence on the development of coordinated food aid systems in multiple European countries (Riches & Silvasti, 2014).

⁵ A 'food bank' typically is a central warehouse where food is collected from food producers or sellers containing leftovers and then distributed to local associations who directly give the food to those in need. (Riches, 1986)

⁶ https://www.restosducoeur.org/notre-histoire

⁷ Agricultural products were held back to make sure market prices did not lower.

⁸ https://www.elelmiszerbank.hu/en/about_us/who_we_are.html

Above that, reforms of the EU food aid programme have also changed and shaped the way Member States organise and distribute food aid. In 2008, after food surpluses were reduced due to CAP reforms, an MDP reform allowed Member States to buy food on the open market. Nevertheless, this led to a challenge of the agricultural basis of the programme, as buying goods shifted the focus to a social objective (Caraher, 2015). In 2014, the FEAD programme was launched, replacing the MDP, and the management was transferred to the DG Employment, Social Affairs and Inclusion. Contrary to the MDP, participation in the FEAD programme became mandatory and a 15% national co-financing rate was introduced. Member states had to apply and submit a plan to the Commission, whereby they could choose between two types of operational programmes: food and material assistance (OPI), or social inclusion measures (OPII)⁹. Crucially, Member States who chose OP I were required to complement food and material support with 'accompanying measures'. In Spain for instance, according to Inza-Bartolomé and Escajedo San-Epifano (2020), social inclusion requirements related to FEAD aid have led to an extension to other types of non-FEAD food distribution, (at least partially) removing the responsibility for social protection from the state to third sector organisations.

2. Data and methods

This paper analyses how EU-funded food aid is used and how important it might be for the most deprived in a number of countries who spend (most of) their FEAD budget on food assistance: Belgium, Finland Hungary and Spain. These four diverging European countries are particularly interesting to study in light of the Council Recommendation implicitly allowing countries to use food aid as indirect income support. First, these countries represent different welfare regime types: a Nordic welfare state (Finland), a Bismarckian-continental welfare state (Belgium), a Southern welfare state (Spain) and an Eastern European post-communist welfare state (Hungary) (Esping-Andersen, 1990; Arts & Gelissen, 2012; Fenger, 2007). Second, these different welfare regimes are reflected in the great variation that they show in minimum income adequacy: last-resort minimum income benefits in Finland represent 81,7% of the European 60% at-risk-of-poverty line¹⁰, followed by Belgium (71,7%), Spain (64,5%) and Hungary (26%)¹¹. More generally, these countries vary greatly in terms of economic and social performance (as we will discuss in section 4) and national social spending. These large socio-economic country differences, as well as their differences in food aid systems (see Hermans et al., 2023) are important in order to correctly interpret the results and contextualise them.

For our macro data analysis, we build on the findings of Hermans et al. (2022), who studied the distribution of FEAD budgets across Member States according to various economic and social indicators. In this paper, we conduct a descriptive analysis of the relationships (correlations) between the size of Member States' FEAD budgets (focussing on Belgium, Finland, Hungary and Spain) and their social situation. Concretely, data on countries' FEAD budgets was derived from the Cohesion Open

⁹ Only Denmark, Germany, the Netherlands and Sweden decided to implement OPII.

¹⁰ This threshold lies at 60 % of the national median equivalised disposable income after social transfers (https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:At-risk-of-poverty_rate)

¹¹ Minimum Income Protection Indicators Hypothetical Household Tool (MIPI-HHoT) data, 2021. The adequacy percentages are an average of four hypothetical household types (a single, couple, single parent with two children and couple with two children).

Data Platform¹². The statistical office of the European Union, Eurostat¹³, provides the necessary data about countries' GDP and the used Social Scoreboard indicators.

In order to contextualise the macro data, we perform an in-depth analysis of how FEAD budgets are used in Belgium, Finland, Hungary and Spain, and how important this support might be for the most deprived. Concretely, we conducted a document analysis, to be understood as a systematic procedure for reviewing or evaluating documents (Bowen, 2009), in which we searched, screened and analysed relevant publicly available documents. These include both documents from the European Commission, of which the 2014 FEAD regulation is the most important, and country-specific documents including FEAD Operational Programmes (MEAE, 2014; MESS; MHC, 2014; POD MI, 2014), FEAD annual implementation reports¹⁴ and the 2017 FEAD structured surveys¹⁵. Through content analysis, we could identify major themes of the FEAD implementation that were of most importance to achieve our objective (Bowen, 2009). In section 5, we discuss four major elements about the FEAD programmes: the territorial distribution and involved (non-)governmental actors, the types of FEAD support, the FEAD recipients and the importance of FEAD support.

Additionally, next to the document analysis, we held informal interviews with large food aid actors in the four selected countries¹⁶, including FEAD managing authorities and national food bank federations. These exploratory conversations had the aim to verify or clarify, where possible, information included in the available FEAD documents that was unclear or missing and to get a better understanding of how food aid – and FEAD in particular – is implemented in these different countries.

3. EU Countries' FEAD budgets and social needs

In Figure 1, we show the relationships between Member States' one-year EU FEAD budget¹⁷ on the one hand, and two social need indicators on the other hand: the at-risk-of-poverty or social exclusion rate (AROPE)¹⁸ and the severe material and social deprivation rate (SMD)¹⁹. Contrary to Hermans et al. (2022), in this figure the new AROPE and SMD indicators are used, as defined for monitoring the 2030

¹² https://cohesiondata.ec.europa.eu/; the 2014-2020 EU FEAD budgets are: 22,5 million euros in Finland, 73,8 million euros in Belgium, 93,9 million euros in Hungary and 563,4 million euros in Spain.

¹³ https://ec.europa.eu/eurostat/web/main/data/database

Belgium: https://www.ruokavirasto.fi/yhteisot/tuet-ja-kehittaminen/ruoka-apu/aineistot-ja-raportit/, Hungary: https://www.palyazat.gov.hu/rszorul-szemlyeket-tmogat-operatv-program-rsztop#; for 2019 and 2020 only a summary report was available. Spain: https://www.mites.gob.es/uafse/es/destacados/fead

¹⁵ Belgium: https://www.mi-is.be/nl/fead-enquete-2017, Spain: https://www.mites.gob.es/uafse/es/destacados/fead. For Finland and Hungary, the European Commission provided us these documents since we could not find them online.

¹⁶ Two with Hungarian actors, three with Belgian actors, four with Finnish and four with Spanish actors.

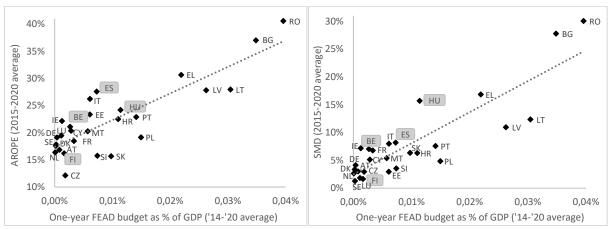
¹⁷ We divided countries' 2014-2020 EU FEAD budgets by seven.

¹⁸ The AROPE rate sums up persons who are: at-risk-of-poverty, severely materially or socially deprived, and/or people living in households with very low work intensity (Eurostat definition).

¹⁹ SMD persons cannot afford at least 7 out of 13 deprivations items: i) pay rent or utility bills, ii) keep home adequately warm, iii) face unexpected expenses, iv) eat meat, fish or a protein equivalent every second day, v) a week holiday away from home, vi) have access to a car/van for personal use; vii) replace worn-out furniture; viii) replace worn-out clothes with some new ones; ix) have two pairs of properly fitting shoes; x) spend a small amount of money each week on him/herself; xi) have regular leisure activities; xii) get together with friends/family for a drink/meal at least once a month; and xiii) have an internet connection. (Eurostat definition).

EU target on poverty and social exclusion²⁰. Nevertheless, we find similar results in Figure 1: there is a positive association between countries' FEAD budgets and these social need indicators, meaning that in general, countries with higher AROPE and SMD rates receive relatively larger FEAD budgets. As can be seen on the horizontal axis, however, one-year FEAD budgets expressed as a percentage of GDP are very small. For our four studied countries (highlighted in grey), this varies between 0,001% in Finland, 0,002% in Belgium, 0,007% in Spain and 0,011% in Hungary. Nevertheless, if we express the FEAD budgets as a percentage of national spending that focuses on the most deprived, captured roughly by the expenditure on social exclusion not elsewhere classified²¹, FEAD budgets are more significant in especially Spain (2,99%) and Hungary (5,90%)²². These are also the two countries confronted with higher at-risk-of-poverty and social exclusion and severe material and social deprivation rates, including the percentage of people who cannot afford a meal with meat, fish or a vegetarian equivalent every second day²³.

Figure 1: Correlations one-year EU FEAD budgets as % of GDP (2014-2020 average) and at-risk-of-poverty or social exclusion rate (left graph) and severe material and social deprivation rate (right graph) (2015-2020 average)



Source: Hermans et al. (2022).

Overall, in line with previous research, we can conclude that Hungary and Spain, having higher social needs, receive relatively larger FEAD budgets than Belgium and Finland who perform better on these aspects. Nevertheless, it is important to stress that in all countries, the social situation varies (greatly) among regions. For instance, in 2020 the SMD rate at the NUTS2 regional level varied from 2% to 3,9% in Finland, 1,5% to 8,8% in Belgium, 1,7% to 11,5% in Spain and 4% to 17,7% in Hungary²⁴. In the next

²⁰ The main changes include the wider age category for adults in the very low work intensity indicator (18 to 64 instead of 18 to 59 years old), and an expanded and revised list of items to measure deprivation. https://ec.europa.eu/eurostat/statistics-

explained/index.php?title=Glossary:At risk of poverty or social exclusion (AROPE)&oldid=546644

²¹ This includes cash (e.g. (means-tested) income support and other cash payments) and in-kind (e.g. shelter, rehabilitation of alcohol and drug abusers, food) benefits (except health care) intended to combat social exclusion where they are not covered by one of the other functions (Eurostat, 2019). The 2014-2019 average of this expenditure indicator is used here.

²² In Finland and Belgium this much lower, respectively 0,16% and 0,35%.

²³ 2020 data: 2,9% (Finland), 3,7% (Belgium), 5,4% (Spain) and 12,8% (Hungary). https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220225-

 $[\]underline{1\#: ``: text=In\%202020\%2C\%208.6\%25\%20of\%20the, vegetarian\%20equivalent\%20every\%20second\%20day.}$

²⁴ Because of data availability reasons, the old severe material deprivation indicator is used here (https://ec.europa.eu/eurostat/databrowser/view/tgs00104/default/map?lang=en). For Belgium, data was used from: https://statbel.fgov.be/nl/nieuws/belgische-armoederisicos-2020

section we will pay attention whether these regional social differences might influence the way FEAD budgets are spent within these countries, and more generally whether countries' social situations impact the use of FEAD budgets.

4. How FEAD resources are used in Belgium, Finland, Hungary and Spain

In this section, we discuss how FEAD budgets are spent in Belgium, Finland, Hungary and Spain. We pay attention to four important elements of their FEAD programmes: the territorial distribution and involved (non-)governmental actors, the types of FEAD support, the FEAD recipients and the importance of FEAD support for the most deprived.

4.1 Territorial FEAD distribution and involved (non-)governmental actors

Each Member State can decide on the geographical distribution of FEAD resources, which is summarized in Table 1. In all countries except Finland, some pre-defined rules shape the sub-national distribution. In Belgium, this is a two-step process. First, the federal and regional governments agree on a 'distribution key' which determines how much FEAD resources go to the Brussels-Capital, Flemish and Walloon Region. Second, the 'municipal ceiling', which is based on the number of social assistance recipients, ensures that municipalities with higher needs receive more FEAD support. In Spain, the territorial FEAD distribution takes into account the following indicators for autonomous regions: the AROPE rate (weighted 40%), unemployment rate (10%) and the number of beneficiaries in the previous programme (50%). After calculation at regional level, distribution coefficients are calculated at provincial level by considering the number of beneficiaries in the previous programme. In Hungary, more support is going to poorer regions as a result of the eligibility criteria for the target groups. For two target groups, these are largely based on conditions for national benefits or assistance, and income. For the homeless target group, more support goes to municipalities having more people living in temporary homes, night shelters and on the streets. Lastly, the Finnish operational programme only stresses that the support should cover the whole territory, including the Aland islands. Furthermore, the quantities of food distributed to partner organisations are merely based on their own assessment of food needs.

Table 1: Overview of sub-national territorial FEAD distribution criteria in Belgium, Finland, Hungary and Spain

	BELGIUM	FINLAND	HUNGARY	SPAIN
Regional	- Brussels-Capital	Cover whole	More support to	Indicators (weight):
level	region: 23,2%	territory of	poorer regions:	- AROPE rate (40%)
	- Flanders: 23,2%	Finland	based on national	- Unemployment rate (10%)
	- Wallonia: 53,6%		benefits, assistance	- Number of beneficiaries
			and income data	previous programme (50%)
Provincial/	Municipal ceiling:	Organisations'	More support to	Provincial level: number of
municipal	Number of social	own assessment	municipalities with	beneficiaries previous
level	assistance recipients	of food needs	more homeless	programme

Source: own elaboration based on Operational Programmes and annual implementation reports.

Various institutions and organisations are involved in carrying out the FEAD programmes. Most importantly, the FEAD regulation declares that Member States should appoint a 'managing authority', who has the main responsibility for purchasing the food/material goods and distributing the goods to partner organisations (EC, 2014). Because the introduction of FEAD was accompanied by a transfer

from agricultural to cohesion policy at EU level, Member States designated a different responsible authority than under the MDP programme. The FEAD managing authorities in Belgium, Finland, Hungary and Spain respectively are: the Federal public Planning Service for Social Integration (PPS SI), the Ministry of Economic Affairs and Employment (MEAE), the Ministry of Human Capacities (MHC) and the Ministry of Employment and Social Security (MESS). Nevertheless, in some countries previous agricultural managing authorities still play a large role in the FEAD programme, mostly as intermediate bodies. For instance, the Spanish Agrarian Guarantee Fund (FEGA) and the Finnish Food Authority (FFA) still manage the food purchasing under FEAD²⁵.

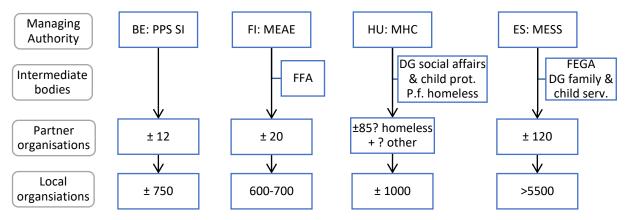
Intermediate bodies and partner organisations, both governmental and non-governmental, play a crucial role in implementing the FEAD programmes. In Spain, next to the FEGA also the DG for family and child services operates as an intermediate body. The Hungarian managing authority cooperates with two intermediate bodies: the DG social affairs and child protection and the Public foundation of the homeless. Besides that, non-governmental civil society actors are vital for the distribution and storage of food in all countries. Belgian FEAD goods are distributed to nine food banks affiliated with the Belgian Federation of Food Banks (BFVB), the Red Cross, ODC Antwerp and Alimen't. In Spain, food products are equally distributed to around 120 regional entities of the Spanish Food Bank Federation (FESBAL) and the Spanish Red Cross. Finnish FEAD products are distributed to around 20 partner organisations, of which the majority is handed out through the Church Resources Agency, the Finnish National Organisation of the Unemployed and the Free Church of Finland. Lastly, the Hungarian managing authority and the Public foundation of the homeless cooperate with around 1000 municipal, church and non-governmental organisations, including divisions of the Hungarian Maltese association and the Baptist Shelter Service, to distribute FEAD products.

Eventually, the FEAD products are distributed to many local organisations and municipal bodies, who hand out the food to the most deprived. In Belgium and Hungary, these consist of a mix between public and non-governmental organisations. On the contrary, based on the FEAD annual reports of Finland and Spain, it turns out that public organisations do not distribute FEAD aid directly, which may be due to for instance a lack of resources or storage facilities. Nevertheless, they are often still involved in food aid distributions. In Figure 2, an overview of the amount of local organisations, as well as the number of other involved actors in the FEAD distribution, is presented for each of the four countries.

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²⁵ The managing authorities do the administration and decide on the rules for e.g. the type and amount of food products, but the FEGA and FFA purchase the food through a public tendering procurement; the FFA is also responsible for the transport of food to organisations (MEAE, 2014; MESS, 2014).

Figure 2: Number of involved (non-)governmental actors in the distribution of FEAD food support in Belgium , Finland , Hungary and Spain



Source: own elaboration based on the information from section 5.1.

4.2 Types of FEAD support: food and material aid versus accompanying measures

Like most Member States, Belgium, Finland, Hungary and Spain opted during 2014-2020 for the FEAD OP I (food and basic material assistance), mainly because of continuity, necessity and "success" of this type of aid during the previous MDP programme. While the FEAD regulation was approved in March 2014, the actual distribution of Finnish and Hungarian FEAD-financed goods only started in respectively 2015 and 2016, creating a gap in food deliveries²⁶. Table 2 contains the most important aspects concerning the provided types of FEAD support in these four countries, which we discuss in more detail below.

Table 2: Types of FEAD support provided in Belgium, Finland, Hungary and Spain (2014-2020)

	BELGIUM	FINLAND	HUNGARY	SPAIN
# Food parcels 2018	2.021.607	327.856	562.613	3.754.578
(in %)	(71,5%)	(87,4%)	(35,4%)	(10,9%)
# Meals 2018	857.736	47.396	1.024.560	30.684.658
(in %)	(28,5%)	(12,6%)	(64,6%; but only	(89,1%; but only
			10,3% of recipients)	7,5% of recipients)
Tons of food (2018)	8260,66	1877,21	6825,43	91.835,08
# different FEAD	15-22	10-11	Package 1: 13-20	10-19
products			Package 2: 13-17	
Material aid			13,4%	
Accompanying			± 5% (2018)	± 5% (in 2016,
measures				2017 & 2018)

Source: own elaboration based on Operational Programmes and annual implementation reports.

According to the FEAD regulation, FEAD food aid may be distributed in different forms (e.g. packaged food products; food products processed in meals (together with non-FEAD ingredients), or fully FEAD-

²⁶ The Finnish 2014 annual report states that during this year, activities focused on preparation and building the administrative framework. In Hungary, no 2014 annual report is publicly available. The 2015 annual report describes that in this year preparations took place for starting the distribution in 2016, but no further details are given. However, these delays may have to do with the rather late adoption of the FEAD regulation (during 2014) and the fact that new managing authorities – with no prior MDP experience – were appointed.

financed (school) meals), as long as it is handed out for free. The two main types of food aid that local organisations provide, are food parcels and (hot) meals. Importantly, local organisations often complement FEAD-financed products with other products when distributing meals or food aid packages. According to the estimations in the annual implementation reports, the distribution of food aid packages dominates in Belgium and Finland (71,5% and 87,4%). In Hungary and Spain on the contrary, the reported share of distributed meals (64,6% and 89,1%) is significantly larger than food aid packages, although this should be put in perspective since only 10,3% and 7,5% of their end recipients receive meals (in 2018). The high share of meals is presumably due to the fact that the yearly amount of meals distributed to each recipient is higher than that of food parcels. Nevertheless, Hungary is the only country that also purchases ready-made meals²⁷ with FEAD resources (next to food products) for its target group of homeless persons. Here, meals represent around one third of the total amount of purchased food. Additionally, whereas Belgium²⁸, Finland and Spain apply all their FEAD resources to food assistance, Hungary also reserved a small share for material goods (13,4%), such as goods for babies and children as well as hygiene kits.

All managing authorities state that they try to determine a varied basket of (basic) quality FEAD products (ranging between 10 to 22 products) that have a long shelf life (for transportability and storage reasons), comply with food safety regulations, contribute to a nutritious diet²⁹ and correspond to the needs of the recipients. Furthermore, in Belgium sustainability started to play a larger role in the last years. In order to define the basket, the FEAD managing authorities consult nutrition experts and ask for feedback about the products from partner organisations and/or end beneficiaries. Although the basket of FEAD products is different in each country (partly due to cultural food habits), basic products such as milk (powder) and pasta are present in all baskets. Furthermore, the baskets show substantial stability from 2014 to 2020. Only a limited amount of products in the baskets were changed or added.

Lastly, Member States implementing OP I must combine material aid with accompanying measures. The minimum requirement is reorientation towards competent social services (EC, 2014). Although this is sometimes the only measure offered (ECA, 2019), all four countries encourage local organisations to provide extra measures. These may include advice on how to use social services, cooking workshops or projects about healthy eating habits, psychological counselling, or signing up to volunteer. In order to assist Member States in offering these measures, they are allowed to deploy 5% of their FEAD resources to these activities. Only Spain decided in its OP to make use of this. Following the approval of the Royal Decree 603/2016, the Spanish managing authority used 5% of its FEAD resources in 2016, 2017 and 2018 to grant direct subsidies to local organisations who wanted to offer one or both of the following two accompanying measures: 1) referral to social services, after informing the beneficiary of the program or activity to which he/she is referred; 2) direct provision of services and activities aimed at social and labour insertion³⁰. Although Hungary did not indicate in its OP to use 5% for accompanying measures, according to their 2018 annual implementation report, they used it

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²⁷ According to the annual FEAD reports, the Public Foundation of the homeless involved a dietician for planning the hot meals so that they are optimally composed of foods rich in minerals and vitamins for healthy nutrition.

²⁸ In the Belgian OP, however, it was stated that material aid would also be purchased and distributed if extra *national* budgets were available. In 2015 and 2018, diapers for babies and hygiene kits were distributed.

²⁹ For instance, mineral and vitamin rich foods or limits for the amount of sugar.

 $^{^{30}}$ Not many organisations applied for the subsidy because of the requirement that the organisation must help at least 350 (2017) or 200 (2018) people. The Royal Decree 1451/2018, following the statement of the Ministry of Territorial Policy and Public Function, demanded the territorialisation of the support from 2019 onwards .

that year to hire mental health professionals, psychotherapists and addiction specialists to contribute to the lifestyle and social inclusion of homeless people.

4.3 Who receives FEAD support?

Before discussing how many people receive FEAD support, it is vital to understand which groups are allowed to receive this aid. Which persons are considered to be the 'most deprived persons'? Do Member States focus on specific target groups, and do they apply certain eligibility criteria? Table 3 summarizes this information per country. We observe large cross-country differences: whereas Finland does not reserve FEAD aid for specific target groups³¹ and does not imply eligibility criteria (queuing for food aid is enough), FEAD support is more targeted and means-tested in the other countries. Especially in Hungary, FEAD aid is strongly targeted towards three specific groups: poor families with children or pregnant women; homeless persons; and people with reduced working capacity (due to illness or disability) and elderly with very low income. Eligibility is based on income level and conditions for national benefits or assistance, automatically allocated where possible based on databases³². In Belgium and Spain, the target group is more broadly defined, but the eligibility seems to be checked more strictly. The Belgian managing authority distributes FEAD aid to persons living below the at-riskof-poverty threshold. Public social welfare centres (PSWC) and partner organisations are required to set up a mechanism to check eligibility. Non-governmental organisations can either do the meanstesting themselves, or ask for a report from the PSWC who checks it for them. Lastly, in Spain, FEAD support goes to "individuals, families, households or groups in a situation of economic poverty, as well as the homeless and other people in a special situation of social vulnerability" (MESS, 2014). This is determined and checked by a report from the public social services, or from the participating organisations who have social workers or professionals carrying out similar functions³³.

Table 3: Summary of target groups and eligibility criteria for being able to receive FEAD support

	BELGIUM	FINLAND	HUNGARY	SPAIN
Target	Persons who live	People with	1) Poor families with	Individuals, families,
group(s)	below the at-risk-of-	few resources	children (0-18y) or	households or groups in
	poverty threshold*	who have	pregnant women***	a situation of economic
		fallen through	2) Homeless persons	poverty****; homeless
		the public	3) People with reduced	and other people in a
		safety net**	working capacity;	special situation of social
			elderly with low income	vulnerability

³¹ Concretely: "People with fewer resources who have fallen through the public safety net into food and other informal assistance and whose daily diet is inadequate and monotonous" (MEAE, 2014). It is not specified if and how FEAD aid could alter this situation. However, distributing organisations are allowed to focus on specific vulnerable groups (e.g. homeless, low-income families with children).

³² Poor families with children have to be eligible for regular child protection benefits, and pregnant women (from 3 months of foetus)/ mothers living with another person must be entitled to working-age benefits. Homeless people should be either: registered with the street social services; live on the street, in open air and non-residential buildings; be day care users; sleep in night shelter; or live in temporary shelter. Socially deprived people with reduced capacity to work and elderly with very low incomes have limited access to labour market income: 1. receiving disability or rehabilitation benefits or invalidity pension, 2. receipt of a pension, 3. receiving old-age pension, 4. receiving disability and childcare allowances.

³³ The report is not necessary in distribution of food through soup kitchens or homeless people.

Eligibility	Report from PSWC	None;	Conditions for national	A report from public
criteria	who checks financial	everyone may	benefits or assistance, and	social services or the
	situation, or check by	receive food	income (automatically	participating entities
	organisation	aid if person	allocated using databases)	
		feels the need		

Source: own elaboration based on countries' Operational Programmes and annual implementation reports. Note: PSWC = Public Social Welfare Centre. * This threshold is fixed at 60% of the national median equalised disposable household income (Eurostat); ** the Finnish Operational Programme does not describe what is meant by this; *** income is the main criteria used, footnote 27 describes the other necessary conditions of this group; **** the public social services or participating entities can determine which households live in a situation of economic poverty, no objective definition is provided.

Table 4 presents how many people actually received FEAD aid in 2020, both in absolute and relative numbers. According to the estimations collected by the FEAD managing authorities³⁴, in 2020 around 3,2% to 3,5% of the population received at least once FEAD aid in Belgium, Hungary and Spain, while in Finland this share is somewhat larger with 5,7%. This larger share coincides with the fact that FEAD support is the least targeted in Finland. Another way of assessing how targeted FEAD aid is, is by comparing the number of FEAD recipients with the number of severely material and social deprived persons in each country. So conceived, FEAD support is most targeted in Hungary, where the number of recipients accounts for 33,1% of the severely deprived persons. In Spain and Belgium, FEAD support is also quite targeted. In Finland, however, the reported number of FEAD recipients is three times higher than the number of severely deprived persons, suggesting that FEAD support is disproportionate compared to the number of very poor citizens in that country.

Table 4: Number of FEAD recipients in absolute and relative terms (2020)

	BELGIUM	FINLAND	HUNGARY	SPAIN
Number of FEAD recipients	381.951	317.490	345.632	1.496.436
% FEAD recipients compared to total population	3,3%	5,7%	3,5%	3,2%
% FEAD recipients compared to all SMD persons	49,5%	319,2%	33,1%	37,2%

Source: own elaboration based on annual implementation reports (number of FEAD recipients) and Eurostat (total population and SMD persons).

4.4 The theoretical importance of FEAD support for the most deprived

In section 4 we presented figures showing that FEAD budgets are more significant in poor countries with greater social needs. Table 4 however suggests that FEAD support might still be oversized in rich countries. In Figure 3, we divide the FEAD budget among the severe materially and socially deprived citizens in each country. The severe material and social deprivation indicator, adopted by the Social Protection Committee³⁵, distinguishes between individuals who cannot afford a certain good, service or social activities. It is a validated pan-European indicator capturing the same phenomenon in all countries. So conceived, the theoretical amounts of FEAD-budgets accruing to the most deprived are larger in Finland compared to Spain and Belgium. Compared to the number of deprived people, Hungary receives the lowest relative FEAD budget. Finland receives 32,38 euros per deprived citizen while the amounts reach 20,01 and 13,66 euros in Spain and Belgium respectively. Hungary receives only 12,83 euros per deprived person. Taking into account the cross-national differences in the cost of

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³⁴ These are based on estimates by the local partner organisations (mostly gathered by volunteers), which probably deviate from the real numbers because of problems such as double counting.

³⁵ https://ec.europa.eu/social/main.jsp?catId=830&langId=en

purchase food (in 2018 the cost to purchase 1 kilogram of food amounted to 0,88 euros in Spain, 1,28 euros in Belgium, 1,69 euros in Finland and 1,06 euros in Hungary) it appears that FEAD allows Spain to distribute the largest amount of food to its severely deprived citizens, followed by Finland, Belgium and then Hungary.

35,00

25,00

20,00

15,00

10,00

5,00

0,00

BELGIUM FINLAND HUNGARY SPAIN

□ Average FEAD support in € per SMD person

□ Average FEAD support in kg per SMD person

Figure 3: Average theoretical yearly amount of FEAD food aid support in euros (€) and kilograms (kg) per severe materially and socially deprived (SMD) person in Belgium, Finland, Hungary and Spain

Source: own elaboration based on annual implementation reports (FEAD food volume), Eurostat data (number of SMD), and Cohesion data (FEAD budgets). Note: the volume data (kg) is from 2018, the financial data (€) is from 2020.

Finally, we want to put the size of the FEAD support in perspective by comparing it with non-FEAD funded food aid. Managing authorities are required to indicate in the annual implementation reports how large the share of FEAD food is in the overall food aid packages/meals that local organisations distribute. The amount of FEAD food seems to be quite significant in the total food aid distribution, except in Finland where in 2020 it represented 'only' 16% of the total food amount. In Belgium, the FEAD reports indicate that 40% to 50% of the distributed food comes from FEAD, although this might be an overestimation since the Belgian Food bank Federation declares that FEAD represents around 30%. The Spanish and Hungarian managing authorities proclaim that 100% of the distributed food is FEAD-financed. Nevertheless, the Spanish Food Bank Federation reports a FEAD food percentage of around 30%. In Hungary, however, it is true that FEAD aid is not given through for instance the Hungarian Food Bank Association (HFBA), but through separate channels, so that FEAD aid is less combined with non-FEAD food aid. In 2018, 17.776 tons of food was distributed in Hungary, of which almost 40% (6825 tons) originated from FEAD and 60% (10.951 tons) from the HFBA, meaning that also in this country the share of FEAD is quite substantial.

5. Discussion and conclusion

The recent Council recommendation on adequate minimum income attributes a prominent role to European funding. The Fund for European Aid to the Most Deprived (FEAD) is, despite its limited financial scope, a targeted instrument providing direct assistance to the poorest EU citizens. Little is known, however, on how these resources are translated into concrete measures in different Member States. In this paper, we combined macro data on countries' 2014-2020 FEAD budgets and their social situation with a micro-level analysis of how these budgets are spent in four socio-economically

diverging countries with varying levels of minimum income adequacy: Belgium, Finland, Hungary and Spain. This leads to the following conclusions and considerations.

First, as a general trend, poorer Member States where poverty and material and social deprivation are comparatively high (here Spain and Hungary) receive relatively larger FEAD budgets than countries where social needs are lower (Belgium and Finland). Nevertheless, *per severely deprived citizen*, the FEAD budget received by Finland is more than twice the amount received by Hungary. This conclusion is in line with the findings of Hermans et al. (2022), who looked at the distribution of FEAD budgets across countries from a pan-European perspective: although FEAD budgets accrue more to countries with higher needs, they do not differentiate sufficiently to take into account the wide social disparities within the Union.

Second, although Member States must follow the same basic rules set out in the FEAD regulation (EC, 2014), we identified large variation in their FEAD programmes concerning for instance involved (non-)governmental actors and types of provided support. Most notably, the degree of targeting towards the poorest differs substantially. While Belgium, Hungary and Spain have some pre-defined rules to make sure FEAD support is concentrated in poorer regions, Finland does not impose specific territorial criteria. Additionally, Finland did not establish eligibility criteria for who may receive FEAD aid, whereas eligibility and means-testing are more strict and targeted in Belgium, Spain and especially Hungary. Hence, these differences indicate large discretionary room for Member States to implement FEAD programmes. On the one hand, this allows countries to focus on specific challenges and needs, but on the other hand it can lead to differing levels of support to severely deprived citizens living in different regions or countries.

Third, global events including the COVID-19 crisis, the Russian invasion of Ukraine and rising food prices can have a considerable impact on the use of FEAD resources and on the most deprived. Given that most FEAD resources are currently used for food assistance, higher food prices suggest that with the available budget managing authorities can buy less food. Higher food prices and the war in Ukraine may also influence the type of FEAD products purchased. At the same time, the COVID-19 crisis and the rise in food (and energy) prices led to an increase of people reaching out to local food charities (e.g. Greiss et al., 2022), which can lead to a higher number of people receiving FEAD support.

Nevertheless, besides this immediate impact of FEAD in the form of food products or meals, it is necessary to consider its importance in a broader sense. To what extent can FEAD make an improvement in the social situation of the most deprived? According to a European Court of Auditors report, FEAD provides "valuable support but its contribution to reducing poverty is not yet established" (ECA, 2019). Therefore, monitoring should be improved and it would be valuable for future research to study FEAD's broader (potential) impact.

Lastly, it is crucial to consider FEAD's place in the larger framework of poverty and social inclusion measures. European welfare states all show gaps in their social safety net, for example through inadequate minimum income benefits. By including FEAD in the Council Recommendation on adequate minimum income, the EU implicitly allows food aid to be used as indirect income support. However, important concerns relate to the fact that FEAD offers non-rights based support, as opposed to rights-based social protection systems. Moreover, it imposes a risk of the EU violating the subsidiarity and additionality principles. At the same time, it could be an opportunity to contribute to improving Member States' minimum income protection systems, and to strengthen pan-European solidarity if the social funds are deployed in a needs-based way.

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