



30 September 2013

To: Mr José Manuel Durão Barroso  
President of the European Commission  
1049 Brussels  
Belgium

**Ref: EAPN Messages to the Annual Growth Survey: Restore Credibility to a European Semester by delivering on Europe 2020 goals and promises..!**

Dear President Barroso,

2010 was the European Year against Poverty and a much-needed opportunity to put poverty into focus. We were encouraged to hear you say that addressing poverty was also an economic necessity. In your speech to our members you said that “we cannot afford - in the face of increasingly strong international competition – to exclude any source of skills, productivity, and knowledge” and you continued that “the need for effective policies and action is pressing. More than 80 million people live below the poverty line in the European Union. If they were a single country, they would be the biggest Member State!”

The European Anti-Poverty Network (EAPN) is the largest, EU-wide, independent, grass-roots network of anti-poverty organisations engaging people directly experiencing poverty. We represent hundreds of organisations and thousands of people’s voices, across 29 Countries and 18 European-wide Organisations. We have actively backed Europe 2020 vision and targets, and tried to actively engage with our members in the European Semester at national and EU level since 2010. However, our members are now highly critical of the *failure of the Semester to deliver on its promises on poverty and to engage stakeholders like them in any meaningful kind of engagement* at the national and EU level. The rise in poverty to 120 million (over 4 million from 2011), instead of progress on poverty reduction target, together with a clear rise of the intensity of the poverty situation of those already living in that situation for a long time, is a scandal and an irrefutable sign that the EU is failing to keep faith with its citizens.

***We write to you to highlight our specific concerns regarding the failings of the Semester process and to present our review of the NRPs 2013 and concrete recommendations for the AGS 2014.***

The **main messages** from the EAPN 2013 NRP Assessment highlight deep concerns regarding:

- the shocking lack of progress on the poverty target, growing poverty and inequality
- the low visibility of the Europe 2020 targets in the NRPs/CSRS and in the European Semester,
- an unacceptable democratic and participative deficit highlighted by the lack of Parliament and meaningful Stakeholder Engagement in the NRPs/CSRs, including NGOs.
- a need for change not just continuity with the austerity focus and predominantly not regulated market-led solutions, threatening the welfare state in many countries and increasing the gap between rich and poor, people and regions, undermining solidarity, economic and social sustainability.
- the failure to develop an accountable, viable semester leading stakeholders like EAPN to question – Why bother to try to engage? but also Why support this kind of EU?

**Our specific recommendations to the AGS:**

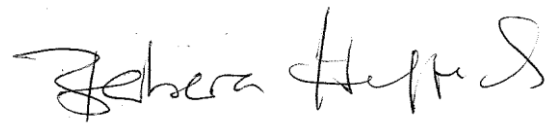
- ✓ **The AGS must re-focus on Europe 2020 and require an integrated strategy to fight poverty and exclusion for all groups, backed by CSRs. Explicit commitment to Social Investment and Social Protection as essential pre-requisites for inclusive growth and recovery and with a strong and also strategic support of the Structural Funds. New priority to increasing accountability and legitimacy of the Semester Process through Guidelines for Parliament and grass-root Stakeholder Engagement.**

We would appreciate the opportunity to discuss some these issues in person and hope that you will find the time for a meeting with us.

Yours faithfully,



Sérgio Aires  
President



Barbara Helfferich  
Director

Cc:

Commissioner

Catherine Day, Secretary General of the European Commission

László Andor, European Commissioner for Employment, Social Affairs and Inclusion

See: [EAPN Assessment of the NRP 2013: Widening the Gap](#).

See: EAPN related Press Release "[EAPN Assessment Critical of Europe 2020: Poverty and Inequality at an All Time high](#)"

## ANNEX TO LETTER: PRESIDENT BARROSO ON EAPN MESSAGES TO THE AGS 2014

On the 30<sup>th</sup> September, EAPN will present its **2013 Review of the National Reform Programmes: Widening the Gap**, followed by a round table debate with the institutions: what progress on poverty and participation, in Europe 2020?, based on questionnaire input from 19 of our National Networks, who have tried to engage in the NRPs and the Semester, as civil society organisations working directly with people experiencing poverty.

The **main messages** from the EAPN 2013 NRP Assessment highlight deep concerns regarding the shocking lack of progress on the poverty target, the low visibility of the Europe 2020 targets in the NRPs/CSRS and generally in the European Semester, and the unacceptable democratic and participative deficit highlighted by the lack of Parliament and Stakeholder Engagement. The rise in poverty to 120 million (over 4 million from 2011), is seen as a scandal and an irrefutable sign that the EU is failing to keep faith with its citizens.

For most of our members, the European Semester/Europe 2020 **represents continuity not much-needed change**, as it continues to prioritize austerity, as part of predominantly market-led macroeconomic solutions. This is jeopardizing the welfare state in many countries and increasing inequality between rich and poor, but also between poorer regions in Europe, particularly in countries under Troika arrangements. This is responsible for driving a widening gap that is undermining solidarity but also economic and social sustainability. The continuing lack of seriousness regarding stakeholder engagement is also of concern (with only 3 networks out of the 12 that managed to have any kind of engagement in the NRP, finding the engagement meaningful). This raises questions about the accountability and viability of the whole strategy. EAPN members start to ask "Why should we continue to try to engage?" and more worryingly "Do we really support this kind of EU?"

The report reviews the performance of all policies and their contribution towards the poverty and other social targets. A snapshot of grass-roots organizations assessments can be seen here:

- 75% of National Network responses say NRP is mainly a financial document and that the macroeconomic policies were not reasonable nor appropriate.
- 75% think that with these policies, the burden of the crisis is unequally distributed.
- 68% consider that these policies generate more poverty and social exclusion.
- 58% believe that deficit reduction will affect negatively social investment and social protection expenditure levels
- 92% feel that no priority is given to creating quality jobs.
- 67% say that the opinion of social /anti-poverty NGOs was not asked for nor taken seriously by the government.
- 0% said that the plans make progress towards an integrated strategy to fight poverty and social exclusion.

In relation to the specific development of the **Annual Growth Survey**, we are aware that the 2014 AGS will be launched before the European Elections and the new Commission, and therefore suspect that '*continuity*' will be the main message of the new AGS, (which already 'repeated the priorities of 2012). Our overwhelming message is that it is crucial that this is not the case. What we would minimally hope to expect to see in the AGS the following improvements:

- 1. The AGS must re-focus on Europe 2020 and require an integrated strategy to fight poverty and exclusion for all groups, backed by CSRs.**
- 2. Explicit commitment to Social Investment and Social Protection as essential pre-requisites for inclusive growth and recovery.**
- 3. New priority to increasing accountability and legitimacy of the Semester Process through Guidelines for Parliament and grass-root Stakeholder Engagement.**

**1. The AGS must re-focus on Europe 2020 targets, requiring an integrated strategy to fight poverty and social exclusion for all, backed by CSRs.**

- Europe 2020 goals and targets should drive the structure more clearly of the AGS, with explicit sections in the preamble and on each target setting out progress,<sup>1</sup> with a concrete strategy for delivery, backed by EU funds.
- The AGS should call for an integrated strategy to fight poverty social and exclusion for all groups, based on supporting access to rights, resources and services<sup>2</sup>. Key elements of this should include the implementation of integrated Active Inclusion, not just activation; with multidimensional strategies to reduce child poverty and promote investment in children, homelessness,<sup>3</sup> in-work poverty and action against over-indebtedness; but also integrated strategies for other recognized risk groups: migrants (including undocumented), ethnic minorities, people with disabilities, long-term unemployed etc. CSRs must be issued to all countries which are not progressing on the poverty target, and failing to develop an integrated strategy that can reduce poverty for all groups or to allocate adequate financing.

**2. Explicit commitment to Social Investment and Social Protection as essential pre-requisites for inclusive growth and recovery**

- Ensure effective ex-ante and ex-post social impact assessment on all policies, to ensure they do not undermine, but contribute to, social objectives.
- Introduce social conditionality, requiring red-lining of social protection and enabling social investment policies, treating them as an investment not a cost and requiring restrictions to austerity cuts; prioritize a study of the assessment of the benefits and costs of non-investment in social protection/investment.
- Require guarantees of the adequacy of minimum income and other types of income support as key foundations to inclusion and economic stability, through common principles for reference budgets developed through participative methodologies involving people with direct experience of poverty, monitored through the benchmark of the at risk of poverty level (60% of median disposable income).<sup>4</sup>

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<sup>1</sup> A parallel Annual Progress Report should continue to be published at the same time to give transparency to this review.

<sup>2</sup> Social OMC Common Objectives 2008/reconfirmed in 2010.

<sup>3</sup> Follow up of the Commission Recommendation on Investing in Children and the SWD on Tackling Homelessness.

### **3. New priority to increasing accountability and legitimacy of the Semester Process through Guidelines for Parliament and grass-root Stakeholder Engagement**

- Give a new priority to democratizing and increasing the legitimacy of the Semester Process, establishing clear objectives on stakeholder engagement and democratic engagement, developing indicators and a monitoring process throughout the Semester, reviewed in the NRPs, AGS and CSRs.
- Establish obligatory guidelines on stakeholder engagement, to ensure meaningful structured dialogue partnerships in the Semester process which include NGOs and people directly experiencing poverty in the design, delivery and monitoring of the poverty target in all policies, in the NRPs, NSRs and CSRs.
- Require the obligatory involvement of National Parliaments in the drafting and final agreement of the NRP and the CSRs, and explicit engagement of the European Parliament at all stages.