



4 March 2015

To: Ministers for Employment and Social Affairs

Letter to EPSCO Council 9 March 2015

**Investment in Growth and Jobs alone won't reduce poverty –
Promote social investment and social protection and ensure ownership**

Dear Minister,

We are writing to you on behalf of EAPN, the European Anti-Poverty Network, the largest platform of anti-poverty organizations in Europe, representing more than 6000 organisations across 31 countries. At the EPSCO meeting on the **9th March**, you will review progress on the European Semester, including the Annual Growth Survey and the Joint Employment Report, and provide input to the March Spring Council, including guidance for employment and social policies in 2015. You will also agree Conclusions on inclusive labour markets.

As highlighted in the **EAPN Response to the AGS package in 2015** in December, EAPN has deep concerns about the *limited scope, loss of a clear social dimension or assessment of the social impact of the 'fresh start'* promised by President Juncker's proposals of 'Jobs, Growth, Fairness and Democratic Change' as reflected in the AGS.

Although in the AGS the *priority on investment is welcomed*, we are concerned that the 315 billion Euro Investment Plan will be mainly delivered through leverage of private funds in major network infrastructure projects, with no visible focus on social investment in people, or clear results for inclusive labour markets and effective social protection. The second priority on Structural Reforms to the labour market supports de-regulation, which runs considerable risks to produce downward pressure on wages and quality employment, as well as concerns about the social impact of increasing liberalisation and privatisation. This approach will not address the problems that those experiencing in-work poverty and unemployment are currently faced with. The third priority on continued fiscal consolidation seems to have learnt no lessons from the negative impact of austerity on sustainable growth as highlighted by the IMF, OECD etc, as well as the devastating social impact on the people of Europe, increasing poverty and inequality. We are missing a link to Europe 2020, and a clear social dimension.

In the Joint Employment Report, we find it worrying that social protection is several times interpreted primarily as an activation tool. There is concern that integrated Active Inclusion approaches, currently missing from the analysis, will be narrowly understood as imposing additional, stricter work-related conditionality on shrinking benefits, thus condoning and prolonging an already worrying trend of punitive activation at all cost. We would hope that the Council Conclusions will support real inclusive labour markets, based on pathway, tailored approaches to inclusion, aimed to support people into quality jobs, with integrated support to adequate benefits and quality services.

With 121.4 million people still at risk of poverty and social exclusion in 2013,¹ rather than progress towards the Europe 2020 poverty target², the EU cannot afford to be complacent. It must take seriously the evidence of dwindling support for its policies and rejection of the EU role in increasing austerity and hardship for its citizens, as amply demonstrated by the Greek Elections. As pointed out by the new ESDE report³ – growth and jobs alone is not enough to reduce poverty, or social cohesion. A broader, social investment and protection approach is vital if inclusive as well as smart and sustainable growth is to be achieved, underpinned by to concrete measures to ensure engagement and ownership in the policy-making process.

We urge Social Ministers to require concrete measures to:

- 1) Put Europe 2020 and delivery on poverty target at the centre.**
 - *Mainstream Europe 2020 with explicit mentions of poverty and other social targets in the new priorities and Semester, backed by a comprehensive anti-poverty strategy promoting access to quality jobs, services, social protection.*

- 2) Back new Social Impact Assessment Guidelines + mainstream social indicators.**
 - *Call for new Guidelines to implement President Juncker's pledges on better social impact assessment of macroeconomic proposals **prior** to decisions being made.*
 - *Require that social indicators be given equal treatment with macroeconomic in the assessment process, including in the treatment of imbalances.*
 - *Make social Ministers equal partners in the decision-making process.*

- 3) Require social investment in quality social and health jobs, inclusive labour markets and social protection**
 - *Ensure the Investment Plan goes beyond network infrastructure to quality social and health services, including support to social enterprises and economy.*
 - *Require social Ministers to co-decide the allocation of investment priorities and monitor the 20% conditionality on social inclusion and poverty in ESF.*
 - *Embed priorities for adequate social protection through the life cycle as a key pre-condition to inclusion in the labour market and support for inclusive growth.*
 - *Back Guidelines for inclusive labour markets that combine quality job creation and personalised pathways to employment and inclusion, featuring non-discrimination and comprehensive support, particularly for vulnerable groups facing multiple obstacles*
 - *Promote integrated, personalized Active Inclusion approaches for **all** excluded groups, building on a positive interplay between the three strands: inclusive labour markets, access to quality services, adequate minimum income.*

- 4) Underline key EU role in setting social standards**
 - *Call for a new concrete EU social initiative to reduce imbalances in guaranteeing adequacy of income across the EU, for example by developing EU frameworks for an adequate minimum income across the life cycle and decent minimum wages.*

- 5) Propose concrete measures to improve stakeholder dialogue**
 - *Revise the proposed new draft Integrated Guidelines⁴ Recital 6, to ensure stakeholder engagement in design and monitoring as well as implementation of*

¹ Eurostat (2.03.2015): How is the EU progressing on the Europe 2020 targets.

² At least 20 million people lifted out of poverty and/or exclusion by 2020. (Europe 2020 target)

³ EC (Dec 2014): Employment and Social Developments in Europe 2014

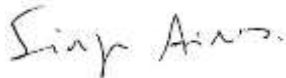
⁴ [Proposed Guidelines for the Employment Policies of Member States: Annex 2](#) (2.3. 2015)

policy and agree new EU guidelines to ensure quality, stakeholder engagement, including antipoverty organisations and people experiencing poverty, at every stage of the Semester Process:

- *Call for use of EU funds, whilst broadening the scope of European Semester Officers to promote stakeholder engagement in the Semester at the national level.*

We hope that you will take our messages on board, and would welcome any opportunity to follow up this input with a direct exchange with you regarding their concerns.

Yours sincerely,



Sérgio Aires
EAPN President



Barbara Helfferich
EAPN Director

Cc: Commissioner Marianne Thyssen, European Commissioner for Employment, Social Affairs and Inclusion

Thomas Händel MEP, Chair of the Employment Committee, European Parliament

See also:

- EAPN's Response to the [Annual Growth Survey](#) 2015
- [EAPN Input to the Mid-Term Review of the Europe 2020 strategy](#) – “Can the Strategy be made fit for purpose to deliver its promises on poverty reduction?”
- [“From Austerity to Inclusive Growth – What Progress?” EAPN Assessment of the NRP 2014](#)
- [EAPN 2014: “Giving a Voice to Citizens – Building stakeholder engagement for effective decision-making”](#) – Guidelines for Decision-makers at EU and national levels.