



20 June 2011

To: EU Prime Ministers and Heads of State

Refer: June Council 24 June 2011

**Europe needs a new heart and new priorities to fight the current crisis.**

Dear Prime Minister,

The XXII General Assembly of the European Anti-Poverty Network (EAPN) was held in Lisbon on 16 to 18 June. The General Assembly took place amidst growing anger at what is seen as the failure of the EU and Member State Governments to adopt **solidarity measures to protect people rather than markets**, in response to the current crisis. The delegates warned that Europe will not have the support of the majority of its citizens, if it is seen to be undermining the foundations of the 'Welfare States'.

The country-specific Recommendations issued on June 7 by the Commission evaluating the Member States' National Reform Programmes and their Stability and Convergence Programmes will be discussed at this Council meeting. EAPN believes that these unbalanced recommendations with almost their total focus on reducing deficits, will lead to cutting public services and wages and are likely to generate poverty and social exclusion. They will put more pressure on people experiencing poverty by punishing them for failing to find jobs that are in scarce supply, making the poor pay for the crisis they did not create. It will further undermine social protection systems, instead of recognising their value as social and economic stabilisers and a prerequisite for a successful exit from the crisis. We hope at this Council meeting you will **adopt more balanced recommendations** that will reflect seriously the poverty reduction target you set at the Council in June 2010 and the often articulated commitment in Council conclusions to the European Social Model.

**Potential positive steps** were taken at the recent EPSCO Council meeting including the adoption of a proposal to **reinvigorate the Social Open Method of Coordination** as the visible face of Social Europe. The confirmation of: 1) the agreed Common Objectives for the Social OMC based on access to rights, goods and services, 2) the full set of OMC indicators, 3) an annual reporting on progress included in the report on social dimension of Europe 2020, and 4) the backing of involvement of stakeholders in design, development and monitoring of the OMC are welcome. Like wise we welcome the commitment in the EPSCO Council in relation to a **Recommendation on Child Poverty**, supporting an integrated approach based on: adequate family income, access to services, including early learning, reconciliation of work/family responsibilities and participation of children and young people.

These potential steps forward in the social area will not bare fruit unless the main driver of European policies, the **economic governance** (Euro plus pact), reflects a **balanced economic, social and sustainable approach**. Such an approach must address the fundamental causes of

the problems we face in Europe today: growing concentration of wealth in the hands of a few, the dominance of financial speculators, the decline in quality of employment, and the constant erosion of public services and social welfare systems.

EAPN wants to contribute positively to find a new heart and new priorities to fight the crisis. The Final Declaration of our General Assembly suggests the following **nine proposals** as part of an alternative way forward:

1. Putting social and sustainable development and respect for Human Rights and solidarity at the heart of the EU's response to the crisis.
2. Demonstrating that the Poverty Reduction target adopted at the Council in June 2010 is a serious commitment.
3. Defending and promoting the 'welfare state' and social rights.
4. Defending public common goods (e.g. Water, health, transport, social services) as a fundamental right.
5. Strengthening the real economy, including support for social economy.
6. Curbing and regulating the destructive system of speculative trading.
7. Fighting tax evasion and avoidance including through the abolition of tax havens and cooperation to fight organised crime.
8. Creating the conditions which will allow Member States who are subject to compliance with EU/IMF financial agreements to borrow at reasonable interest rates.
9. The promotion and implementation of measures to reduce inequality in incomes and wealth.

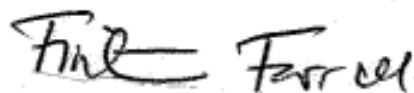
We hope that these proposals reflecting the contribution of thousands of organisations working on the ground to fight poverty, inequality and social exclusion can be a helpful contribution to your discussions at this critical time in European history.

We eagerly await the conclusions of the Council.

Yours faithfully,



Ludo Horemans  
President



Fintan Farrell  
Director

Cc:

President Rompuy, President of the European Council  
President Buzek, President of the European Parliament  
President Barroso, President of the European Commission

**See Attached:** Full version of the Final Declaration of the EAPN General Assembly 2011