



EAPN Ireland
Strand House
22 Great Strand Street
Dublin 1
Ireland

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

Subject: Publication of detailed Recommendations for Member States in receipt of EU/ECB financial Assistance

Date: 19th July 2011

Dear Mr Barroso

As representatives of the national networks of the European Anti-Poverty Network (EAPN) and anti-poverty organisations in the five EU Member States receiving support through the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM) we are writing to you to request that the European Commission publish more detailed Recommendations on National Reform Programmes for each country, reviewing the key objectives set by Europe 2020.

EAPN is a representative network of non-governmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, supported through the PROGRESS programme.¹

As you are aware the Commission only made one Recommendation for each of these Member States relating to their Memorandum of Understanding for financial assistance. It is essential that Member States are issued with Recommendations which address the overall commitments of Europe 2020 to a smart, sustainable and

¹ See website: www.eapn.eu

inclusive growth and specifically their commitments under the five headline targets, including the target to reduce poverty and social exclusion.

It is the overwhelming experience of our members that measures outlined in the programmes for financial assistance have led directly to an increase in poverty and social exclusion in our countries.

For example, in Romania, the new austerity package includes a 25% cut to childcare benefits, elimination of benefits for young families and freezing of benefits for single parents, 25% of public sector employees will be laid off and income reduced by around 30% from July 2010. The Irish NRP specifically states that *"It is envisaged that in the early years fewer people may be lifted out of poverty or indeed the numbers may increase due to the effects of the economic recession and the implementation of the National Recovery Plan"*.

While there are different trends between the five Member States it is clear that even as early as 2009 data captured under the agreed EU poverty indicators showed an increase in poverty levels. Already Ireland (23.7%-25.7%) and Latvia (33.8%-37.4%) showed increases in the new combined indicator for poverty and social exclusion. This is despite the fall in median incomes and the reduction in the 60% at-risk of poverty thresholds.

In the Commission's Communication on *Concluding the first European Semester of Economic policy Coordination* (Com (2011) 400 final) the Commission highlights the need for Member States to tackle the social impact of fiscal consolidation and structural reforms. In your statement following the adoption of the Recommendations (7 June 2011), you highlighted that *"Many Member States need to show more ambition when it comes to fiscal consolidation...maintaining investment in growth-enhancing areas like research and development, innovation and education. At the same time we try to protect the most vulnerable of our citizens"*.

Currently this is not the case and commitments in the programmes for financial assistance and their implementation are directly in conflict with commitments in Europe 2020. It is essential that the Recommendations address this issue in order to ensure a more balanced outcome to the implementation of Europe 2020 by Member States.

We recognise that the June Council has agreed the existing Recommendations but ask that the additional Recommendations related to these objectives be issued and agreed by Member States at the next Council meeting in September.

EAPN has already written to Prime Ministers and Heads of State ahead of the June Council meeting² highlighting the broader concern that the country specific Recommendations for all Member States include no credible recommendations as to how the poverty reduction target can be achieved.

We look forward to hearing from you on this matter.

Yours sincerely



Paul Dragan
Network Coordinator EAPN Romania



Agostinho Cesário Jardim Moreira,
President of EAPN Portugal



Philip O'Connor
Chairperson, EAPN Ireland



Elina Alere
Acting Chairperson of EAPN Latvia



Aikaterini Poutou
President of Hellenic Anti-Poverty Network
(EAPN Greece)



Ludo Horemans
President of EAPN

² See [EAPN Letter to PM's before the June Council](#)