

22 June 2012

To: EU Prime Ministers and Heads of State

Demonstrate Europe has a Social Vision and Process! – Defend Social Protection, launch a Social Investment Pact and systematically engage National and EU stakeholders.

On the 28 and 29th June, the European Council will meet to discuss solutions to the Eurozone crisis, and to review progress on Europe 2020 including the country-specific Recommendations. These considerations must not only be on the economic fall-out, but must urgently discuss the social and democratic impact. Europe is in deep crisis. Solidarity and the European vision based on peace, justice, security, dignity and solidarity is being daily undermined, matched by the decline in support from people in most Member States for the EU.¹ Demonstrating that Europe can become a more social Europe, defending social rights and the Social Model, through concrete actions and a genuine stakeholder engagement at national and EU level, could make all the difference. It could also provide some desperately needed hope for the future, particularly for those living in poverty and facing the most severe consequences of the crisis.

EAPN delegates at their General Assembly on the 7-9 June in Oslo, delivered a strong message that “Austerity’ is not working, driving people further into poverty and making the poor pay for a crisis they did not create. The failure to ensure social conditionality in the support to Greece and other Troika countries is undermining any sense of solidarity in the EU, with no consideration for the short and long-term social consequences. As highlighted by EAPN newly-elected President Sergio Aires, “*Unless addressing poverty and inequality and defending the European Social Model becomes a real priority, we will continue the road to disintegration*”.²

Poverty Reduction Target invisible in Europe 2020

EAPN reviewed the NRPs in 2011³ and has continued to engage in Europe 2020 at national level, through the NRPs, trying to contribute the insights of people with direct experience of poverty and offer concrete solutions to poverty reduction. *EAPN members however feel increasingly deceived by the results:*

- stakeholder engagement has not been strengthened in most countries and appears largely virtual. Only 12 EAPN networks managed to engage in any form, and only 2 felt that their views were taken seriously, in a respectful consultation and dialogue process.
- the poverty target is not being taken seriously, with national targets still only reaching 12 million rather than the 20 million promised, with nearly half avoiding the agreed EU poverty indicators.
- the exclusion of Troika countries from equivalent demands to deliver NRPs, deprives them of the obligation to ensure progress on the poverty and other social targets.
- the priority in the Annual Growth Survey to tackle the social impact of the crisis is contradicted by the overwhelming focus on fiscal consolidation through austerity measures. These have

¹ Eurobarometer 2012.

² EAPN (June 2012) Final Declaration from the General Assembly, Oslo, 6-8 June.

³ EAPN (Nov 2011) Deliver Inclusive Growth – EAPN Assessment of NRPs.

contributed to the increase in poverty and social exclusion by 2 million, since 2009, and represent a systematic attack on Welfare States, particularly in the Troika countries.

- poverty references in all NRPs remain very limited, (for example, in the Spanish NRP there was no section or mention), and almost entirely restricted to employment solutions that focus on supply-side solutions: hardening activation, with few concrete measures for quality job creation, or personalized support to integrated active inclusion (adequate income support, inclusive labour markets and access to quality services).

- social transfers which reduce poverty by 40% (including social protection, minimum income and ensuring access to social and health quality services) are largely ignored or worse attacked.

- although there are important initiatives on youth unemployment, systematic, strategic approaches to tackling poverty and exclusion for all groups based on comprehensive, integrated, rights-based strategies are largely absent ie for children, older people, homeless, people with disabilities and suffering long-term sickness or mental illness, migrants (including undocumented), Roma and other ethnic minorities.

- some positive approaches on school drop-out are proposed, but there is too much focus on reducing numbers, rather than integrated approaches that ensure inclusive education and life-long learning systems, joined up support for young people involving families, schools and local communities; providing targeted solutions for specific groups eg Roma.

- Structural Funds sections are still scanty with little evidence of systematic use to support social inclusion and poverty reduction initiatives, particularly active inclusion.

- In the Commission's country-specific Recommendations, only 5 Poverty Recommendations are made, compared to the overwhelming majority focussed on fiscal consolidation and the requirements of the Europlus Pact.

These findings give little confidence that the EU is serious about the poverty target, or about the social impact of austerity, and are more concerned with appeasing markets.

Democratic deficit at national and EU level

There is also growing concern about how EU decisions are made. Behind the labels: Economic governance, Euro Plus, Fiscal Compact, the six and recent two pack, the EU is taking radical decisions that allow direct interference in member states financing and running of social security and social protection systems, with minimal involvement of national parliaments or consultation with people in the member states, particularly the most vulnerable. This is not only a direct attack on national welfare states, but undermines democratic decision-making. Even within Europe 2020, as highlighted above, the engagement of stakeholders in NRPs has been reduced even from last year, with almost no examples of meaningful dialogue. This not only undermines the credibility of Europe 2020 and support for economic governance, but loses the EU the opportunity of engaging grass-roots actors, building on their experience and expertise, to win support for the EU project at a time when it is gravely threatened.

WHAT IS NEEDED

1. Prioritise poverty reduction and stop the attack on Social Protection systems

- Agree national poverty targets using a % reduction on all 3 indicators⁴ and make obligatory at least one country-specific Recommendation on poverty reduction for each Member State, on equal terms with the other targets.

⁴ At risk of poverty, severe material deprivation and low work intensity.

- Require integrated, comprehensive strategies including access to quality jobs, income support and services to fight poverty against all groups based on the Common Objectives of the Social OMC, as well as the Integrated Guidelines.
- Red-line social protection and health systems⁵, including minimum income, agree a target to defend adequate spending levels, monitoring the implementation in Europe 2020 and the CSRs.
- Urgently carry out public social impact assessments, which assess the short and long-term social, health and economic impact of austerity measures on public services, involving independent experts and other actors, including people in poverty and NGOs, debated in national parliaments.
- Agree Guidelines/ Action Teams, with the Commission, to advise on inclusive fiscal consolidation: defending adequate Social Protection and Health services including minimum income, preventing negative social/ health impact and costs and promoting inclusive growth.

2. Present a Social Investment Pact

Send a strong message that austerity doesn't work and a social investment stimulus package in people focussed on jobs, services and adequate social protection and health, is needed to drive inclusive and sustainable growth; Support research and raise awareness of long-term costs and benefits of effective social investment and social protection, and the impact/price and long-term costs of austerity. Such a Pact needs to involve a public stimulus package, harness EU funds and be developed through active consultation with stakeholders, but could include:

- **Invest in quality jobs:** create quality jobs responding to social needs as well as environmental sustainability including through social economy,
- **Invest in active inclusion:** ensure access to jobs for all disadvantaged groups and prioritise integrated, personalized, pathway approaches to inclusion for different groups and individuals, build on successful social economy and NGO community initiatives.
- **Invest in social protection:** ensure universal coverage, promote an EU Framework Directive to ensure adequate minimum income above the poverty threshold⁶, guidelines to increase take-up and counter stigmatisation,
- **Invest in inclusive services:** promote universal access to all key public services eg affordable, energy-efficient housing with explicit support for public housing, public health reducing inequalities, public transport, quality care and health services, personalized job-support, indebtedness advise, integrated social services, including NGO community-based services for all groups.
- **Invest in inclusive education and lifelong learning:** comprehensive schools for all; quality early-learning; integrated/ joined-up support with families, schools, communities+ business; life-long learning including informal/non-formal activities.
- **Invest in equality and anti-discrimination:** give priority to tackling inequalities with anti-discrimination measures ensuring equal access to employment and services.

Use EU funds for inclusion: back the Commission's proposal of 25% for ESF and 20% for poverty reduction and social inclusion. (See NGO campaign: 20% for poverty reduction)

⁵ See Open Letter to the European Council: EU leaders must focus on sustainable, equitable Europe that fosters and is sustained by a healthy population (EPHA supported by EAPN and other NGO/Social Partner and other actors) 220612

⁶ EAPN with Anne Van Lancker (2010) Working document on an EU Framework Directive on Minimum Income.

- **Finance through Tax Justice and inclusive-growth friendly tax:** agree guidelines for sustainable financing and inclusive recovery through *equitable* tax policy – wealth tax, progressive income tax, tax on property and capital, tackle low-income tax traps, tax on environmental and social risk, coordinated EU action on tax evasion and avoidance including tax havens. Carry out social impact assessment of growth-friendly tax proposals, and effectiveness in financing social protection and social investment.

3. **Ensure a democratic, participative social process.**

- Ensure equality to social and economic objectives, with equal role for social with economic finance ministers, DGs in the Commission, and Committees in the European Parliament.
- Restore democratic debate and accountability by strengthening the decision-making role and voice of European and national parliaments.
- Develop together with stakeholders obligatory guidelines, indicators and monitoring through Europe 2020 to embed a partnership approach embedding meaningful, transparent and regular stakeholder consultation at national level through NRPs and NSRs at all stages: design, review and implementation, and exchange on good practice, as well as in the European Platform against Poverty.
- Provide funding to support civil society and social partners to engage and present independent assessments in the NRPs and NSRs, to raise awareness and promote public debate.

We urge you to take on board our proposals to promote a more, social and inclusive Europe, at a time when the European project is at risk. In the coming months, we will develop these proposals in more detail with our members. We hope that implementing the commitment to the active stakeholder engagement, at national and European levels, in the National Reform Programmes and the National Social Reports (as well as other elements of the Europe 2020 strategy including the Platform against Poverty), will provide a real opportunity to have these ideas debated and progressed.

Yours faithfully,



Sergio Aires
President



Fintan Farrell
Director

Cc:

President Van Rompuy, President of the European Council
President, Helle Thorning-Schmidt, President of the Council of the European Union
President Schulz, President of the European Parliament
President Barroso, President of the European Commission

See

[EAPN proposals for Country-Specific Recommendations](#) (June 2012)

[EAPN letter to the EPSCO](#) (18 June 2012)

[Final Declaration of the EAPN General Assembly 2012](#) - also available in [French](#), [Italian](#), [Spanish](#), [Hungarian](#), [Slovak](#) (Oslo 6-8 June 2012).