



11<sup>th</sup> December 2013

To: EU Prime Ministers and Heads of State

**Refer: General Affairs Council 17 December**

## **EU urgently needs a more social and participative semester and effective Social Scoreboard**

Dear Prime Minister,

EAPN is the largest network of anti-poverty organizations in Europe, encompassing thousands of grass-root organizations working actively with and for people with direct experiencing of poverty.

**We are writing to you because we are deeply troubled by the impact of current macroeconomic policies on citizens and residents across the European Union.**

In the context of rising poverty, with an increase of 8.7 million since 2008, growing inequality, divergence and social polarization both within and between Member States<sup>1</sup>, the upcoming European Council must make clear that the Semester is not going to gain vital public support in its current form. It needs to refocus on Europe 2020 goals, the poverty and other social targets, backed with effective, integrated strategies developed together with national stakeholders, including civil society and people who suffer the impact of the policies.

**Therefore, we would strongly challenge the view of business as usual.**

**EAPN's initial assessment of the 2014 AGS, based on our active engagement in the Semester at national and EU level<sup>2</sup> is one of disappointment:** a missed opportunity to restore credibility in Europe 2020 and the Semester process.<sup>3</sup> The AGS continues to focus on austerity, with some shift to the tired formulas of 'competiveness, growth and jobs' which failed to deliver on poverty when growth was good during the boom years. There is little mention of Europe 2020, inclusive growth or the targets, particularly the social targets. The priority to reduce rising poverty (even before progressing on the target) through effective integrated anti-poverty strategies, backed by EU funds is shockingly absent. Although the same priority<sup>4</sup> is confirmed (tackling unemployment and the social consequences of the crisis) little reflection is given as to why the previous priority failed to bring results or the role of EU and national policies in generating increasing poverty, particularly through the austerity focus. Although the AGS gives a stronger focus to gaining ownership through increasing stakeholder engagement, in the NRPs and CSRs, this is primarily seen as a PR job to 'sell economic governance requirements' to an increasingly sceptical public rather than promoting accountability.

**The new Employment and Social Scoreboard could play a crucial role** by monitoring these damaging divergences, but only if goes beyond passive monitoring, and is used to trigger action and policy change, by active consideration of the causes, reviewing possible negative impacts of macroeconomic policies and considering what new country-specific recommendations are needed. Balanced budgets do not have to mean spending cuts for the poorest. Budgets can be balanced by

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<sup>1</sup> Employment and Social Scoreboard in the Draft Joint Employment Report (Nov 2013)

<sup>2</sup> Widening the Gap: EAPN's Assessment of the 2013 NRPs (Sept 2013)

<sup>3</sup> See EAPN's Press Release and letter to President Barroso (30.11.2013 – link at end)

increased taxation and targeting spending towards social investment and protection, doing their job as automatic stabilisers and preventing increasing poverty across all groups. **Poverty/ social impact assessment needs to be carried out in advance of the budget review, flagging up its potential impact on social objectives, to ensure that the indicators can lead to real improvements including amendments to budgetary Recommendations and corrective action.**

*EAPN therefore urges the General Affairs and European Council to ensure:*

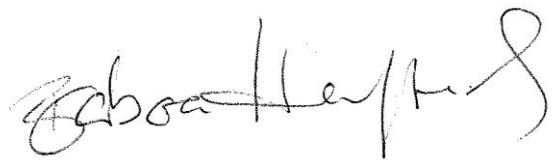
- 1) **A refocussing of the AGS and Semester on Europe 2020, the failing poverty and social targets, developing with MS an integrated strategy to fight poverty and exclusion for all groups, based on access to rights, resources and services backed by EU funds, which form a legitimate basis for CSRs.**
- 2) **Explicit commitment to Social Investment and adequate universal Social Protection as essential pre-requisites for inclusive growth and recovery, rather than viewed as a cost.<sup>4</sup>**
- 3) **New Priority to promoting effective stakeholder engagement to increase the accountability and legitimacy of the semester process at national as well as EU level, including NGOs and people experiencing poverty developing common guidelines and action plan for meaningful engagement.**
- 4) **An effective use of the employment and social scoreboard with automatic triggers for negative developments including rising poverty and inequality, leading to the re-appraisal of the negative impacts of current macro-economic and other policies, through ex-ante social/poverty impact assessment involving Social Ministries and DG Employment.**

We hope that you will take on board our concerns in your meeting and would welcome the opportunity to discuss these issues further.

Yours faithfully,



Sérgio Aires,  
President



Barbara Helfferich  
Director

Cc: Commissioner László Andor, European Commissioner for Employment, Social Affairs and Inclusion;  
Pervenche Berès, Chair of the Employment and Social Affairs Committee, European Parliament.

See: [EAPN's PR and Letter to the EPSCO](#)

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

See: [EAPN's Letter to President Barroso](#)

See: [EAPN's PR and Key Messages to the Annual Convention](#)

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<sup>4</sup> EC (Feb 2013) Social Investment Package.