

3<sup>rd</sup> December 2013

To: EU Ministers of Employment and Social Affairs

**Refer: EPSCO Council 9-10 December 2013 – Re debate on the AGS/Draft Employment report**

Dear Minister,

**Turn the tide on rising poverty – Social Ministers must press for more social and participative AGS and Semester in 2014!**

In the EPSCO meeting on the 9-10 December you will have a first discussion on the AGS, Draft Joint Employment Report (JER) and on the future semester. The European Anti-Poverty Network is poised to undertake a more detailed analysis with our members in the coming weeks, but wishes to take this opportunity to highlight some initial concerns, which we hope will be raised. Several of these points were raised by EAPN's President Sérgio Aires – in his presentation of EAPN's key messages to the Annual Convention of the EPAP on the 26-27 November and subsequent meeting with President Barroso and President Van Rompuy: *Ending Poverty is a political choice*.<sup>1</sup>

**Our initial assessment of the 2014 AGS is one of disappointment** as a missed opportunity to restore credibility in Europe 2020 and the Semester process.<sup>2</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. 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 worryingly absent. Although the same priority 4 is confirmed (tackling unemployment and the social consequences of the crisis) little reflection is given to why the previous priority failed to bring results or the role of EU and national policies.

**EAPN reminds the Ministers that:**

- **Reducing Poverty cannot depend on employment, nor activation alone.**
- **An integrated, rights-based antipoverty strategy that invests in quality jobs, services and adequate social protection ensuring access for all, is vital if poverty is to be reduced.**
- **Macroeconomic policies and approach must contribute to reaching these goals not undermine them, through a coherent social/economic strategy for inclusive growth.**
- **Participation of citizens including people experiencing poverty is crucial to gain legitimacy and work towards effective solutions.**

**Main Assessment Points**

- **The AGS continues to be primarily an economic governance tool, with Europe 2020 as an afterthought.** The concern that MS should not be complacent or have 'reform fatigue', sends a message of continued austerity threatening increased cuts to social spending, at the time when increased social investment/spending is crucial to ensure an inclusive and sustainable recovery.

<sup>1</sup> See EAPN's Press Release and Key Messages to the Annual Convention (27.11.2013 – link at end)

<sup>2</sup> See EAPN's Press Release and letter to President Barroso (30.11.2013 – link at end)

- **Although integrated Active Inclusion is highlighted, priority focus is on activation and conditionality:** *'stepping up active labour market measures'* and *'improving the performance of social protection, in particular by strengthening the link between social assistance and activation.'* EAPN's concern is that this will result in pressure to increase punitive conditionality on people already suffering from poverty and exclusion, by cutting/restricting benefits when there are few jobs available, resulting in increased hardship and undermining any stability for them to look for decent work. More importantly this attacks people's right to a dignified life for themselves and their families, as supported by the EU Treaties.
- **Reducing the social consequences of the crisis receives little focus,** without proposals to ensure that social budgets are defended and seen as a social investment. The important work on reference budgets and progress on a common framework for adequate minimum income is missing. Although the social and employment scoreboard is integrated in the Joint Employment Report and mentioned in the AGS, we see no visible impact on policy recommendations.
- **An increased focus on stakeholder engagement is welcomed,**<sup>3</sup> however we are concerned that the prime motivation is to get support for unpopular economic governance requirements (6 and 2 pack),<sup>4</sup> rather than to gain legitimacy for Europe 2020 and as a key means to develop effective solutions.

EAPN has drawn hope from the greater emphasis on poverty given by the EPSCO in the October Council, and the call for a stronger focus on social protection and poverty reduction as well as measures for promoting employment to reach the Europe 2020 objectives. Moreover, we underline the SPC messages to the AGS<sup>5</sup> that recalled the key role of social protection in the crisis, calling for full support for comprehensive social protection providing *"safeguards to citizens across the life cycle against the economic risks of loss of employment or income, health deterioration or invalidity and concern that it is not reduced to a mere safety net."* They further highlighted the failure of some *"Economic Adjustment Programmes to halt the rise of poverty, and in particular child poverty, calling for Social Impact Assessment to precede these programmes in order to choose the right action."*

**We strongly support these approaches and call on Social and Employment Ministers to take a step further to turn the tide on poverty by calling for specific measures to ensure a more social and participative Semester and AGS.**

***EAPN therefore asks Social and Employment Ministers to make the case for:***

- 1) **A refocussing of the AGS and Semester on Europe 2020, 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 can form a legitimate basis for the CSRs.
- 2) **Explicit commitment to Social Investment and adequate universal Social Protection as essential pre-requisites for inclusive growth and recovery,** including effective ex-ante and ex-post social impact assessment on all policies to ensure this is not undermined, with the involvement of social ministries.
- 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 for meaningful engagement.

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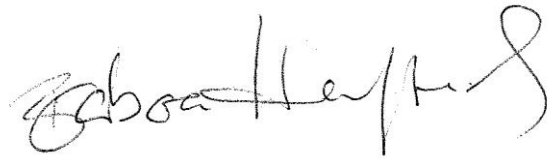
<sup>3</sup> to support *'greater ownership at national level'*<sup>3</sup>, calling for the *'greater involvement of national parliaments, social partners and civil society'* (p.5, AGS 2014 Communication)

<sup>4</sup> *'to secure public understanding and acceptance of the necessary reforms'*: p. 5 (AGS 2014 Communication)

<sup>5</sup> SPC contribution to October EPSCO: Evaluation of 2013 European Semester in employment and social policies.

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

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

See: [EAPN's PR- initial reaction to the AGS](#).

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