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With EU Semester Alliance

**Strengthening the legitimacy of the
European Semester to get
smart, sustainable and inclusive growth**

**Giving a Voice to Civil Society proposals
for Europe 2020**

European Parliament - 03 December 2014



EUROPEAN ALLIANCE FOR A

DEMOCRATIC

SOCIAL **EUROPEAN SEMESTER**

SUSTAINABLE

EU Semester Alliance Proposals

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Enabling civil-society to participate in the shaping of EU policies and to contribute to progress on the Targets of the Europe 2020 Strategy concerns us all!



What is the Alliance?

- **A broad coalition bringing together 15 major EU civil society organisations + trade unions**, representing thousands of member organisations-EU, national, regional and local level.
- **Aims to support progress towards a more democratic, social and sustainable Europe 2020 strategy**, strengthening **civil dialogue** in the European Semester at national and EU levels.
- **Builds on Adhoc Coalition**, working with cross-party group of MEPs since 2011.
- **Project funded for 1 year by EC**, coordinated by EAPN



Who are the Alliance?

15 major EU networks/organizations working in the social, equality and environmental field :

- **Social NGOs:** AGE-Platform Europe, Caritas Europa; European Environmental Bureau, CECODHAS- Housing Europe;
- European Association of Service Providers for persons with disabilities (EASPD), European Anti Poverty Network (EAPN), Eurochild;
- European Public Service Union (EPSU) and European Trade Union Confederation (ETUC);
- Eurodiaconia, European Women's Lobby (EWL);
- European Federation of National organisations working with the homeless (FEANTSA, European Federation of Food Banks (FEBA);
- Green Budget Europe, PICUM

Why an Alliance?

Disturbing lack of progress on Europe 2020 social + environmental targets

- **8 million more people in poverty** instead of taking at least 20 million out of poverty – shortfall of 28 million!
- **Decline in employment** instead of progress to 75%
- **Early School Leaving** - shortfall of 2.7%
- **18% reduction in greenhouse emissions** but 13 MS won't reach target by 2020, no efforts to reform environmentally harmful subsidies
- **Failure to mainstream equality/ including gender equality**

Why an Alliance?

Concerns about democratic legitimacy of the Strategy + European Semester

- European Semester primarily driven by economic governance goals, rather than Europe 2020
- Failure to engage civil society and social organisations meaningfully in the Semester process, particularly at national level (NRPs, CSRs)
- Weak involvement of national and EU Parliaments

Aims and Objectives

- **Achieve progress on a more democratic, social and sustainable EU Strategy** by improving civil society and social actor's engagement in the European Semester
- **Ensure all policies, including macroeconomic, contribute to social, environmental/climate targets** and equality commitments of Europe 2020 strategy
- **Improve the legitimacy of the EU strategy**, through strengthening the engagement of civil society and social organisations in the EU decision-making process, starting at the national level.

What Actions?

- **EU Advocacy Strategy** to engage with EU institutions and stakeholders
- **A key new voice:** - information, dissemination, raising awareness (blog/social media).
- **3 National Pilot Alliances** – cross sectoral engagement in Semester: BG, DK, IE
- **Capacity building** of members: national /EU
- **Joint reports/inputs** – eg CSR proposals/
Assessment European Semester and Europe 2020

Examples of missed focus in CSRs: Poverty

Delivering on the poverty target?

- Only 12 MS receive CSR on poverty, but few require integrated strategy (Spain)
- Say nothing about extreme forms of poverty like homelessness despite action by MS
- 7 countries receive CSR on child poverty, but doesn't reflect Investing in Children Social Investment approach.
- Main focus on quality childcare, but seen as only tool for female employment

Examples of missed focus in CSRs: Active Inclusion

Integrated Active Inclusion or Activation?

- EU integrated approach (access to minimum income, inclusive labour market and quality services)
- No references to integrated Active inclusion, just activation alone.
- Important CSRs on adequacy of minimum income eg Hungary, Italy, Greece eg national min income
- But emphasis on strengthening activation, and ‘increasing incentives’, ie hardened conditionality.

Examples of Concerns related to the CSRs: Employment

Wages/In-work poverty/decent employment

- CSRs target wage setting systems – collective bargaining, indexation and minimum wages
- Aim is for more (downward) wage flexibility but creates race to bottom and further risk of deflation
- No proof of link between minimum wages and lower employment of low-skilled workers.
- Competitiveness more about innovation and quality
- Very few references to decent employment and in-work poverty not mentioned at all

Examples of Concerns related to the CSRs: Public Services

Public finances and public services

- Background to virtually all countries' CSRs is further cuts to public finances
- Fiscal consolidation became growth-friendly fiscal consolidation and now responsible growth-friendly fiscal consolidation
- But it has failed and education, training, research and development and public investment have been cut
- All the CSRs in relation to key public services like health, long-term care, childcare all framed in way that focuses more on efficiency and cost-effectiveness
- Very few references to quality, access and affordability

Examples of Concerns related to the CSRs: Gender/Equality

Gender Pay Gap

- Lack of systematic follow up on key priorities – challenging the Gender Pay and Pension gap.
- 2012 and 2013, Austria received CSR to tackle gender pay gap, eg– taking new measures to increase labour market participation of women by improving childcare and long-term care services and address high gender pay and pensions gap.
- But in 2014, whilst recognizing that Austria has highest gender pay and pension gap in the EU, there is no CSR.
- Why does CSR disappear? Who decides? How can organizations engage with this debate at national level?

Examples of Concerns related to the CSRs: Environmental

Energy Efficiency

- Improving energy efficiency of buildings is important contribution to 2020 target.
- 5 countries received positive CSRs in this regard eg Lithuania CSR 6: ‘step up measures to improve the energy efficiency of buildings.
- However, unclear financial support, especially regarding refurbishment of existing housing stock. Needs a coherent social/sustainable approach.

Examples of Concerns related to CSRs: Environmental/Tax

Better Taxation

- Focus on growth-friendly, not sufficiently inclusive or sustainable taxation
- Environmental tax reform: shift tax burden from labour to resource use, with safeguards to ensure that tax burden is not regressive
- Measures to tackle tax evasion and avoidance are increasingly supported, but undermined by austerity cuts to staffing
- Insufficient signs of inclusive tax justice, which sees tax as key to promote progressive redistribution to reduce growing inequality, tackling flat taxes, property, inheritance and wealth and away from regressive consumption taxes like VAT.

Key Messages

Ensure a key voice to civil society and social organisations, as well as national and EU Parliaments in shaping EU policy

- Develop EU Guidelines on structured dialogue with stakeholders, particularly CSO and SP, include people with direct experience of poverty in Semester process
- Encourage increased financial and logistical support
Consider annexing contributions to the NRP
- Actively monitor quality of engagement
- Embed partnership role of EP, also CoR and EESC

Key Messages

Refocus European Semester on balanced Europe 2020 agenda to promote sustainable and inclusive growth, and equality, including gender.

- Deliver Juncker's pledge of a union of shared values with economic policies to deliver on social/environmental objectives.
- Affirm commitment to Europe 2020 targets to deliver long-term prosperity, sustainable development and social justice, based on rights.

Key Messages

A European Semester, backed by integrated strategies to deliver on targets, including social investment, more and better jobs, sustainable development, gender equality.

- Poverty, education, employment, energy-efficiency/climate change target, backed by integrated strategies.
- Mainstream EU initiatives which reflect the kind of EU and economy we want – eg social investment, more and better jobs etc.

Key Messages

Greater coherence and transparency in decision-making , delivery on Europe 2020 targets on CSRs on Europe 2020 targets.

- Semester is a closed process between COM and MS, dominated by Finance Ministries and DGs.
- Demonstrate link between CSRs and Europe 2020 targets, balancing evidence of economic/social, equality and environment data
- Equal roles for social/environmental DGs/officers/Council committees.

Key Messages

Ensure impact on policy using ex-ante social gender and environmental impact assessments and revised indicators

- Current lack of coherence between economic and other policies.
- Impact assessment could prevent negative decisions if trigger policy change.
- Calculate social/environmental costs in medium and long-term, also of inaction

Key Messages

Improve links with Semester, deliver on targets in Structural and Innovation Funds

- ESIF to support Europe 2020 priorities with ex-ante conditionalities.
- Must be implemented and monitored, together with stakeholders and Parliament
- Funds should be made available to support engagement in Semester Process at national level ie with European Semester Officer.

Key Messages

AGS 2015: Where are the Europe 2020 goals of sustainable and inclusive growth?

- **3 priorities:** 315 bn eu investment; structural reform and fiscal consolidation – a new agenda or business as usual?
- **No mention of Europe 2020**, austerity and deregulation of labour markets undermining employment/poverty/education targets.
- **Can market-led investment in growth deliver** on quality jobs, affordable social and health services and social protection?
- **Environmental and climate** policies not seen as part of the solution
- **More focus on participation**, but helping convince EU citizens about implementation rather than promoting debate and better solutions.

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