



16 December 2015

Attention of: Mr Jean-Claude JUNCKER, President of the European Commission:

**Refer: Annual Growth Survey 2016: Progress on social investment - but not on social rights, standards or an integrated poverty strategy based on participation**

Dear President Juncker,

We are writing to you on behalf of the European Anti-Poverty Network (EAPN) the largest platform of anti-poverty organizations in Europe, representing more than 6000 organisations across 31 countries, working with and for people with direct experience of poverty.

Following the adoption by the Commission of the **2016 Annual Growth Survey** – presenting the key messages for the European Semester 2016, our members want to react to its contents. This AGS comes at a crucial time, when the **social values and credibility of the EU are increasingly threatened** - through the failure to find an effective, fair solution to the refugee crisis; and with increasing demands to harden EU borders, as a response to the Paris, Brussels and London attacks and alerts. This comes on top of the existing social crisis where 1 in 4 people face poverty and social exclusion (122 million), with no progress on the Europe 2020 poverty target, and increasing inequality between and within Member States. The 2016 AGS promises to put “*social fairness at the heart of our economic recovery*”. Whilst there are more welcome references to social, particularly social investment, it is difficult to see that these claims are realized. EAPN calls for a clear mainstreaming of **Europe 2020 goals and targets** with an **explicit strategy to fight poverty**; a rebalancing of **economic and social objectives**, and the launch of a **comprehensive social pillar** that puts **social rights and standards based on effective civil society participation** at the heart of the Semester.

### ***Summary of our response***

In October<sup>1</sup> we wrote to you presenting EAPN’s **review of the European Semester 2015 and the NRPs**<sup>2</sup> concluding that the European Semester was still failing to provide an explicit social dimension, gave low visibility to Europe 2020 goals of inclusive and sustainable growth and its poverty and social targets, but continued with austerity measures that are contributing to the widening gap on poverty and inequality. Stakeholder engagement, particularly of NGOs, continued to be dangerously weak, however there were a few exceptions to this reality. The key messages were presented to Commissioner Thyssen and other decision-makers in our annual conference in October.<sup>3</sup>

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<sup>1</sup> EAPN Letter to Juncker – AGS 2016, October 2015.

<sup>2</sup> EAPN 2015 Report: Can the Semester deliver on poverty and participation? EAPN Assessment of the NRPs 2015.

<sup>3</sup> EAPN Policy Conference, 9 October 2015.

We now send you our assessment of the 2016 AGS, reviewing how far our inputs have been taken into consideration<sup>4</sup>. In reality we see **few major changes**, the confirmation of the same three priorities<sup>5</sup> **and surprising complacency** with EU progress, given the current crisis context. Although there is a new emphasis on **‘social fairness’**, it is difficult to see concrete policy proposals or transformative thinking.

Although welcome reference is made to **Europe 2020 and the Mid-Term Review**, this is placed within a box and not mainstreamed into the rest of the AGS, with no references to the targets, nor recommendations or proposals around strategies to deliver them. A mention is made of the SDG goals, but no clarity about how this would be linked. Unlike in previous AGSs there is no explicit social priority. **Social Investment** in key services is a welcome new addition to the investment priority. However, its main objective is employment focussed rather than enabling social inclusion and social protection. Concrete detail is lacking over how criteria will be mainstreamed into the EFSI, support public investment and ensure it results in improved access to public services for all, particularly for excluded groups.

**No further references are made to the proposed social pillar, or to social rights or social standards beyond employment**, nor a mention of quality jobs. Given that the overarching macroeconomic priorities remain largely unchanged, the **coherence of the AGS package is therefore questioned**, as austerity risks undermining social investment, just as ‘modernisation’ of employment and social protection systems risk to weaken social rights, without requirements for transparent social impact assessment to prevent negative policies.

Whilst specific mention is made of **increasing ownership** of the Semester, with the *involvement of European and national parliaments, social partners and civil society*, greater emphasis is given to the role of parliaments and to social partners, and no concrete proposals are made. This **misses a crucial opportunity to progress on promoting effective quality engagement of civil society**, which can contribute to better policy solutions, monitoring and delivery, rather than just a communication exercise.

Despite some good intentions, the overall focus of the AGS, therefore still **runs the risk of generating increased poverty and social exclusion**, rather than progress on the poverty target or promoting convergence on social rights and standards. Increasing ‘accountability’ and democratic legitimacy as well as ownership must become a key priority. The AGS messages will need considerable strengthening if it is to deliver on its promises of a Social Triple A.

We highlight the 5 key messages from the full response:

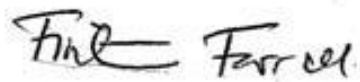
- 1. **Mainstream Europe 2020, the poverty target and an integrated strategy in the Semester, clarify links to SDG goals**
- 2. **Promote social investment in people, quality services and social protection not austerity**
- 3. **Create quality jobs and support all groups through integrated active inclusion, without punitive conditionality**
- 4. **Back social rights and standards and ensure an adequate income throughout the life cycle, beyond employment**
- 5. **Develop obligatory guidelines, mapping and resources to support engagement of organized civil society at all stages in the Semester**

<sup>4</sup> EAPN response to 2016 AGS Report: Social rights and standards, not just social investment.

<sup>5</sup> Relaunching investment, pursuing structural reforms and responsible fiscal policies.

We hope you will give consideration to our considered response which is attached and would welcome the opportunity to discuss our proposals further with you.

Yours sincerely,



**Sérgio Aires**

**Fintan Farrell**

**EAPN President**

**EAPN Acting Director**

CC:

Mr Martin Schulz, President of the European Parliament  
Mr Donald Tusk, President of the European Council  
Mr Xavier Bettel, President of the Council of the European Union

### ***Key Documents***

- EAPN's [Response to the AGS 2016](#) (attached and in link)
- EAPN's [Press Release](#) (30/11/2015) – AGS 2016 launch: More social investment but social rights and social standards?
- EAPN [Letter to EPSCO to make Social Triple A a reality](#) (02/12/2015)
- EAPN [Letter to President Juncker on proposals for the AGS](#) (21/09/2015)
- [EAPN Response to the 2015 NRPs: Can the Semester deliver on poverty and participation?](#) (09/10/2015)