



Brussels, 24 February 2017

President of the European Commission  
Mr Jean-Claude **JUNCKER**

**cc:** European Commissioners Dobrovskis, Timmermans, Thyssen, Katainen, Jourová, Moscovici, Canete, Sefcovic  
European Commission Secretary General Alexander Italianer  
European Parliament President Antonio Tajani

Dear Commission President Juncker,

**Re: Annual Growth Survey 2017 – Time for honesty, unity and solidarity**

As the **European Semester Alliance**, a **broad coalition bringing together 18 major EU civil society organisations (CSOs) and trade unions**, representing thousands of member organisations at EU, national, regional and local level, we are writing to you as follow-up to the Annual Growth Survey 2017 (AGS).

We welcome the progress the European Commission has made towards the Annual Growth Survey 2017 being far more connected to the realities – and indeed concerns- of many European citizens today. The European Union is at a crossroads and we support and encourage efforts made to be more responsive to these priorities, including the extremely high levels of poverty, precariousness and social exclusion, the high level of unemployment, the deterioration of job quality and the impact of global warming.

In line with this assessment, we would like to propose certain elements we believe to be of key concerns to European citizens –indeed to the future of the European Union- and which should be further included in the future work of the European Commission and Member States in the Semester process. The European Semester could be a game changer, encouraging Member States and the EU to develop more democratic, sustainable and just transformation. Inaction has a high societal cost as social protection and right-based policies continue to be reduced and polluters do not pay for the damage they cause.

We are still quite concerned by the overarching emphasis on growth and structural reforms which we believe require a more comprehensive socio-economic and environmental perspective to put these commitments back on track.

In terms of the positive elements, we acknowledge and welcome references to strengthening social rights including equality, inclusiveness and income distribution. We question nevertheless the absence of any reference to the European Pillar of Social Rights and the Sustainable Development



Goals (SDGs). Given your personal commitment to social rights and the 2030 Agenda for Sustainable Development, we would very much appreciate your views on how the Pillar and the SDGs will be meaningful drivers in the European Semester process.

While welcoming the acknowledgment to mainstream “*social considerations alongside economic goals*”, we question the level of ambiguity of this ambition as it is unclear as to whether social and economic issues are/will be treated on an equal footing or whether social issues will merely be “taken into account” which is a far cry from reconnecting social and economic policies. We are also concerned that the AGS 2017, despite mentioning the link to the Energy Union, the Paris Agreement and circular economy, does not see environmental and climate policies as an important part of the solution in terms of a “double dividend”, i.e. a policy tool for people, planet and prosperity within planetary boundaries.

With regards to “*responsible public finances*”, whilst we welcome the small shift away from austerity to budget flexibility in some countries, the continuous ‘fiscal consolidation’ in other countries and lack of social investment in quality jobs, social protection and services underpinned by social rights is of concern. We are also worried that the endorsement of more social investment is linked to the European Fund for Strategic Investments, which is more likely to involve private sector and public private partnerships than direct public investment.

We are also concerned, a concern that is shared among trade unions, that further structural reforms are primarily about labour market flexibility which would undermine the strengthening of social rights, quality jobs, in-work poverty, work-life balance and overall “*strong social standards*” which the AGS acknowledges are necessary.

With regards to taxation, we support the direction of the AGS in calling for fairer systems that *contribute to combating income inequalities and poverty* and to pay attention to the ‘distributive effects of tax reform’, but this will need investment in progressive tax systems as well as tackling tax evasion, avoidance and collection.

Finally, as European civil society organisations with members throughout the EU, we urge you to introduce Guidelines for stakeholder dialogue in order to improve the quality of civil society participation across Member States to turn the 2017 AGS into a European Semester that is democratic, social, sustainable and inclusive. We are also eager to start collaborating with you to develop the social, environmental and economic strategy for Europe after 2020 and implementing the commitments of the SDGs.

We would very much welcome a meeting with you to further discuss the issues highlighted above.

Yours sincerely,

The European Semester Alliance



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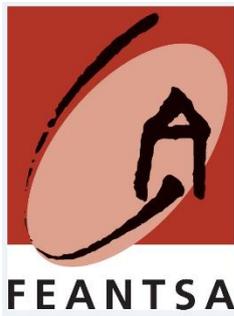
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## **The Semester Alliance**



The *EU Alliance for a democratic, social and sustainable European Semester* or (*Semester Alliance*) is a broad coalition bringing together 18 major European civil-society organisations and trade unions, representing thousands of member organisations on the ground at European, national and local levels in the European Union.

The Semester Alliance aims to support progress towards a more democratic, social and sustainable Europe 2020 Strategy, through strengthening civil dialogue engagement in the European Semester at national and EU levels.

## **The Alliance – A voice to be heard and followed**

<http://semesteralliance.net>

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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!*