

16 October 2017

President of the European Commission
Mr Jean-Claude JUNCKER

Dear President Juncker,

AGS 2018: Progress on poverty and a European Social Standards Union!

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.

You are currently preparing the **2018 Annual Growth Survey**, which will drive the European Semester in 2018. In your **State of the Union address 2017: Wind in our Sails¹**, EAPN welcomed your support for a *'Positive European Agenda'*, based on a *"Union of Values... of equality, and a Union of equals* and your request to Member States to avoid *'social fragmentation and dumping'* by immediate adoption of a strong *European Pillar of Social Rights*, proposing a *European Social Standards Union*. We further welcome the high political visibility given to the **Social Pillar by adopting the inter-institutional proclamation at the upcoming Social Summit in Gothenburg**. Although we are disappointed that the Social Pillar itself, with the **3 areas** including social protection and inclusion do not appear to be a specific focus of the summit itself. **The Social Pillar should provide an important base for upward social convergence** and the **Triple Social A** promised on **EU social standards**.

However, a real impact will only be made if the Social Pillar principles are implemented and progress made on a framework of obligatory rights, backed by EU funding. **A first essential step is to place them coherently and consistently at the centre of a transformed European Semester as reflected in the AGS**, together with a renewed priority to make progress on the Europe 2020 poverty target, as highlighted in EAPN's position paper: **Make Social Rights the beating heart of Europe.**²

EAPN wishes to raise some concerns about the **overly optimistic tone regarding growth and unemployment which fail to highlight the continuing unacceptable levels of poverty in the EU** (119 million, still nearly 25% of the EU population), the even higher levels for children and key groups (including single parents, migrants, Roma, homeless etc), and **lack of progress on the agreed Europe 2020 poverty target**. Such failures undermine confidence in the EU as a driver of social, as well as economic, progress. This is also likely to reduce grass-roots support for the European project in this crucial period, when the Future of Europe is at stake.

¹ EC (13092017) State of the Union Address, Road Map and Letter of intent.

² EAPN Position Paper on the EPSR: Make Social Rights the beating heart of Europe (Sept 2017) see [here](#).

EAPN members' assessment of the **2017 National Reform Programmes: Social Rights or Social Plight?**³ further highlights that there is little sign so far of social rights being made a **priority**, despite some welcome increased profile for poverty and social exclusion in some Member States. The overarching frame of the NRPs remains predominantly focussed on existing macroeconomic priorities and the Stability and Growth Pact, with social concerns too often side-lined or undermined. **Europe 2020 goals, particularly the poverty target, continue to have low visibility and be inadequately addressed.** Alarm bells are raised about a *“whitewashing of the real extent and impact of poverty”*, as well as a failure to analyse and tackle the structural causes. Although investment is meant to have overtaken austerity, our members raise concern about the social impact of continuing cuts in benefits and services, and failures to address sufficiently the adequacy of income support and universal social protection, despite some important new initiatives. Employment, with little concern to its quality or sustainability, is still too often proposed as the silver bullet solution, despite its failure to guarantee a route out of poverty.

In the review on Structural Funds in the NRP, **only 35% of our members think the 20% earmarking in ESF is being used effectively to reduce poverty.** (10% strongly agree and 25% partly agree). They highlight the weak delivery on the ex-ante conditionalities on active inclusion strategy and discrimination and the need to reinforce the antipoverty funding priorities to local initiatives which involve NGOs working with people experiencing poverty, reinforcing the code of conduct on partnership. **Progress on more meaningful civil society stakeholder engagement** is also still very uneven in the European Semester at national level. EAPN warns that the Semester is likely to lose the support of civil society, unless tangible improvements in meaningful engagement are made, valuing NGOs as a key partner in the European Semester process at EU and national level, building on your firm commitment in the State of the Union to greater civil society involvement

We therefore call on you, as President of the European Commission to:

1) Use the AGS to launch a coherent, balanced EU Economic and Social strategy

- Confirm that economic goals must defend social rights and contribute to Europe 2020 poverty reduction goals. Consider renaming the AGS to reflect this shift, (for example: Annual Social and Economic Progress Survey).
- Embed participative ex-ante distributional impact assessment of tax/benefit policies, to prevent negative social consequences of macroeconomic policies.
- Allow Member States fiscal flexibility to count social investment in social rights/standards as a benefit and not a cost, rather than further damaging austerity cuts.

2) Make Social Rights and Social Standards a priority in the AGS!

- Make delivering on Social Rights and Social targets, including poverty one of the key priorities in the AGS. Set out a roadmap for implementing the European Pillar of Social

³ EAPN, 2017 National Reform Programmes : Social Rights or Social Plight ? September 2017, available [here](#).

Rights through the European Semester, monitoring the 20 principles and Social Scoreboard at all stages, including in the NRPs.

- Give attention to how the principles will contribute to the poverty target, particularly underlining the importance of an integrated antipoverty strategy, built on integrated Active Inclusion – adequate income support and social protection, quality services and jobs. Support thematic strategies for key groups, including children, migrants, and the homeless and across the life course.
 - Underline the importance of progressing towards a European Social Standards Union, starting with agreed benchmarks to ensure the adequacy of minimum income, living wages, and universal social protection throughout the life cycle.
 - Ensure that ESF 20% earmarking is used effectively to fight poverty, in line with the ex-ante conditionalities, ensuring access to grass-roots NGOs, and active engagement of NGOs in the Monitoring Committees. Give support to strengthening EU funds to fight poverty post MFF, with an integrated antipoverty programme.
- 3) **Give equal weight to civil society actors engagement in the European Semester**
- Establish clear, compulsory, common guidelines on the Semester governance processes, involving civil society and all stakeholders, and improve the transparency.
 - Ensure full and meaningful participation of civil society organisations, and people experiencing poverty in particular, on a par with social partners and with equal resources.
 - Improve the effectiveness and impact of the NRPs, by taking contributions of policy beneficiaries on board and incorporating them as solutions.

We hope that you will give full consideration to our proposals in your deliberations on the AGS 2018. We would like to have a meeting with you at the earliest opportunity to discuss our recommendations, the next steps for implementation of the EPSR in the Semester and how EAPN, as a key civil society partner working directly with people experiencing poverty, can contribute.

Yours sincerely,



Sergio Aires

EAPN President



Leo Williams

EAPN Director