

## EAPN Press Release

# Annual Growth Survey (AGS) 2018

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Brussels, 23 November 2017

### Participation is key to making Social Rights a “compass” for the EU!

On 22 November, the European Commission adopted the **Annual Growth Survey 2018** and the Draft Joint Employment Report as part of the Autumn Package of the European Semester. This comes at a crucial moment after the endorsement of the **European Pillar of Social Rights proclamation in Gothenburg, on the 17<sup>th</sup> November**.

In October, EAPN called on President Juncker to ensure 1) a **more balanced economic and social strategy**, 2) **make social rights and standards a priority** in line with the European Pillar of Social Rights and 3) give **equal weight to participation of civil society organisations and people with experience of poverty** as with social partners, as part of a regular structured dialogue at EU and national level.

We are therefore pleased to note **some progress** on the first two messages, but disappointment with the third. The failure to count on civil society misses a key opportunity to make NGOs and people experiencing poverty a more active partner in the European Semester at national and EU level to help ensure real implementation of social rights in economic policies, and concrete results for the 118 million people still living in poverty!

**EAPN welcomes signs of a more balanced approach** in the AGS 2018 *‘identifying economic and social priorities’, ‘supporting economic and social convergence’,* as well as the clear reference to the **European Pillar of Social Rights**. We particularly welcome the commitment to use the **Social Pillar** as a *‘compass’ in the implementation through the European Semester’,* throughout all its stages, underlining the *‘key role of efficient and fair tax and benefits systems’.*

**Other positive references** include the need for *‘investment in affordable, accessible and quality services’* as well as *‘adequate social housing and housing assistance’,* and support for *‘tackling homelessness.’* We welcome stronger references to **‘quality jobs’** and **wage growth**, and the need to ensure that social protection systems provide *‘adequate and well-targeted income support’,* including adequate *‘unemployment benefits for a reasonable duration’, ‘support for progressive tax systems and a ‘right to minimum income’.* *‘Addressing inequalities’,* through the design of tax and benefit systems and by carrying out distribution impact is also crucial, as are the references to tackling **tax evasion, avoidance and collection.**

However, the **three overarching priorities remain similar to previous years**, focusing on boosting investment, structural reforms and responsible fiscal policies, with no mention of the Europe 2020

targets, particularly the failed target on poverty.<sup>1</sup> Therefore, the crucial test will be how far **real changes will be made to the existing macroeconomic approach to embed social rights, and prevent negative policies, as well as the detailed implementation through all stages of the European Semester.** A failure to actively engage civil society brings with it a key risk to the credibility of these promises, and the commitment to promote a more Social Europe.

Sérgio Aires, EAPN President says: *“EAPN participated in the Social Summit, and is engaging actively in the European Semester and are now determined to work pro-actively with the EU to make sure that the Pillar moves beyond paper principles, to achieve **concrete results on people’s living standards.** The real test will be whether there are **changes to the current economic growth model,** which has driven austerity and liberalization policies, without worrying about winners and losers or their impact on people in poverty or on growing inequality. How, for example, will the potentially negative social consequences on strong welfare states and social rights be avoided, in the context of the current proposals to make Fiscal Compact part of the EU legislation? We need a new social and sustainable model for development and - fair! – growth which puts people first. EAPN will be actively engaging and monitoring progress in the Semester at national and EU level to try to ensure results”.*

**Read EAPN’s Letter to President Juncker**

<http://www.eapn.eu/wp-content/uploads/2017/10/EAPN-2017-EAPN-letter-Juncker-AGS2018-FINAL-2655.pdf>

**Read the EAPN Assessment of the European Semester and the National Reform Programmes 2017**

<http://www.eapn.eu/social-rights-or-social-plight-eapn-assessment-of-the-2017-national-reform-programmes/>

**Commission Annual Growth Survey (AGS) 2018 and the Draft Joint Employment Report**

[https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/setting-priorities\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/setting-priorities_en)

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<sup>1</sup> Although at risk of poverty and/or social exclusion (AROPE) levels are returning to 2008 levels, there are still 118 million affected, with no progress on the Europe 2020 target to reduce poverty by at least 20 million by 2020.