



21 November 2019

Dear Vice President Dombrovskis,

On behalf of the **European Anti-Poverty Network (EAPN)**, the largest platform of anti-poverty organizations in Europe, representing thousands of anti-poverty organisations and activists across 32 countries, working with and for people with experience of poverty and social exclusion, we congratulate you for your nomination as EU Commissioner for an Economy that Works for People. This role is crucial for EAPN and the 109.2 million people (2018) at risk of poverty and social exclusion in Europe. We followed your hearing in Parliament, your Mission letter and the written questions from Parliament. We are pleased to share with you today our **key hopes and expectations of your five years as Commissioner**, on which we hope to work closely with you and your team in order to make meaningful progress for people experiencing poverty throughout Europe.

1. An Economy that really works for people

In your mission letter you are charged with ensuring that our economy *'puts social rights, protection and fairness'* at the heart of a modern economy. In the hearings you underlined that *'we do not need economic growth for its own sake but for the well-being for people – economic growth has to translate into tangible benefits for its people'*. This is true, but EAPN's experience has underlined the dominance of macroeconomic priorities to reduce deficits and debt driving austerity measures at the cost of social rights.¹

Europe's macroeconomic priorities need to aim at reducing poverty/inequality, guaranteeing social rights, promoting well-being, and promoting environmental protection. This requires a paradigm shift, with a Well-being Pact replacing a Stability & Growth Pact, and ex-ante distributional impact analysis made on all policy proposals.

The support to 'flexibility' to encourage investment should explicitly focus on **social investment in social rights** – key to this is increasing the levels of minimum income and social protection systems as well as strengthening key social services (health, education, housing, social services) to build a solid foundation for EU welfare states. You rightly underline the key role of tax ('No social fairness without tax fairness') and highlight essential measures to tackle tax avoidance and evasion (which we fully support) including EU proposal for a consolidated corporate tax base. A shift to progressive taxation will both help reduce poverty and inequality, ensuring that strong public services are adequately funded by fair tax systems, with corporations and the wealthiest paying their fair share.

2. Rights-based Post Europe 2020 strategy underpinned by Agenda 2030 SDGs/ Social Pillar

In your mission letter, you are asked to support economic policy to support wider societal and environmental goals, through the European Semester so that it integrates the SDGs. In your hearing you underlined that *'we have to think as the economic, social and sustainable as one'*. However, we are concerned about how individual SDGs will be coherently shaped together, ensuring consistency particularly with the macroeconomic goals. We underline the need to develop a longer-term **10-year comprehensive post 2020 strategy** that builds on the learning of Europe 2020. In this regard, EAPN strongly supports the Finnish Presidency Council Conclusions

¹ EAPN 2010 Review of the 2019 European Semester – is the European Semester 2019 more social?



which call for a “*new long-term growth strategy for the Union, aimed at ensuring that the Union becomes the world’s most competitive and socially inclusive, climate-neutral economy*”.

A post 2020 strategy, developed together with stakeholders would set coherent long-term objectives and priority targets including on poverty reduction, monitored/delivered through the European Semester and other hard law instruments underpinned by Agenda 2030, SDGs and European Pillar of Social Rights. As with Agenda 2030 it should make the eradication of poverty a pre-requisite for a sustainable socio-economic development and rebalance economic, environmental and social goals. You can see our position paper, ‘EAPN proposals for a post Europe 2020 strategy: Delivering Agenda 2030 for people and planet’ [here](#).

3. Implementing all principles of the Social Pillar – key priority to Minimum Income/Minimum wage.

Your mission letter tasks you with the responsibility to coordinate the work on the action plan to implement the European Pillar of Social Rights. EAPN has been calling for a serious action plan on implementation and monitoring of the Social Pillar since 2017, recognising the need for it to be grounded at the national level

We welcome the idea which we understand is being discussed, of a serious face to face consultation period with civil society organisations, social partners, governments, employers etc at national and European level – and we highlight the importance of including people experiencing poverty in these consultations. This would facilitate development of an effective action plan, which we hope would include participative governance monitoring mechanisms whereby Member States and the Commission can be held to account. An Action Plan should be delivered by the end of 2020.

In your hearing you emphasized “*putting a lot of emphasis on reduction of income inequality, where we see increasing minimum wage, making work pay and also minimum income as important elements*”. EAPN strongly agrees with this approach. We have called for an EU framework to guarantee minimum/living wages and support the proposal on an EU unemployment benefit reinsurance scheme. But are concerned that this will only be for the euro area and doesn’t meet the needs of those who cannot work or access decent jobs. To be effective, minimum wages need to provide a positive hierarchy above a decent minimum. We call for continued progress on upward convergence on Minimum Income ensuring adequacy, coverage and enabling support. An **EU framework Directive to guaranteeing an adequate minimum income for all for a dignified life** to all is a crucial component.² Given that EAPN has been leading on the campaign on Adequate Minimum Income since 2008, and coordinating the European Minimum Income Network (EMIN) for over 5 years (2013), funded by DG Employment, we trust that we will form part of discussions on the relevant instruments to ensure this.

4. Civil dialogue at same level as social dialogue in the European Semester

Your mission letter underlines that you will lead the work on refocusing the European Semester so that it integrates the UN SDGs and to prioritise the strengthening of the role of social dialogue. In your hearing you underlined the importance of social partnership consultation and CSRs specifically on social dialogue. However, we were disappointed to see **no mention of civil society organizations** and people who directly face poverty and the greatest challenges.

EAPN has actively engaged with its national members in the European Semester throughout the Semester, (engaging with the AGS, Country Reports, CSRs, and NRPs, and involvement in bilateral meetings) since 2010 and is working pro-actively to improve this engagement with the Commission and Member States. We

² [2010 EAPN Working Paper on EU Framework Directive on Minimum Income](#) and Legal Opinion



EUROPEAN ANTI POVERTY NETWORK

recognize some positive progress made particularly by DG Employment and with the European Semester Officers. However, there is still some way to go, particularly in terms of engagement with civil society from national governments. We will count on you to make concrete Recital 11 of the Employment Guidelines, which provides a legal basis for non-governmental organisations to be treated as key partners and ensure that the participation of civil society assumes an equal footing to that of social partners. We have concrete proposals for how this engagement could lead to better accountability and solutions at national and EU level. (See EAPN Position Paper Post Europe 2020 and [EAPN Assessment of the Semester 2019 – is the Semester more social?](#))

5. Ensuring that the poor don't pay for Just Transition

In your mission letter you are charged with coordinating the work on the Sustainable Europe Investment Plan to “*unlock climate-related investment*” ensuring that social rights are in place as ‘our economies and societies undergo transition’. In your hearing, you emphasized the ‘*priority to green and digital transformation as well as to economic and industrial policies. social policies must accompany these transformations to build a more inclusive society*’. However, concrete steps will need to be taken to ensure that transition does not happen at the expense of poor people, and that positive social investment is made to support welfare states and implement social rights. We count on you to be a strong voice in this direction within the College, ensuring a strong collective commitment to ensuring that the poor don't pay for this transition, that the EU and national governments regulate effectively and that a positive social as well as environmental transition is promoted. A primary need is for transparent **ex-ante social and distributional impact analysis** of any proposals on a Green New Deal to assess who wins, who loses and who pays. Companies which have the most responsibility for creating the climate emergency, must be taxed, recognising the polluter pays principle. **Prioritising investment that benefits the poor** and poorer regions essential – for example in energy efficiency particularly in social housing ensuring that the costs are not passed on in terms of higher rents or bills will be essential. **Investing in ‘green quality jobs’ is vital, also ensuring inclusive pathways** are developed to ensure access for low income and excluded groups. Combining environmental and social protection needs to be a key requirement, recognizing the risks. As the UN Special Rapporteur on Poverty and Human Rights says in the report on Climate Change and Poverty (June 2019), “*A robust social safety net and a well-managed transition to a green economy will be the best response to the unavoidable harms that climate change will bring*”³

Our Political Bureau is meeting in Brussels on 4 and 5 December – we hope that you may have 30 minutes on either of these afternoons to meet with us to discuss these issues.

Yours sincerely,

Carlos Susias
President
EAPN

Leo Williams
Director
EAPN

³ https://www.ohchr.org/Documents/Issues/Poverty/A_HRC_41_39.pdf