

5 May 2020

Vice President Valdis Dombrovskis  
Cc. Commissioner Nicolas Schmit

### **CSRs 2020: Putting Social Rights and Poverty Reduction at the heart of the COVID-19 Response**

In 2019, the European Semester was reformed to meet with the EU vision outlined by President Ursula von der Leyen in her Political Guidelines<sup>1</sup> to forge **‘an economy that works for people (...) striving for more social fairness and prosperity’**. The new Annual Sustainable Growth Strategy (ASGS) 2020 reflected this shift, highlighting *“economic growth is not an end itself”* and an economy that must work for *‘people and planet’*. This was partly reflected in the 4 new ASGS priorities, for the first time including an explicit 3rd social objective on fairness.

Whilst EAPN welcomed this change, we were concerned that the **shift to ‘green growth’ as the new growth strategy, as declared by the Commission President, lacked measures to ensure that the poor do not pay for transition but also benefit from it, and proposals to guarantee an equal focus on delivering on poverty, inequality and social rights** as part of a **Green and Social Deal**. EAPN strongly calls for an overall, coherent post 2020 strategy, based on social rights that supports a fairer economic model of social and sustainable development in line with Agenda 2030 and the SDGs,<sup>2</sup> as also called for by the Council Conclusions on the economy of well being (Finnish Presidency). This is all the more necessary in the current economic and social context.

As part of its pro-active work engaging with the European Semester with its national and European members, EAPN has now carried out an **assessment of the Country Reports 2020 to ascertain how far a shift towards a more social and sustainable model has taken place in practice, highlighting progress in some areas, but also new concerns**. Whilst improvements are visible in the focus on the social scoreboard and the annex monitoring the SDGs, the overarching focus still lacks consistency and coherence, particularly in relation to the full set of EPSR principles, with an unequal priority given to social rights, compared to environmental sustainability, or economic stability and growth. Members highlight continuing contradictions with macroeconomic policies prioritising cost efficiencies over adequate public services and social protection and undermining social rights. The focus on poverty or delivery on an ambitious poverty target is also noticeably reduced, with the loss of reference to Europe 2020 targets, and this despite 109 million people still at risk of poverty and social exclusion (Eurostat 2018). A disappointingly low emphasis is given to participation of Civil Society Organisations despite the Integrated Guidelines requirements and notable improvements at EU level. Our national members made concrete proposals for CSRs in 17 countries on how to ensure that poverty reduction and social rights are made an effective core focus in the CSRs. (See [EAPN Assessment of Country Reports 2020 and proposals for CSRs: Putting Social Rights and Poverty Reduction at the heart of COVID-19 response](#))

**However 2020 has also been the year of COVID19, as the epidemic sweeps through Europe and the world with devastating impact.** On May 5, over 3.5 million cases were confirmed worldwide with

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<sup>1</sup> A Union that strives for more: [Political Guidelines for the European Commission 2019-24](#), Ursula von der Leyen.

<sup>2</sup> EAPN 2019 Delivering Agenda 2030 for people and planet: EAPN Proposals for a post Europe 2020 strategy.

deaths approaching 250.000<sup>3</sup>. The epidemic has immediate social and economic impacts beyond health and social care and **is hurting the poor and vulnerable most**. These are the people who are dismissed or laid off from precarious jobs, left to rely on inadequate unemployment benefits or low minimum income, or in the worst cases no support at all; facing increased pressure from bills, rent, the threat of eviction and rising costs of food/household goods; their children paying the price for the digital divide/dislocation from education and loss of school meals; women facing triple pressures from work, home and family with increased domestic violence impact as a result of social isolation in overcrowded homes. People experiencing poverty and vulnerable groups like older people, women, people with disabilities, low income children and families, the homeless, migrants and Roma are already at risk and more will join them if urgent action isn't taken. (See [EAPN Statement](#) here [and letter](#) to the European Council).

The European Semester has a key role to play. The Country Reports were drafted too early to capture this impact, but urgent revisions will need to ensure that the **2020 CSRs refocus on short-term needs to defend people's rights, prioritising protection for the poor and most vulnerable, whilst backing social and sustainable long-term exit/recovery packages** that support major long-term public investment in decent jobs, adequate incomes, and access to key services, including health, housing, social services and education, including to the NGO social services sector.

It is crucial that the Commission **sends a strong message in the 2020 CSRs to support Member States emergency support measures, ensuring that they benefit the poor and most vulnerable and do not increase poverty and inequality across the EU, putting social rights and poverty reduction at the heart of the CSRs 2020.**

In the CSRs 2020, we call on the European Commission to:

**1. Back MS bailout and support plans, allowing flexibility under the escape clause of the Stability and Growth Pact and avoid negative macroeconomic CSRs** which undermine spending on welfare states and health services. Remove negative CSRs that undermine investment in social and health systems and welfare states.

**2. Embed poverty/social impact assessment and protect the vulnerable.**

It is essential to quickly monitor the impact of COVID19 on poor and excluded groups, as well as policy measures proposed: particularly tax/benefit/subsidy measures to check who wins/loses, ensure poverty is not increased nor inequality widened and ensure protection for the most vulnerable. This should include gender equality/distributional impact and inform policy guidance.

**3. Defend and reinforce quality public health and social care services**

The COVID19 Crisis has highlighted the insufficiencies of our universal health systems, and capacity to prevent and treat disease. Short term investment and support to deal more effectively with the current crisis, including protective equipment and improved testing, must be underpinned by a commitment to increase funding of universal, quality public health and care services, reducing health inequalities and ensuring nobody is left behind

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<sup>3</sup> John Hopkins University Data.

#### 4. Prioritize adequate minimum income and social protection, continuing increases

Many countries are reinforcing income support as short-term measures for those impacted by COVID19: increasing levels/coverage of minimum income and unemployment benefit levels. These need to be further increased, with simplified systems for access, avoiding creating 2-tier welfare systems or negative conditionality. They must be continued as long-term investments in resilient welfare states and social cohesive societies. **(EAPN wrote to Commissioner Schmit last week calling for a European Framework Directive to guarantee Minimum Income across the EU, setting a framework for adequacy, coverage and positive enabling support. See letter [here](#).)**

#### 5. Protect employment/ prevent precarious work/ revalue front-line work

Commitments must be made to quality jobs, preventing increase of precarious jobs, reinforcing employment protection/rights, including access to social protection regardless of employment status. COVID19 has exposed the reality that front-line essential workers in a range of economic sectors including health, care, household/domestic and retail services are paid the least. Urgent action must be taken to increase wages/ improve working & pay conditions, in these sectors: predominantly impacting on women, migrants, ethnic minorities and other vulnerable workers

#### 6. Ensure that the poor don't pay with austerity

The EU must learn lessons from the 2008 crisis. Ensure that eventual reductions of public debt/ deficit do not impose austerity measures which will increase poverty and undermine a sustainable recovery. A commitment to an overarching post 2020 strategy, underpinned by the SDGs/Agenda 2030 and EPSR underlines the need to ensure that increased commitment to public services and welfare states are driven by fairer redistributive tax policies.

We would like to meet with you urgently to discuss our proposals based on our member's assessment of the Country Reports and proposals for CSRs 2020. We are keen to work together with the Commission to ensure that the current crisis will not repeat the mistakes of the last and that the European Semester fulfills its coordination role requiring MS to prioritize social rights and protect people across Europe from increasing poverty and inequality. Our team will be in contact with your cabinets to establish suitable date/times.

Yours sincerely,



Carlos Susias

EAPN President



Leo Williams

EAPN Director