



Brussels, 13 March 2009

Reference: European Council 19/20 March 2009

To: EU Prime Ministers and Heads of State

Dear Prime Minister,

This Spring Council comes at a crucial turning point. Prime Ministers will confirm the direction of the EU's response to the crisis and set the foundations for the discussion for post 2010. Priority must be given to effective short-term measures, including investing in high level social protection, to ensure that people living in poverty do not pay for the crisis. This should also be recognised as an effective stabilizer for the economy and an investment for the future. However lessons must also be learnt for the post 2010 agenda. The recent EPSCO Conclusions recognized that Lisbon has not delivered on all its objectives and that "*inequalities and exclusion persist, affecting social cohesion*". The EU has an important opportunity now to reflect on the weaknesses of the narrow "*growth and jobs*" approach underpinned by a neo-liberal economic model, which has focussed on economic growth at the expense of social inclusion and has undermined the EU's capacity to impact on poverty, reduce inequality and promote prosperity for all. A new mood and new message is needed to reassure people that the EU is on the side of ordinary people and stands for a fairer, more sustainable model of development.

We call on the European Council to broaden the focus of the May Summit to "Employment and Social Cohesion Summit – investing in the future", and ensure the participation of all stakeholders including NGO's and people in poverty. This should deliver on the 2nd objective¹ of the proposed summit: to agree a concerted approach to reduce the social impact of the crisis, discussing the causes as well as the consequences of the crisis and proposing effective short-term social as well as employment/economic measures. This should link to a stocktaking of the effectiveness of the "Growth and Jobs strategy" in delivering social cohesion, inclusion and equality as a basis for developing a coherent post 2010 vision.

Short-term priorities

It is clear that the crisis is biting hard. Although the impact varies across Member States and data is piecemeal, certain trends are becoming clear: rising unemployment impacting particularly on those with precarious jobs; difficulty in accessing jobs for those already excluded from the labour market increasing; use of flexible solutions of short-time working reducing household income, which will contribute to the rise in working poor; rising costs on essential services despite deflationary tendencies, leading to increased indebtedness; loss of homes and threats of repossession increasing pressures on access to affordable housing. The necessity to recoup bail-outs and support public deficit is also leading many governments to review spending on essential social services leading in some cases to outright cuts, and in others to reduced eligibility. For the 79 million people already at risk of poverty, the crisis is exacerbating their existing lack of access to fundamental rights including; to adequate income, quality jobs and essential services and is daily adding new poor, to compete for access to declining resources and services.

¹ Communication for the Spring Council: Driving European Recovery. COM (2009) 114. 3rd March 2009 p.15

What is needed?

The priorities must be to ensure an adequate income for all, through the defense of quality employment, the creation of quality social as well as green jobs, reinforcing social protection including adequate minimum income for those who cannot work and increased support to NGO's. This would provide the needed stimulus to consumer spending to support demand, whilst fighting poverty and social exclusion and restoring security and hope for the future. The EU must make more use of the Social OMC as a crucial instrument for monitoring the social impact, for promoting debate and channeling the views and experiences of key stakeholders at national and EU level in order to develop better policy solutions.. Cohesion policy should also play a key role in providing a social answer to the crisis, and mobilizing it to support the priorities below would respond to the 2009 Joint Report's call for a stronger coherence between the EU social inclusion strategy and structural funds.

- **Reinforcing social protection and guaranteeing minimum income**

EAPN welcomes the EPSCO's conclusions underlining the importance of building on solidarity and allowing social protection systems to fully play their role as an '*automatic stabiliser*'. However more needs to be done to ensure that minimum income schemes reach levels that ensure adequacy for a life in dignity and boost consumer spending, ensuring that conditionality in activation policies is not increasing hardship when there are few jobs to access. An integrated and effective Active Inclusion approach should become the key reference point.

- **Defending employment protection and access to jobs**

Defending existing jobs is obviously a key priority, but more emphasis must be given to quality of jobs which can provide security and sufficient income to build consumer confidence. Flexicurity cannot work if it relies on supply side measures – training people and using punitive conditionality, where quality jobs are lacking. Neither should it undermine hard-fought-for employment protection, making it easier to dismiss workers without guarantees of more secure employment or new jobs. If the crisis is not to mean an increased exclusion for specific groups and segmentation further endangering social cohesion, specific measures will need to be taken to ensure that the focus on the "new poor" (those losing their jobs/homes) doesn't undermine support for the "old poor" in accessing quality jobs.

- **Investing in social services and social economy**

The new Communication² highlights the need for investment in low carbon growth, but opportunities must be seized to invest in social services which respond to new social needs (eg energy-efficient social housing, health prevention, lifelong learning, adapted child and elderly care in the community). These new services not only answer to new needs arising from demographic challenges, but are more likely to provide jobs for people who are currently excluded or at risk of losing their jobs (particularly women, migrants, younger people). Social enterprises, particularly Work Integration Social Enterprises provide important examples of tools for inclusion for excluded groups in accessing jobs in these new service areas.

- **Defending NGOs and engaging with civil society**

In many Member States, social NGO's services are currently faced with cuts at the very time that the demand is increasing (food banks, shelters, social housing, childcare, debt and support services...). This is placing intolerable burdens on both the service providers and the service users. This trend needs to be reversed and funds to invest in these NGOs must be seen as a priority. But NGOs do more than this. They can be vital intermediaries highlighting the realities that people in poverty are facing and lobbying together with them for better solutions. Increased support to the sector will not only ensure effective targeting to support for those most at risk, but enable vital civil dialogue on the impact of the

² Communication for the Spring European Council: Driving European Recovery COM (2009) 114, 4.3.2009

crisis and its solutions. NGO's must be seen as "relevant social and economic actors" and brought urgently into the dialogue on the crisis – at national and EU level.

Ensuring that lessons are learnt for post 2010.

The EPSCO conclusions refer to the need for enhanced coordination between economic, employment and social policies, delivery on the common social objectives and the Social OMC. It calls for coherent long term objectives referring, amongst other criteria, to a "*stronger, fairer and greener Europe*". For EAPN this lies at the heart of the long-term debate. Can the European Council rise to the challenge to learn from the failures of the past?

Public confidence has been severely damaged in the capacity of governments to defend the public good. This must stand at the centre of any new approach – restoring the balance between market freedoms and social rights. The EU needs a new approach which is capable of ensuring that no one is left behind, of reducing poverty and inequality and promoting social cohesion as part of an integrated social and sustainable development strategy. This means promoting effective redistribution mechanisms to reduce the gap between rich and poor which can underpin sustainable financing for social investment and high levels of social protection. The May summit offers a key opportunity to enable these debates to be freely discussed, to listen to the needs and views of people on the ground as well as a chance to embed the new commitments to participative democracy – so essential to building ownership of the EU we want.

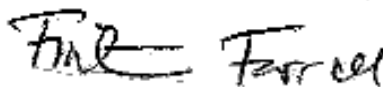
We hope you will take on board our key messages in your debate, and welcome any opportunity to enter into dialogue on these questions.

Yours sincerely

Yours faithfully,



Ludo Horemans
President



Fintan Farrell
Director

Fintan Farrell

cc

Mr Barroso, President, European Commission,

Mr Pöttering, President, European Parliament

Mr Spidla, Commissioner for Employment, Social Affairs and Gender Equality

Mr Jan Andersson, Chair of the Committee on Employment and Social Affairs, European Parliament
