



SOCIAL PLATFORM RESOLUTION¹ **For the Spring European Council 2006**

**The revised Lisbon strategy: Time to move up a gear?
What's the point when you are missing a wheel!**

In a climate where the EU is systematically accused of being too market oriented, undemocratic and lacking a real political project, Social NGOs believe that the "growth and jobs" strategy as the key EU strategy is not answering any of these fundamental criticisms. Social NGOs' evaluation of the first year of the revised Lisbon strategy has confirmed fears they expressed last year:

- Social objectives have been sidelined in the National Reform Programmes;
- The Lisbon strategy has moved from being an ambitious societal project to merely exchanges between Member States in a limited number of priorities;
- Parliaments, civil society and people are still not involved;
- The "growth and jobs" approach has overshadowed the EU treaties as a basis for action;
- The "growth and jobs" strategy is disconnected from any sustainable development objectives.

Social NGOs are concerned that if social issues, the democratic deficit and the need for a mobilising European project are not addressed urgently by Heads of State and of Government, popular support for the European Union will be further weakened. This is particularly serious in a period when reforms are needed and where the potential for polarisation of European societies is high. EU leaders have a clear responsibility to ensure that the necessary changes are made in a positive, empowering and participatory climate.

- Annex 1** **Social NGOs evaluation of the first year of implementation of the revised Lisbon strategy**
- Annex 2** **Social NGOs reaction to the four priorities identified by the Commission**

¹ Resolution adopted on the 20th of February 2006 by the Steering Committee of the Social Platform

In order to ensure that the "growth and jobs" strategy is not moving the EU away from its commitment to a an integrated approach with a balance between economic, social and environmental objectives **the Social Platform urgently calls on EU Heads of State and of Government in the 2006 Spring meeting of the European Council to:**

Political principles

- **Re-affirm the contribution of social policies to Europe's prosperity and to the eradication of poverty**, reinforcing the social chapters in the National Reform Programmes and establishing a stronger link between the "growth and jobs" strategy, the sustainable development strategy and the open method of coordination on social protection and social inclusion policies;
- **Make clear that social objectives are objectives in their own right** of the European Union and of its members which need to be pursued with energy, in particular by the European Commission. Social objectives cannot simply be subordinated to the achievement of economic objectives. Economic and internal market objectives must not be pursued at the costs of social objectives and social legislation;
- **Capitalise on the resources and energies that have been mobilised to draft the 25 national reform programmes to address the real priorities for Europe i.e. how to stop a race to the bottom on social standards and fiscal policies? How to move from competition to coordination in the social field? How to join forces at the international level and shape globalisation instead of sustaining its negative impact? How to address persisting inequalities, discrimination and exclusion to achieve more social cohesion and integration in EU Member States?**
- **Prioritise the fight against poverty and social exclusion.** People who experience marginalization and discrimination live with disproportionate burdens of unemployment, social exclusion and inequality. The situation of the most vulnerable groups in society must be used to measure the overall impact and success of the "growth and jobs" strategy. Therefore all groups vulnerable to poverty, social exclusion and discrimination should be systematically invited to participate in the process of drawing up and implementing National Reform Programmes. In addition, Member States should reaffirm their commitment to "make a decisive impact on the eradication of poverty" and take immediate and pro-active measures to tackle poverty, social exclusion and discrimination effectively. While the "growth and job" strategy can make a contribution to the fight against poverty and social exclusion, it is clearly insufficient if the Lisbon commitment on poverty is to be achieved by 2010;
- **Stop treating the democratic deficit as a footnote by taking serious measures to include parliaments, civil society and people in the revised Lisbon strategy.** The proposal of the Commission to move up a gear and to focus on four new priorities is not acceptable for NGOs without a wider debate, especially given the enormous gap in terms of involvement of stakeholders in the adoption of the integrated guidelines, the National Reform Programmes, the Community programme and the progress report;
- **Reflect democratic pressure for a better Services Directive, including by supporting exclusion of social services.** The European Parliament's vote of 16th February on the Services Directive, which is presented as a crucial component of the revised Lisbon strategy, shows that there is a strong democratic impetus towards an EU which finds a better balance between social objectives and internal market freedoms. The Spring European Council and ongoing Council negotiations must take on board MEPs' message especially by supporting the exemption of the social services sector as a whole. The European Commission must exclude social services in the revised proposal for the directive. It should also publish without delay the long-awaited Communication on social and health services of general interest, which will advance the EU's understanding of the social services sector in Europe and help clarify how social services should be dealt with in EU rules.

Taking action

- **Recognise the Streamlined Open Method of Coordination (OMC) on Social Protection and Social Inclusion as an essential component of the revised Lisbon process.** Alongside the Broad Economic Policy Guidelines and the European Employment Strategy the Union now has a strong social instrument to work on issues close to people's concerns such as poverty, adequate pensions and access to services needed for a high quality of life for all. However the effectiveness of this instrument directly depends on the level of political commitment of Member States. Therefore Social NGOs believe that it should be supported by the European Council;

- **Allow the structural funds to be used to support the national strategies for social protection and social inclusion and prevent the weakening of the partnership principle which guarantees the involvement of NGOs.** Make sure that the future PROGRESS programme is sufficiently funded and accessible to all relevant actors including social NGOs so as to ensure that it is able to support the implementation and the visibility of the strategy, a very urgent need identified by the European Parliament in its recommendations;
- **Endorse the European Pact for Gender Equality to strengthen the gender equality dimension within the Lisbon Strategy at both EU and national level.** Considering that commitments to support female employment and to achieve gender equality are underdeveloped in the National Reform Programmes, the European Pact for Gender Equality is urgently needed to ensure that women and men can participate equally and fully in the labour market and contribute equally to society at large;
- **Take concrete and immediate measures to ensure effective transposition and implementation of the EU equality legislation.** Discrimination on a variety of grounds, including gender, ethnic origin, sexual orientation, age or disability, continues to be a serious barrier to employment. The job pillar of the revised Lisbon strategy, the integrated guidelines and the Lisbon National Reform Programmes should not simply focus on activation policies but they should also address specifically the issue of discrimination in the labour market and include concrete actions to promote equality, including the implementation of Article 13 directives (Directives 2000/43 and 2000/78). In particular, social NGOs believe that the European Youth Pact could—when fully implemented—be an effective tool to improve the specific vulnerability of young people in the labour market. Hence, social NGOs ask the European Union and its Member States to consider the European Youth Pact as a good example of what could also be done for other groups facing discrimination in the labour market.
- **Take concrete measures to guarantee that impact assessment becomes an effective tool to mainstream social objectives by ensuring a balanced and participatory approach to the evaluation of new initiatives.** Lessons could be drawn in particular from the impact assessment carried in relation to the Services Directive and how it has failed to address crucial social concerns protected by the EU treaties.

ANNEX I Social NGOs evaluation of the first year of implementation of the revised Lisbon strategy

In the run-up to the Spring Summit 2006 the members of the Social Platform took stock of the adoption of integrated guidelines, the National Reform Programmes, the review of the sustainable development strategy and of the Commission's annual progress report for the Spring Summit 2006. This evaluation confirms and reinforces many of social NGOs' fears:

- **Social objectives are sidelined** - From the first round of National Reform Programmes it is clear that social inclusion measures have not sufficiently been covered. The narrow focus on 'growth and jobs' has hampered the development of a more integrated approach to reforms and has weakened the synergies between economic and social considerations. For social NGOs this contradicts the March 2005 European Council Conclusions that stated: "(...) *The Union must mobilise to a greater degree all appropriate national and Community resources – including the cohesion policy – in the Strategy's three dimensions (economic, social and environmental) so as better to tap into their synergies in a general context of sustainable development*".
- **The Lisbon strategy has moved from being an ambitious societal project to merely exchange between Member States in a limited number of priorities** – For social NGOs the Commission's annual progress report fails to capitalise on the enormous amount of work that has been deployed to put together and analyse the various National Reform Programmes. Instead of opening an ambitious political reflection on issues that are at the very core of the European reform agenda (Why are EU Member States competing between each other on social standards and corporate taxes instead of joining forces at the international level? How can the EU create quality jobs? How can the EU shape globalisation rather than sustain its negative consequence) the Commission has identified 4 priorities for more coordinated actions, that although important are too specific to promote profound changes.
- **Parliaments, civil society and people are still not involved in the key EU strategy** – They have been strong signals at national and European level that a reform agenda cannot be carried without debates and a strong consensus. Social NGOs are concerned that EU leaders have failed

to take this message into account and are repeating the same mistakes. This issue is of particular relevance this year: how can one expect a National Reform Programme to be implemented with the support of all key stakeholders, when most of these plans have been drafted without any consultation whatsoever and are based on questionable political options? This problem is very serious and poses key questions in terms of democracy. The objective of a better involvement of stakeholders cannot be bounced from one European summit to another, and needs a clearer action plan involving in particular the European Parliament and civil society organisations, as well as those people who suffer the most from the lack of social dimension in the reform's agenda.

- **The "growth and jobs" approach has overshadowed the EU treaties as a basis for action** – This trend is particularly worrying for social NGOs. More and more initiatives taken by the Commission, including proposals for the structural funds, are justified not on the basis of objectives covered by the EU treaties, but on the basis of the "growth and jobs" approach. This is also true for impact assessment used prior to the adoption of key initiatives, which are not carried out with the objective of balancing social, economic and environmental objectives but rather with the intention of demonstrating the positive impact of the new initiative on growth and jobs. For social NGOs this goes to far. The European Commission has a duty to base its action on the EU Treaty. It should in particular make more systematic reference to the overall objective of promoting social cohesion and the social objectives covered in Title XI of the Treaty, and reflect more pro-actively on the impact of internal market initiatives on these social objectives.
- **The "growth and jobs" strategy is disconnected from any sustainable development objectives** – The Commission in its review of the Sustainable Development Strategy has clearly not built on the commitment of the Spring Summit 2005 to implement the "growth and jobs" approach in a "*general context of sustainable development*". The two strategies, and in particular their objectives, appear completely disconnected. This is completely unacceptable for social NGOs. By dividing the Lisbon strategy into two parts with two different time frames - in the short term the "growth and jobs" strategy and in the long-term the sustainable development strategy including social elements – the confrontation between different approaches to reform has been made more difficult. This neutralises the potential for debates so essential in a democracy. The weakness of the EU SDS also sends a very worrying international message.
- **Gender Equality measures are weak** - In the National Reform Programmes, specific measures to increase women's participation rates in the labour market and promote gender equality are seriously lacking. For example, commitments to closing employment and unemployment gender gaps are rare. The issue of gender pay gaps is discussed more widely, but only a few propose concrete actions (DK, FR, NL and SE). In the National Reform Programmes, measures for the reconciliation of work and private life focus mainly on women's. The need to strengthen the role of men in care and parental leave is not stressed. Only with concerted effort and specific actions by Member States and the EU in the area of women and employment will there be a serious impact on improving EU employment rates and the EU economy and therefore make a better and more equal life for women and men in Europe.

ANNEX 2 Social NGOs analysis of the four priorities identified by the Commission

The Social Platform disagrees with the arbitrary way in which the Commission has identified these four priorities. Given the amount of work that has gone into preparation of the national reform programmes, the Commission could have proposed more political and ambitious initiatives responding more directly to the challenges the EU is facing, such as social dumping or people's involvement in shaping the agenda of reform.

However, social NGOs have analysed these priorities from a sustainable development perspective, as an illustration of the importance of maintaining a proactive approach to social and environmental considerations:

Action 1 - Investing in more knowledge and innovation– in a climate of limited resources Member States should make sure that the money invested in research and development (R&D) does not simply increase the exorbitant profits of private companies, but truly generates benefits for the whole society. This requires an ethical approach to R&D. For instance instead of financing programmes in cooperation with the pharmaceutical industry it would be better to reflect on the causes and prevention of diseases and on the rational and equitable use of health resources. It is crucial that investment in research is accompanied by training for people who are excluded from the labour market in order to prepare them to fill the new jobs in these innovative sectors.

Action 2 - Unlocking the business potential particularly of SMEs –The Social NGOs regret that the Commission's proposal has not taken into consideration different types of enterprises. Social

NGOs have been pushing for many years for a better understanding of the sector of social services and its potential in terms of job creation. The specificity of NGOs is that they are thinking in terms of "social economy" (cooperatives, voluntary associations) which contributes to the development of the whole community and in particular the participation of vulnerable groups in economic activities. This means that several objectives are fulfilled: job creation, quality services, reinvestment of revenue to develop further the activities and strengthening of social cohesion.

Action 3 - Responding to globalisation and ageing – Social NGOs believe that it is unacceptable for the Commission to systematically use the argument of globalisation when it comes to the reform of social protection systems. Considering the seriousness of this issue the focus should be on the real problem while keeping in mind the values that underpin the European Social Model as recalled in Hampton Court Council in October 2005. As an example the job pillar of the revised Lisbon strategy seems to focus exclusively on the impact of unemployment on public finances and the need to increase the "flexibility" of workers to support competitiveness rather than presenting concrete initiatives on how to create quality jobs and to promote social inclusion. Furthermore, instead of reducing social protection systems, it is absolutely necessary to consolidate them – in particular financially – in order to face new challenges such as the ageing of the population

Action 4 - Moving towards an efficient integrated EU energy policy- the issue of energy is a particularly good example of the innovation potential that a sustainable development approach can unlock. The recent energy crisis has shown the urgent need to reflect on alternative sources of energy and on energy efficiency. If addressed properly this initiative can serve not only national/European interest but also benefit the environment and people. However this will not happen without a pro-active social and environmental agenda (I.e. investment in R&D in the field of new energy, training people to work in this sector, compensation for the costs of new energies for vulnerable group of the population, stimulation of incentives to invest in energy efficient solution etc...)

The Platform of European Social NGOs (the Social Platform) is the alliance of representative European federations and networks of non-governmental organisations active in the social sector. The Social Platform promotes social justice and participatory democracy by voicing the concerns of its member organisations. The Social Platform and its members are committed to the advancement of the principles of equality, solidarity, non discrimination and the promotion and respect of fundamental rights for all, within Europe and in particular the European Union.

The Social Platform acknowledges the financial support of the European Commission. This document reflects the Platform's views. The Commission is not liable for any use that may be made of the information contained in this publication. Reproduction of all or part of the publication is encouraged with acknowledgement of the source.

Contact person: Simon Wilson - Director - Social Platform - Square de Meeûs 18 - 1050 Brussels, Belgium - Tel: +32(0)2 511 3714 - Fax: +32 (0)2 511 1909 – simon.wilson@socialplatform.org - www.socialplatform.org