socialplatform

January 30, 2012

Letter to the European Council of January 30, 2012

To: Heads of State and Government

Re: New treaty: Social Platform opposes the text of the new treaty and calls for a social contract establishing a democratic and transparent economic governance

Dear President,
Dear Prime Minister,

At the forthcoming extraordinary European Council meeting on January 30th, you are set to consider the draft 'International Treaty on Stability, Coordination and Governance in the Economic and Monetary Union' with a view to strengthening economic convergence and improving fiscal discipline.

Considering the current state of negotiation, Social Platform opposes the content of this new Treaty. We are convinced that the proposal before us will weaken Europe instead of reinforcing it. The new Treaty will undermine the support of the population for European integration, and it will stifle growth and increase unemployment, poverty, exclusion and will widen inequalities.

Social Platform calls on you to integrate in the European economic governance a social contract and a democratic process for Europe. This must give priority to the promotion of social protection, social justice and quality jobs, a sustainable economy while combatting inequalities.

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 45 pan-European networks of NGOs. We campaign to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.

WHY IS DIFFERENT APPROACH NEEDED?

- **Comply with rules set by the European Treaties.** The international Treaty has been hastily negotiated behind closed doors and in violation of all the provisions foreseen under the EU Treaties. Any new changes affecting Union law and institutions must respect the EU rules on transparency and democracy, and in particular Art 48 TEU, including social and civil dialogue.

- **Putting forward Treaty changes and other economic governance initiatives at such a rapid speed and without ensuring democratic legitimacy**, brings with it the dangers of restricting sustainable growth, weakening the cohesiveness of a sustainable European society and eroding democracy.

- **Fiscal discipline alone, is dragging countries into crisis in the absence of recovery and investment measures.** Social justice and employment are top priority

today for millions of Europeans. However, each day, the economic governance of the European Union – in trying to respond to the pressure of financial markets – is enforcing ever stricter austerity policies. This is happening without taking into account the detrimental effect these policies have on social cohesion and on the lives of women and men in Europe today.

- **Even the those you are trying to convince believe that the focus on fiscal consolidation is self defeating**. While, the IMF, OECD and ILO have issued warnings on the impact of these policies, Standard and Poors which is reponsible for downgrading most of the member states assessed that "we believe that a reform process based on a pillar of fiscal austerity alone risks becoming self-defeating, as domestic demand falls in line with consumers' rising concerns about job security and disposable incomes, eroding national tax revenues"[1].

- **Implement your commitments within the Europe 2020 strategy:** The pursuit of "growth driven" fiscal consolidation and greater budgetary surveillance of the Eurozone without a proper study of the social and environmental impact of such actions, will only lead to the weakening of the Europe 2020 Strategy and its commitment to smart, sustainable and inclusive growth.

Social Platform opposes any further actions that will result in greater social injustice in Europe.

Yours sincerely,

Yours sincerely,

Conny Reuter
President

Pierre Baussand
Director

[1] Standard and Poor, January 13