socialplatform

February 27, 2012

To: Heads of State and Government

European Council of March 1-2, 2012

Integrate a social pact in the European economic governance to counteract the social consequences of fiscal consolidation and austerity measures

Dear President,
Dear Prime Minister,

We, an alliance of European social NGOs, reiterate our great concern on the overall economic orientation of the EU and its resulting social consequences. After two years of austerity measures, our members feel that the EU is not taking the right path to fulfil its objective *"The Union's aim is to promote peace, its values and the well-being of its peoples"* as set out in the Treaty on the European Union (article 3).

For the same reason we reiterate our opposition to the new intergovernmental Treaty on stability, coordination and governance in the economic and monetary union. International organisations such as the OECD, the ILO, and the IMF have issued warnings on austerity measures which do not address the causes of the crisis, or their social consequences.

Your March meeting will be a decisive moment to address these widespread concerns about the priorities of the European Union project.

In addition to rejecting the new Treaty we ask you to commit, within the framework of the European Semester, to the integration of a social pact in the European economic governance in order to counterbalance the social consequences of the austerity measures and fiscal consolidation.

This pact should comprise a set of concrete actions for protecting the vulnerable and for supporting the employment of young people, and other key target groups, with difficulty in accessing sustainable, quality employment, and social services. The pact will therefore also create the necessary conditions for social and sustainable growth.

The development, implementation and evaluation of these actions should be done through the National Reform Programmes, **in partnership with all relevant stakeholders** at the national level, including non-governmental organisations.

The concrete actions should be achieved within 12 months and clearly reported on in the National Reform Programmes and Social Reports.

As a starting point for developing such a social pact, these actions should include:

- **Defend social protection, further improve the effectiveness of social protection systems,** and make sure that social automatic stabilisers can play their role as appropriate, avoiding precipitate withdrawals of past extensions of coverage and eligibility until jobs growth substantially resumes;

Social Platform (Platform of European Social NGO's aisbl) *Plate-forme des ONG européennes du sector social*
Square de Meeûs 18, B-1050 Bruxelles, Belgique, **T** +32 - 2 - 511 37 14 **E** platform@socialplatform.org www.socialplatform.org

- **Implement integrated Active Inclusion strategies** encompassing measures on supporting people into inclusive labour markets, adequate minimum income and universal access to adequate and affordable social services to prevent marginalisation of vulnerable groups;[1]

- **Ensure access to affordable quality services,** supporting the integration of the vulnerable in the labour market and in society, through ensuring: access to a basic payment account; electricity supply to vulnerable customers; access to affordable housing; and access to care services for children, elderly and dependent family members. The role of Stuctural Funds in terms of capacity building for both authorities and project promoters, will be crucial in supporting these services. Special attention should be given to those member states who have received financial assistance from the EU and in which social services are purely and simply disappearing because of EU and domestic policy choices. In those countries, Structural Funds should mobilized with a 100% co-financing rate to support both the public administration in charge of those services and the grass root organisations that deliver those services.

- **Identify the most urgent needs and propose concrete actions, targeting in particular young people who are not in employment, education or training**. Identify as well commitments to promote quality apprenticeships and traineeship contracts and entrepreneurial skills.

WHY?

- **The EPSCO Council calls on you to tackle increasing poverty and social exclusion**, through active inclusion strategies combining adequate income, inclusive labour markets and access to quality services.[2]

- **The EPSCO Council stressed that fiscal consolidation efforts should be accompanied by enhanced employment and social policies** stating that fiscal consolidation should not increase poverty or hamper efforts to tackle unemployment.[3]

- **The ECOFIN Council recalls that "when designing reforms, equity considerations and distributional effects should be taken into account"** since "public acceptance of budgetary consolidation and major structural reforms is key to succesfull implementation".[4]

- **The European Commission, in the AGS 2012, calls on Member States to prioritise the "protection of the vulnerable"**. "The social tissue of the EU is being put to the test" and "the crisis has disproportionately hit those who were already vulnerable and has created new categories of people at risk of poverty. There are also clear signs of increases in the number of people at risk of income poverty, notably child poverty, and social exclusion, with acute health problems and homelessness in the most extreme cases. People with no or limited links to the labour market – such as pensioners or vulnerable people dependent on social benefits, for instance single parents – are also exposed to changes affecting the calculation and eligibility of their source of income."[5]

- **The European Parliament calls on you to ensure policy coherence and increasing ambition to achieve the Europe 2020 targets, to improve the quality of employment and to tackle poverty and social exclusion** in your decisions on the guidance for the European economy at the Spring Council.[6]

---

[1] As stipulated also by the Commission in its Recommendation on Active Inclusion of October 2008.
[2] EPSCO Council conclusions, February 17, 2012
[3] EPSCO Council, Employment and social policy (press release), February 17, 2012.
[4] ECOFIN Council conclusions, February 21, 2012.
[5] Annual Growth Survey 2012, section 4, page 12.
[6] European Parliament Resolution on the contribution to the Annual Growth Survey 2012, February 15, 2012.

- **The AGS 2012 progress report sends out the warning that, as the situation is now, the target of lifting 20 million people out of poverty will not be met.** The numbers Member States provided on their national poverty targets last year show a commitment to lift only 12 million people out of poverty by 2020.[7]

We trust that we can count on your support.

Yours sincerely,

Conny Reuter
President

Pierre Baussand
Director

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.

[7] Annual Growth Survey 2012 - Progress report on the Europe 2020 strategy, page 3-4.