December 11, 2012

To: Heads of State and Government

Letter to the European Council of December 13-14, 2012

Take strategic and budgetary actions to combat poverty and to reduce rising inequalities for people's well-being

Dear President,
Dear Prime Minister,

At your Council meeting this week, you will discuss the EU's economic policy and adopt conclusions on the future of the Economic and Monetary Union (EMU). However, current economic policies promoted by the European Union do not respond to the social emergency in member states.

Financial and economic governance cannot exist without a strong social pillar. The EMU and anything similar to a Convergence-Competitive-Instrument should address social convergence and should take up high social standards.

Therefore, we call on you to take actions in the following fields:

1) COMBATING INEQUALITIES AND POVERTY FOR THE WELL-BEING OF ALL

Today in the EU and member states, long-term wellbeing and cohesion are disregarded in favour of short-term fiscal consolidation measures, put in place without any social assessment.

The austerity measures promoted by many governments and the EU, have proven to be and are resulting in increased inequalities, poverty and social exclusion. 25 million Europeans are unemployed and 120 million are living in poverty. These numbers continue to increase as the situation worsens since the beginning of the crisis in 2008.

The Annual Growth Survey (AGS) of 2013 – presented by the Commission last week – also fails to acknowledge that austerity measures aggravate inequalities, poverty and social exclusion. No substantial or concrete proposals or guidelines were formulated by the Commission to address the on-going increase in inequality and poverty. Combating poverty and inequalities cannot wait for growth and employment to improve again since this might take several years.

As social NGOs we want two things: to end poverty and reduce inequalities. We want people to have decent jobs and a quality life out of poverty. But this is not enough. We also want them to live in a society where wealth is better shared and access to quality and available services for everyone ensured. In times of crisis and of austerity policies, social cohesion and wellbeing are under threat, but they are the heart of our European social model – and are not up for bargaining.

Therefore we call on you to support the following proposals:

- **Combating poverty has to be a policy priority on its own.** The EU and its member states need to develop an integrated poverty and social exclusion strategy at both European and national level to ensure an immediate reduction of poverty.

- **Member States need to commit social investment as a political strategy that aims to achieve sustainable and inclusive growth, an adequate support system to address the social impact of the economic crisis, the redistribution of wealth and prosperity, and intergenerational solidarity.** This will ensure that social and economic policies are mutually supportive at both EU and member states level. Social investment should not only comprise services and infrastructure, but it should focus more broadly on investing in people's well-being.

2) EU BUDGET 2014-2020: INVEST IN SOCIAL COHESION FOR AN INCLUSIVE EUROPE

- **Having a strong EU budget is good for the implementation of EU common objectives at European and national level – so we call on you to keep the overall amount of EU budget (1.025€ billion of commitments and 972.2€ billion of payments) as proposed by the Commission, and in particular support the 336 billion euro for cohesion policy to respond to current and future needs**

  Investing in the EU budget is investing in European common objectives implemented at national level: 94% of the EU budget is reinvested in active policies that promote social cohesion and have a direct impact on citizens.

- **Ensure the minimum allocation of 25% of the cohesion policy funds to the European Social Fund (ESF) and earmark 20% of the ESF to social inclusion and the fight against poverty**

  The next ESF will aim at "targeting the long term unemployed and other disadvantaged people" **–** this is essential at a time when unemployment is the highest in 15 years with 25 million people out of work (Eurostat, September 2012) and when poverty is also increasing in Europe despite the target set in 2010 to decrease it by 20 million by 2020.

  According to the OECD, **investment in human capital has the best impact in terms of medium term growth. The ESF is the major EU instrument to do this.** In 2010 it supported more than 16 million people in Europe.

  In the current period the **ESF has helped many member states to mitigate the crisis** by supporting training, short-term working schemes, hiring incentives, apprenticeship schemes, individualised job-search support, counselling, and requalification measures.

Across Europe people expect that the EU and member states jointly commit and show solidarity with those facing the worst social situation since World War II. This can only be achieved with strong social cohesion policies which are reflected in the EU budget that will enable concrete actions in response to the economic crisis. Therefore we strongly encourage you to integrate our concerns and proposals.

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.