socialplatform

February 25, 2012

To: Ministers of Employment and Social Affairs

Letter to the EPSCO Council of February 28, 2013

Reorientate the focus of the Annual Growth Survey to make social policies the driver of European economic governance

Dear Ministers,

At your EPSCO Council meeting of February 28, you will discuss the Annual Growth Survey (AGS) for 2013 and formulate recommendations towards the EU Spring Council of March.

Unemployment is still increasing and the number of people at risk of poverty or social exclusion now accounts for nearly one-fourth of the population. In this context, the European Semester should focus on improved public spending, both in terms of quality and quantity, to reach the objectives of the EU 2020 Strategy on employment, poverty and social exclusion and education.

It is clear that financial and economic governance cannot exist without a strong social pillar.

The AGS 2013 does not represent a good basis for such an approach as its focus is clearly on economic growth and it hardly refers to the Europe 2020 social targets. No concrete proposals or guidelines were formulated to address the on-going increase in inequality and poverty, or to ensure that the social consequences of austerity are mitigated. The AGS is calling for measures that contradict the need for quality of work and are unlikely to increase sustainable employment. Modernisation of social protection is often interpreted as simply cutting benefits or reducing elegibility and coverage, while there is a need for increasing social investments, particularly in the light of the Commission's proposal for a Social Investment Package.[1]

Therefore, we call on you to recommend to the EU Spring Council to change the focus of the European Semester. Member States should promote the coordination of macro-economic policies with the aim of supporting social policies, as the number one priority of the AGS 2013.

To this end, the following missing key actions should be taken:

- **Develop a true and integrated anti-poverty and social inclusion strategy at EU and national level.** It should comprise a clear set of tools, supported through an appropriate budget to ensure an immediate and sustainable reduction of poverty taking into account the Common Objectives of the Social OMC. This should ensure that actions under the Europe 2020 Flagship that is the European Platform Against Poverty and Social Exclusion are implemented. It should also include the integrated implementation of all pillars of the Active Inclusion Strategy, combining the equally important strands of adequate minimum income schemes, inclusive labour markets and access to high-quality social services.

- **Invest in the creation of, access to and progression in quality and sustainable employment.** This includes developing the social economy and the job potential of the social and health care services sector, the creation of jobs accessible for people with lower skills, and bringing the labour market closer to all people. Marginalised groups and those that have difficulty in accessing the labour market, require the most attention and specific measures, such

[1] This is also in line with the report of the EP adopted on February 7, on "the European Semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2013".

as a Youth Guarantee. These measures should be invested in for the benefit of European economy and to reduce the costs of unemployment. Ensuring quality and sustainable jobs – including by setting decent minimum wages in all member states - will counter the increase of in-work poverty, precariousness, indecent working conditions and labour market segmentation.[2]

- **Invest in services of general interest and social infrastructure, and strengthen social protection.** Investing in prevention, early and integrated action, and social infrastructures is crucial for better cohesion in our society and is economically sound. In particular for social and health services and for social protection systems, the focus should shift from cutting costs to concrete investments and to measuring social and financial return on those investments, including by favouring community based services. There is evidence that such policies will create jobs and save costs for the welfare state. Comfort services, such as cleaning or gardening, should be clearly distinguished from social and care services provided at home.

- **Invest in equality through the adoption of the Article 19 Equal Treatment Directive.** Discrimination plays a crucial role in preventing people from being lifted out of poverty and from accessing education and the labour market.

- **Ensure a wide inclusive and democratic process to decide upon economic and social priorities.** Further integration could only make the EU more social and closer to citizens' aspirations if decisions are discussed by a wide range of stakeholders, including NGOs and social partners. Real efforts must be made to ensure that national stakeholders are actively included in the NRP and NSR process. The European and national Parliaments have to be given real power in the EU economic governance processes.

- **Mainstream social targets in all other policies and protect social budgets when developing policies to tackle macro-economic imbalances.** Assess the social impact of main policy actions across the EU, and provide solutions to redress negative social consequences of financial and economic policies. For example, fully use the potential of public procurement by promoting the use of social and environmental considerations and stressing quality throughout the whole procedure in addition to promoting sound management of public finances.

Changing the focus of the European Semester is not a minor evolution but it is needed to prevent people from living in a segregated world and from fearing unemployment and extreme poverty.

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.

[2] The Commission acknowledged that internal flexibility in the labour market through the use of temporary contracts, part-time work and low wages, has given rise to the phenomenon of in-work poverty, European Commission 2012, ESDE 2012