socialplatform

To: President of the European Council
Heads of State and Government

Brussels, November 8, 2012

Re: Social Platform's recommendations for the EU budget 2014-2020: Invest in social cohesion for an inclusive Europe

Dear President,

Dear Prime Minister,

Following the latest version of the negotiating box proposed by the Cypriot Presidency, we are extremely concerned about the intended reduction of the total amount for the European Union Multi Annual Financial Framework and the impact this will have on cohesion policy in particular. Such reductions will have severe consequences for reaching the objectives of the Europe 2020 Strategy.

This week and next you will have bilateral negotiations with the President of the European Council on the Multiannual Financial Framework. In view of our concerns, we would like you to integrate the following proposals that would secure a major step towards social cohesion, in line with Article 3 TEU which lays down the social cohesion objectives of the EU.

1. **Having a strong EU budget is good for the implementation of EU common objectives at European and national level - keep the overall amount of EU budget (1.025€ billion of commitments and 972.2€ billion of payments) as proposed by the Commission**
   - We are against any attempt to reduce the EU budget. We support the proposal of the European Commission and the position of the European Parliament agreed in October.
   - 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.
   - The budget proposed by the Commission represents only around 1% of EU-27 GDP (67 cents on average per day and per citizen to finance the budget). Europe needs to have an adequate budget to meet the challenges represented by the current crisis, global competition, ageing of the population, technological change and transition towards a low-carbon economy. Without adequate funding the implementation of the objectives, reforms and structural changes member states committed to under the Europe 2020 Strategy will not be achieved.

2. **Support the 336 billion euro for cohesion policy to respond to current and future needs**
   - Cohesion funds are the most important financial instrument for the social and economic development of the EU. In many European regions these represent the main source of public funding at national, regional and local level, as national support has been cut as a consequence of the crisis and austerity measures.

3. **Ensure the minimum allocation of 25% of the cohesion policy funds to the European Social Fund (ESF)**

- **You recognized last June that the ESF is a key instrument to respond to the social consequences of the crisis:** at the last European Council, the proposed pact for growth and jobs aimed at "tackling unemployment and addressing the social consequences of the crisis effectively; pursuing reforms to improve employment levels;(...) which can be supported by the ESF; and developing and implementing effective policies to combat poverty and support vulnerable groups".
- **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.
- **The ESF share proposed for post 2013 represents only a slight increase compared to 2007 – 2013** and is comparable to the amount for 2000 – 2006.
- **Performance of the ESF is higher than that of other structural funds**. Total payments made by the Commission amounted to 45% of overall funding by the end of September 2012, while member states' commitments amounted to 82% by June 2012. This is more than for the other funds.
- **To achieve success in the fields of employment, education and social inclusion,** besides building infrastructures there is a need for targeted interventions and cooperation with adequate partners (such as trade unions, schools, universities, NGOs, vocational training institutions and users' groups and organisations). The ESF is specifically devoted to this, while the ERDF is not.

4. **Earmark 20% of the ESF to social inclusion and the fight against poverty**

Targeted interventions to promote social inclusion and the fight against poverty are even more necessary now as 116 million Europeans are at risk of poverty or social exclusion[1].

- **In only one year the number of people living at risk of poverty or social exclusion has risen by 1 million.** Solidarity being at the core of the European Union, support is needed to ensure that people are fully integrated into society and can contribute to the economy.
- **Active inclusion policies are needed to complement employment policies**. Some people need targeted, specific support to enter employment while some may never enter employment, and employment alone is not enough as shown by the increasing numbers of working poor.

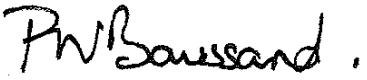
Across Europe people expect that the EU and member states jointly commit and show solidarity with those facing the worst social situation since World War II. This can only be achieved with a strong cohesion budget that will enable concrete actions in response to the economic crisis. Therefore we strongly encourage you to integrate our concerns and proposals in your final decision on the budget of the European Union for the coming years.

[1] source: European Commission

We call for a budget which supports social infrastructure, education and training and contributes to reducing inequalities and poverty.

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.