socialplatform

To: Heads of State and Government of the Member States of the European Union
Cc: President of the Council, Herman van Rompuy
President of the European Commission, José Manuel Barroso
President of the European Parliament, Martin Schulz

Brussels, February 1, 2013

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

Dear President,

Dear Prime Minister,

On 8th February you will hopefully finalize the negotiations on the Multiannual Financial Framework. Following the latest proposal from the President of the European Council, we are extremely concerned about the intended reduction of the overall amount for the EU Multiannual Financial Framework and the impact this will have on those parts of the budget that deliver the most for people.
In particular it will affect the cohesion policy, including the European Social Fund. Such reductions will have severe consequences for reaching the objectives of the Europe 2020 Strategy and of the Lisbon Treaty.

In view of our concerns, we would like you to integrate the following proposals which would secure a major step towards a more people-centered EU budget:

MULTIANNUAL FINANCIAL FRAMEWORK:

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 the 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 by 73.4 billion €, as currently proposed. We support the Commission's proposal and the position of the Parliament agreed in October.
    - 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: growing inequality, persisting poverty within Europe and beyond, food insecurity, resource constraints, unsustainable growth, global competition, aging of the population, technological change and the transition towards a low-carbon economy. Without adequate funding the implementation of the objectives, reforms and structural changes Member States committed themselves to under the Europe 2020 Strategy and the Lisbon Treaty will not be achieved.

COHESION FUNDS:

2. **Support the 336 billion euro for the cohesion policy to respond to current and future needs**

We oppose the cuts of 18.8 billion € as currently proposed: this will also affect transnational cooperation that is an essential instrument for the European project. 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) and earmark 20% of the ESF to social inclusion and the fight against poverty**

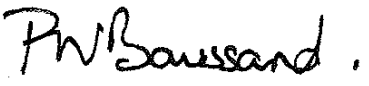
- The next ESF will aim at "targeting the long term unemployed and other disadvantaged people" – this is essential at a time when unemployment is the highest in 15 years with 26 million people out of work (Eurostat, January 2013) and when poverty is also increasing in Europe (120 million Europeans are at risk of poverty) 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. **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.

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.