socialplatform

June 14, 2013

To: Ministers of Employment and Social Affairs

Letter to the EPSCO Council of June 20-21, 2013

Rebalance the financial and economic dimension of the EU and member states with a stronger social dimension

Dear Ministers,

At the EPSCO Council meeting of June 20 and 21, you will discuss the Commission's Social Investment Package (SIP) and the 2013 Country Specific Recommendations (CSRs), and formulate recommendations for the European Council of June.

In the last years, many member states implemented austerity measures which drastically targeted expenditure in social and health services, social protection and education. This has contributed to the increase of poverty and social exclusion, inequalities and unemployment in the EU as a whole, as well as to a worsening of the divide between the south/periphery and the north of the Euro area.

This is why we call on you to adopt concrete actions for a much needed rebalancing of financial and economic policies with social policies both at EU and member state level.

1) Social Investment Package

Social Platform welcomes the paradigm shift that appears to be embedded in the SIP, looking at social policies and services not as a cost but an investment for better social cohesion.[1] Investments must focus on measures that clearly support and empower people in vulnerable situations and reduce inequalities.

We therefore ask you to support the SIP in your conclusions to the European Council, and clarify the following points:

- Social investment cannot work without **social protection,** both being interconnected and mutually reinforcing pillars of a comprehensive social welfare model.
- **Effectiveness as well as efficiency** of social and health policies and services is about spending in a better way, not necessarily spending less, while also measuring the social, health and economic benefits and the costs of non-investment.
- We reject **conditionality**. The focus should be on incentives, rather than on the punitive withdrawal of basic benefits and services.
- Social protection schemes should be carefully organised to guarantee **universal** benefits and services, which can prevent as well as alleviate poverty.

The SIP can only make a real difference if the EU and member states commit to its full implementation. To this end, at least the following issues should be taken up:

- In order for social investment to be successful, a **fundamental rights approach** is a precondition.
- The SIP should be used as one approach to achieve the **Europe 2020** targets. The Annual Growth Survey and National Reform Programmes should encompass a social investment approach and the CSRs should encourage social investment. The Package should be linked to the European Platform Against Poverty and Social Exclusion and the social OMC. These individual instruments however do not replace the need for a comprehensive strategy to fight poverty and social exclusion.
- The **European Social Fund** has to be ensured proper resources to support the implemention of the SIP. Therefore you should support the Commission's proposal to dedicate 25% of cohesion policy funding to the ESF, with 20% of the ESF allocated to combating poverty and social exclusion.
- The **involvement of EU and national stakeholders** is crucial for the implementation, monitoring and evaluation of the SIP. Social NGOs in particular are willing to take up this role.

[1] Taken from the more elaborated Social Platform position paper on the Social Investment Package of April 26, 2013.

2) Country Specific Recommendations

Within the process of the European Semester, the CSRs have great potential for fostering the rebalancing of social and economic policies.

Looking at the Commission's proposals for this year's CSRs, we consider that the primary focus is still on macro-economic objectives related to economic governance rather than on coherent and balanced proposals to deliver on the objectives of the Europe 2020 Strategy[2].

Therefore, we ask you to require from the EU Council that Europe 2020 is restored as an explicit objective of the Semester, taking into account the following preliminary comments: [3]

- We welcome the increased number of CSRs on **poverty, employment, education and care and health services**, as well as the new positive individual proposals for some countries regarding key target groups such as youth, children, migrants and Roma. However, the overriding message from the CSRs is about reducing public deficits and debt, primarily through reducing public expenditure. This will very likely generate increased poverty and social exclusion and undermine the coherence of the social CSRs and their potential for delivery. To help ensure that the CSRs enhance social and equality objectives, at the very least an effective social and gender equality assessment is required.
- The data on the situation in **countries under Troika programme arrangements** show that the policy of prioritising economic and fiscal consolidation is not working and that an alternative is required. The failure to set CSRs for these countries sends the message that these countries are excluded from Europe 2020. The proper monitoring of the implementation of the Strategy should be ensured by adopting Recommendations for these countries every year.
- **Structural and meaningful involvement of stakeholders**, including CSOs in addition to social partners, in developing and implementing the CSRs would help ensure a proper balance between social and macro-economic objectives. Our members however report that no social NGOs were involved in the discussions on the CSRs, although they clearly showed their interest to do so.[4] [5]

Through their implementation, the SIP and the CSRs should ensure the well-being of all people and should be used as a tool to foster inclusive, as well as sustainable and smart growth.

We trust that we can count on your support when considering both the Social Investment Package and the Country Specific Recommendations.

Yours sincerely,

Heather Roy
President

Pierre Baussand
Director

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 47 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] It is notable that Europe 2020 is not referenced explicitly in the preamble of the Recommendations, nor the goals of smart, sustainable and inclusive growth, nor the five targets.
[3] Social Platform members together with their national members are currently consulting with their national members on the full implications of the CSRs. The messages in this letter are therefore based on an initial screening.
[4] The Ad-hoc CSRs Coalition of social and green NGOs, supported by the EP Greens, EPP, ALDE and S&D, has put forward alternative recommendations, calling for more transparent and real participation in the European Semester process.
[5] The same goes for the involvement in the National Reform Programmes where little improvement was recorded. On top of this, it seems that no actual debate is held anymore on the National Reform Programmes in the European Semester process.