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Reinforcing social governance of the European Union for social progress and upward convergence

Social Platform contribution to the 2016 Annual Growth Survey and European Semester

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socialplatform

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 48 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.

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KEY MESSAGES

I. Ensure progress on the EU's social and equality objectives

Put in place ambitious employment and social policies at EU and national level, and give the same weight to objectives in these fields as to economic and financial priorities.

II. Ensure the positive social impact of all policies and consistency of processes

Review the architecture of EU processes, in particular the European Semester, to ensure policies and actions are consistent with all the EU's objectives, and to ensure their legitimacy through more transparency.

III. Ensure meaningful and structured stakeholder involvement at all stages and levels of policy processes

Open up the decision-making processes to social NGOs and work with them as partners in developing, implementing and evaluating economic and social policies.

INTRODUCTION

With the introduction of the **Europe 2020 strategy** in 2010, EU member states committed themselves to achieving growth that was not only smart and sustainable, but also inclusive. This encompasses empowering people, helping them to anticipate and manage change, building cohesive societies, ensuring access and opportunities for all throughout the lifecycle and promoting equality between women and men. To achieve this, headline targets were set for employment rates, educational attainment and the reduction of poverty and social exclusion.

Five years later we are no-where near reaching inclusive growth, as demonstrated by the failure to reach the poverty and employment targets, the rise of inequalities and growing social divergence. While this was caused to a certain extent by the economic crisis, its impact has been strongly aggravated by the implementation of austerity. Ill-conceived structural reforms in the form of badly targeted fiscal consolidation in the social sector caused more harmful economic and social imbalances, and undermined economic and social cohesion.

Current economic and social policies and processes are out of balance and do not suffice to reverse the breakdown of social Europe. As the EU and member states narrow their focus to growth, productivity and jobs, social cohesion and equality, including gender equality for all, are lost. This narrow focus is reflected in the lack of a social counterpart to the EU's economic governance framework.

Earlier this year member states restated their commitment to inclusive growth that *"must enable everyone to take up employment, education or training and ensure that all citizens benefit from adequate social protection when exposed to different risk."*[1] Member states must translate these words into concrete ambitious policies and actions and consider the announced review of the Europe 2020 strategy as a key opportunity to do so.

A reinforcement of social governance for the European Union is urgently needed to achieve social progress for all and upward convergence. We therefore call on the Commission to take into account the recommendations included in this contribution when revising the Europe 2020 Strategy, developing the 2016 Annual Growth Survey and implementing the European Semester.[2]

[1] EPSCO Council, Council Conclusions, 9 March 2015.
[2] This paper is based in particular on Social Platform's Position paper on the mid-term review of Europe 2020 of May 2014.

I. Ensure progress on the EU's social and equality objectives

Put in place ambitious employment and social policies at EU and national level, and give the same weight to objectives in these fields as to economic and financial priorities.

We have seen that member states, under the directions of the Commission and the Council, were able to agree to fiscal control on their budgets. The same commitment must be made for social policy.

It is vital that economic measures decided upon in the European Semester are in line with the social and employment targets of the Europe 2020 strategy and the social principles set out in the Treaties. Making economic policies more social, such as adding a social dimension to the Economic and Monetary Union, is a good starting point, but it is not enough. The EU and member states need ambitious employment and social policies that exist in their own right. The Commission should work on the development of a comprehensive social agenda that reinvigorates the inclusive growth pillar of the Europe 2020 strategy and rebalances financial and economic priorities with strong social priorities.

Although the EU is currently pursuing an economic investment strategy, it will only be effective if developed in parallel with comprehensive social investment policies. Social investment constitutes a long-term strategy that not only brings social progress, but also reduces pressure on public finances and enhances growth.

To move forward towards a more social Europe, to bring the EU back on track, in particular with the Europe 2020 poverty, employment and education targets, to reduce inequalities, and promote equality, including gender equality, we call on:

The EU institutions and the Commission in particular to:

1. **Invest in ambitious integrated employment and social polies**, in line with the 2013 Social Investment Package (SIP)[3], and prioritise social investment in public budgets. This concerns in particular investment in adequate social protection and in social, health and education services. To achieve this, further flexibility and exclusions from the deficit targets are necessary.
2. **Develop European social standards regarding adequate social protection (including minimum income and unemployment benefits), minimum wage and social services[4].** This will guide member states towards upward social convergence, ensuring all people can enjoy their social rights across the lifecycle.
3. **Set up a framework for mainstreaming equality and fundamental rights objectives**, including gender equality, throughout the European Semester and within all policy areas, to ensure a rights-based approach.
4. **Include concrete recommendations on all the Europe 2020 social headline targets** in the Annual Growth Survey (AGS) and put forward social Country-Specific Recommendations (CSRs) for all member states, including those that are subject to macro-economic adjustment programmes. Assess the delivery on the CSRs member states and take action in case of non-implementation.
5. **Break down the Europe 2020 social targets by population, age and gender** (women, children and young people, older people, people with a disability, migrants, etc) and set specific annual objectives, including for job creation and inclusion.
6. **Include measures on ensuring adequate social protection and the quality of jobs** when putting forward proposals and recommendations promoting mobility of people.[5] This includes developing a clear and common EU definition on "quality of jobs".

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[3] European Commission (EC), Communication: Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, 20 February 2013.
[4] Social Platform letter to the EC prior to the orientation debate on social policies of September 2015, 3 September 2015.
[5] This is particularly important for young people seen the extremely high youth unemployment rate and given the growing share of temporary jobs offered to them across Europe.

Member states to:

1. **Invest in ambitious integrated employment and social policies**, in line with the 2013 Social Investment Package. This includes maintaining and improving investments in adequate social protection systems, in the creation of, and equal access to, quality and sustainable employment, as well as in social, care, health and education services beyond infrastructure. To support this, budgets for measures pursuing social investment need to be safeguarded and upgraded.
2. **Mainstream equality and fundamental rights objectives throughout all policies** at EU and national level, to ensure equality for all and to eliminate discrimination on grounds such as sex, racial or ethnic origin, religion or belief, disability, age, sexual orientation, gender identity or social status.
3. **Break down the Europe 2020 social targets by population, age and gender** (women, children and young people, older people, people with a disability, migrants, etc). Set common annual objectives and develop concrete actions for reaching them, and include this in National Reform Programmes (NRPs).
4. **Ask for the revision of the EU Statistics on Income and Living Conditions** to enable the collection of more up-to-date figures for all the Europe 2020 social targets and to ensure the figures regarding poverty and social exclusion also reflect those most excluded such as the homeless.

II. Ensure the positive social impact of all policies and consistency of processes

Review the architecture of EU processes, in particular the European Semester, to ensure policies and actions are consistent with all the EU's objectives, and to ensure their legitimacy through more transparency.

Looking back at previous European Semester cycles, there is a clear lack of consistency between policies and recommendations in the economic field and those in the social field. Very often they contradict each other, with economic priorities winning at the expense of social priorities. Instead of having a trade-off between economic and social priorities, policy-makers should take a comprehensive approach. In particular, the importance of social investment as an automatic stabiliser should be stressed throughout the process of the European Semester.

Pursuing an ex-ante coordination of fiscal, economic and social policies and reforms – both at EU and national level – is a minimum requirement to avoid inconsistencies and contradictions and to ensure social policies are enabled and not undermined by economic and financial policies. Such coordination should take place within the EU institutions as well as between ministers of financial and economic affairs and those responsible for social and employment affairs, both at member state level and European level.

To improve the performance of processes and the positive social impact of all policies, we call on:

The EU institutions and the Commission in particular to:

1. **Perform an ex-ante coordination of fiscal, economic and social EU policies, actions and recommendations** put forward throughout the European Semester and in particular in the Annual Growth Survey (AGS) and Country-specific Recommendations (CSR). Such coordination needs to be supported by an extensive and comprehensive ex-ante and ex-post social and gender impact assessment of the different policies and recommendations.
2. **Provide an annual Progress Report** on the implementation of Europe 2020 and all headline targets. The Report should also include information on how fundamental rights and equality, including gender equality, as well as the wellbeing of people (for example in terms of life expectancy and access to healthcare) were impacted. It should take into account conclusions drawn from the Employment and Social Developments in Europe (ESDE) reviews.

3. **Develop a system that triggers preventive and corrective actions in the social field** to complement the Social Scoreboard. Such system should be activated once the indicators in the scoreboard reach a certain value and responsive actions should include the delivery of a CSR. Furthermore, the indicators should be reviewed on a regular basis and, where identified, extended with other relevant social indicators, for example on extreme forms of poverty and social exclusion.[6]
4. **Define more clearly the different roles of, and linkages between different relevant tools**. These tools include the European Platform Against Poverty and Social Exclusion (EPAP), the SIP, the social Open Method of Coordination, the European Structural and Investment Funds (ESIF), the European Semester, the Scoreboard of Social and Employment Indicators as well as the social indicators in the scoreboard of the Macroeconomic Imbalance Procedure.
5. **Assess the impact of projects funded by the European Fund for Strategic Investments on employment and social policies** and their contribution to the Union's employment, social and equality objectives. This should encompass in particular the level of quality job creation and the Europe 2020 Strategy targets for employment, education and poverty reduction.

Member states to:

1. **Perform extensive and comprehensive ex-ante and ex-post social and gender impact assessments of all policy proposals and reforms,** taking into account input and assessments by CSOs. Employment and social reforms in particular should improve the inclusiveness of labour markets and the adequacy and performance of social systems. Request the European Commission to apply such an assessment to all proposals for legislation (soft and hard law) it puts forward.
2. **Report on the progress made regarding all Europe 2020 headline targets in the NRPs and on the follow up of CSRs in the fields of poverty and social exclusion, education, health and employment.** Ask the Commission to provide an overarching annual progress report; this should include information on how fundamental rights and equality, as well as the well-being of people (for example, in terms of life expectancy and access to healthcare) were impacted.
3. **Organise joint meetings of EPSCO and ECOFIN to discuss political and practical strategies** and follow up to ensure equal value is given to the positions of both Council formations.
4. **Make best use of national social indicators in all policy processes** and to work towards the development of a system at EU level that triggers preventive and corrective actions in the social field to complement the Social Scoreboard.

III. Ensure meaningful and structured stakeholder involvement at all stages and levels of policy processes

Open up the decision-making processes to all relevant stakeholders, including social NGOs and users' organisations, and work with them as partners in developing, implementing and evaluating economic and social policies.[7]

A true dialogue operates as a two-way process, differing from one-sided consultation or communication of policies and reforms, and is directed towards joint actions on projects that are developed together with all relevant stakeholders. Such involvement must take place at all policy levels including the European, national, regional and local levels.

Civil society organisations are an invaluable asset in making sure that people are active in shaping their society. A genuine and long-lasting commitment to engage in a permanent and

[6] The scoreboard, like other EU instruments, does not fully account for certain problems, such as extreme forms of poverty. There is a real risk of "creaming", leaving the most excluded out of progress towards the poverty target.
[7] More info & proposals: Social Platform, Contribution to the informal EPSCO Council (Latvia), Part 1: Civil Dialogue, 14 April 2015.

structured dialogue with organised civil society will enable policy-makers to tap into the existing, on-the-ground experience and knowledge of social NGOs and will give a voice to those who are directly impacted by different policies and reforms.

The importance of involving stakeholders in policy-making has only grown in recent years. Civil dialogue supports democratic legitimacy and ownership of policies, and reinforces the adequacy of measures proposed. We are already witnessing an improvement of social partners' involvement in the European Semester process, including their formal invitation to comment on CSRs, but no equal treatment is given to organisations representing civil society.

To achieve a genuine civil dialogue that supports democratic governance as well as ownership of policies, and reinforces the legitimacy, accountability and adequacy of measures proposed, we call on:

The EU institutions and the Commission in particular to:

1. **Adopt an Inter-Institutional Agreement between the Parliament, the Council and the Commission on civil dialogue**.[8] Such an agreement should include principles, procedures and mechanisms to be put in place for the effective and meaningful involvement of civil society, and would ensure common practices within institutions.
2. **Adopt clear and transparent procedures for civil dialogue, similar to those on social dialogue in the context of the European Semester,** which allow for structural, timely and meaningful involvement of the full range of EU-level stakeholders.
3. **Actively seek to expand their sources of information and take into account the alternative proposals produced by social NGOs**, for example when developing the AGS and CSRs.
4. **Set up a framework for shadow reporting by CSOs on the implementation of EU social policies**, similar to for example the United Nations framework for monitoring the implementation of the UN Convention of the Rights of Persons with Disabilities.
5. **Provide guidance on civil dialogue to member states** in particular by putting forward specific guidelines on stakeholder involvement for the development of EU-related policies. The Commission promised to develop already such voluntary guidelines on participation in relevant policies in the context of the European Platform Against Poverty and Social Exclusion, but this unfortunately did not happen.

Member states to:

1. **Set up a framework for the structural involvement of CSOs, within member states** at all government levels, for developing, implementing, monitoring and evaluating policies. Provide sustainable funding and structural support to enable them to engage. Consult stakeholders on a regular basis and in time to allow them to provide meaningful and well-developed input and give them with sufficient opportunities to contribute throughout the policy-making process. Provide detailed information in the NRPs on the extent to which stakeholders have been actively involved in the process and on how their input was taken into account.
2. **Request the adoption of clear and transparent procedures for civil dialogue at EU level, similar to the ones on social dialogue.** Ask the Commission to actively seek to expand its sources of information and to take into account the alternative proposals produced by social NGOs, i.a. when developing the AGS and CSRs.[9]
3. **Support the development of a framework for shadow reporting by CSOs on the implementation of EU social policies**, similar to the United Nations framework for monitoring the implementation of the UN Convention of the Rights of Persons with Disabilities.
4. **Engage social NGOs as reliable partners to meet the obligation to implement the "partnership principle" of the ESIF**. This should encompass their involvement in the preparation of partnership agreements and progress reports throughout the development and implementation of programmes, as well as in monitoring committees.

[8] Social Platform, "How to establish an effective dialogue between the EU and civil society organisations", February 2012.
[9] This includes the work of the Semester Alliance that formulated alternative CSRs in previous years.