

To: President Van Rompuy
Heads of State and Government

Letter to the European Council of March 20-21, 2014

Tackle the unsustainable social situation in the EU

Dear President,
Dear Prime-Minister,

At the next European Council you will take stock of Europe 2020 and give guidance on its Mid-term Review. You will also give guidance to member states on the 2014 National Reform Programmes (NRPs).

We call on you to urgently address the failures of Europe 2020 as stressed in the Commission's communication *Tacking stock of the Europe 2020 Strategy*: poverty in the EU has increased by 10 million in 5 years to 124 million; income inequalities have risen with the top 20% having earned 5.1 times as much as the bottom 20% in 2012; and the unemployment rate has increased sharply from 7.1% in 2008 to 10.9% in 2013.

On March 10 your Ministers of Employment and Social Affairs concluded that: "the social impact of the crisis, with massive unemployment and high poverty, undermines the foundations of social cohesion and affects the confidence of citizens in the European Construction". This will not change if the focus stays on economic growth without ensuring it is sustainable as well as inclusive, and without taking proper account of the negative social impact of current macroeconomic policies.

We call on you to take the necessary decisions to rectify the current situation and to reinstall the social dimension of the Europe 2020 strategy. The poverty and employment targets of the strategy are politically binding and should be translated into concrete actions, benchmarks and timetables:

- 1) **Ensure a strong social dimension to economic governance through ex-ante coordination of fiscal, economic and social policies and reforms.** The last EPSCO stressed that "policies should focus on making sure that improving the social situation across the Union becomes a widely shared priority. Structural reforms need to take into account social and employment concerns". This is a minimum requirement to ensure social policies are enabled and not undermined by economic and financial policies.
- 2) **Steer the Mid-term Review towards the embedding of ambitious EU strategies for combating poverty, inequalities and unemployment in Europe 2020.** This should be illustrated already by the 2014 NRPs that should include ambitious national action plans for reducing poverty and social exclusion as well as for increasing quality employment. Also the EPSCO Council clearly requested member states to "review and strengthen its efforts to reduce poverty".
- 3) **Provide guidance on true civil and social dialogue,** in particular in the context of the NRPs and the Mid-term Review. Such dialogue has to be about working together in developing, implementing and evaluating policies and has to take place at all levels and at all stages of the process, to ensure their effectiveness as well as their legitimacy. This will not be achieved through a mere consultation with stakeholders.

The Europe 2020 Strategy is at a turning point and actions should be taken to address the social situation in the EU. This should be the top priority for your Council meeting on March 20-21, and we call on you to consider our proposals during your discussions.

Yours sincerely,

Heather Roy
President

Pierre Baussand
Director