

October 10, 2014

To: Ministers for Employment and Social Affairs

EPSCO Council of October 16, 2014: Implementation of all social objectives of Europe 2020 to rebalance economic policies

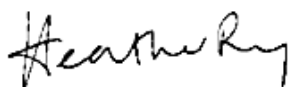
Dear Minister,

At your next EPSCO meeting, you will have an important debate on the Europe 2020 Strategy and its mid-term review. At a time when there is a severe imbalance between economic and social objectives and a lack of progress in the attainment of the Europe 2020 targets, we would like to promote four recommendations to realign the Europe 2020 strategy to truly achieve smart, sustainable and inclusive growth:

- 1) **Advocate for renewed governance of the European Semester that will reprioritise the social objectives of the strategy. To this end, concrete actions and recommendations on the employment, poverty and education targets** should be included in the Annual Growth Survey. This needs to be followed up by the inclusion of ambitious national action plans in the National Reform Programmes to achieve these targets, and Country Specific Recommendations to reach all targets of Europe 2020.
- 2) **Develop cooperation with the ECOFIN Council to ensure that social policies are enabled - not undermined - by economic policies:**
 - a. **Complement the Scoreboard of Employment and Social Indicators** with a system that triggers preventive and corrective actions once the indicators in the scoreboard reach a certain value, especially when the situation is worse than in 2010.
 - b. **Perform an ex-ante and ex-post social including gender impact assessment of all measures and reforms** as part of the ex-ante coordination of fiscal, economic and social policies.
- 3) **Recognise and reverse rising inequalities in Europe.** To this end, an additional headline target on reducing inequalities - next to, but not replacing, the poverty reduction target - could be included in a renewed Europe 2020 Strategy and would serve to reinforce the inclusive growth pillar.
- 4) **Insist on the safeguarding of budgets for measures pursuing social targets,** and shield these from austerity measures and reforms put in place to counter macro-economic balances and budget deficits at European and national levels. For example, investments in adequate social protection systems - as an integral part of social investment - need to be maintained and improved. In line with this, the guidance given in the 2013 social investment package should be urgently implemented.

We hope you will take into account these important issues during your discussions. We remain at your disposal should you require any further information.

Yours sincerely,



Heather Roy
President



Pierre Baussand
Director