



EPSCO, 16 October 2014:

Europe 2020 midterm review, endorsement of the joint opinion of the Employment (EMCO) and Social Protection (SPC) Committees, and key messages for the 2015 Annual Growth Survey.

14 October 2014

Dear Minister,

Eurodiaconia would like to strongly encourage you to take into account the following elements, drawn from its members' experience of the Europe 2020 strategy and the European Semester, in your discussions at the upcoming EPSCO meeting and your forthcoming EPSCO opinion on the midterm review:

- **Respond to the social situation in Europe, reinforce the poverty target**

Reducing poverty is not only an essential matter of social cohesion and the ensuing internal stability it brings, but also about valuing, investing and mobilizing the (human) resources available, to foster growth and competitiveness.

- The weakness of the process setting and monitoring the poverty reduction target contributed to the lack of success in the achievement of the strategy's objective. Member States' low ambition in setting national targets and the lack of accountability in achieving them, made it impossible to make common progress and led to a loss of credibility of the strategy.
- It is essential to keep a national break-down of the target. The fact that the aggregated national poverty reduction targets did not amount to the European objective of a 20 million people poverty reduction showed from the start the lack of joint interest from Member States to reach the common target. The national poverty reduction targets must be re-set to reach the European target.
- Targets must be mutually reinforcing. For instance, in order to work toward the reduction of unemployment, the current trend has been a worrying increase of precarious work. According to the September 2014 Employment and Social Situation Quarterly Review, over half of the growth in employment is attributable to the increasing use of temporary contracts; while and part-time work has also continued to increase¹. Such precarious work can increase the risk of falling into poverty; negatively impacting the poverty reduction target, and must therefore be addressed. "Inclusive growth" cannot be achieved through an increase in precarious work. That is why Member States must discuss how to achieve better progress on active inclusion and minimum income.
- The monitoring of the poverty reduction target should include visible progress reports on poverty reduction by gender, and on the evolution of inequalities. This would not be an additional target or replace the poverty reduction target – but it could be included in a renewed Europe 2020 Strategy and would serve to reinforce the inclusive growth pillar.

¹ Page 16 - European Commission - EU Employment and Social Situation Quarterly Review – September 2014



- **Strengthen Europe 2020's credibility, reinforce stakeholders' involvement**

Following on their experience of Europe 2020 and difficulties of involvement in the European Semester Process, Eurodiaconia members have been disappointed by the lack of open and significant dialogue at national level. They believe the midterm review is an opportunity to request a more open and meaningful process of involvement which would reinforce policy ownership, improve outcomes and contribute to legitimize the European Semester process. To improve stakeholders' involvement it is necessary to:

- Change the timetable of the semester, so that more time is available for a genuine dialogue. One possibility would be to have a 2 years cycle instead of the current annual cycle.
- Build up the involvement of national parliaments in the implementation of the Europe 2020 strategy and the European Semester process.
- Draw up commonly agreed guidelines on stakeholders' involvement. These guidelines could clearly spell out examples of how to involve stakeholders, providing for instance minimum consultation period, list the sectors that must be represented in dialogue (e.g. trade unions, social services providers, churches, local authorities) and proposing a model of formal consultation, such as a formal platform gathering key civil society representatives, who would have to agree together on joint comments on the NRP and the implementation of the CSRs.

- **Empower Europe through long-term thinking, promote social investment**

We urge you to highlight the disproportionate political weight given to financial and economic affairs and propose a rebalancing of social and economic policies. There must be investment in social protection and social services to address the social situation in the EU immediately and for the future.

- Insist on the safeguarding of budgets for measures pursuing the social targets and shield these from austerity measures; taking a social investment approach. Among others investments in adequate social protection systems, as an inseparable 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.
- Persevere in requesting that the Annual Growth Survey must contain key messages including a strong stance on social investment, addressing the social situation, including precarious work, and to include a progress report on the achievement of the Europe 2020 targets.
- Support the European Commission in developing a mechanism for ex-ante social impact assessment of financial and economic policies. This mechanism must ensure that assessments are taken into account in policy making to avoid negative social impacts

As you endorse the joint opinion of the Employment (EMCO) and Social Protection (SPC) Committees on the midterm review, and key messages from the 2015 Annual Growth Survey, we ask you to remember that it is by adopting long-term strategies for investment and protection that Europe will be able to protect its most precious resource: its people.

We ask that you carefully consider these proposals and remain at your disposition for further information.

Yours sincerely,



Heather Roy, Secretary General