

Report on the conference "Strengthen the Social Dimension in European and National policies - Explore the Europe 2020 Strategy"

21 to 23 November 2011

Nineteen participants had registered for the common conference of CSC and Eurodiaconia "Strengthen the Social Dimension in European and National policies – Explore the Europe 2020 Strategy". They came from twelve different states, so that a broad range of experiences and national and regional situations were represented.

The main aim of the conference was to give information on the Europe 2020 strategy, its targets and its process of implementation by the European Semester – two terms which are very well-known in Brussels daily European life but hardly at all beyond it, although the content of these terms determines our national policy much more than is considered! But it was not only about information: The conference also asked how churches and diaconal organisations can influence the important political process.

After welcoming the participants **Heather Roy**, General Secretary of Eurodiaconia, introduced the subject of the conference with an overview. The Europe 2020 strategy has replaced the Lisbon strategy for growth and jobs (2000-2010). Europe 2020 aims to ensure smart, sustainable and inclusive growth for Europe. It defines five targets, which the EU and the Member States should have reached in 2020. These targets include one on "poverty" and one on "employment" : that 75% of people between 20 and 64 should be employed and that 20 million people should be lifted out of the risk of poverty by 2020.

Obviously these aims are even more difficult to achieve in a time of deep crisis. The priorities in European and EU policy are very clear: First the financial markets have to be stabilised, then growth has to be stimulated, then we will arrive at employment opportunities and then social inclusion can be achieved.

The EU implements the 2020 strategy in two ways: On the one hand Europe 2020 is a main element of the European Semester. The European semester is the name of the cycle of reports and recommendations feeding into the member states national policies. It is launched by the Annual Growth Survey (AGS) which gives a forecast of the economic trends and proposes consequent orientations to Member States. Member States use these orientations when drafting their National Reform Programs (NRPs). These NRPs present how and in which way the Member States contribute to achieving the Europe 2020 EU targets. The Commission and Council underlined that stakeholders should be involved in developing the NRPs. The NRPs are analysed by the Commission and the June European Council which then present Country Specific Recommendations (CSRs) to every Member State, which have to be considered in the planning of the national budget for the following year.

On the other hand, the Commission has elaborated seven "flagship initiatives" to support the strategy at European level. These initiatives announce key actions and reinforce existing activities in several areas linked to the implementation of the overarching Europe 2020 target, such as education and employment ("Youth on the move" and "New skills

Conférence of European Churches - Conférence des Églises européennes - Konferenz Europäischer Kirchen - Конференция Европейских Церквей

Geneva
(General Secretariat)
P.O. Box 2100, 150 route de Ferney,
CH - 1211 Geneva 2, Switzerland
Tel.: +41 22 791 61 11
Fax: +41 22 791 62 27
E-mail: cec@cec-kek.org

Brussels
(Church & Society Commission)
Rue Joseph II, 174
BE - 1000 Brussels, Belgium
Tel. +32 2 230 17 32
Fax +32 2 231 14 13
E-mail: csc@cec-kek.be

Strasbourg
(Church & Society Commission)
8, rue du Fossé des Treize
FR - 67000 Strasbourg, France
Tel.: +33 3 88 15 27 60
Fax: +33 3 88 15 27 61
E-mail: csc@cec-kek.fr

and jobs”) and social inclusion(“European Platform against Poverty and Social Exclusion”). Heather Roy welcomed the fact that inclusive growth is recognised as an objective and that there is a poverty target, but she however regretted that the paradigm is still about growth first and that the strategy is driven by economic policy. It is also obvious that some Member States do not even take the poverty target seriously and also that Members States were left to choose their own poverty indicator from the 3 options: (i) material deprivation (ii) those at risk of poverty and (iii) people living in jobless households. Working with just one target may not reveal the full extent of the poverty situation and therefore actions focusing on just one dimension may not have a comprehensive impact on reducing the real poverty situation. Furthermore the involvement of stakeholders was minimal in the 1st European Semester.

Egbert Holthuis, head of unit in DG Employment, Social Affairs and Inclusion, explained how the Commission and European policy operate vis-à-vis the Europe 2020 strategy in times of a deep financial and sovereign debt crisis. He described different perspectives on poverty and how the Commission has developed over the years a multi-dimensional understanding of poverty. Poverty has to do with the possibility of active participation in society and economy, and with access to income, work, housing, education, health and social networks. The recent phenomenon of poverty is not only caused by the actual crisis, but also by the ageing of the population and structural changes on the labour market.

Therefore it is very evident that there is no golden path to a solution. Boosting employment is one necessary instrument, but there are also questions about tax policy and the whole area of transfers in society.

A specific challenge for the Commission is youth unemployment in the EU. The number of young unemployed has increased as 40% of young employed persons under 25 years of age work on temporary contracts, nearly 15% of young persons aged 18 to 24 leaves the education system with no more than lower secondary education. Especially for them, the Commission proposes to strengthen the education and training system and to focus on young people more precisely during the 2nd European Semester. With the Annual Convention of the European Platform against Poverty and Social Exclusion, the Commission has established an instrument to make the needs of a Social Europe more visible in Europe and in relation to the Member States.

Questions and comments from delegates included:

- Discussion on poverty indicators and the example from Romania that if people own a fridge then they are considered not to be in poverty. This does not accurately measure poverty.
- Is there the political will for economic solutions and social solutions?
- How can we get to a “win-win” situation where we fix the financial crisis while at the same time improving social provision?
- The Commission is starting to integrate social and financial considerations in policy making.

With **Martin Jones**, Counselor of the Permanent Representation of the UK to the EU, the conference got the view of a member state on the issue – and even of a critical one. After describing the history of the actual strategy, Jones admitted that the British government has its difficulties with the targets, especially with the one on poverty, because it doubts that this belongs to European competence. He underlined the importance of the European Semester, with which the EU runs economic governance before decisions by national governments are taken. But for the moment there are two main problems: The storm in the Eurozone occupies all concentration and for the UK it is absolutely evident that financial consolidation is the priority. The problems and tasks are very different in the Member States: In Belgium the tax system is hindering employment, the UK has deep problems regarding house prices and in France the main challenge is the segmentation of the labour market. For the moment, there is not much

being done referring to the Europe 2020 targets and therefore the 2nd European Semester will only be an update of the preceding one. And of course the NRPs need more time to deliver. Jones reported at the end that the British government had consulted the public only by presenting the draft NRP on a website with the possibility to react.

Questions and comments from delegates included:

- Why has there been no social impact assessment of the austerity measures?
- Why did the UK set no overall poverty target but one in relation to child poverty?
- The biggest problem is not a financial crisis but a crisis of confidence in governments and decision makers.
- We actually need flourishing social economies to have a flourishing financial economy and growth.

Katharina Wegner, representing the Diakonisches Werk der EKD in Brussels, gave a positive message by saying the EU2020 strategy should be seen as a “tool” to help achieve the aims of churches and diaconal organisations and as an opportunity to have their voice heard. She started by explaining how difficult it had been to manage the 1st European Semester in Germany. The minister of economy responsible did not even want to consult social actors. Only the social partners – trade unions and employers – had a short meeting of two hours for discussion. The Diakonisches Werk advocates in cooperation with other social actors and welfare organisations and with other church institutions. They work for social actors to be more involved and consulted in the 2nd European Semester. The German government was criticised by Diakonisches Werk but also by the Commission that its national poverty target is very weak regarding the situation and conditions of the German economy and its character as a European standard (for the moment). Wegner emphasised strongly the chances of the new process for the churches and diaconal organisations: Within the Europe 2020 strategy and the process of the European Semester, cornerstones of social policy are determined on the European and national level. And it gives small tools to contact national governments on social issues and social policy which should be used. She said it is important to keep the pressure on national governments to remind them of the poverty target and to make sure the aims of churches and organisations are included in the country’s NRP.

Questions and comments from delegates included:

- It is important to understand what is happening at EU Level as it has a big effect at national and regional levels in member states.
- We can also lobby national governments by using the Country Specific Recommendations (CSRs) produced by the Commission and the Council

The next speaker, **Frederik Lamberty**, European Commission, DG Employment, Social Affairs and Inclusion, presented the flagship initiative “European Platform against Poverty and Social Exclusion”. With this flagship initiative, the Commission defines and implements action across the whole policy spectrum to deal with the multiple dimensions of poverty, addresses the needs of groups particularly at risk (like child poverty), discusses proposals for stepping up prevention, improves budget management and supports innovation in social policy. With the platform, the Commission involves stakeholders in different working groups on various matters.

As a last speaker, **Mrs. Jean Lambert** MEP made a keynote speech in the evening reception looking at the contribution of the 1st European semester to Europe 2020. Mrs. Lambert is one of the members of the European Parliament who have published a very critical report and analysis on the 1st European Semester. And indeed she emphasised a lack of consistency. The Europe 2020 strategy is aiming at inclusive growth but the last Annual Growth Survey does not at all reflect this perspective and is only arguing for strengthening growth of economy and jobs as such. Also the different instruments on the

EU-level, like Euro-Plus-Pact, European Semester and Europe 2020 are not really brought together. Therefore, it is not really surprising that in times of crisis the austerity programmes and financial consolidation take the initiative without a social assessment of their consequences and denying the social targets of the Europe 2020 strategy. Mrs. Lambert also pointed out that there exists a lack of democracy and participation: The EP is yet not involved in the whole process of the European Semester and the involvement of civil society is not at all translated into reality. Nevertheless, the MEP gave strong support to work on Europe 2020 and the European Semester, because it seems to be a tool to foster sustainable and inclusive growth and to make sure that the helpful targets of the strategy are not forgotten or neglected. The EP has started to work on it. And churches and diaconal organisations are invited to share their work and results on this issue with the EP.

Of course, all reports were followed by lively and controversial debates, which proved the commitment of the participants to this complex issue.

This phase of input was followed by **working groups** in which the participants had the possibility to read a summary of the NRP, the Commission working paper on the NRP and the CSR of the Council – regarding their own state. In the following discussion it was a common position that for every state – every NRP and every CSR - there are several issues, proposals and demands to discuss – also to contradict - by the churches and diaconal organisations. This demonstrates the importance of influencing the production of their country's NRP to ensure it is realistic and accurate.

Therefore the participants came to the conclusion that it is necessary and an opportunity for churches and diaconal organisations to work on Europe 2020 and the European semester on the European and national level. Beginning with the analysis on the Annual Growth Survey, which is the opening of the Semester, and then going for debates on the national level towards the determining of the National Reform Programme, a process of critical engagement can be started by churches and diaconal organisations.

CSC, Eurodiaconia and the participants concluded on a **follow up** to work on the 2nd European Semester.

The conference finished with a proposal about how we can improve our advocacy and lobby governments at the national level. A timetable of actions was presented as a guideline for when and how organisations can help to influence the European Semester. The proposal included a list of questions to ask national governments, and suggestions about forming an alliance or platform with other social NGOs/organisations in order to have a stronger voice. Finally it was agreed to hold a similar conference in November 2012 to evaluate members' experiences of the past year and to prepare for the next European Semester.

For more information please contact:

Clotilde Clark-Foulquier, Policy and Membership Development Officer
clotilde.clark-foulquier@eurodiaconia.org 0032 2 234 38 64

Frank-Dieter Fischbach, Executive Secretary,
fdf@cec-kek.be 0032 2 234 68 39