



European Commission identification number: 4293010684-55

RESPONSE TO THE CONSULTATION ON THE FUTURE “EU 2020” STRATEGY

Despite a commitment in the Lisbon Strategy for Growth and Jobs for greater social cohesion, the economic growth of recent decades has benefitted the rich more than the poor and the gap between the poorest and richest in our societies is widening¹. Although the 2000 strategy officially strived for “a decisive impact on the eradication of poverty”, today, at the end of the strategy’s timeframe, nearly 80 million people in the EU, or 16% of its total population, live below the poverty line². Sadly the stated intentions did not bear the expected fruits and “growth and jobs” became the ultimate aim in 2005 following the rebranding of the strategy. This reorientation in 2005 left well-being and social inclusion as a secondary priority, only to be developed through a trickle-down type approach.

In this context and in the midst of a deep economic and social crisis, the European Union stands at a crossroad with the Europe 2020 strategy – will it choose the path of greater social cohesion and inclusion, or the path of economic growth at all cost?

Eurodiaconia recognizes that economic and financial stability within the European Union are essential to ensure solid social protection systems and guarantee the protection of our values of solidarity and freedom. However, we also believe that social welfare investment does not hinder economic growth rather, as recognised by the European Commission, that social protection systems are productive factors³; the so-called “automatic stabilizer effect”⁴.

Eurodiaconia consequently calls for a re-commitment to a strong social pillar in the EU 2020 strategy where tackling poverty and social exclusion are of equal importance as growth and jobs, in deeds as well as word. This is in line with the initial engagement of Member States in the Lisbon Treaty to “promote social justice and protection”. We welcomed the reminder from President Barroso in his political guidelines that “solidarity is a cornerstone for European society”⁵, so are surprised to see that this value, repeatedly mentioned in the Lisbon Treaty, appears not to be used in the consultation document as a basis on which to build policy and that notions of social justice and protection have been diluted..

Furthermore we are seeing an increasing need to ensure that social and environmental policy are mutually supportive – any EU 2020 strategy must ensure that climate change mitigation measures are fair to all and do not lead to greater exclusion. Eurodiaconia is an active member of the Spring Alliance and supports the statement in the Spring Alliance manifesto “We have a unique opportunity to ensure that the EU puts the economy at the service of its people and the planet”⁶.

¹ OECD Growing Unequal? Income distribution and poverty in OECD countries
Growth, Jobs and Social progress in the EU, Social Protection Committee Report, September 2009

² Eurobarometer survey on poverty and social exclusion 2009

³ See for example http://ec.europa.eu/employment_social/social_protection/docs/com99-347_en.pdf

⁴ EPSCO Council conclusions, March 2009

⁵ Barroso guidelines, page 12

⁶ [Spring Alliance manifesto](#), page 3



In these circumstances, while elaborating such an important 10 year strategy, the European Commission must involve all stakeholders in the process, yet the time given to stakeholders to react is not proportional to the importance of the strategy. With such a tight deadline, we fear that the knowledge and experience of NGOs, among others, will not be taken into account. We do not want this consultation process to be an empty procedure; we believe that the European Parliament, national Parliaments and NGOs must be heard to ensure a legitimate strategy. A postponement of the deadlines is absolutely necessary to enable such input, therefore strengthening transparency and the democratic accountability of the EU 2020 Agenda.

Given the short time frame available, we have consequently chosen to focus on concrete recommendations to ensure that Europe 2020 is a balanced strategy, focused on peoples' well-being, promoting the social inclusion of all in society.

Empowering People in Inclusive Societies

Inclusive societies: ensuring strong, mainstreamed social inclusion policies

Eurodiaconia welcomes the fact that “empowering people in inclusive societies” is one of the key priorities for EU 2020 but we are concerned that areas of work outlined in the consultation document will not be sufficient to implement this priority. We believe that if empowerment is a true European Commission objective, social inclusion policies should be more ambitious, ensuring that empowerment is for all in society.

We believe that social and economic policies are and need to be mutually reinforcing, therefore we stress the necessity of their coordination, even more so in this time of crisis. This coordination was the initial aim of the Lisbon Strategy, but in the Member States' Lisbon Reform Plans an examination of the social impact of the focus on “jobs and growth” was rarely present – “feeding out” was not taken seriously. Therefore any EU 2020 strategy must mainstream social inclusion in all policies, as well as ensure social inclusion policies are a part of the strategy.

The consultation document proposes the “harnessing” of “existing instruments” to achieve the goals laid down. If the European Commission's goal is inclusive societies, it must promote stronger policies for social inclusion, using instruments that enable it to realise its ambitions. In this context we would like to stress the importance of the existing instrument the Open Method of Coordination for Social Protection and Social Inclusion in enhancing cooperation and promoting the progress of policies for social inclusion.

Yet, the efficacy of this instrument based on soft-law rests on political pressure that encourages reluctant Member States to comply. Given the lack of progress in tackling poverty and social exclusion we believe reinforcing the process is necessary, to pressure Member States to prioritise and critically assess their social inclusion policies.

In addition, Eurodiaconia believes that if the pursuit of growth, measured in terms of GDP, delivered in figures up until the crisis but did not deliver a more cohesive or inclusive society the use of this measurement to gauge society's progress must be questioned. We welcomed the Commission's Communication “Beyond GDP” proposal to “develop more inclusive indicators”⁷, including on poverty and social cohesion. We were disappointed to see no sign in the consultation of the proposal in that Communication: “The reflections on indicators contained in this Communication could contribute to setting new strategic goals for the post-2010 Lisbon Strategy” that could facilitate the progress towards sustainable, more equitable growth, which benefits social inclusion.

⁷ COM(2009) 433 final



Our Recommendations

- The Commission must take leadership to strengthen the Open Method of Coordination for Social Protection and Social Inclusion by
 - publishing country-specific recommendations,
 - pressuring Member States to set targets in their National Strategic Reports, as specified by the 2002 Barcelona council,
 - advocating for a stronger cooperation of Member States with civil society
- The use of other growth measurements in the goals of any future EU strategy⁸
- The European Commission should promote social inclusion policies based on community involvement and participatory democracy, involving people in shaping their solutions.

Inclusive Societies: ensuring empowerment for all

Empowerment is much more than equipping people to take up employment, it is about equipping people to take part in society, including the most excluded. Eurodiaconia agrees that the labour market in itself is not the solution to social exclusion and for some people entering the labour market will never be possible.

For this reason Eurodiaconia welcomed the Recommendation on Active Inclusion and its integrated approach to tackling social exclusion and facilitating labour market integration, as it stressed the importance of access to quality social services and minimum income to ensure inclusion for all, not just those able to work.

We were therefore disappointed to see no mention of the Active Inclusion strategy in the document, rather a weaker reference to “an adequate level of income support and coverage [of social security and pensions] to those temporarily out of work”⁹. A guaranteed minimum adequate income ensures that those unable to work in the short or long term are able to live in dignity.

Flexicurity, as mentioned in the consultation document, is another key strategy to ensure social inclusion in and out of employment. We believe it is essential to ensure coherence of flexicurity strategies with the Active Inclusion Recommendation in the field of access to the labour market in order to build synergies and prevent confusion over implementation of the two sets of principles. The revised European Employment Guidelines should ensure this.

We welcome the commitment to create quality jobs¹⁰ and the reference made to “better jobs”¹¹. “Making work pay” should continue to be a priority as being in work is too often not sufficient to avoid being at risk of poverty or experiencing social exclusion; as recognised in the consultation document.

In this context, we would be concerned if an increased focus was placed on self-employment as a solution to unemployment as this could easily become exclusive, benefitting only a small number of people with the requisite skills or competences to run their own business. Furthermore, we believe that equipping people to take up self-employment requires much more than removing disincentives, but necessitates investment in training and support services, as recognised in the European Parliament’s draft report on microfinance¹².

⁸ See Spring Alliance manifesto: “Use indicators that go beyond GDP, including multiple indicators on well-being, the eradication of poverty, gender equality, equality for all (between the regions and rich and poor), and energy, natural resource use and ecosystem pressures”

⁹ Commission Working document – Consultation on the future “EU 2020” Strategy, page 7

¹⁰ “At the same time as we need to adapt skills in the workplace to guarantee decent work and quality jobs for the future”, Barosso guidelines page 26

¹¹ Commission Working document – Consultation on the future “EU 2020” Strategy, page 3

¹² EP 427.993



As noted by the European Commission, “without a bank account it is virtually impossible to access employment in most Member States as one of the pre-conditions for signing an employment contract for the future employee is having a bank account number”¹³. Here we see how financial exclusion is strongly linked to social exclusion. Eurodiaconia therefore supports the objective that no citizen or resident in the EU should face difficulties in getting access to basic bank accounts.

Education is a tool for empowerment, therefore Eurodiaconia calls for policies to ensure lifelong learning is an instrument of inclusion also for the most vulnerable, and does not only focus on the most skilled.¹⁴ Moreover, Eurodiaconia wants to stress that life-long learning should not be reduced to acquiring job-based skills, but also capacity building that empowers and facilitates engagement in society, social inclusion. Access to education from a young age can help break the cycle of intergenerational poverty and therefore increase life opportunities in general, as well as social mobility.

Millions of volunteers across the EU play an essential and valuable role in the provision of social services. Not only do they contribute to inclusive societies, but for those who do it volunteering can be a tool of empowerment by contributing to personal development, to learning skills and competences and providing a platform for getting them back into education or employment.. Eurodiaconia also believes that volunteering is an expression of active citizenship and that the EU should support its active citizens who put European values of solidarity and social cohesion into practice daily. In this respect we believe there is a need for a coherent EU strategy to support and recognise volunteering, to highlight the horizontal nature of volunteering throughout EU policy and assist its development.

Our recommendations

- EU targets for quality jobs, including adequate income, equal pay for equal work, good social protection systems and the fight against discrimination¹⁵
- Employment guidelines for the member states should continue to be implemented and monitored, whilst more fully integrating social protection and social inclusion issues and impact assessments
- The results of monitoring of the flexicurity indicators should be published and country specific recommendations made within the EES, with a particular focus on ensuring a balanced implementation of the principles including with regard to principle 2¹⁶
- A new European Employment Guideline explicitly relating to Active Inclusion
- Active Inclusion roadmaps for people furthest from the labour market and priority targets to be established and implemented, at European and national level, covering each of the three pillars¹⁷
- A common definition on “adequate minimum income”, followed by the adoption of a Directive on guaranteeing adequate minimum income for all with country-specific levels
- Adoption of a directive on financial inclusion to establish universal access to a bank account and to fair and sustainable credit and loan facilities for all

¹³ European Commission “Financial inclusion: Ensuring access to a basic bank account, Consultation Document”, 6.2.2009, p.8

¹⁴ “We need to work already on a significant upgrading of skills and quality of education, including much wider take up of lifelong learning.” Barosso guidelines, page 22 and the Commission Working document – Consultation on the future “EU 2020” Strategy,

¹⁵ Spring Alliance manifesto

¹⁶ “Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems”.

¹⁷ Spring Alliance manifesto



- Increased recognition of unpaid work done especially in the care sector and through volunteering.
- A White Paper on volunteering and active citizenship to contribute to the development of strategies to promote, recognise and support voluntary activities in Europe
- An exchange of best practice on early intervention policies should be developed at EU level

Inclusive Societies: supporting quality social services

Eurodiaconia believes that the aim of social services is to empower people, to enable them to recognise his or her own resources and to use those resources to fulfil their potential. As society faces the economic and social crisis and given the “challenge presented by European demography”¹⁸, more of the population will need the care and empowerment that social services provide, not just health services.

The consultation document stresses the importance of the single market and that “empowering people also means making markets work for people”. This is more than empowering “Citizens...to play a full part in the single market”; it is also ensuring that EU rules do not have a negative impact on citizens, on users of services, such as social services.

We were interested by President Barroso’s earlier commitment to elaborating “a quality framework for public and social services” but disappointed that a reference to EU work on quality social services is not seen to be important enough to be mentioned in the 2020 consultation. Investing in and improving the quality of services, particularly in preventive services, reduces need in the long-term and therefore expenditure.

Health *and* social care services have contributed strongly to job creation, social services even more so¹⁹, while other sectors were shrinking. The social sector will continue to create jobs²⁰. Social and health services work with many groups of people to enable and empower them to participate fully in society, whether for a long or short term need, covering the main risks of life, such as ageing, as well as for specific circumstances, such as disability. They enable people to access and retain employment, offering a route out of poverty and exclusion, enabling them to fulfil their potential²¹. The increasing demand for social and health services means that jobs created in the sector will be long-term as the need is long-term.

However, studies show that despite above average educational levels of workers in the social and health care sector, working conditions are demanding, wage levels are below average and have declined relative to other sectors and turnover is high because of this²². Jobs in the sector are also not highly valued.

“High quality jobs” are recognised as important in the consultation document (p.5). Investing in high quality working conditions would be one way of “modernising” the sector. The issue of the growing “grey market” of unqualified and/or unregistered carers; many of whom are migrants in an irregular situation, needs also to be tackled. Improved working conditions also lead to improved quality of the services themselves and their capacity to empower and combat exclusion.

¹⁸ Commission Working document – Consultation on the future “EU 2020” Strategy, page 3

¹⁹ See European Commission *Background Information* EMPL/E-4 D(2009)

²⁰ See European Commission *Background Information* EMPL/E-4 D(2009) and the 2008 [Biennial Report on Social Services](#)

²¹ See for example the European Commission Communication COM (2006) 177 final 2006

²² See European Commission *Background Information* EMPL/E-4 D(2009)



Our recommendations

- National and EU investment to promote growth should include investment in social and health services and infrastructure
- EU structural funds should be earmarked for investment in social and health services and infrastructure
- The European Commission should monitor the impact of EU rules on social services and non-profit providers and take action to amend rules or improve understanding where necessary
- EU level cooperation should be developed to examine working standards in the care sector, sharing best practice and drawing up common commitments and proposals

Inclusive Societies: funding programmes for inclusion

We agree that “new priorities” mentioned in the 2020 consultation document “need to be reflected in budgetary policies”²³, including the priority “*Empowering people in inclusive societies*”, but as mentioned, we see gaps in the mix of policies mentioned or proposed; we do not believe that the actions outlined will succeed in meeting this goal.

To maximize long-term financial effectiveness, whenever possible, money should be spent to address the root causes of problems rather than merely the symptoms of those problems. For example, the causes of social exclusion should be targeted rather than simply supporting reintegration policies for the excluded. Our members also report that Member states' use of European structural funds sometimes do not benefit the intended targets and support EU objectives. In addition, as social exclusion is complex, long term investment in projects and programmes is essential.

Our recommendations

- EU structural and cohesion funds should be refocused on tackling poverty and social exclusion by investing in local social infrastructures
- Funds should be earmarked for investment in social and health services, particularly for the most disadvantaged
- The use of EU funds need to be more effectively monitored by the European Commission
- The EU and Member States together should support the long-term financial sustainability of successful projects – beyond short EU funding periods

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December 2009

²³ Commission Working document – Consultation on the future “EU 2020” Strategy, page 3