

17 March 2009

To avert a social crisis social investment must include essential services

Dear Mr Topolánek, Prime Minister of Czech Republic and President of the European Council,

The current financial crisis continues to take its toll on European citizens and we believe that the social impact of the crisis is yet to reach its peak. We therefore believe that it is imperative that the European Union is committed to support all people already affected by the crisis and put in place measures to reduce the impact of the crisis in the long term.

We welcome the EPSCO Council's Key Messages to the Spring Council in support of investment in social protection systems¹. Promoting social investment at EU level will send a strong signal to those living in Europe that the EU has the well-being of its people at the centre of its policy. Investment in social infrastructure will also result in multiplier effects in other sectors.

However, we would like to stress that investment should also be in the social sector's services themselves and show how such investment is essential to allow social protection systems to play their much needed role in this time of crisis. We would also endorse the EPSCO statement that "*The direct involvement of all relevant economic and social actors is fundamental to guarantee the effective delivery of policy measures*". We call on the European Council to ensure that Social NGOs are involved. Social NGOs are key actors in the crisis from two perspectives; providing input into policy design based on experience of policy impact, and providing the services that implement policy, often being the first to meet new needs. In this respect we welcome the EPSCO position on the Social OMC (point 11). Therefore we encourage the Spring European Council to consider that:

- Greater investment in social and health services provide **essential assistance to many hit by the crisis and enable them to live in dignity**
- Social and health services enable people to **access and retain employment** (as recognised in the recent Recommendation on Active Inclusion)
- Given current demographic trends **more of the population will need the care that health and social services provide**. This means jobs created in the sector can also be long-term.
- Social and health care services "*contributed strongly to job creation*" before the crisis², even while other sectors were shrinking. Therefore this **potential to provide new jobs and sustainable employment** should be cultivated.
- **Investment in preventive care services will lead to long-term savings** as the need for curative care will be diminished.
- Financial support for NGO's providing essential services must be guaranteed and sustained.

¹ "Building on solidarity and allowing social protection systems to fully play their role as automatic stabiliser is key to restore and strengthen confidence and help pave the way for recovery".

² 2007 EU Biennial report on social services of general interest

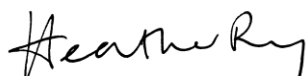


- If the European Social Fund and other **structural funds are further linked to those who are socially excluded and allow for investment in social services and infrastructure the impact of the crisis can be lessened.**
- **Valuable information can be gained through** regular contacts between national administrations and **stakeholders**, using the mechanism of the OMC.
- **Strengthening stakeholder input**, including diaconal organisations, in both consultation and policy development will strengthen policy impact

In conclusion, we would like to emphasise the necessity of coordinating social and economic policy, as they can and need to be mutually reinforcing, even more so in this time of crisis. This was the aim of the Lisbon strategy, but we see the need for a re-commitment to a **strong social pillar in any "post-Lisbon Strategy"**; where tackling poverty and social exclusion is of equal importance as growth and jobs.

We very much hope that these aspects will be taken into account in your discussions during the Spring European Council.

Yours sincerely,



Heather Roy
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