



Brussels, 12 December 2017

**TO Heads of State and Government
Mr Donald Tusk, President of the European Council**

**CC Mr Jean-Claude Juncker, President of the European Commission
Mr Antonio Tajani, President of the European Parliament
Mrs Marianne Thyssen, Commission for Employment, Social Affairs, Skills and Inclusion**

Resetting the Compass - the Future of the European Union and the implementation of the European Pillar of Social Rights

On the occasion of the European Council meeting on 14 and 15 December and the context of the debate on the Future of the European Union, Eurodiaconia would like to draw your attention to a number of recommendations for an ambitious and achievable commitment to the social dimension of the European Union. Such commitment and ambition should underpin your planned conclusions following on from the very successful Gothenburg Summit and the proclamation of the European Pillar of Social Rights.

Eurodiaconia is a European network of 45 social service and healthcare providers founded in the Christian faith, fighting poverty and promoting social justice in 32 countries across Europe. We bring together over 30 000 providers of services and advocates for social justice and work with hundreds of thousands of people every day. Our members have long-standing expertise in addressing social exclusion and care needs across our society, including the most vulnerable, and a strong commitment to fostering a more inclusive Europe. Therefore, the Future of Europe, especially as regards the social dimension of the future of Europe, is of high concern for our network.

It is our view that the European Union of the present and the future requires a strengthening of the EU's social dimension. This is essential to uphold the dignity of all people, including the most vulnerable, by reducing inequalities and promoting social cohesion. By ensuring equality and social cohesion people are more likely to enter the labour market and contribute to a strong, growing and inclusive society where economic and social needs are balanced. However, Social Europe must encompass more than active labour market policies. A truly social Europe will be one that enables each person to live in dignity, pursue their goals and contribute to the common good of the European Union.

The adoption of the European Pillar of Social Rights, and its role as a compass for structural economic and social reforms at Member State level, as announced in the European Semester Package of December 2017, is a watershed moment for the European Union. Resetting the compass for a clearer, more effective approach to addressing social concerns in Europe is essential to ensure a future European Union that has the support of its people. We therefore recommend the following:

1) Prevent the reduction of the EU to a single market

Eurodiaconia and its members welcome President Juncker's remark, made in his 2017 State of the Union Speech, that Europe is "more than just a single market". A scenario where the European Union reduces itself to only the single market alarms us. This scenario rests on an artificial divide between economic and social policies, which disregards their close interlinkage in practice. Indeed, Eurodiaconia argues that the single market will only be completed when we have co-ordinated social policies, creating a social market economy that is of benefit to all.

Limiting the EU to the single market would most likely result in increased social divergence between Member States, and it would encourage competition through the reduction of social standards and thus risk a race towards the 'social' bottom. The European Union must use the proclamation of the European Pillar of Social Rights to re-invigorate and expand our understanding of the European Union as going beyond the Single Market.

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2) Harmonise social investment and fiscal consolidation

Eurodiaconia and its members welcome both the European Council and European Commission's overarching vision of social and economic performances as two sides of the same coin, particularly stressed at the Gothenburg Summit. From our networks' perspective, social policies not only constitute a productive factor which increase the living standards of citizens and boost economic growth, but are integral to tackling inequalities and upholding the dignity of individuals. However, Eurodiaconia and its members have also observed that real tensions can manifest themselves between social and macroeconomic policy. In particular, the pursuit of fiscal consolidation restricts the space for social investment and can have an adverse effect on service accessibility, affordability and/or quality. This will ultimately lead to an increased risk of poverty and social exclusion.

Against this background, Eurodiaconia and its members call on the European Council and the European Commission to use the ongoing reflection process on the future of the European Union and the development of the Leaders Agenda as an opportunity to explore how social and macroeconomic policies could be better reconciled in the future. In particular, we call on you to ensure that EU macroeconomic policy initiatives, such as the Stability and Growth Pact, do not undermine the pursuit of increased social convergence. We wish to see timely and detailed social impact assessments of economic policies and further discussion on how to widen the currently restrictive fiscal space for social investments.

3) Strengthen the EU's role in the coordination of social policies

The future of the European Union must include an approach that reduces the existing imbalance between social and economic priorities and rather than introducing a multi-track or multi-speed Europe chart a common European path forward. A multi-track Europe, with the development of groups of Member States pursuing diverging policy goals, would risk evolving towards less coherent and potentially contradictory economic and social policies affecting the functioning of the internal market.

In his 2017 State of the Union speech, President Juncker outlined a 'sixth scenario' different from the five scenarios initially proposed in the White Paper on the Future of Europe. Whilst Eurodiaconia welcomes the principles on which this scenario is founded - particularly its emphasis on promoting equality between citizens -, we regret that it lacks a reference to the proclaimed goal of achieving a 'Social Triple A', as well as a direct emphasis on the importance of developing a more Social Europe. Furthermore, the scenario does not concretise how Juncker's vision could be translated into action. It is essential that the European Pillar of Social Rights becomes this action and is translated into policy, legislation and budgetary tools that achieve its goal.

Eurodiaconia therefore calls on the European Council to further develop the social dimension of President Juncker's sixth scenario, promoting a stronger social Europe in line with the logic behind the fifth scenario of the White Paper ('doing much more together') and building on the European Pillar of Social Rights. We believe that the European Union has an important role to fulfil in the coordination of social policies to ensure increased social convergence across Member States.

I thank you in advance for the attention you will be giving to this letter. My team and I remain available to discuss further these points or how our organisation can support you in working together for a European Union at the service of all people and their well-being.

Yours sincerely,

Heather Roy
Secretary General - Eurodiaconia