



socialplatform



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OPEN LETTER TO THE EUROPEAN COUNCIL

Concerns: Europe 2020 discussion at European Council this week

Dear Members of the European Council

In the European Council this week you will discuss the priorities and headline targets of the Europe 2020 strategy. The Spring Alliance¹ will now give general comments to the outlines of this strategy, and get back to you later with more detailed suggestions for your June meeting, on the basis of the Spring Alliance Manifesto².

EU 2020 has taken up several messages from civil society and we welcome this development:

- the recognition of the importance of resource efficiency;
- the target setting for poverty abatement;
- the development of an industrial policy which supports the transition of manufacturing sectors to greater energy and resource efficiency.

However, we believe strongly that a smart, sustainable and inclusive economy will only be reached if policies are urgently designed to attack the root causes of the current unsustainable development, including several economic rules and directives which aggravate inequalities.

Moreover, we find that the EU 2020 different priorities and themes lack policy tools which are strong enough to achieve their goals of "*delivering high levels of employment, productivity and social cohesion*". Therefore we would like to suggest the following elements, based on the Spring Alliance Manifesto which proposes an EU 2020 strategy that puts people and planet first and ensures a cohesive and sustainable development for Europe internally and externally.

¹ The Spring Alliance is an initiative of the European Environmental Bureau (EEB), the European Trade Union Confederation (ETUC), the Platform of European Social Organisations (Social Platform), and the European NGO Confederation for Relief and Development (Concord)

² <http://www.springalliance.eu/manifesto>

1. Confirm growth as an instrument, not as main objective. Go beyond GDP and internal borders to measure progress

The European Council should underline that economic growth is never an end in itself, and that our economy should in the first place benefit the well-being of people and the planet, also worldwide. Therefore we need the active promotion of indicators that go beyond GDP, building on earlier initiatives from the Commission and others such as the Stiglitz Commission. The strategy should also articulate Europe's roles and responsibilities as an international leader, also recognising that EU internal policies have an impact beyond Europe's borders and that this impact must be coherent with other policies, particularly development policies.

2. Be consistent between the long-term priorities, exit strategies and the single market

The proposed strategy does not consistently integrate its three priorities throughout the whole strategy. The European Council should require that themes and objectives represented by the flagship initiatives should be integrated into the 2010 exit strategy from the crisis, into external policies, in the single market, cohesion policy, the EU budget as well as public and public-private investments. This means securing and investing in social protection systems at all levels. All policy proposals should undergo a proper impact assessment at European level, in particular for their social and environmental effects. An EU integrated approach is indeed crucial for a successful implementation of a strategy aiming a smart, sustainable and inclusive economy.

3. Propose a European action plan to fight against poverty and social exclusion

The fact that EU 2020 includes a target to reduce poverty is a breakthrough and delivery is crucial for Europe's credibility and wider support. Economic growth alone does not automatically deliver a reduction in poverty. An EU action plan to fight poverty and social exclusion needs to affirm an explicit commitment to invest in social protection systems, particularly guaranteeing an adequate minimum income, affordable access to good quality public and social services, as well as access to new, green and quality jobs. This plan needs to be delivered through a strengthened Social Open Method of Coordination and mainstreamed into all policies. It is unacceptable that by default we accept that in ten years from now, 75% of the people that are currently at risk of poverty will still be in that situation.. We call for stronger leadership of the EU to fight poverty and social exclusion.

4. Increase your ambitions to tackle efficiently the climate, energy, resource and bio-diversity challenges

EU 2020 does include the climate, energy and resources challenge, but its ambition level needs to be increased and accompanied by specific ambitious targets, such as a resource use reduction target. Biodiversity is more or less absent in EU 2020, which is unforgivable when aiming at a sustainable society: biodiversity is crucial for human welfare and well-being, and deserves similar attention as climate change. The European Council should include in EU 2020 the ambitious new target for the protection and restoration of biodiversity and ecosystem services for 2020 adopted at the March 15 Environment Council.

5. Launch a major initiative to renovate private, public and commercial buildings across the EU.

Reducing energy use in buildings is a major contribution to fighting climate change, creates large numbers of (predominantly local) jobs, reduces energy bills for households and increases quality of life for occupants. In the framework of EU 2020 a major campaign should be set up to for renovation of existing buildings for this purpose. National and EU funding should be mobilised together with appropriate minimum standards to organise collective renovation programmes, while providing targeted support to housing for people in poverty and promoting compact cities as well as ensuring professional training and retraining of builders and installers and quality jobs

6. Reinforce quality jobs and improve access for all

The solution to unemployment is not the creation of jobs at any cost. The EU 2020 strategy should pay more attention to the need to create quality jobs, when this can actually support delivering a high level of employment and providing an essential base for the economy. People face multiple barriers on entering the labour market. Education is only one of the solutions and missing out the others would mean not achieving the target. Integrated Active Inclusion approaches are essential to support people currently excluded, by providing adequate income, ensuring access to services - particularly flanking services like childcare, housing, health and personalised, pathway approaches to accessing jobs. The EU 2020 strategy needs to be more specific on how quality jobs will be created, and how the labour market can be made more accessible to people currently excluded from it.

7. Make concrete proposals for the reform of the financial sector and taxation systems

There is a desperate need for the EU and the rest of the world to digest what caused the crisis and how we can avoid a repetition; how to deal with rising unemployment, especially among the young; how to reduce the incentives in current tax systems and capital markets which encourage speculation and short-termism at the expense of long-term commitment to the real economy and social and environmental sustainability; and how to find new ways of raising public funds, such as using Financial Transaction Taxes and Eurobonds, harmonise capital gains taxation, and shift in the tax base from labour to resource use, capital and pollution.

8. Assume Europe's global responsibility for a global sustainable development

The EU has an important role in assessing and addressing basic problems of unequal and unsustainable development at the global level. The EU 2020 strategy - and trade, migration, climate change, agriculture, fisheries and resource policies - should be coherent with EU development policies, and not undermine sustainable development outside of Europe.

9. Ensure that civil society and citizens are on board and heard

Finally, any transition can only succeed when civil society is actively involved from the beginning. Despite good intentions mentioned, EU 2020 lacks a vision on how to better organize a true civil dialogue and risks taking a top down approach. We have made various suggestions in our Manifesto and are available for advice.

On that basis, we propose to improve the set of headline targets:

The principle of measurable **headline targets** is positive, but the current set is too limited in relation to the themes in the strategy. We suggest the following changes and additions:

- Improve the current greenhouse gas reduction target within the band agreed at the Climate Conference in Bali in 2007, so within 25% and 40% by industrialised countries, and this on the basis of domestic reductions.
- Set a binding target for the reduction of overall primary energy consumption of at least 20% for the coming decade. Endorse and include the biodiversity protection and restoration target adopted by Environment Ministers.
- Defend the accepted relative poverty target supported by the Social OMC (60% of median household income³ but increase ambition to 50% by 2020. Agree national targets which respect different challenges, and avoid selecting only those groups that are easiest to help, setting sub-targets for key groups (including children and old people) and homeless.

³ Current headline relative poverty indicator agreed through the Social Open Method of Coordination "60% of the median equivalised household income"

- Achieve by 2020 a shift, in all Member States, of at least 10% of the revenue or tax-base away from labour to environmental pressures, resource use and capital.
- From 2010 on, prioritise investment in a transformative programme, coordinated with the economic recovery plans, which delivers new industrial policies and an economy based on less carbon, less energy use, less resource use, with more and better jobs, and services contributing to sustainable development.
- Secure social protection systems, public services and quality of jobs from now on, and commit to agree within a year on resource use reduction targets, as well as to develop specific targets on improving public services, social protection and quality of jobs.

Yours sincerely,



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