

To: Social Protection Committee

Re: Report of the Social Protection Committee on the social impact of the economic crisis and the ongoing fiscal consolidation

The European Union is facing the worst economic and social crisis since the 1930s. Unemployment has now reached a historically high level, while long-term unemployment accounts for an ever higher share of total unemployment. Poverty is on the rise and to counter this trend, member states need not only aim at stabilising but also at decreasing poverty.

Furthermore the economic governance of the EU – in trying to respond to the pressure of financial markets – develops in a way that forces member states more and more to implement short-term austerity policies. This is happening without taking into account the detrimental effect these policies have on the social cohesion of society and on the lives of women and men in Europe today.

Therefore, the report of the Social Protection Committee should call upon the EPSCO Council to integrate binding conclusions on the inclusion of social objectives, and access to rights, resources and services for all, in the EU economic governance.

We call upon the SPC to incorporate the following key issues in its report:

1) Focus on ALL different vulnerable people

The report should focus on ALL vulnerable groups and people - including children, young people, elderly people, women, migrants, ethnic minorities, people with disabilities, homeless people - as they are disproportionately effected by the crisis.

WHY

- European Commission findings show that most people are affected by the rise of unemployment, but especially hard hit are the young, the low-skilled and migrants. Poverty is on the rise and young adults, children and single parents are particularly at risk. Furthermore, the austerity measures are aggravating further the situation of the most vulnerable.¹

HOW

- A holistic approach could be taken addressing vulnerable people integrated in each thematic section of the report, while also dedicating a specific section to them.

2) Active Inclusion

The Active Inclusion strategy should be referred to. The integrated approach of the three pillars of active inclusion should continue to be promoted and the implementation of the principles stated in the 2008 EC Recommendation on Active Inclusion should be monitored.

WHY

- Information from organisations at national level suggests that the principles of active inclusion have not yet been implemented, while the number of precarious and part-time jobs is increasing throughout Europe.

HOW

- Include in the SPC report an social and gender assessment of the implementation of the Active Inclusion strategy against the background of the financial and economic crisis.
- Urge the EPSCO Council to implement the Commission recommendation on Active Inclusion and to ensure the creation of and the access to quality jobs in line with the integrated guideline 7.

¹ European Commission, [EU Employment and Social Situation Quarterly review December 2011](#).

3) Rising inequality

Whereas we welcome the inclusion of a section on inequality in the report, it should be indicated how inequality – including inequality in the distribution of wealth - is rising as a consequence of the crisis and the austerity measures, and not only the perception of it.

WHY

- OECD data show that nearly all OECD countries have witnessed rising inequalities and not only a rising of the perception of inequalities.² Also the European Commission has acknowledged the aggravating impact of the crisis on inequalities.

HOW

- The report should point out how the crisis leads to greater poverty, which leads to higher barriers to social inclusion. Discrimination in itself can lead to poverty (and hinder access to the labour market) but also poverty in itself is a barrier to access fundamental rights per se.

4) Services of General Interest

An analysis of the impact of the crisis and the austerity measures on services of general interest, and particularly on social services of general interest, should be included in the report.

WHY

- Cuts in social spending under the crisis are having a huge impact on the social and health support services available to the general public and people in need, whereas this often coincides with greater demand for services because of increasing poverty. Our members reported that in some member states services, such as welfare services, health services, front line social care services and pensions, have been downsized or closed down as consequence of budget cuts in social expenditure. Furthermore the working conditions in the sector degrade due to lack of sustainable funding for social service providers.
- Austerity measures appear to have worsened the direct impact of the crisis on the people, adding to the increasing unemployment a decreasing support to essential social and health services.

HOW

- Create a specific section in the SPC report on the impact of the crisis on services of general interest, particularly on social services of general interest, including data on the financial cuts in these services; a survey of which services are undergoing cuts, which vulnerable people are affected and what the consequences are for them; data on the increase of costs of services for people; data on an increasing demand for social services.
- Address a recommendation to the EPSCO Council to invest in the social services and to create new jobs, acknowledging its economic relevance since the demand for these services already exceeds the supply of resources available.



Conny Reuter
President



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Director

Social Platform is the largest European civil society alliance fighting for social justice and participatory democracy and consisting of 46 pan-European civil society networks representing thousands of civil society organisations across all 27 member states. Our members include organisations working with or representing the marginalised and socially excluded and are working on inclusion policies, e.g. in the fields of social policy, employment, education, equality and social services.

² OECD Report, [Divided We Stand: Why inequality keeps rising](#), November 2011.