



Confederation of **Family** Organisations in the European Union

COFACE Responses to the European Commission public consultation on the future EU 2020 Strategy

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General remarks¹:

The Confederation of Family Organisation in the European Union (COFACE) welcomes the opportunity given by the Commission to contribute to drafting the future EU 2020 Strategy. COFACE also welcomes the working paper prepared for the consultation as a basis for discussion and further development. We have a series of general and more specific remarks and proposals to formulate.

Indeed, as it stands, the 2020 vision lacks certain key points in order to secure the support of civil society. Apart from it being somewhat too general, which is understandable given its conciseness, the 2020 vision is also repetitive and lacks ambition. It does not sufficiently take into account the fundamental objective of the economy: the well being of people and their families. The social reality of Europe does not seem correctly assessed and instruments and policies to address poverty, social exclusion and inequalities are missing cruelly, despite the claim of the paper that the new agenda should put people first and that social, economic and environmental objectives must go hand in hand.

It seems as if the paper itself calls to a "business as usual" attitude, given its focus on growth, jobs, open trade and investment, "greening", innovation, knowledge society, in short, the same policy recommendations prevailing before the crisis. Despite the obvious need for clarification on the meaning of such generic terms as "greening" or "innovation" and on their application in practice, these policies may prove to be insufficient to tackle the challenges ahead – not only in the EU but world wide. For example, one of the most urgent measures is to tackle the unacceptable inequalities between the populations, and not just in terms of "education" or "qualification" levels. Indeed, there is no reference to any policy regarding the redistribution of wealth and hardly any mention of

¹ P. 11 "The EU 2020 vision will need the active support of stakeholders such as the social partners and civil society."

continued funding of efficient social protection systems. Ignoring inequalities will only contribute to widening the gap between the rich and the poor.

The 2020 vision can only secure the support of civil society if it is drafted properly, taking into account the various concerns arising from the communication paper. Only through a more democratic, thorough and periodic consultations on the details and meaning of the EU 2020 vision general recommendations can the support of civil society be secured.

Weak analysis of the social reality of Europe:

First of all, COFACE disagrees with the analysis of the crisis and its consequences². There is no analysis of the responsibility the Lisbon Strategy may have played with the rise in unemployment: the jobs created were not quality ones, but precarious ones which could not resist in face of the crisis. There is also no mention of the social consequences of the crisis (e.g. Baltic countries, ...).

While COFACE welcomes the acknowledgement of the demographic challenge³, it finds it simplistic to put the issues of ageing, poverty and social exclusion, solidarity between generations and integration of migrants all under this heading, when they're complex issues calling for multidimensional, integrated and ambitious policies going far beyond the demographic aspect.

A reference to child poverty only is also largely insufficient to cover the reality of 16% of the EU population who's facing a risk of poverty and social exclusion

COFACE deeply regrets that no mention is made of inequalities and discrimination which are faced by vulnerable groups. In particular, COFACE regrets that there is no mention of the situation of persons with disabilities.

COFACE is really surprised that the document approaches people out of work only as being in a transition period between jobs. It fails to acknowledge the fact that some people cannot work and rely on the support of social protection systems in a longer-term perspective.

Finally, COFACE is very disappointed that the "white economy" (health care and social services sector) is not seen as a forward-looking area for the creation of new jobs and the development of the economy, despite the strong call of Mr Barroso in this direction in his Political Guidelines for the Next Commission (September 2009). Regrettably, there is also no reference to the role of social economy.

Recommendations:

On growth⁴ and jobs⁵:

The definition of growth must be clearly defined by the Commission. The cost of externalities such as natural disasters, pollution, resource scarcity through low recycling, non-renewable energy usage needs to be included in the assessment of "growth". Growth should also mean more equality. With the current definition of growth, theoretically, a country can grow very fast in terms of GDP and total

² P.2

³ P.3

⁴ P.2 « New sustainable social market economy, a smarter, greener economy, where prosperity will come from innovation and from using resources better, and where the key input will be knowledge ».

⁵ "Supply and demand need to be matched together" (p. 6 last paragraph).

production with stagnant or even worsening poverty (as is the case in some African countries). Growth should therefore also be measured including the GINI coefficient. That's how we will assess if growth is going in the right "general direction" as stated in the consultation paper. Furthermore, growth in itself does not create jobs. If growth comes through speculation, that does not create jobs. Policies need to push for the creation of jobs and support a certain growth "model". The so called "trickle down" effect of growth is not self evident.

The Member States, along with the EU, have a responsibility to contribute to **creating** demand by various incentives in order to ensure that future growth goes in the "right" direction. The public sector must be revalorised in that respect. Unlike the private sector, the public sector can undertake massive investments and create jobs without having to worry **directly** about the "profits" and profit margin. The public sector must therefore also be a **driver** for innovation.

The "security provided by lifelong learning and appropriate social protection" needs to include the reconciliation between private and professional life. The healthy life balance of an individual cannot be sold out for the sake of "innovation and competitiveness", even in the case of SME's.

Finally, COFACE agrees that ensuring "that barriers to international flows of trade and investment are reduced"⁶ is beneficial in the broad sense, but wishes to stress that there needs to be a clear distinction between investment and speculation, as some investment is made in the form of speculation. Thus, governments need to set up measures to monitor and regulate speculation, through measures such as taxation, in order to secure the benefits of "real" productive investments.

On increased productivity⁷:

The so called "increase" in productivity needs some clarification. Not all "productivity" increases are suitable! For instance, the very controversial issue of GMOs, with potential dangers beyond our comprehension, needs to be considered thoroughly before giving it the go ahead in the name of an increase in "productivity". Productivity gains at the cost of externalities such as pollution, toxicity, health hazards are not the solution. Besides, more efforts should be put in **reducing our consumption, repairing, reusing and recycling** rather than producing more, more "efficiently"!

On social cohesion⁸

Higher employment rates of women and men and modernization of social protection⁹ can in no way represent the sole policy instruments to achieve social cohesion.

Firstly, creation of more jobs will not in itself guarantee social progress. Such a belief would only be repeating the error from the past strategy, where the focus on more jobs did not cause a reduction of poverty and social exclusion.

QUALITY jobs are needed, i.e. jobs with decent wages, decent working conditions, and which can be combined with family life, especially in the context of ageing where there will be an increase in care needs. The so called "low level" jobs need to be **revalorized**. All workers, regardless of their qualification should be entitled to a **minimum wage** which is substantially higher than the national

⁶ P.10.

⁷ P.3 "The Commission recognises that conserving energy, natural resources and raw materials, using them more efficiently and increasing productivity will be the key drivers of the future competitiveness of our industry and our economies".

⁸ P. 6 "Empowering people in inclusive societies"

⁹ P.3

poverty line in a given country. Flexicurity¹⁰ should not only be seen as a tool for life-long learning and transitions in-between jobs, but also for a way to adapt work patterns to life course cycles, including periods of life when one has to face care responsibilities.

Anti-poverty policies also needs to go far beyond the mere coverage of those temporarily out of work and the sole focus on employment¹¹. The **active inclusion** integrated approach, based on **adequate income support** including for those who cannot work, **inclusive labour markets** and **quality social services**, and which the Commission has enshrined in a Recommendation in 2008, should feature as a preminent field of policy in the new strategy.

Policies to **fight inequalities** (including income inequalities), **discrimination and integration** should feature high as a priority. The question of the redistribution of wealth between the rich and the poor **must** be addressed, especially in the wake of the present crisis. Migrant integration is **not** only a matter of employment¹². Many policies need to be carried out to ensure that migrants are fully integrated, professionally **and socially**, in a given society¹³ ().

To tackle the demographic challenge and to promote solidarity between generations¹⁴, it is crucial to invest into quality, accessible and affordable care services. They should be flanked by other measures enabling reconciliation of work life with care responsibilities, such as leave and flexible working time arrangements. Gender equality, child well-being and elderly dignity must lie at the heart of these schemes. Financial support is also essential for families to cope with their needs.

The paper stresses that cutting spending in forward-looking areas such education and research would be detrimental to the achievement of the 2020 vision. Cutting spending on social protection would also be very detrimental (the crisis demonstrated the key role of social protection systems for mitigating the effect of economic downturn). Therefore one has to be very cautions about what modernization of social protection means. It should aim at making **social protection better adapted to new social realities**, such as new work pattern, new family structures, and ageing. It should not cause a dismantlement and impoverishment of social protection systems.

Finally, the promotion of the **“white” and social economies** should also be a key aspect of the new strategy.

For the policies mentioned above to be really effective, they should feature **high in the governance system**, and not be considered as third-rate policies. It should translate the objective of the EU to “combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child” (Lisbon Treaty).

This also means that this objective should be mainstreamed in all EU policies, in application of the Lisbon Treaty social clause.

¹⁰ P. 6

¹¹ P.7 “Modern social security and pension systems, adapted to the crisis and to the ageing of the European population, will be needed to provide an adequate level of income support and coverage to those temporarily out of work”.

¹² P. 7 “Employment rates of immigrants can be improved, particularly for specific categories such as immigrants with low levels of education, women and those recently arrived.”

¹³ see for instance [COFACE response to the European Commission Green Paper "Migration & Mobility: Challenges and Opportunities for EU Education Systems" - Strengthening Support to Migrant Parents in their Children School Education](#)

¹⁴ P. 6

The EU Budget must also be supportive of this objective. The EU Structural funds should be preserved and be geared more towards social inclusion and equality. The PROGRESS Programme should be preserved and expanded.

Regular dialogue must take place on these issues between the EU institutions, between the EU and Member States, and with civil society.

On education ¹⁵

COFACE found it surprising to say the least that the only mention of **inequalities** is in “education”. Is that the only way that inequalities are tackled¹⁶? The paper’s focus on education, without any social outlook, reflects a too limited approach of the issue. If education is indeed one of the most effective ways of fighting inequality and poverty, one cannot hope to enhance educational achievement and prevent early school leaving without tackling the socio-economic reasons behind these issues. Children of school age do not operate in a vacuum, their problems at school are often the reflection of a situation of poverty and/or social exclusion of their families or a specific disadvantage they’re facing (lack of sufficient income, lack of integration, lack of parents’ empowerment, discrimination, disability, ...), as has been underlined in previous studies by the Commission itself.

Intergenerational transmission of poverty and disadvantages has not yet been sufficiently underlined. Quality, accessible, affordable, not-for-profit social services and other benefits such as free public transportation, free language courses for new arrivals, free life-long learning schemes for vulnerable groups, and especially outreach programmes (as these people do **not** spontaneously claim their rights and engage in learning programmes) are key.

Furthermore, in the present labour market already, even highly qualified people have a hard time finding a job. It is therefore very unlikely that simply educating a higher percentage of the population will solve the problem of poverty and social exclusion.

Regarding the plan to invest in universities and “turn them into a true engine of knowledge and growth”, some issues need to be addressed. First and foremost, education, be it elementary, secondary, higher education or university education, all need to be **affordable and accessible**, not just respond to criteria of **quality**. Very often, the **best** universities are also the most **expensive ones**; therefore being inaccessible to most and thus going against the “inclusive” role of education underlined by the Commission in the previous paragraph. As for the suggestion of “closer co-operation, including with business”, these ties need to be **strictly** regulated. Academics **must** retain their right to intellectual freedom and be allowed to criticize the products of a business sponsor in their lessons. If the Commission wishes for more **innovation**, then intellectual freedom has to be secured at all costs, since criticism is the first and essential step to innovation! Secondly, university campuses should remain free from intrusive “corporate” influence. The open-mindedness of students needs to be preserved at all costs.

Finally, if universities should indeed have a more “open attitude to change”, that does not mean that they should accept **any** change. The direction these “changes” take need to be subject to discussion, public debate and not be something imposed from above.

¹⁵ P. 4 “The EU 2020 vision is relevant to all of them and can be adapted to different starting points and different national specificities so as to **promote growth for all**”

¹⁶ P.5 “Creating value by basing growth on knowledge”

On SIGs, SSIGs and competition¹⁷:

On the services, what does “modern” imply? The privatisation of services? The death of public owned and financed SIGs? The end of not-for-profit SSIGs?

COFACE stresses that as regards SIGs¹⁸ such as public transportation, postal services, healthcare services and so forth, there is **no proof** that increased **competition** will “ensure that citizens reap real benefits”. On the contrary, since SIGs, in order to be **efficient**, need to answer to several conditions, one of which is the **uniform territorial distribution** of these services, a **competition** between different “companies” in the field of postal services for instance may cause the prices to go **up**, the quality of services to go **down**. A privatisation and competitiveness in healthcare may lead, for instance, to the end of hospitals in rural areas as these are less “profitable” than the ones in urban areas. This is **not** acceptable and should be underlined in the Commissions’ strategy. COFACE asks the Commission to formally add in its 2020 agenda, a clarification on the status of SSIGs as regards the Services directive and the Lisbon Treaty which both mention these without much precision.

COFACE wishes to underline the importance of a “better integration of transport networks, developing alternatives to road transport, promoting clean technologies and upgrading infrastructure”¹⁹.

On green and innovative products²⁰:

All the suggestions of the Commission (“more efficient use of resources, including energy, application of new, greener technologies, well functioning products, greening the economy”) are very vague. There is no detail on the **direction** or the **meaning** these principles may take. Further consultations need to follow up on the meaning of these. What does the Commission mean by “**well functioning products**”?

The same goes for the so called “innovative products”. What are they? The direction that the EU should take, is to completely change the products conception and manufacturing as well as the “innovation” process. Products must be designed first and foremost in order to maximise their lifespan, minimise their energy consumption, leave room for upgrades and improvements by designing the product and the parts, design the product in a way which enables easy repair and scale out the production of easily recyclable spare parts for easy repair. Innovation and the design of a new product should only occur when a **major** technology breach has been achieved, and **not** for business turnover, marketing, brand building or fashion purposes. In the very near future, considering the major scarcity of raw materials, we cannot afford to produce and consume **fashionable** products, which present hardly any **real** changes other than a few added colours and a new packaging, nor can we afford to **throw out** a product which contains precious raw materials such as LCD televisions after two or three years!

¹⁷ P. 4 “Europe needs a strengthened and competitive industrial base, a modern service sector and a thriving agriculture, rural economy and maritime sector.”

¹⁸ P.9

¹⁹ P. 8

²⁰ P.4 “Europe can derive important benefits by developing competitive, innovative products, rolling out the infrastructures of the future...”

On the access to the internet²¹:

COFACE supports the need for a “100% broadband coverage as soon as possible” but how will this impact on the concrete **access** to the internet by individuals and the costs of such access, especially for vulnerable groups? **Coverage** is very different from **concrete access**!

COFACE encourages the Commission to include the access to Internet as an SGI with minimum “free” internet access for all (with download volume limitations for instance).

On consumer confidence²²:

COFACE has already underlined at the April consumer summit that one of the ways that need to be considered to boost consumer confidence is to support and spread the use of **consumer reviews**. Indeed, the "challenges" of cross-border or online sales is not only a matter of price, delivery or consumer protection. It is also a matter of trust in a buying a product that the consumer cannot physically "see" or try in order to make a rightful decision. Furthermore, the trust in a specific website, its customer service, cannot easily be assessed since the website's interface is usually the only medium which interacts with a consumer (whereas in physical sales points, consumers can talk to sales representatives). All these challenges can be partially addressed through consumer reviews where consumers can share there experiences about the quality of a certain product, the delivery and consumer services quality of a specific website or brand and so forth.

In short, COFACE regrets that the weaknesses of the Lisbon Strategy have not sufficiently been taken into account, in particular in relation to the fundamental issue of social cohesion.

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<http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

²¹ P.6 “Internet access is becoming necessary for citizens to play a full part in daily life.”

²² P.10