



Brussels, 21 October 2015

To Vice President Valdis Dombrovskis

European Commission

Dear Vice President Dombrovskis,

In advance of the commencement of the 2016 European Semester we would like to present several points that should be included in the 2016 Annual Growth Survey and as a result shape the ensuing National Reform Programmes and Country Specific Recommendations. In addition, the 2016 European Semester should reconnect with the Europe 2020 strategy and ensure that the vision of smart, sustainable and inclusive growth guides policies at European and Member State level.

Social Services Europe is the largest European umbrella organization representing non-profit social and health care providers. Our members are at the forefront of ensuring accessible, affordable and quality services for all people in Europe and believe that investing in people brings both social and economic returns. Social and health care services enable people to live with dignity and care but also support people to engage in economic activities that contribute to growth. Such services include directly supporting services such as social enterprises or supporting services such as child care, rehabilitation, elderly care and home care services.

The social and health care sector is a growth sector. Increasing demographic change bears witness to the need for more social services however we are increasingly concerned by the focus on reducing costs of such services rather than ensuring their quality, accessibility, affordability and availability. In recent years we have also been concerned to see emphasis in the Annual Growth Surveys on reforms that are interpreted as promoting austerity and short-sighted cost reducing measures and would encourage you to reverse this trend in the 2016 European Semester.

As a result, we would recommend the following:

- The 2016 Annual Growth Survey recognizes that investments in social protection, including social services, have a high societal and economic value. This would be in line with existing EU policy objectives as defined in the Employment Guidelines and integrated into the European Fund for Strategic Investments (EFSI). As a result, such investments should be exempt from the Macro-Economic Imbalance procedure, therefore encouraging Members States to invest in social services for positive social and economic growth. Member States should be directed to invest in their people through economic and social policies, including social and health services that enable all to live in dignity, that reduce unemployment and that reduce the risk and reality of poverty and social exclusion.

- The Annual Growth Survey must emphasize the need to ensure inclusive growth across the European Union through upward social convergence. This should reinforce the proposal in the 5 Presidents Report to develop social standards and benchmarks to measure such convergence. We would recommend that such standards create a floor of social rights in line with ILO recommendation 202.
- Guidance to Member States on structural reforms in the modernization of social protection schemes must be geared towards ensuring the take up of social benefits and social services and the effectiveness of those benefits and services and avoid increased conditionality.
- Guidance to Member States on structural reforms in the labour market should highlight the job creation potential of the social and health services sector and support Member States in ensuring high quality jobs for men and women in this sector.
- Stakeholder engagement in the European Semester must extend beyond social partners and include the providers of social and health services such as the members represented in Social Services Europe as well as the wider civil society community.

If the European Union wants to ensure sound and sustainable growth in the future it must ensure investment in social policies, including social services, now, and the Annual Growth Survey 2016 can reflect the importance of this sector to achieve smart, sustainable and inclusive growth.

We thank you in advance for your attention and remain at your disposal if you would like more information on our proposals.

Yours sincerely,

Laura Jones

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cc Commissioner Pierre Moscovici
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