

Mr Jean-Claude Juncker
President of the European Commission

Mr Valdis Dombrovskis
Vice-President for the Euro and Social Dialogue,
Financial Stability, Financial Services and Capital Markets Union

Mr Pierre Moscovici
Commissioner of Monetary and Economic Affairs

Mrs Marianne Thyssen
Commissioner of Employment, Social Security and Welfare

Brussels, 14/7/2017

Re: Request for a Social Impact Assessment on the measures for the conclusion of the second review of the third Greek Adjustment programme.

Dear President, dear Commissioners,

The agreement reached between Greece and the institutions for the conclusion of the second review of the third Greek adjustment programme is an important step in the right direction expected for long. During the last meeting of the Financial Assistance Working Group (FAWG), Declan Costello indicated that the additional measures yielding 2% of the GDP (1% pension cuts and 1% tax increase) shall be entirely compensated by equivalent increases in social spending and tax cuts unless the 3.5% primary surplus target will not be met. Nevertheless, this means that the programme involves further reductions on pensions and a significant decrease in the tax-free threshold, yielding respectively 1% of the GDP in 2019 and 2020.

On the basis of articles in the press, the pension cuts will not be limited to high pensions but be applied on the largest number of pensioners. Lower pension classes of 600 - 700 EUR will be particularly and cumulatively affected by the reductions in the tax-free threshold.

It is important to recall that, following Article 9 of the TFEU, Regulation 472/2013 calls for a distributional impact assessment of macroeconomic adjustment programmes by requiring that the expected distribution of the adjustment effort be made public¹. Similarly, the President of the European Commission committed in his opening statement in the European Parliament's Plenary that "*reform programmes will go in the future not only through a fiscal sustainability assessment, but also through a social impact assessment. (...) In future there will be no adjustment programmes unless they are preceded by a thorough social impact assessment.*"²

Therefore, we would like to ask the European Commission to conduct a comprehensive social impact assessment on the measures of the Greek programme as it has now been amended. This would allow the

¹ <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:140:0001:0010:EN:PDF>

² <http://www.eesc.europa.eu/resources/docs/jean-claude-juncker---political-guidelines.pdf>

Commission to fulfil its legal obligation and political commitment and help the European Parliament to exercise its democratic oversight role on the Greek adjustment programme.

Sincerely yours,

Pervenche Berès

Udo Bullman

Sven Giegold

Dimitrios Papadimoulis

Ernest Urtasun

Members of the European Parliament