

EAPN Assessment of the 2015 Country-Specific Recommendations

Annex – Country Analysis



June 2015

EAPN 2015 Country-Specific Recommendations Assessment Table

Text in bold: denotes potentially positive recommendations contributing to poverty target

Member State	Macroeconomic	Employment and Education/Training	Poverty/Social Inclusion	Comments/Assessment
AT 4 CSRs	<p>CSR 1: Avoid deviating from the medium-term objective in 2015-2016. Ensure the budget neutrality of the tax reform aimed at reducing the tax burden on labour. Correct the misalignment between financing and spending responsibilities of the different levels of govt. Take measures to ensure the long-term sustainability of the pension system, including by earlier harmonisation of the statutory retirement age for men and women and link the statutory retirement age to life expectancy.</p> <p>CSR 3: Remove disproportionate barriers for service providers and impediments to setting up interdisciplinary companies.</p>	<p>CSR2: Strengthen measures to increase the labour market participation of older workers and women, including by improving the provision of childcare and long-term care services. Take steps to improve the educational achievement of disadvantaged young people.</p>		<p><i>No CSR on poverty or mention in the preamble. Despite low deficit, main focus is deficit reduction and tax reform to reduce burden on labour. Implied increases in retirement ages, without complementary requirements on active ageing and adequacy of pensions. Welcome focus on older workers and women and care services, but lack quality or affordability. No mention of social protection/minimum income adequacy with evaluation of implementation of MI reforms. Strong focus on increasing privatisation/liberalisation, but no mention of social impact. No comprehensive Youth Guarantee – just educational achievement for disadvantaged youth. Recognition of qualifications, including for migrants, mentioned in the Preamble.</i></p>

<p>BE 4 CSRs</p>	<p>CSR 1: Achieve a fiscal adjustment of at least 0.6% of GDP towards a medium-term objective in 2015 and in 2016. Use windfall gains to put the general government debt ratio on an appropriate downward path. Complement the pension reform by linking the statutory retirement age to life expectancy. Agree on an enforceable distribution of fiscal targets among all government levels.</p> <p>CSR 2: Adopt and implement a comprehensive tax reform broadening the tax base, shifting the tax burden away from labour and removing inefficient tax expenditures.</p>	<p>CSR 3: Improve the functioning of the labour market by reducing financial disincentives to work, increasing labour market access for specific target groups and addressing skills shortages and mismatches.</p> <p>CSR 4: Restore competitiveness by ensuring, in consultation with the social partners and in accordance with national practices, that wages evolve in line with productivity.</p>		<p><i>No Poverty CSR or mention in the preamble.</i></p> <p><i>Main focus on CSR 1 – reducing deficit, particularly through pension reform – raising retirement ages, and tax reform.</i></p> <p><i>No reference to adequacy of pensions, or indeed to minimum income or social protection benefits.</i></p> <p><i>Welcome reference to broadening the tax base, shift tax burden from labour, but not to progressive taxes, or inclusive growth.</i></p> <p><i>On employment – focus on supply side, increasing conditionality on people on benefits (also highlighted in the Preamble), whilst unspecific on how to create and increase access to quality jobs for all groups.</i></p> <p><i>Concerning reference to wage levels with focus on competitiveness ie keeping wage levels down – same as last year. Preamble mentions support measures for older workers, as well as skills mismatches.</i></p>
--------------------------------------	---	---	--	---

<p>BG 5 CSRs</p>	<p>CSR 1: Avoid a structural deterioration in public finances in 2015 and achieve an adjustment of 0.5% of GDP in 2016. Take decisive measures to improve tax collection and address the shadow economy, based on a comprehensive risk analysis and evaluation of past measures. Improve the cost effectiveness of the health care system, by reviewing pricing of health care and strengthening outpatient and primary care.</p>	<p>CSR 4: Adopt the reform of the School Education Act and increase the participation of disadvantaged children, particularly Roma, by improving access to good quality early schooling.</p>	<p>CSR 3: Develop an integrated approach for groups at the margin of the labour market, particularly older workers and NEETs. In consultation with social partners and in accordance with national practices, establish a transparent mechanism for setting minimum wage and minimum social security contributions in the light of their impact on in-work poverty, job creation and competitiveness</p>	<p><i>Named as a Poverty CSR but only mention of in-work poverty. Although preamble mentions Bulgaria facing highest levels of material deprivation.</i></p> <p><i>CSR 1: Overarching frame of reducing public deficits. Important focus on improving tax collection, but not on promoting progressive rather than existing flat taxes.</i></p> <p><i>Focus on reducing cost of health care, not affordable access or energy/housing.</i></p> <p><i>So-called poverty CSR is entirely focused on employment.</i></p> <p><i>Very ambiguous text on MI and MW implying reducing minimum wage, supported by the Preamble, which basically condemns the Government for having increased the minimum wage.</i></p> <p><i>Integrated ALM measures, but not on need to provide adequate minimum income, access to services, and quality jobs. Access to schooling important, but early school not enough. Welcome needed reference to Roma children and their access to early</i></p>
--------------------------------------	--	---	--	--

				<p><i>childhood education and care.</i></p> <p><i>Preamble highlights the high number of NEETs, as well as long term unemployed, as well as skills mismatches and the poor implementation of the early school leaving strategy.</i></p>
<p>HR 4 CSRs</p>	<p>CSR 1: Ensure a durable correction of the excessive deficit by 2016 by taking the necessary measures in 2015 and reinforcing the budgetary strategy for 2016. Publish and implement the findings of the expenditure review. Improve control over expenditure at central and local level, in particular by establishing a sanctioning mechanism for entities breaching budgetary limits. Adopt the Fiscal Responsibility Act and State Audit Office. Introduce a recurrent property tax and improve VAT compliance. Reinforce public debt management, in particular by publishing on an annual basis a debt management</p>	<p>CSR 3: Tackle the weaknesses in the wage-setting framework, in consultation with the social partners and in accordance with national practices, to foster the alignment of wages with productivity and macroeconomic conditions. Strengthen incentives for the unemployed and inactive to take up paid employment. Based on the 2014 review, carry out the reform of the social security system and further consolidate social benefits by improving targeting and eliminating overlaps.</p>		<p><i>Named as poverty CSR – but unclear which CSR this refers to – Poverty not mentioned.</i></p> <p><i>CSR 1 priority to reducing excessive deficit by expenditure cuts with sanctions.</i></p> <p><i>On tax – focus on recurring property tax, but VAT compliance being regressive could hit poorer consumers.</i></p> <p><i>In pensions, focus on preventing early retirement. Although highlights adequacy, efficiency is the key driver by restricting options for early retirement because of hazardous professions.</i></p> <p><i>Worrying focus on increasing incentives to work, ie conditionality.</i></p> <p><i>Consolidation of social benefits, doesn't imply increase adequacy, but increased targeting.</i></p>

	<p>strategy and ensuring adequate resourcing.</p> <p>CSR 2. Discourage early retirement by raising penalties for early exits. Improve the adequacy and efficiency of pension spending by tightening the definition of arduous and hazardous professions. Tackle the fiscal risks in healthcare.</p>			<p><i>Worrying reference to aligning wages with productivity – usually means downward pressure on take-home pay.</i></p> <p><i>Equally worrying is the recommendation to strengthen incentives to take up paid employment, which usually translated into negative activation (ie tightened eligibility, increased conditionality and sanctions).</i></p> <p><i>Preamble highlights NEETs, long term unemployed, and older workers, and points to skills mismatching and combating undeclared work.</i></p>
CY				<p><i>No CSRs, only Economic Adjustment Programme.</i></p>
CZ 4 CSRs	<p>CSR 1: Achieve a fiscal adjustment of 0.5% of GDP in 2016. Further improve the cost effectiveness and governance of the health sector.</p> <p>CSR 2: Fight tax evasion, simplify the tax system and implement the anti-corruption plan. Take measures to increase the transparency and efficiency of public</p>	<p>CSR 4: Adopt the higher education reform. Ensure adequate training for teachers, support poorly performing schools and take measures to increase participation among disadvantaged children, including Roma.</p>	<p>CSR 3: Reduce the high level of taxation on low-income earners, by shifting tax to other areas. Further improve the availability of affordable childcare.</p>	<p><i>Named as poverty CSR. But no mention of poverty in CSR or in the preamble.</i></p> <p><i>CSR 1 focuses on deficit reduction, and reduction of costs in health sector, not on ensuring affordable access. Positive focus on fighting tax evasion and reduction of higher taxes on low-income earners, but not support to progressive taxation.</i></p>

	<p>procurement, in particular by establishing a central register of public contracts and strengthening guidance and supervision.</p>			<p><i>Support for affordable childcare is welcomed, but regret no reference to quality early learning, nor access to integrated services, including housing and minimum income</i></p> <p><i>Positive reference to Roma in education, but not access to other rights/services. No focus on quality job creation/access.</i></p> <p><i>Preamble highlights difficulties faced by certain groups (parents with young children, low-skilled workers, people with disabilities and Roma) when trying to access the labour market, and notes the lack of progress in rendering education more inclusive.</i></p>
<p>DK 2 CSRs</p>	<p>CSR 1: Avoid deviating from the medium term objective in 2016</p> <p>CSR 2: Enhance productivity, in particular in the services sector oriented towards the domestic market, including retail and construction. Ease the restriction on retail and take further measures to</p>			<p><i>No Poverty CSR or mention of poverty. Although in preamble reference made to challenges for improving employability of people at the margins of the labour market, particularly youth and migrants. Discussion in terms of 'labour supply' rather than quality jobs.</i></p>

	remove remaining barriers posed by authorisation and certification schemes in the construction sector.			<p><i>Denmark seen as good performer on deficit so only 2 CSRs. No mention made of the key role played by adequate social protection and minimum income in Denmark's success. Pressure to increase privatisation/liberalization, particularly in service sectors. Preamble stressed that additional measures for those most excluded from the labour market are still needed, and underlines the particularly difficult situation of migrants in education and employment.</i></p>
<p>EE 4 CSRs</p>	<p>CSR 1: Avoid deviating from the fiscal medium-term objective in 2015 and 2016.</p>	<p>CSR 2: Improve labour market participation, including by implementing the Work Ability Reform. Improve incentives to work through measures targeting low-income earners.</p> <p>Take action to narrow the gender pay gap. Ensure high-quality social and childcare services at local level.</p> <p>CSR 3: Increase participation in vocational education and training, and its labour market</p>		<p><i>No poverty CSR or mention of poverty. Main message of CSR 1 is to continue with the work of reducing deficits, but no mention of social costs, poverty or inequality. Positive request to take action on gender pay gap and focus on increasing high quality social and childcare services at local level. But not linked to the need to ensure adequacy of income, particularly on minimum income/benefits.</i></p>

		<p>relevance, in particular by improving the availability of apprenticeships. Focus public support for research and innovation on a limited number of smart specialisation areas.</p>		<p><i>Work Ability Reform has been postponed, this needed a stronger Recommendation. No mention of the Youth Guarantee.</i></p> <p><i>The reference to improving incentives to work for low-income earners may mean better wages, or at least some other form of income compensation (top-ups, tax credit... unclear).</i></p> <p><i>Quantity of apprenticeships is mentioned, but not quality, nor anything about education which is not labour market – related.</i></p>
EL				<p><i>No CSRs, only Economic Adjustment Programme</i></p>
FI 4 CSRs	<p>CSR 1: Ensure that the excessive deficit is brought below 3% of GDP in timely and durable manner. Continue efforts to reduce fiscal sustainability gap and strengthen conditions for growth.</p> <p>CSR 2: Adopt the agreed pension reform and gradually eliminate early exit pathways. Ensure effective design and implementation of administrative</p>	<p>CSR 3: Pursue efforts to improve the employability of young people, older workers and the long-term unemployed, focusing particularly on developing relevant job-skills. Ensure, in consultation with the social partners and in accordance with national practices, that wages evolve in line with productivity.</p>		<p><i>No CSR on poverty or mention of poverty in the preamble.</i></p> <p><i>Main CSR 1 on reducing Finland's excessive deficit, with focus on pension reform, raising retirement ages, with no mention of adequacy or shortfall. Support for administrative reform, which may be positive with greater centralisation, but focus on cost effectiveness which</i></p>

	<p>reforms concerning municipal structure and social and healthcare services, with a view to increasing productivity and cost-effectiveness in the provision of public services, while ensuring their quality.</p> <p>CSR 4: Take measures to open the retail sector to effective competition.</p>			<p><i>may impact on access and coverage.</i></p> <p><i>Supply side measures for employment, with an exclusive focus on training and skills, without reference to quality jobs, with worrying reference to keeping wage levels down, in line with productivity.</i></p> <p><i>Pressure to liberalize retail sector, with unclear social impact on jobs.</i></p>
<p>FR 6 CSRs</p>	<p>CSR 1: Ensure effective action under the excessive deficit procedure and a durable correction by 2017, by reinforcing the budgetary strategy, taking the necessary measures for all years and using all windfall gains for deficit reduction.</p> <p>Specify the expenditure cuts planned for these years and provide an independent evaluation of the impact of key measures.</p> <p>CSR 2: Step up efforts to make the spending review effective and identify savings opportunities across all the sub-sectors of general government, including on social</p>	<p>CSR 3: Ensure that the labour cost-reductions stemming from tax credit for competitiveness and employment and from the responsibility and solidarity pact are sustained. Evaluate the effectiveness in the light of labour and produce market rigidities. Reform, in consultation with social partners and in accordance with national practices, the wage-setting system to ensure that wages evolve in line with productivity. ensure that minimum wage developments are consistent with the objectives of promoting employment and competitiveness.</p>		<p><i>No CSR or mention of poverty.</i></p> <p><i>Major focus on corrective arm of excessive deficit. Explicit mention of identifying cuts/savings including in social security, and in pensions. But important requirement to provide an independent evaluation of impact of expenditure cuts.</i></p> <p><i>No focus on increasing access to quality jobs from people excluded from the labour market, but downward pressure on wages including minimum wages to enhance competitiveness, as well as a call to address "rigidities" in the labour market.</i></p>

	<p>security and government. Take additional measures by March 2016 to bring the pension system into balance, in particular ensuring that the financial situation of complementary pensions schemes is sustainable over the long-term</p> <p>CSR 5: Simplify and improve the efficiency of the tax system, in particular by removing inefficient tax expenditure. To promote investment, take action to reduce the taxes on production and corporate income statutory rate, while broadening the tax base on consumption. Take measures to abolish inefficient taxes that yield little or no revenue.</p>	<p>CSR 6: Reform the labour law to provide more incentives for employers to hire on open-ended contracts. Facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working time arrangements. Reform the law creating the accords de maintien de l'emploi by end of 2015. Take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and provide more incentives to return to work.</p>		<p><i>Pressure to reduce taxes including corporation tax, and broadening tax base, in consumption. More positive focus on incentives to support open-ended contracts. But requirements to reduce unemployment benefits to 'produce more incentives to work'.</i></p>
<p>DE 3 CSRs</p>	<p>CSR 1: Further increase public investment in infrastructure, education and research, including by using the available fiscal space. To foster private investment, take measures to improve the efficiency of the tax</p>	<p>CSR 2: Increase incentives for later retirement. Take measures to reduce high labour taxes and social security contributions, especially for low-wage earners, and address the impact of fiscal drag. Revise the fiscal treatment of mini-jobs to facilitate</p>		<p><i>No CSR on poverty. Positive CSR 1 in principle, on public investment, in infrastructure, education and research, but linked to fostering private investment by 'reviewing ie cutting corporation taxes which reduces financing for welfare</i></p>

	<p>system, in particular by reviewing the local trade tax and corporate taxation and by modernising the tax administration. Use the on-going review to improve the design of fiscal relations between the federation, Länder and municipalities, particularly with a view to ensuring adequate public investment at all levels of government.</p>	<p>the transition to other forms of employment.</p>		<p><i>states. Also possible positive investment in all levels of government.</i></p> <p><i>Pressure to delay retirement age without safeguards on adequacy of income support. Measures for low-wage earners are welcome in principle, but not about reducing social security contributions and the implications thereof. Positive reference to ensuring that mini-jobs are stepping stones – but the Preamble warns that the exemption from income tax and social security contributions on mini jobs discourages people from taking up stable employment.</i></p>
<p>HU 5 CSRs</p>	<p>CSR 1: Achieve a fiscal adjustment of 0.5% of GDP towards the medium-term objective in 2015 and of 0.6% of GDP in 2016.</p> <p>CSR 3: Reduce distortive sector-specific taxes; remove the unjustified entry barriers in the service sector, including in the retail sector; reduce the</p>	<p>CSR 4: Reorient the budget resources allocated to the public work scheme to active labour market measures to foster integration into the primary labour market; and improve the adequacy and coverage of social assistance and unemployment benefits.</p> <p>CSR 5: Increase the participation of</p>		<p><i>One of the named poverty CSRs – CSR 5. But no mention of poverty in the CSR. Dominant CSR1 continues focus on reducing deficits, and shifting tax to be more growth-friendly, not inclusive growth. Cuts to the social sector continue with negative impacts. Positive recommendation to reduce tax wedge for low-income earners, but not on inclusive</i></p>

	<p>tax wedge for low-income earners, including by shifting taxation to areas less distortive to growth; continue to fight tax evasion, reduce compliance costs and improve the efficiency of tax collection. Strengthen structures in public procurement that promote competition and transparency and further improve the anti-corruption framework.</p>	<p>disadvantaged groups in particular Roma in inclusive mainstream education, and improve the support offered to these groups through targeted teacher training; strengthen measures to facilitate the transition between different stages of education and to the labour market, and improve the teaching of essential competences.</p>		<p><i>and more progressive taxation. Inequality is increasing despite better GDP figures. Focus on increasing competition in public procurement, rather than safeguarding social clauses, but welcome focus on transparency and anti-corruption framework. Particular focus should be given to proposals to not make public 'strategic' data regarding public finances and debt management for 2 years. Positive Recommendation about need to reallocate funding on public work scheme – work fare to more active labour market measures, if combined with support to increase adequacy and coverage of benefits. Other risks from work fare include reducing secure public sector job. There is less and less opportunity for less educated people to access quality jobs. No recommendation about harmful decentralisation of social services and transfers which will reduce universal coverage and increase inequalities. Social workers wages</i></p>
--	--	---	--	--

				<p><i>have not been increased, despite being crucial and the lowest in the sector. Increased support for education for disadvantaged groups, particularly Roma, and transitions to work but not for other groups. No recommendation on recent legal decisions concerning legalizing segregation at schools run by Church.</i></p> <p><i>No focus on access to affordable, quality services – eg affordable housing, social services, health.</i></p>
<p>IE 4 CSRs</p>	<p>CSR 1: Ensure a durable correction of the excessive deficit in 2015. Achieve a fiscal adjustment of 0.6% of GDP towards the medium-term objective in 2016. Use windfall gains from better than expected economic and financial conditions to accelerate deficit and debt reduction. Limit the existing discretionary power to change expenditure ceilings beyond specific and predefined contingencies.</p> <p>Broaden the tax base and review tax</p>		<p>CSR 3: Take steps to increase the work intensity of households and to address the poverty risk of children by tapering the withdrawal of benefit and supplementary benefits upon return to employment and through better access to affordable full-time childcare.</p>	<p><i>One of the named CSRs on poverty, focused on households with low work intensity and addressing child poverty with positive references to supporting parents and affordable childcare. While not outlining and integrated approach nor addressing the needs of other groups it does address two of the key barriers in moving from welfare to work. Access to affordable full-time childcare is a major difficulty in Ireland but this must involve the provision of</i></p>

	<p>expenditures, including on value-added tax.</p> <p>CSR 2: Take measures to increase the cost-effectiveness of the healthcare system, including by reducing spending on patented medicines and gradually implementing adequate prescription practices. Roll out activity-based funding throughout the health system.</p> <p>CSR 4: Finalize durable re-structuring solutions for vast majority of mortgages in arrears.</p>			<p><i>quality childcare and not just linked to supporting access to the labour market for children.</i></p> <p><i>The other three CSRs to a great extent repeat some to those issued in 2014 and lack ambition.</i></p> <p><i>There is need for a long-term investment in adequate welfare, quality employment and services which affect the poorest, including education, childcare, housing, health and transport as well as training.</i></p> <p><i>The health CSR also misses the opportunity to talk about addressing health inequalities and the housing CSR the crisis in homelessness and social housing.</i></p> <p><i>Social Investment is undermined by CSR 1 on accelerating deficit and debt reduction.</i></p> <p><i>Further review of tax expenditures is potentially positive if it helps eliminate tax breaks with no social or economic value.</i></p> <p><i>The Preamble considers JobPath, involving private companies in the delivery of activation services, as a positive development. This has yet to be rolled</i></p>
--	---	--	--	---

				<p>out so too early to assess.</p>
<p>IT 6 CSRs</p>	<p>CSR 1: Achieve a fiscal adjustment of at least 0.25% of GDP towards the medium-term objective in 2015 and of 0.1% of GDP in 2016 by taking the necessary structural measures in both 2015 and 2016, taking into account the allowed deviation for the implementation of major structural reforms. Swiftly and thoroughly implement the privatisation programme and use windfall gains to make further progress towards putting the general government debt ratio on an appropriate downward path. Implement the enabling law for tax reform by September 2015, in particular the revision of tax expenditures and cadastral values and</p>	<p>CSR 5: Adopt the legislative decrees on the use of wage supplementation schemes, the revision of contractual arrangements, work-life balance and the strengthening of active labour market policies.</p> <p>Establish, in consultation with the social partners and in accordance with national practices, an effective framework for second-level contractual bargaining. As part of efforts to tackle youth unemployment, adopt and implement the planned school reform and expand vocationally oriented tertiary education.</p>		<p><i>No poverty CSR, but poverty is mentioned in preamble.</i></p> <p><i>Main focus of CSRs on reducing deficit and implementing privatisation programme, with uncertain social impact.</i></p> <p><i>Possible positive proposals around tax reform to enhance tax compliance.</i></p> <p><i>Preamble acknowledges that Italy has witnessed one of the highest increases in poverty and social exclusion rates in the EU, with a particular impact on children. Social assistance schemes remain fragmented and ineffective in tackling this challenge with resulting substantive cost inefficiencies.</i></p> <p><i>Unclear reference to wage supplementation – it can be construed as an incentive to</i></p>

	<p>the measures to enhance tax compliance.</p>			<p>employers to keep wages down, but might improve take-home pay.</p> <p>Strengthening of ALMP could be positive, if based on integrated Active Inclusion approaches (again, unclear).</p> <p>Positive references to young people, but no other groups mentioned, and support is not comprehensive (no Youth Guarantee).</p>
<p>LV 4 CSRs</p>	<p>CSR 1: Ensure that the deviation from the medium-term objective in 2015 and 2016 is limited to the allowance linked to the systemic pension reform.</p>	<p>CSR2: Improve vocational education and training, speed up the curricula reform and increase the offer of apprenticeships. Ensure that the new financing model of the higher education system rewards quality. Better target research financing and incentivise private investment in innovation on the basis on of the Smart Specialisation Framework.</p>	<p>CSR 3: Take concrete steps to reform social assistance, ensuring adequacy of benefits, and take measures to increase employability. Reduce the high tax wedge for low-income earners by shifting tax burden to other sources less detrimental to growth. Take action to improve accessibility, cost-effectiveness and quality of the healthcare system and link hospital financing to performance mechanisms.</p>	<p>No official CSR on poverty, but CSR 3 backs adequacy of benefits, as well as support into work, reducing tax-wedge for low earners. However, insufficient to deal with drastic drops in income. Main message is keeping to the austerity reform agenda. Potentially positive emphasis on accessibility and quality of health care, but link with cost effectiveness means unclear social impact. Nothing on labour markets. Positive reference to quality in education, but nothing about its inclusiveness, or relevance beyond labour market needs.</p>

<p>LT 3 CSRs</p>	<p>CSR 1: Avoid deviating from the medium-term objective in 2015 and ensure that the deviation in 2016 is limited to the allowance linked to the systemic pension reform. Broaden the tax base and improve tax compliance</p>	<p>CSR 2: Address the challenge of a shrinking working-age population by improving the labour-market relevance of education, increasing attainment in basic skills, and improving the performance of the healthcare system; reduce the high tax wedge for low income earners by shifting the tax burden to other sources less detrimental to growth.</p>	<p>CSR 3: Adopt a comprehensive reform of the pension system that also addresses the challenge of pension adequacy. Improve the coverage and adequacy of unemployment benefits and cash social assistance and improve the employability of those looking for work.</p>	<p><i>No official poverty CSR, but mention in preamble of over 30% of people in poverty, and reforms that have left people outside of benefit system. In CSR 1 overall support for continuation of austerity approach. Some positive support for increasing tax compliance. Important reference to addressing issue of adequacy, coverage of pensions, unemployment benefit and cash assistance, linked to employability. Positive mention of reducing tax wedge for low income earners, but nothing about raising wages per se. References to education exclusively from a labour market perspective.</i></p>
<p>LU 3 CSRs</p>	<p>CSR 1: Broaden the tax base, in particular on consumption, recurrent property taxation and environmental taxation.</p> <p>CSR 2: Close the gap between the statutory and effective retirement age, by limiting early retirement and by linking statutory</p>	<p>CSR 3: Reform the wage-setting system, in consultation with the social partners and in accordance with national practices, with a view to ensuring that wages evolve in line with productivity, in particular at sectorial level.</p>		<p><i>No official poverty CSR. Potentially positive CSR on broadening tax frame, with increases in recurrent property and environmental tax but also focus on regressive consumption taxes. No mention of problem of tax avoidance/havens. No mention of serious problems of</i></p>

	retirement age to life expectancy.			<i>affordable housing. Negative reference to capping / reducing wages.</i>
MT 4 CSRs	<p>CSR 1: Following correction of the excessive deficit, achieve a fiscal adjustment of 0.6% of GDP towards the medium-term objective in 2015 and 2016.</p> <p>CSR 3. Accelerate the increase in the statutory retirement age and link it to life expectancy.</p>	<p>CSR 2. Take measures to improve basic skills and further reduce early school-leaving by promoting the continuous professional development of teachers</p>		<p><i>No official poverty CSR. Primary focus on CSR, reducing excessive deficit. Increasing retirement age, but without safeguards to ensure that people can access quality work and adequate pensions. Positive reference to reducing early school-leaving (national strategy mentioned in the Preamble), but extremely narrow interpretation, no wrap-around support for children and their families.</i></p>
NL 3 CSRs	<p>CSR 1: Shift public expenditure towards supporting investment in R&D and work on Framework conditions for improving private R&D expenditure in order to counter the declining trend in public R&D expenditure and increase the potential for economic growth.</p> <p>CSR2. Accelerate the decrease in mortgage interest tax deductibility so that tax incentives to</p>			<p><i>No poverty CSR or mention of poverty. Focus on investment, but not on social investment, only in R+D. Macroeconomic focus on housing market, rather than ensuring access to affordable housing. CSR likely to drive up private rents and to reduce scope of social housing, by increased targeting. Nothing on employment, education, vulnerable groups – except a mention in the Preamble about</i></p>

	<p>invest in unproductive assets are reduced. Provide for a more market-oriented pricing mechanism in the rental market and further relate rents to household income in the social housing sector.</p> <p>CSR 3: Reduce the level of contributions to the second pillar of the pension system for those in the early years of working life.</p>			<p><i>employment protection legislation being reformed, and fiscal disincentives to take up paid work reduced.</i></p>
<p>PL 4 CSRs</p>	<p>CSR 1: Following the correction of the excessive deficit, achieve a fiscal adjustment of 0.5% of GDP towards the medium-term objective both in 2015 and 2016. Establish an independent fiscal council. Limit the use of reduced VAT rates.</p> <p>CSR 2: Start the process of aligning the pension arrangements for farmers and miners with those for other workers, and adopt a timetable for progressive full alignment; put in place a system for assessing and</p>	<p>CSR 3: Take measures to reduce the excessive use of temporary and civil law contracts in the labour market.</p>		<p><i>No poverty CSR, or mention of poverty. CSR 1 focus on deficit reduction. Limiting use of reduced VAT rates likely to be regressive. CSR 2 on pensions – moving to one size fits all approach, despite difference of working conditions. Loss of CSR on in-work poverty, with no explicit follow up. No focus on access to services, particularly affordable housing/tackling homelessness. Positive references to stemming the use of atypical / temporary contracts - Preamble mentions that “The incidence of temporary contracts</i></p>

	recording farmers' incomes.			<i>is the highest in the EU, while the transition rate from temporary to permanent employment is low and the wage differential the highest in the EU."</i>
PT 5 CSRs	<p>CSR 1: Ensure a durable correction of the excessive deficit in 2015 by taking measures as necessary. Achieve a fiscal adjustment of 0.6% of GDP towards the medium-term objective in 2016. Enforce the commitment control law to better control expenditure. Improve the medium-term sustainability of the pension system. Safeguard the Financial sustainability of state-owned enterprises. Further improve tax compliance and the efficiency of the tax administration.</p>	<p>CSR 2: Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Ensure that developments relating to the minimum wage are consistent with the objectives of promoting employment and competitiveness.</p> <p>CSR 3: Improve the efficiency of public employment services, in particular by increasing outreach to non-registered young people. Ensure effective activation of benefit recipients and adequate coverage of the minimum income scheme.</p>		<p><i>No mention of poverty target or of poverty in the CSR. In the preliminary assessment that is presented its mentioned that ensuring adequate coverage of social assistance including the minimum income scheme remains a key challenge, as well as the situation of NEETs. Apart from that some positive progress is highlighted regarding the deployment of active labour market policies and the reform of public employment services, as well as the rise of minimum wage and the proportion of workers covered by it. In what concerns the recommendations there are no references to poverty and social exclusion. It's highlighted some recommendations concerning employment and coverage of the</i></p>

				<p><i>minimum income scheme.</i></p> <p><i>CSR 1 focus is on reducing excessive deficit with focus on controlling expenditure.</i></p> <p><i>Ambiguous proposal on medium-term sustainability of pension system- aimed at raising retirement ages.</i></p> <p><i>Positive reference to improving tax compliance.</i></p> <p><i>Some positive support to increase coverage of minimum scheme – but unclear if this relates also to replacement rates.</i></p> <p><i>Very negative references to pushing down wages, including minimum wages. More positive wording on improving PES and outreach to young people – but no comprehensive Youth Guarantee, not other groups mentioned.</i></p>
<p>RO 4 CSRs</p>	<p>CSR 1: Take all the necessary measures to complete the financial assistance programme.</p> <p>CSR 2: Limit the deviation from the fiscal medium-term objective in 2015 to a maximum of 0.25% of GDP. Implement the comprehensive tax compliance</p>	<p>CSR 3: Strengthen the provision of labour market measures, in particular for unregistered young people and long-term unemployed.</p> <p>Establish in consultation with the social partners and in accordance with national practices, clear guidelines for</p>	<p>CSR 3 cont: Increase the provision and quality of early childhood education and care, in particular for Roma. Adopt the national strategy to reduce early school leaving. Pursue the national health strategy 2014-20 to remedy issues of poor accessibility,</p>	<p><i>One of the named poverty CSRs. No mention of poverty in the CSR, but a good section in preamble on need to reduce poverty and social exclusion of 40% and highlighting low effectiveness of social transfers.</i></p> <p><i>In CSRs themselves, main focus on ALM –</i></p>

	<p>strategy, strengthen verification control systems in order to tackle undeclared work, and push ahead with the equalisation of the pensionable age for men and women</p>	<p>setting the minimum wage transparently. Introduce the minimum insertion income.</p>	<p>low funding and inefficient resources.</p>	<p><i>with focus on youth and long-term unemployed, not all vulnerable groups, but not on quality job creation.</i></p> <p><i>Positive reference to minimum insertion income (although unclear what is meant) and provision of quality early childhood education and care.</i></p> <p><i>Strategies for early school leaving and health, but no Rec about social inclusion strategy highlighted in preamble.</i></p>
<p>SK 4 CSRs</p>	<p>CSR 1: Improve the cost-effectiveness of the healthcare sector, including by improving the management of hospital care and strengthening primary healthcare. Take measures to increase tax collection.</p> <p>CSR 4: To boost investment in infrastructure, improve and streamline the administrative procedures for obtaining land-use and construction permits. Increase competition in public tenders and improve supervisory</p>	<p>CSR 2: Take additional measures to address long term unemployment by introducing activation measures, second chance education and high-quality training tailored to individuals' needs. Improve the incentives for women to remain in or return to employment by improving the provision of childcare facilities.</p> <p>CSR 3: Improve teacher training and the attractiveness of teaching as a profession to stem the decline in educational</p>		<p><i>No poverty CSR or mention of poverty. Dominant focus on reducing public budgets. CSR 1 focussed on reducing costs in the health sector, with unclear social impact.</i></p> <p><i>Positive Recommendation to increase tax collection, but unclear measures.</i></p> <p><i>Focus on investment in infrastructure, but not public or social investment. Priority given to increasing competition and public procurement, but no mention of social safeguards/clauses.</i></p> <p><i>Mentions in preamble, 'successful'</i></p>

	<p>mechanisms in public procurement.</p>	<p>outcomes. Increase the participation of Roma children in mainstream education and in high-quality early childhood education.</p>		<p><i>action to reduce disincentives to work in social security – ie increasing conditionality. Positive mention of need to increase participation of Roma children in mainstream education and high-quality early childhood education, although no mention of other access to key services, including housing.</i></p> <p><i>Positive reference to the long-term unemployed, but narrow focus on skills, unclear what “activation measures” means, and no other vulnerable groups mentioned. Positive reference in the Preamble about Public Employment Services which need to offer personalised services.</i></p>
<p>SI 4 CSRs</p>	<p>CSR 1: Ensure a durable correction of the excessive deficit in 2015, and achieve a fiscal adjustment of 0.6% of GDP towards the medium-term objective in 2016. Adopt the Fiscal Rule Act and revise the Public Finance Act. Advance long-term reform of the</p>	<p>CSR 2: Review, in consultation with the social partners and in accordance with national practices, the mechanism for setting the minimum wage, and in particular the role of allowances, in light of the impact on in-work poverty, job creation and competitiveness.</p>		<p><i>No poverty CSR. Mention of poverty in relation to in-work poverty in context of ambiguous text on minimum wage, but not of overall poverty.</i></p> <p><i>Main focus on reducing excessive deficit, reforming pension system by increasing retirement</i></p>

	<p>pension system. By end of 2015 adopt a healthcare and long-term care reform.</p>	<p>Increase the employability of low skilled and older workers. Take measures to address long-term unemployment and provide adequate incentives to extend working lives.</p>		<p><i>age and reforming health care/care sector – with no concern about access, quality and affordability.</i></p> <p><i>Positive reference to long-term unemployment, but no other groups mentioned, nor integrated approaches to support key groups.</i></p>
<p>ES 4 CSRs</p>	<p>CSR 1: Ensure a durable correction of the excessive deficit by 2016 by taking the necessary structural measures in 2015 and 2016 and using windfall gains to accelerate the deficit and debt reduction. Strengthen transparency and accountability of regional public finances. Improve the cost-effectiveness of the healthcare sector, and rationalise hospital pharmaceutical spending.</p>	<p>CSR 3: Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Take steps to increase the quality and effectiveness of job search assistance and counselling, including as part of tackling youth unemployment. Streamline minimum income and family support schemes and foster regional mobility.</p>		<p><i>No poverty CSR, despite high levels of poverty. Mention in preamble, of high levels of family poverty and need for more targeted social and family care. No mention of need for more resources to meet social goals of Europe 2020 or the need to use the 20% of ESF appropriately to tackle the serious social situation, even though the cost of recuperation is more costly than prompt action.</i></p> <p><i>Main CSR 1 is on reducing excessive deficit, taking forward structural reforms of labour market, and cutting costs in the health sector, with negative impact on access, affordability and coverage. This implies further adjustments or</i></p>

			<p><i>budget cuts, under threat of sanctions. Ambiguous CSR 3, insists on 'wage moderation' as euphemism for maintaining or lowering wages if productivity doesn't increase. On minimum income, welcome proposals to review and rationalize system and to promote spatial mobility, as highlighted in the EAPN EMIN report. However, no requirements around ensuring adequacy. Positive mention about the quality of the activation process, though no integrated active inclusion approaches and no individual pathways are mentioned. Preamble highlights the high incidence of temporary contracts and labour market segmentation, affecting particularly young people and the low skilled. No attention given to the role of the Third Sector of Social Action as a key dialogue partner, for the over 12 million people in poverty.</i></p>
--	--	--	--

<p>SE 1 CSR</p>	<p>CSR 1. Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, and by increasing the pace of mortgage amortisation. To alleviate the structural under-supply of housing, foster competition in the construction sector, streamline the planning and appeals procedures for construction and revise the rent-setting system to allow more market-oriented rent levels.</p>			<p><i>No poverty CSR. Doesn't address growing inequality. Concern about household debt is important but approach to debt is only through fiscal incentives.</i></p> <p><i>Serious problem of lack of affordable housing not tackled, only focus on increasing housing supply through competition and raising rents, likely to increase housing problem and poverty.</i></p>
<p>UK 3 CSRs</p>	<p>CSR 1: Ensure effective action under the excessive deficit procedure and endeavour to correct the excessive deficit in a durable manner by 2016-17, in particular by prioritising capital expenditure.</p> <p>CSR 2: Take further steps to boost supply in the housing sector, including by implementing</p>	<p>CSR 3: Address skills mismatches by increasing employers' engagement in the delivery of apprenticeships. Take action to further reduce the number of young people with low basic skills.</p> <p>Further improve the availability of affordable, high-quality, full-time childcare.</p>		<p><i>No poverty CSR and no mention of poverty although it's increasing, together with homelessness.</i></p> <p><i>CSR1 on reducing excessive deficit and promotion of capital expenditure is wrong in principle, and in practice and is likely to undermine growth and increase poverty. No social impact assessment has been made of drastic welfare reform or the £12 billion further</i></p>

	<p>the reforms of the national planning policy framework</p>			<p><i>cuts, or on rising in-work poverty, insecure work/zero hour contracts etc generating greater poverty and inequality, damaging the social purpose of the state.</i></p> <p><i>CSR 2 on increasing housing supply raises a key challenge, but with a gap between housing need/supply of 150.000 houses a year, the measures proposed are unlikely to ensure an increase in affordable homes for low-income households. Home ownership has fallen by 65% and no investment made in social housing with rents raised, affordable rents reclassified at 80% not 50% of market rents. The extension of the right to buy to housing association properties will increase the problem.</i></p> <p><i>CSR 3 makes positive reference to increasing employer-provided apprenticeships and promoting affordable, high-quality, full-time childcare. However this won't tackle the fundamental problems of the UK labour market, promoting low paid, poor quality jobs,</i></p>
--	--	--	--	---

				<p><i>under-investment in skills, with the weakest employment protection in the western world and punitive welfare policy.</i></p> <p><i>Apprenticeships will be funded by cutting working-age welfare support. Children are only mentioned in relation to labour market status. Govt proposes doubling number of hours of free childcare, but only where both parents in paid work, not clear how many hours. Neither is it set within a quality framework for early learning.</i></p>
--	--	--	--	---

INFORMATION AND CONTACT

For more information on this publication, contact
Sian Jones – EAPN Policy Coordinator
sian.jones@eapn.eu – 0032 (2) 226 58 59
See EAPN publications and activities on www.eapn.eu

The European Anti-Poverty Network (EAPN) is an independent network of nongovernmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.



EUROPEAN ANTI-POVERTY NETWORK

EUROPEAN ANTI-POVERTY NETWORK. Reproduction permitted, provided that appropriate reference is made to the source. June 2015.



This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

Neither the European Commission nor any person acting on behalf of the Commission may be held responsible for use of any information contained in this publication. For any use or reproduction of photos which are not under European Union copyright, permission must be sought directly from the copyright holder(s).