

EAPN Assessment and Proposals for Country-Specific Recommendations 2015

Making progress on Europe 2020: Investing in People for a Fairer EU

March 2015



INTRODUCTION

2015 marks the mid-point of the Europe 2020 Strategy for smart, sustainable and inclusive growth. However, as the Commission's recent Communication¹ underlines, shockingly little progress has been made on the poverty target², with 1 in 4 of the population facing poverty and social exclusion. The crucial Mid-Term Review of the Strategy could make a real difference. But with the postponement of the Mid-Term Review from 2015 until 2016, considerable fears have been raised about how far poverty reduction is a core priority for the new Commission under President Juncker, or whether Europe 2020 is still a major focus. The proposals for the Country Specific Recommendations (CSRs) in 2015 will need to demonstrate an increased focus on poverty reduction explicitly requiring achievement of the Europe 2020 targets, particularly the social ones, if people are to be reassured that the Europe 2020 Strategy is safe in the new Commission's hands, and that there is a real commitment to a more social and fairer Europe that invests in people, not just markets.

Almost 25% of the EU's population, or 122.6 million people, were at risk of poverty or social exclusion in 2013³. Although the proportion of persons at risk of poverty or social exclusion in the 28 Member States in 2013 (24.5%) has slightly decreased compared with 2012 (24.8%), it is higher than in 2008 (23.8%), representing an increase of 7 million since the poverty target was established. In 2013, more than a third of the population was at risk of poverty or social exclusion in five Member States, including Bulgaria (48.0%), Romania (40.4%), Greece (35.7%), Latvia (35.1%), and Hungary (33.5%). The lowest shares of persons being at risk of poverty or social exclusion were at the same time recorded in the Czech Republic (14.6%), the Netherlands (15.9%), Finland (16.0%), and Sweden (16.4%).

EAPN believes that the European Semester could deliver results if it puts economic and social objectives on a par, as called for by the European Parliament's⁴ and ensures that its economic strategy contributes to social and sustainable goals. The Semester can demonstrate this 'balanced approach', by ensuring that the CSRs give equal weight to reducing poverty as to the other social targets, ensuring that the macroeconomic recommendations actively contribute to the reduction of poverty. In the context of the new Commission, President Juncker's call for fairness when presenting his political guidelines in July is not visibly echoed in the policy priorities within the Annual Growth Survey 2015. The focus on investment and jobs, debt reduction and structural reforms, lacks reference to the need for social investment, promoting integrated approaches to reduce poverty, that ensure access to quality jobs, services and social protection, including adequate minimum income.

Ownership and participation in the Semester are key, as highlighted by the AGS 2015. But this needs to be backed by concrete actions to promote more meaningful engagement of stakeholders at all stages: design, as well as implementation and monitoring, particularly civil society and people experiencing poverty most affected by the policies. The new Country

¹ EC Communication (March 17, 2015): Taking Stock of the Europe 2020 strategy for smart, sustainable and inclusive growth.

² To reduce the number of people at risk of poverty and/or social exclusion by at least 20 million by 2020.

³ EU SILC, November 2014.

⁴ EP (11.03.2015). Report on [the European Semester for economic policy coordination: Employment and Social Aspects in the Annual Growth Survey 2015](#) (2014/2222(INI))

Reports and the Country-Specific Recommendations are an increasingly powerful tool, which could be used to reinforce these demands.

In this report, EAPN presents our members' assessment of the 2014 Country-Specific Recommendations and their implementation, to see what impact they have had on poverty, in the light of current policy developments in their countries. On the basis of this assessment, EAPN members' own proposals for CSRs in 2015 are presented. An Annex of full individual country fiches is also available online.

This synthesis report was developed based on a template fiche completed by National Networks and European Organizations. Written responses were received from 24 National Networks: Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and UK, and 1 European Organisation, Eurodiaconia. A peer review exchange on the draft assessments took place on the 6 and 7 February in the EAPN EU Inclusion Strategies Group meeting, in Rome.

12 Priorities for Country-Specific Recommendations in 2015

- 1) Balance economic / social CSRs and review social impact to avoid penalizing the poor.**
- 2) Require an integrated anti-poverty strategy and an effective poverty target.**
- 3) Invest in universal social protection and ensure adequacy of minimum income.**
- 4) Promote quality and sustainable jobs with decent wages.**
- 5) Tackle long-term unemployment by promoting inclusive labour markets, as part of integrated Active Inclusion approaches.**
- 6) Invest in social standards to ensure universal access to social and health services.**
- 7) Guarantee access to an affordable home for all!**
- 8) Invest in inclusive, comprehensive education, particularly for Roma.**
- 9) Tackle youth poverty and social exclusion as well as youth unemployment.**
- 10) Promote gender equality, work-life balance and invest in children.**
- 11) Reduce inequality and promote tax justice.**
- 12) Promote meaningful civil society engagement and ensure legitimacy.**

1. EAPN MEMBERS' ASSESSMENT OF THE 2014 CSRs

EAPN National Networks and European Organisation members made an assessment on how far the 2014 CSR proposals, agreed by the Council in June 2014, had a positive or negative impact on poverty, as well as highlighting gaps in the Recommendations. They looked at the entirety of CSRs, including the macroeconomic and financial CSRs, as well as, more specifically, social CSRs related to employment, education, and poverty reduction.

Positive and Negative CSRs

The majority of national responses made a mixed assessment of CSR proposals for their countries. They underlined the difficulty of an accurate assessment, as most CSRs contained positive or negative elements, depending on how they were interpreted and implemented. The wording of the CSRs was generally seen as highly ambiguous, making it difficult to see clearly which measures were being proposed (eg, references to changing wage levels, instead

of being transparent about request to lower wages, or references to reform of public administration, without stipulating that this implies cuts and reductions). Even when the diagnosis was felt to be correct, the measures proposed were seen to be often weak or sometimes even counter-productive to producing the required result: for example when potentially positive CSRs may be undermined by macroeconomic priorities to reduce deficits and debt if this continues to be addressed through austerity measures.

Positive CSRs

A large number of responses highlighted positive CSRs in relation to **improving labour market access and employability for disadvantaged** groups (AT, CZ, DK, FI, IE, LT, MT, PL, SK, SE, and Eurodiaconia members in DK). However, concerns were raised about the focus only on *employability*, rather than *quality job* creation and *ensuring access to quality employment in a consistent way for key excluded groups*. EAPN Spain and Portugal highlighted potential benefits in tackling segmentation, if the aim was to increase the security and job quality of low-paid workers, rather than eroding employment protection. EAPN Estonia highlighted potential benefits of investment in growth, entrepreneurship and employment in high unemployment areas, although unclear how this would be implemented and who it would benefit.

Many also highlighted **activation of long-term unemployed** and integrated service support, including one-stop shops (CZ, DE, FI, FR, HR, IE, LV, LT, MT, PT, ES, SK) as potentially encouraging, if focused on the needs of the unemployed through case management, personalized counselling and training support. However, most highlighted the dangers of a too narrow activation approach, which puts all the responsibility on the unemployed for not getting the scarce amount of jobs available to them. Risks were also highlighted in the proposals for increased coordination between income support and activation, if the approach was only based on punitive conditionality and sanctions, threatening already vulnerable people with loss or reduction of benefits if they failed to get a job, regardless whether the job would actually take them out of poverty, and lacking a coherent framework of integrated active inclusion.

Several members emphasized CSRs that focused on integration of **key target groups** – eg migrants (SE, and Eurodiaconia DK), women (AT, CZ, IE, IT, PL, SK and Eurodiaconia AT), children or older workers (FI and FR), but again highlighted the shortcomings of narrow approaches, which failed to provide integrated support that recognized the crucial role of access to services and benefits. In the case of women, an assumption that childcare alone is sufficient was challenged, both for lack of emphasis on affordability, but also for underplaying other barriers to well-paid work for women, as a result of the gender pay gap and lack of support for work/life balance. CSRs improving access to affordable child- and long term care were welcomed (AT, CZ, IE, PL, UK and Eurodiaconia AT), but concerns raised about the quality of care, and the importance of early learning to support children's rights and development, rather than just as a tool for women's labour market participation. An integrated approach to investment in children and a family policy approach also needed strengthening (EE, ES). For older workers, the lack of pro-active action with employers to keep workers or encourage applications were missing.

A large number of members welcomed the increased CSRs on **Youth Guarantee or the Youth Employment Initiative**, addressing skill mismatches and promoting quality apprenticeships (FI, HR, IE, IT, LT, LU, MT, NL, PL, PT, ES, SK, SE, UK and Eurodiaconia DK). In Sweden, the support to early intervention with NEETs was particularly welcomed. However, concern was raised about how effectively it would be implemented, about the quality of support and of the jobs, and how the transitions to quality work would be ensured, particularly with the requirements of cuts to expenditure, as well as how far a broader approach to youth inclusion would be promoted.

Many members welcomed an increasing focus on **educational attainment and transitions** from school into work, with support to basic skills (DK, DE, FR, IE, IT, ES, Eurodiaconia DK). EAPN Slovakia emphasized the importance of a CSR on 2nd chance education and training. Concerns were raised, however, about the inclusiveness of comprehensive, universal systems, and how specific groups with particular barriers were supported. In particular Roma were mentioned (CZ and SK).

The increased number of CSRs focusing on **adequacy of income support and social protection systems was broadly welcomed** and highlighted by CY, HR, IE, IT, LV, LT, UK. Particular reference was made to the advice on income support measures to tackle child poverty (IE, EE, ES and UK) including tackling work/benefit transitions, to ensure tapering (IE). But strong concern was raised about implementation, coverage and take up of benefits, and the interplay with the conditionality requirements undermining the rights to adequate income for a dignified life. Some of the CSRs, which tackled household indebtedness, frameworks on personal insolvency were also welcomed (ES, SE). Attention to housing debt and mortgage risks was seen as positive, but issues of coherence were raised, as the CSRS reinforcing macroeconomic stability focusing on budget cuts and privatization, overrode concerns about ensuring affordable, quality housing for all (SE, UK).

The link to reducing **taxes and higher social security contributions** for low wage earners was welcomed (DE, LV, ES) as improving adequate income for a dignified life, but concerns were raised about how far lower contributions would undermine individual rights to adequate benefits and pensions in the long-term. The broader issue of CSRs improving **balance and fairness in tax systems**, including tax compliance/evasion and action against fraud was also highlighted as potentially positive (BE, DE, LV, MT), but strong concerns about the threat to sustainable financing of social protection and security systems, as well as the risks of prioritizing only a switch of tax away from labour to environmental risk, rather an overall inclusive tax approach, with a commitment to progressive taxation and a move towards taxing capital and wealth (BE).

Finally, the CSRs which called for investment in **improving effectiveness of public administration**, particularly in employment services but also education, or integrated service approaches was welcomed (CZ, IT, LT, PT, ES also Eurodiaconia CZ), also reorganization in social and health services (FI), although calls for careful ex-ante and post evaluation of the impact of reorganization on poverty and key groups was called for, as well as increased support for role of NGOs in quality social service delivery. The CSR calling for the implementation of the National Action Plan on Social Inclusion was particularly welcomed by EAPN ES, who had promoted the CSR on this with their Government.

Negative CSRs

The major failing of the CSRs 2014, according to EAPN national members, is the overwhelming priority given to **macroeconomic priorities of financial and economic stability, deficit and debt** reduction, with no visible focus on poverty, or indeed the Europe 2020 targets. This is seen as currently explicit in the European Semester process. As highlighted by EAPN DK, *"The CSR 1 undermine the delivery on other CSRs"*.

The lack of an explicit focus or CSRs on poverty, despite the significant shortfall on the Europe 2020 poverty reduction target, is highlighted by CY, HR, DK, EE, IE, LV, PT, SE and UK. Nearly all members raise alarm bells about the continuing focus on austerity and fiscal consolidation through 'cost efficiencies' (AT, DK, HE, FI, FR, IE, IT, LV, LU, PT, UK) which are primarily aimed at reducing spending on key public services, likely to hit the poor hardest and increase poverty and inequality. The efficiency focus on health and long-term care is particularly highlighted (AT, HR, FI, FR, PT, ES) and resulting in diminishing affordable access, including limitations to coverage, particularly in rural areas, as well as reduced access to affordable medicines and preventative services (PT, ES). Members emphasize the negative social and economic impact on health, with proven links to increasing mortality, mental health, and diminishing general health rates, particularly for key vulnerable groups.

The stronger focus in the CSRs on **pro-growth investment was in principle welcomed**, however the lack of focus on social investment was strongly challenged, particularly in social, health and education services (DK, DE, IE, PL, UK), but also more specifically in supposedly key priority areas, like childcare and early learning, access to legal services, integrated labour market accompaniment and activation measures (IE), or key public services, like affordable energy, water, public transport (UK). The current approach appears to send a negative message that public services are purely seen as cost and not a benefit, nor as a long-term investment in people and a sustainable economy, contradicting the Commission's commitments to Social Investment.

The priority given to promoting **activation mainly by 'reducing financial disincentives to work'** is widely criticized and explicitly mentioned as sending contradictory messages (BE, FR, HR, LV, SK), putting pressure on Member States to reduce adequacy and coverage of income support for vulnerable groups, particularly for minimum income, but also in child, housing and unemployment benefits. This is seen as an attack on fundamental rights to social protection, likely to increase poverty and exclusion as it increases financial hardship. It is also counter-productive: undermining social cohesion of communities and preventing people from being able to stay close to the labour market.

The CSRs **promoting 'competitiveness' of services**, and particularly promoting liberalization and privatization in the social service sector (AT, DK, DE), are seen as often putting at risk the quality of services, by driving a race to the bottom, endangering social standards in vital services, which are essential to support people at risk of poverty and exclusion, often undermining sustainable support for vital NGO proximity services. DK highlights that these sectors are already highly competitive and visibly driving low wages.

Reform of wage setting / wage indexing CSRs are mentioned by BE, LU as likely to increase the numbers of working poor, reducing disposable household income which undermines consumer demand in the economy, and increasing the income gap.

Strong concerns are raised about the **increased number of CSRs reforming/modernizing the pension system**, which prioritize raising the retirement age (HR, CZ, FI, DE), without ensuring increased access to quality jobs for older workers, or recognizing the different health and other risks faced by low-paid workers in jobs with poor conditions, or long-term unemployed through disability and ill health. Increased CSRs aimed at reducing eligibility, coverage and adequacy of pensions are seen as likely to radically increase the pauperization and hardship of older people, resulting in costly demands on health and long-term care (HR, FR).

The major focus on **reforming tax systems, with priority to consumer-based, indirect taxation (eg VAT)** is challenged by several members (BE, FR, LU, UK) as undermining the redistributive role of tax/benefit systems, and perpetuating a regressive impact on the poorest with least disposable income or options over their spending on basic food and services.

Finally the proposals on **reform of public administration** appear too often to be driven by cost-reduction objectives, rather than by a concern to increase the quality and accountability of local services (EE, FI, ES). In some cases, this means decentralization to local services, with cut funds and reduced obligations (EE, ES).

Summary of Positive and Negative CSRs and perceived gaps

Austria

Positive

- Improving the labour market prospects for people with migration background, women and older workers reflects EAPN's CSR proposal in 2014;
- Improving child-care and long-term services is positive if it provides more extensive child-care facilities with better opening hours and more extensive day-care centres. However, EAPN underlines that childcare alone will not improve the labour market prospects for women, only reduce some challenges.

Negative

- The focus on cost efficiency is negative, particularly in relation to health and long-term care, rather than supporting a quality approach to care. Recommendations that children and their specific needs are also not mentioned.
- Recommendation that is aimed at removing barriers to competition in the service sector is likely to undermine sustainable provision of social services for people in need, putting more pressure on the service provider. EAPN calls for cultural aspects and tradition to be taken into account.

Belgium

Positive

- The CSR requiring improvement of the balance and fairness of the overall tax systems and preparing a comprehensive tax reform that will allow shift from tax away from labour towards more growth-friendly tax bases. However, EAPN highlights the need for a tax shift away from labour towards capital, and to show how 'growth-friendly' translates into poverty reduction.

Negative

- Restoring competitiveness by the reform of wage-setting including wage indexation, is seen as having a very negative impact on poverty by leading to an increase of working poor.
- Although the aim of the CSR on increasing labour market participation is supported, particularly for disadvantaged people including youth, migrants etc, the measures are seen as negative “*notably by reducing financial disincentives to work*”. This is seen as a direct threat to decent minimum income, reducing the level or accessibility of benefits, rather than support for increasing minimum wages.

Cyprus

There were no CSRs for 2014 as the Economic Adjustment Programme under the Troika came into force. However an assessment has been made on these proposals.

Positive

- The only ‘positive measure’ is seen as the Guaranteed Minimum Income that replaces the Public Allowance, expected to benefit 42.000 people. However, the criteria is excluding the majority of people: 16.500 have applied and only 4.000 have been approved. 17.000 low income pensioners have lost their extra allowance.

Negative

- No account is taken of the reduction of poverty. To the contrary, the measures will generally increase poverty and exclusion. *See the impact on the social situation in later section.*

Croatia

Positive

- In CSR 3, Prioritizing outreach to non-registered youth and mobilizing the private sector to offer more apprenticeships, in line with the youth guarantee, is an important recommendation. However Croatia does not currently have an official indicator or data on NEETS or their risk of poverty.
- CSR 4: reviewing the tax/benefits systems and presenting an action plan to improve reactivation of inactive and unemployed, strengthening the effectiveness and transparency of the social protection system by consolidating benefits, unifying eligibility criteria and proposing a one-stop shop, could be positive measures.

Negative

- The overarching focus on implementing budgetary measures says nothing about impact on poverty and inequalities. The proposed reform of tax/benefit system could have a negative impact.
- CSR1 on financial system stability, makes no assessment of the economic and social impact, including of the recurrent property taxation.
- CSR2 on pension system reform are based on tighter disability pension assessments and controls, reducing access to early retirement and increasing cost efficiencies in the health sector which can easily lead to poverty for older people.
- Other CSRs on the reduction of salaries, suspension of retirement age, freezing of wages, reduction of employees in the public sector have been proven to increase unemployment and cause higher poverty.

Czech Republic

Positive

- There are important CSRs highlighting the need to increase the inclusiveness of education, ie particularly for Roma Children in mainstream inclusive early childhood education. The need to increase access to affordable childcare facilities and support to part-time work to support women's participation in the labour market.
- Encouragement of effective active labour market policies, claiming that they remain underfunded and do not effectively target women with young children, young people and older workers.
- Improvement in the quality and efficiency of public administration, to ensure that the accreditation and financing of higher education contributes to improving quality and labour market relevance.

Negative

- The focus on part-time work for women, could be questionable as pay is low, but important to present measures to close the gender pay gap: the largest in the EU.
- The pressure towards accelerating the increase in the statutory retirement age and promoting employability of older workers is complicated particularly in regions where there are very limited employment possibilities (ie Moravskoslezsky Region/N of CZ).

Denmark

Positive

- CSR 2: Taking further measures to improve the employability of people at the margins of the labour market and improving the educational outcomes, of young people with a migrant background and the effectiveness of vocational training; facilitating the transition from education to the labour market, including through a wider use of work-based training and apprenticeships.

Negative

- CSR 1 and 3 undermine CSR 1 as they set a strict limit on investments for growth and jobs and 3 proposes more free market in the domestic service sector where wages are low and competition is already high.

Estonia

Positive

- Increasing the efficiency and cost-effectiveness of family policy while improving availability and access of childcare;
- Supporting coordinated measure for fostering economic development and entrepreneurship in regions facing high unemployment; Improving incentives to work through measures targeting low income earners, and increasing the effectiveness of family policy.

Negative

- Implementation of CSR 1 deficit reduction requirement without assessment of impact on poverty.
- The requirement to better balance local government's revenue against devolved responsibilities. EAPN highlights the need to underline the obligation of local authorities to organize and provide social services, not just receive the financing.

Finland

Positive

- Implementing and monitoring the measures to improve labour market position of young people and the long-term unemployed with an emphasis on job-relevant skills; Further steps to increase the employability of older workers and improving their employability.
- Implementation of reform of social and health care services could be positive despite cost savings, because of its potential impact on significant health inequalities.

Negative

- The continued focus on adjusting public revenue and expenditure and reductions on institutional care of elderly people; Aligning retirement age with increased life expectancy, without other safeguards to ensure adequacy of income or care support.
- The implementation of administrative reform concerning the municipalities focused on cost-savings in public services, including social and health care.

France

Positive

- Extending the offer of advice/training to older workers; Pursuing the reduction of inequalities in education, particularly school drop-out; ensuring that active labour market measures support access for most vulnerable groups, improving school-work transitions.
- However EAPN comments the need for pro-active measures to increase demand/jobs for older workers and concrete measures for reducing educational inequalities. They highlight that activation needs to be more than enforced conditionality, include training and accompaniment, backed with adequate minimum income.

Negative

- EAPN France draws attention to the series of CSRs focused on reducing costs and cutting services eg Limiting the cost of retirement runs the risk of impoverishing retired people, whilst the rationalization of family and housing benefits fails to recognize their role in supporting family income, as well as the current lacks in upgrading benefits. Reduction of costs to the health service will increase non take up and impact negatively on health.
- Extending consumption taxes eg VAT, without consideration of the potential regressive impact; reforms of the unemployment benefit insurance, which would reduce coverage and rates, rather than positive measures to support employment for disadvantaged groups.

Germany

Positive

- Improving the efficiency of the tax system, but doesn't go far enough to ensure more progressive measures for low wage earners and fairer taxes, as the overall tax rate for the highest 10% is lower than the overall tax rate of the middle income group.
- Reducing high taxes and social security contributions, especially for low-wage earners, is important. But no proposals are made on how to compensate for the reduction in tax contributions and impact on adequacy of pensions and social protection benefits.
- Improving the employability of workers by raising educational achievement of disadvantaged people, more activation and integration especially for the long-term unemployed, but such programmes have currently been cut. Improving employability needs suitable training and employment services, adequately funded.

Negative

- Continued proposals for fiscal austerity which undermine social investments, especially in social and education services; increasing incentives for later retirement, without ensuring older people have access to decent work nor can access adequate pensions. Flexible ways of moving into retirement should be encouraged.
- Stimulating competition in the services sector is not the only or best way to increase efficiency and effectiveness. Social and professional standards have to be maintained.

Ireland

Positive

- Pursuing further improvements in active labour market policies, focusing on long-term unemployed, low skilled, and young people in line with the youth guarantee; advancing reform of Further Education and Training Systems, employment support and apprenticeship. However, how it is implemented is key as the current approach to activation has been very narrow, with an increased focus on conditionality rather than an empowering service for people.
- Tackle low work intensity and address poverty risk of children through tapered withdrawal of benefits and supplementary payments on return to employment; facilitate female labour market participation by improving access to more affordable and full-time childcare, particularly for low income families. However the lack of mention of quality care is crucial and its role in increasing participation in society, rather than just improving access to the labour market.

Negative

Economic and financial considerations dominate the CSRs, reflected in the first CSR, setting the tone for issues such as health and access to the legal system, but also in terms of investment in affordable and accessible childcare and well-resourced integrated activation.

There is a real danger that achieving the budget deficit/debt thresholds will undermine the commitments of Europe 2020, with consistent poverty in Ireland increasing from 4.2% to 8.2% of the population between 2008 and 2013.

Italy

Positive

- For the first time a Recommendation mentioned poverty and social exclusion and the extension of the social assistance scheme – working towards a more comprehensive social protection system for the unemployed and scaling up new pilot social assistance scheme, strengthening the link with activation and improving the effectiveness of family support schemes and quality services.
- Other measures include improving the efficiency of public administration, preserving growth-enhancing expenditure in key areas, effective action to promote female employment, providing adequate services to non-registered young people, implementing the national system for evaluation of schools to improve early leaving.

Negative

- The budgetary targets are the dominant CSR and likely to undermine the delivery of the other more positive Recommendations.

Latvia

Positive

- Supporting efforts to further reduce the tax burden on low-income earners and improve tax compliance and collection.
- Reforming social assistance and financing to ensure better coverage and adequacy, and support activation and social services.

Negative

- Priority to strengthening budgetary strategy without ensuring that the burden is not paid by the poor.
- Focus on tackling unemployment, fails to mention the % of the population who have emigrated, and those who see no need to register as unemployed when their benefit ceases after 9 months.
- Insufficient recognition of the high number of people in poverty, particularly in rural areas, when Latvia's spending on social protection is the lowest in the EU; access to health care is hampered by high costs for poor people, including high out of pocket payments and prevalent informal payments.

Lithuania

Positive

- Better targeting active labour market policies to low skilled and long-term unemployed, and increasing the coverage and adequacy of unemployment benefits. Addressing skill mismatches and increasing the employability of young people with quality apprenticeships and partnership with private sector.
- Ensuring adequate coverage of those in need and strengthen link between social assistance and activation.

Negative

- Insufficient impulse to Lithuanian Government to modernize social services, developing partnerships with NGO stakeholders also in the policy decisions that impact on citizen's quality of life.

Luxembourg

Positive

- There are no similarities with the EAPN proposal, except that 'reduce youth unemployment' coincides with the recommendations of the network of the importance of 'implementing the youth guarantee'.

Negative

- Fiscal governance and especially "taking into account implicit liabilities related to ageing" may lead to lower pensions; the broadening of the tax base for consumption taxes will induce higher prices for every day's life goods. "reform the wage setting system" has the aim of lowering wages.

Malta

Positive

- Tackling unemployment and activation measures, promoting the Youth Guarantee and initiatives to help single people enter the labour market. However EAPN highlights the importance of supporting the Alternative Programme for school leavers, free childcare to support women's integration and strengthening adult literacy programmes.

- Tax evasion and fraud and the sustainability of social services, however EAPN underlines that welfare fraud amounts to a relatively low percentage of government expenditure.

Negative

- No comments are made.

Netherlands

Positive

- The Youth Action Plan is a positive first step

Negative

- The fact that the EU is forcing the Netherlands into a privately based social housing market, which we do not need and do not want.

Poland

Positive

- Continuing efforts to increase female labour market participation, in particular through increasing availability of affordable quality childcare and pre-school education; strengthening efforts to reduce youth unemployment.

- However, taking any job is not enough to improve the income status of the family. Quality jobs (with stable and living wages), need to be combined with increasing mobility from lower quality to better ones. A coordinated system of tax/benefits to increase family net income, including adequate minimum income is crucial to ensure no family falls below the accepted minimum.

Negative

- The very narrow approach to investment, minimizing cuts only in non-social growth-enhancing investment and improving the targeting of social policies. This fails to see social policy as a growth-enhancing investment and only as a cost.

Portugal

Positive

- A recognition that the crisis and austerity measures had a deep impact on increasing poverty, although no concrete proposals are made. The importance of increasing employment, particularly long-term and youth, and improve job counselling/search assistance.

- There's an important request to present by March 2015 an independent evaluation of recent reforms to employment protection, and an action plan to tackle labour market segmentation.

Negative

- Lack of concrete measure to reduce poverty. The focus on controlling health care expenditure, without assessment of rising basic health costs and cuts in medicine sector which is impacting on health and well-being, including mortality rates, waiting times and mental health and substance abuse. (eg Spring Report 2013).

Spain

Positive

EAPN Spain considers that many of its 2014 CSR proposals have been taken up.

- CSR 1: considering lowering employer's social security contributions particularly for low-wage jobs, however consideration must be taken of the impact on worker's pensions.

- CSR 2: developing a permanent framework for personal insolvency, is an important issue affecting impoverishment and family bankruptcy.
- CSR 3: New measures to reduce labour market segmentation to favor sustainable quality jobs is welcomed as quality jobs are a key component of a better redistribution strategy.
- CSR 4: implementing the Youth Entrepreneurship and Employment Strategy and evaluating its effectiveness is welcomed.
- CSR 5: implementing the NAP on social inclusion and strengthening the admin capacity and coordination of employment and social services to support integrated pathways, improving the targeting of family support schemes and quality services favoring low-income households with children ensuring progressivity/ effectiveness of social transfers.

Negative

- CSR 1: focus on cost effectiveness of the health care sector, rather than on maintaining accessibility to health care for vulnerable groups, with risk of less available medicines covered by social security, less health services and more emphasis on getting people out of the system (ie immigrants).
- CSR 8: The reform of public administration, will result in the dismantling of social services at local and provincial levels, meaning people in poverty are further from the practitioners, resulting in undermining EAPN's first Recommendation 'welfare states red lines should not be crossed'.

Slovakia

Positive

- Addressing long-term unemployment through activation, 2nd chance education and tailored quality training; enhancing capacity of public employment services through case-management approaches; Tackling youth unemployment by improving early intervention in line with the youth guarantee and improving incentives for women's employment particularly through the provision of childcare facilities.
- Adopting systemic measures to improve access to high quality and inclusive pre-school education for marginalized communities including Roma, also in vocational training and higher education.
- However, overall integrated active inclusion approach is missing, particularly in ensuring access to basic services, such as affordable housing or adequate minimum income.

Negative

- Strengthen the link between activation and social assistance. This general wording is dangerous as it appears to justify full conditionality of minimum income to activation. This is being implemented by the Slovak government and risks undermining the EU's commitments to the European Charter of Fundamental Rights.

Sweden

Positive

- Moderating household sector credit growth and private indebtedness.
- Taking appropriate measures to improve basic skills and facilitate transitions from education into the labour market, particularly for young people and migrants. Increasing early intervention and outreach for young people who are unregistered.

Negative

- The overall neo-liberal approach which undermines access to rights.

- The focus on improving the efficiency of the housing market through market-orientated, liberalization measures, which will only lead to vulnerable groups in the housing market becoming even more exploited and further away from a decent home of their own.

UK

Positive

- CSR 2 refers to macro-prudential regulation, property prices and debt risks and suggest measures to mitigate risks related to high mortgage indebtedness and other measures to alleviate distortions in the housing market and increase housing supply. However, the CSR is mainly concerned with macro-economic risk rather than combating housing lack, affordability and quality. (See full country fiche for details).

- CSR 4: calls for continued efforts to reduce child poverty in low income households, ensuring Universal Credit and other welfare reforms deliver adequate benefits, with work incentives and support services. Improving the availability of affordable quality childcare. However there is strong evidence the welfare regime had become harsher, with working-age benefits substantially below adequacy, and increased sanctions. EAPN had called for a halt to welfare reform, requiring an assessment of adequacy, and impact on poverty, and the retention of the child poverty target and the measures of the Child Poverty Act.

- CSR 3: maintaining commitment to the Youth Contract, with increased focus on skill mismatches and higher level skills and apprenticeship. UK Youth unemployment is three times adult unemployment, and the main work integration programme has not worked well. Only 3% of young people on WP achieved the target of a 12 months job, despite 2000€ of job subsidy to employers.

Negative

- CSR 1 underpins all the rest of the CSRs and reinforces the budgetary strategy to correct excessive deficit focused on fiscal consolidation, with some raising of tax revenues by broadening tax bases. However if the pace and scale of deficit reduction had been delivered, UK poverty rates would have been much worse. UK government delivered focus 85% cuts to 15% revenue increases in 2014. The tax proposals by the Commission generally encourage regressive changes to VAT, as people on low incomes are disproportionately hit. Whilst the proposals on property tax are progressive, they are unlikely to be implemented.

What are the Main Gaps?

EAPN members were asked to map explicit omissions from their perspective in the CSRs. The main gap was **the lack of a coherent, balanced, inclusive and sustainable growth strategy**, which ensured economic goals contributed to the delivery on the poverty reduction and other social targets. The failure to highlight countries that are *succeeding* in combining economic AND social goals for more shared prosperity undermines trust in the Semester and its goals (ie the example of Denmark as one of the most competitive and prosperous Member States, that has continued to operate an effective flexicurity strategy, based on universal access to quality jobs, services and social protection, funded by high taxes and progressive taxation). For many in EAPN this only underlines the continued domination of an outdated and increasingly devalued neo-liberal model, which has precipitated the crisis and now uses its pretext to roll-back welfare states across the EU (UK).

The lack of an overarching focus on poverty and CSRs for all countries, and demand for an overarching rights-based **integrated strategy** to fight poverty and exclusion gave little security about the objectives (FI, PL, PT, DE), as well as the failure to give a central role to Europe 2020 (IE), or commitment to integrate the targets in a coherent fashion (LU). The failure to set CSRs when the poverty target had supposedly been reached (PL), or when Member States avoided setting EU poverty targets, was also raised (SE).

The dominance of continued **austerity measures focused on public expenditure cuts** raises calls for CSRs requiring an explicit social/poverty impact assessment of the **distributional impact of tax/benefit/services/employment** (UK) to challenge growing poverty and inequality through distribution and redistribution measures (BE, ES, SE, UK). Members are looking for a new commitment to progressive and fair taxation policies, including a shift away from consumption towards taxing capital. Some countries continue to call for an explicit anti-poverty shock plan for the countries who are worst hit (ES).

Improving or restoring **adequacy of minimum income** was highlighted as a key priority for many members (AT, BE, CY, FI, FR, PT, SE, SK, PT, UK), to restore income levels, where people are unable to access quality jobs, even in countries where CSRs on income support were in place. This needed to be linked to broader guarantees on adequate income throughout the life cycle, particularly in evaluating the adequacy within the overlap/transitions with unemployment and other benefits, as well as pensions, protecting acceptable living standards (AT, CY, FI). The Social Investment Package requirement for ‘well-designed welfare systems’ was recalled as a necessary principle to underpin CSRs in this area (PT).

Enforcing social standards, ensuring affordable access to quality services, particularly as a result of the impact of austerity measures, is a key gap (AT, BE, CY, FR, SK, UK). **Health and long-term care** are highlighted as particularly vulnerable, with grave medium and long-term social, health and economic costs (IE, FR, AT). **Access to affordable housing** is a particular omission in the Commission’s current approach, as priority is given to stimulating growth in the private housing sector over ensuring affordable housing to people, and with almost no attention to the key role of social housing for low income groups (CZ, IE, LU, NL, UK).

A revised approach to linking assessment of disposable income to cost/access to services was seen as increasingly vital (SK, UK). In several countries, a focus on **modernization of social services** is backed, particularly giving support to NGOs and social economy in their role in delivery of proximity services, as well in representation (HR, EE, LT), but without undermining the state’s prime responsibility for delivery (FR, UK). Particular surprise was expressed that **education services have not been saved from cuts**, despite being a clearly recognized priority for social investment, and with little awareness of the need for integrated approaches that ensure access to other services (PT).

In the area of **employment**, a key omission were explicit measures to challenge growing in-work poverty, including supporting new frameworks for minimum and living/decent wages (AT, PL). CSRs for **quality job creation** (BE, DK) were also called for, with specific attention to the role of public sector, ensuring that people who are disadvantaged through social situation, gender, health, age, minority or other grounds, are supported to access quality jobs (DE, DK). Members miss any reference to an integrated **Active Inclusion approach** (comprehensive support combining inclusive labour markets, access to quality services, and adequate

minimum income/social protection), as supported by the Social Investment Package, which can provide an effective and rights-based approach to supporting inclusion and sustainable employment, rather than labour market entry at any cost. The use of Structural Funds to deliver on the 20% of ESF on poverty reduction, with particular reference to Active Inclusion approaches, is also a key omission (PT).

Although supporting the strong focus on youth, members underline that this should not be at the cost of the **needs of groups facing poverty and social exclusion** – particularly older people, people with health difficulties and disabilities, including mental health, the homeless, migrants – particularly undocumented who are increasingly excluded from accessing their rights (MT, UK);

Women get an increasing focus in the CSRs, yet primarily from the perspective of increasing female participation in the labour market through increasing childcare, rather than tackling discrimination and closing the gender pay and pension gap (AT, IE, UK). The needs of low income families and particularly support for **care givers** who increasingly take up the double burden of care is a key risk, with the erosion of long-term care support (DK, DE, EE, FI, UK).

Finally, many members underline the need for CSRS to tackle the continued **weak stakeholder involvement** in the Semester process, despite the priority given to this in the Annual Growth Survey 2014 and 2015, particularly in the *design and monitoring as well as delivery* of National Reform Programmes (BE, IT, LT, LU), and in the National Social Reports (IT). The CSRs need to send a strong message that the democratic deficit and effective participation is a priority not an optional extra, if the European Semester is to be accountable and credible.

Summary of Main Gaps

Austria: Adequacy of Minimum Income should be guaranteed. Implementing labour market inclusion for those furthest away from the labour market.

Bulgaria: Fiscal and Tax justice, with progressive taxation to reduce spiraling poverty and inequality, action to tackle indebtedness, tackle impact of petty crime and corruption, access to key services particularly energy poverty, support to social economy and use of ESF and Structural Funds to redistribute wealth, reduce inequality and poverty not to increase the gap.

Belgium: Tackling inequality through fiscal/tax justice. Guaranteeing an adequate minimum income, creating quality jobs and supporting access for those excluded.

Cyprus: Financial support to protect living standards, and to prevent austerity increasing poverty and inequality.

Czech Republic: Promoting inclusive education: ensuring access to post-compulsory education for vulnerable groups, particularly Roma, also pre-primary and primary. New priority should be given to social housing, providing integrated support to people suffering from homelessness and housing exclusion. Better support to non-for profit housing solutions.

Denmark: Renewed commitment to a progressive Flexicurity concept ie that guarantees income security with flexible labour market. Better support for those who are furthest from the labour market – in terms of employment support but also adequate income support.

Estonia: Closing discrimination gaps for different national and vulnerable groups. More focus on disabled and older people's poverty. Not enough focus on quality jobs. Lacking a systemic and preventative mechanism for poverty reduction. Need to ensure access to health care for all.

France: Increase in Minimum Income needed. Increase in the number of young people accessing the youth guarantee. Increase in the amount of housing benefits. Merging minimum income and employment allowances to favor take up and access to minimum income.

Germany: Better measurement of employment sustainability and impact, particularly regarding participation and duration; a real poverty target, not just long-term unemployment. Need to ensure an effective use of ESF 20% for poverty reduction.

Ireland: The Country Specific Recommendations (CSR) do not include recommendations on some key areas which should be addressed if Ireland is to bring about balanced smart, sustainable and inclusive growth. This includes the areas of climate change, resource efficiency, poverty reduction, gender mainstreaming, pensions and access to quality housing, health and long term care.

Italy: Change priority from only budget deficit reduction and liberalization, and focus on strategy to fight poverty and inequality, with particular reference to youth, supporting women into the labour market and early school leaving.

Lithuania: Failure to aim at social progress or innovation, or reducing poverty with just small policy steps. Missing support to social partnerships to reduce poverty – public/private and NGOs emphasizing non-for profit organization's role.

Luxembourg: Develop a strategic approach to poverty reduction with involvement of stakeholders. Consider all the target areas and their impact on poverty. Priority to development of affordable housing, particularly through social housing.

Netherlands: No action has been taken to counter the explosion of rents in the housing sector that puts more and more tenants under pressure, whilst the housing cooperations have savings of over 46 billion euro. The idea of the European Commission that social housing should be privatized, needs to be challenged. That way the rents will rise even faster and more people cannot afford a decent house. The Netherlands do have a good system of social housing that should be protected as such, but opened for more participation of the tenants.

Poland: Need for a comprehensive antipoverty strategy, which should include integrated active inclusion, i.e. using the ex-ante conditionality requirement of ESF. Priority to affordable housing. Ensuring participation of people experiencing poverty in policy design, evaluation and delivery.

Portugal: Enhance SIP recommendation for a *well-designed welfare systems* that combine a *strong social investment dimension* with *protection* and *stabilisation*; need for an active inclusion strategy, as well as the access to an adequate income; missing recommendation in what concerns the new period of Structural Funds.

Romania: Need for a long-term integrated strategy to fight poverty. Evaluate impact of CSR and policy measures on poverty. Invest in quality public services, particularly health, education, social protection, employment services etc.

Spain: Insufficient and ineffective support for vulnerable groups, and to tackle 6 million unemployed and 1, 832, 000 jobless households.

Sweden: Tackling growing inequality that is threatening social cohesion and increasing social and economic costs. Lack of a national poverty target.

UK: No concrete recommendations on poverty (compared to 2012 when CSR made that welfare reform shouldn't increase poverty) or evaluation of impact of CSRs. Missing a strategic approach to reducing poverty and inequality – particularly overall poverty, in-work poverty, severe or extreme poverty, rising inequality . Unfair burden of cuts and approach to fiscal consolidation supporting erosion of low and middle incomes and increase in benefits to top 1%.

Eurodiaconia National Member inputs

Austria: The long-term care fund is, as the Commission truly sees it, just an interim solution for the long-term care sector. Although there is “new money” the system lacks concrete reforms in form of access, funding and organisation.

Czech Republic: CSRs were identical in 2013 and 2014. The “social” CSRs focused on child care and inclusion of Roma. Affordable housing is missing; so is migration

Denmark: The CSR should be more focused on negative social effects of austerity measures. There are so many daily reports on how people in need are affected by public budget cuttings in the municipalities. For instance 40 per cent of all social benefit recipients experienced a situation where they did not have the means to pay for medicine.

France: The CSRs are too focused on budget consolidation, reduction of pension and of labour costs. The question of housing is missing.

Netherlands: The recommendations are coherent in view of the ruling economic aims. But these recommendations seem to be based upon a presumption that there will be a shortage of jobs. We should start thinking and acting towards re-allocation of labour. Recommendation 4 rightly says we should work on diminishing rigidity at the labour market; however, it lacks a view of the direction this should take. Is this meant to support the Law on Work and Security or does it criticize that? The evaluation is not clear at this point. We are critical of this Law because it 1. It tries to stop the strong tendency of flexibility in the labour market instead of promoting this; 2. It offers the best security in a fixed contract; 3. It does not create possibilities to combine flexibility and social security (‘flexicurity’).

2. IMPLEMENTATION OF COMMISSION/COUNCIL’S CSRs 2014

In this section, we asked members to assess how far the CSRs have been **implemented** and what the **impact** was on poverty reduction.

The **overall assessment is mixed** on how far the CSRs have been implemented, with most members highlighting *some* implementation (AT, DK, EE, DE, LV, LT, LU, ES) and others *very little* (CZ, PL, SK, SE, UK). A smaller number felt that *most* CSRs were implemented, referring to the macroeconomic CSRs, which are seen as having often a negative impact on poverty. This may reflect countries who feel most vulnerable to excessive deficit procedures or action. Others highlight the ‘formal adoption’ of CSRs (LV) or, more skeptically, the tendency of the CSRs to confirm already implemented or planned initiatives (SK).

In terms of the **positive or negative results** from CSR implementation the verdict is also mixed. Most recognize a positive impact (EE, LT, MT) or *some* positive impact (AT, CZ, DK, HR, FI, IT, PL), whilst a significant group highlights general negative impact (BE, CY, FI, LU, NL, PT), or lack of clarity of the overall impact (IE, NL). Most highlight positive and negative impacts.

There is a clear continuing distinction between the CSRs dedicated to **economic governance and budgetary balance**, pressing for cuts in public services (BE, CY, DE, LU, PL) which most agree have been implemented. Whilst some members highlight examples where benefits have been cut (FI), including child benefit, others found evidence of increases or new benefits – eg with the back to work family dividend (IE). The establishment of a guaranteed minimum income is also highlighted in Croatia, as well as Cyprus. However, issues were raised about the scope and implementation, who will be eligible, the coverage and the rates they are to be paid at.

Progress on the implementation of CSRs on **activation requiring the reduction of financial disincentives** to work is noted (BE and LU), with negative implications, as it is resulting in reduced benefit levels and coverage. Although in the case of Luxembourg, it has not been fully implemented yet. However, some new initiatives encouraged by the CSRs are welcomed: **giving greater support for groups accessing work** (MT), as well as employment agency services matching supply and demand (IT). The new Back to Work Family Dividend which for people with children when moving from an unemployment or lone-parent payment to work is a positive development (IE). Others note some new focus on job creation (DK), or grants to employers for subsidized jobs (PT).

The CSRs requiring **deregulation of wage setting and control** are seen as being implemented with a negative impact causing downward pressure on wages (BE, LU, HR, IT, MT), with a direct impact on working-poverty. However, in some countries, more positive CSRs tackling **labour market segmentation** are seen to have been implemented, with examples of extension of contracts of indefinite duration, which could lead to the extension of protection for new employees, and replacing current temporary contracts (IT). The downside is that these rights are acquired only over time, and are linked to length of employment for new employees, combined with a limitation of their rights against the dismissal. Another positive development from the CSRs is where the **minimum wage** is supported (DE).

Implementation of CSRs related to ageing, retirement and pensions are also noted (BE, FI, DE, LU, FR). These include concerns about the overly rapid implementation of de-institutionalization for elderly care, but without ensuring that adequate community care is already in place (FI). The implementation of increased retirement age and pension reform is also a concern (DE).

Youth Guarantee and labour market integration of NEETs is a clear implementation priority (AT, HR, DK, IE, LU, FR, PT, ES), with members seeing positive efforts made, although doubts are raised about the effectiveness of the implementation, with low numbers of take up in some countries and/or the restriction/exclusion of particular groups, eg in Ireland 20.000 young unemployed in receipt of disability or single parent allowance are excluded.

Investment in early childhood learning has been supported in some countries with additional services (EE), but problems are highlighted where the low level of parental income/benefits is likely to undermine the access. Several countries note an increase in the intention to deliver affordable childcare (IE, MT). In Ireland, the Government has set up a group to look at it. Positive recognition is given to the implementation of proposals to **tackling education inequality** (FR) and overhauling the educational system administrative capacity (HR), as well as better transitions between education and work (EE).

Tax reform shows clear impact of the CSRs, but with some negative assessments by members, ie increases in largely regressive consumption taxes, eg VAT (BE, LU), whilst Spain notes the implementation of commitments to reduce taxes and social security contributions for lower paid workers.

In the area of **public administration reform**, the CSRs appear to have a clear impact on current developments. In Finland, this is seen as potentially positive, with the centralization of social and health services that could help to reduce inequality of access to services between

different regions. However, there are more worrying cases of CSRs encouraging devolution to local authorities of key services, linked to cuts in public financing (DE, FR, NL). In the case of the Netherlands, this seems to indicate a worrying shift of responsibility for care, away from the State and towards family and community, backed by large cuts in local authority funding for the services.

A few members highlight some **positive CSR proposals** that have not been implemented yet. For example in Spain – the framework on personal insolvency, actions on youth unemployment, child poverty and low income households, as well as the implementation of the National Action Plan on social inclusion. Others include: legislative proposals around support to social economy, in the context of public/private partnerships (LT), funding for the care sector (DE).

Summary of EAPN Assessment of CSR implementation

Austria

Some CSRs implemented – the Austrian Pflegefonds a funding instrument for the care sector was extended until 2016, but with higher excess barriers for people who receive care allowance. A number of new projects focusing on labour market integration of NEETs have also been supported.

Belgium

Most of the CSRs have been implemented, unfortunately negatively – these include balancing the budget with austerity measures to cuts and services – less financial support for elementary services; tax systems with regressive VAT rises; containing future expenditure related to ageing; increasing labour market participation by reducing financial disincentives and reforming wage-setting particularly wage indexation. These threaten social standards and to create more poverty for new groups. There has been a massive demonstration in Belgium against these cuts.

Cyprus

The government has implemented the Troika programme accurately without counting the consequences for the people. This is a negative development generally for poverty with new categories of people experiencing poverty. The introduction of the Guaranteed Minimum Income took place in November 2014, but is not enough to stem the tide.

Croatia

A number of measures have been implemented: regulating interest rates in a new Interest Rates Act in 2014. Amendments were made to the Labour Act liberalizing the fixed term employment contract and shortening procedure for dismissal. In January 2014 the government launched the Youth Guarantee – with employment and self-employment support, education and vocational training. The Social Welfare Act introduced a GMB – guaranteed minimum benefit simplifying procedure through a Single Payment Centre. The vocational education and training system is being reformed and piloting new curricula. Incentives for employers introduced with tax deductions of 50% for adult training. Not implemented so far: the requirement to increase retirement age, and mechanisms for protecting people from bankruptcy as well as new package of social care.

Czech Republic

CSRs not significantly implemented. The CSRs are seen as generally a positive development but not bringing about rapid reforms.

Denmark

Not clear about the implementation, except on CSR 2, where DK is working at it, but not enough. There are some more jobs created and more young people have come into education, but the effect is so far marginal.

Estonia

Several CSRs have been implemented and these are generally seen as positive: it has developed a national strategy against poverty, with the development of a Green Paper on Family Benefits and Services, but insufficient involvement of NGOs. Early childcare services have been improved and is more accessible, but parental benefits not touched. Education and Work Capacity Reform has been partially implemented. The Parliament has passed an act establishing a national Alimony Fund.

Finland

Many CSRs have been implemented: the Act on Care Services for the Elderly, which reduces institutional care, but unfortunately community services haven't been increased to compensate. The proposed reform of social and health services to centralize in 5 regional providers is currently in parliament – this is seen as positive, improving equal access. However, the cuts to funding to municipalities have meant cuts in local services and rises in taxes. The statutory retirement age has been raised to 65 by 2025 and level of future pensions cut, particularly women will be affected who have been at home caring for their children will lose their pension. Child allowance has also been cut by 8 Euros a month per child. Although this is compensated for by child tax deduction, this will not benefit poorer families.

France

Several CSRs have been implemented and more are planned: The actions to fight educational inequality, the creation of a personal training account and supported employment contracts, also the extension of the youth guarantee, particularly with regard to apprenticeships, and access to care are mainly positive, but the more negative CSRs regarding retirement age, cuts to local providers are yet to be implemented. But negative CSRs have also been implemented. For instance the one consisting in cutting money coming from the state to local authorities in order to provide social services.

Germany

Several CSRs implemented: since January 2015, minimum wage benefits for 4 million workers, but with key exceptions: minors with no qualifications, apprenticeships, interns and long-term unemployed are excluded for the first 6 months. The retirement age increased to 67, but there is a positive recognition of time spent raising children and possibility of early retirement at 63 with 45 years of contributions, however women with higher risk of poverty will not benefit.. Disability benefits are also reformed. Federal debt achieved 'black zero', but debt shifted to Lander and Regions. 1 billion Euros will be taken from municipalities 2015-17 as part of new law on discharge.

Ireland

CSRs are taken seriously by government but too early to identify impact on policy. Some potentially positive impacts include: increases in secondary social welfare payments in budget 2015 and a new in work/back to work family dividend of €29.80 for lone parents or long-term job-seekers with children. A new inter-departmental group on childcare affordability has been set up, but concerns about mainstreaming quality. The youth guarantee is being implemented but with 3 problems: the provision of places will fall below targets; 20.000 young people will be excluded who receive one parent family or disability payment; there has been no discussion with stakeholders. The overriding CSR on macroeconomic deficit and debt targets provide the dominant line.

Italy

The CSRs have been mainly implemented: firstly with labour reform with the Job Act which flexibilizes new employment contracts. However protection against discriminatory and disciplinary dismissals are extended to all new workers. The reaction of the Italian trade unions has been to proclaim a general strike. This should curb the proliferation of atypical contracts. Unemployment payments (ASPI) will be linked to insurance contributions. Maternity protection will be extended to workers without a permanent contract - 'solidarity contracts' which should encourage better work/life balance. A national employment agency will strengthen active policies and job/skill matching. The positive aspects of extension of indefinite contracts is balanced by the reduction in rights linked to length of employment and rights of dismissal.

Latvia

The CSRs have been formally adopted, but as they are not very concrete, it's not clear how quickly or effectively they will be put into place.

Lithuania

Some implementation is seen as positive, with proposals to reduce financial inequality and coordination between regions. In 2014, the provision of integral aid services at home was launched, but without systematic design or EU Structural Fund assistance to support public private partnerships, NGO and academic institutions' involvement. The deinstitutionalization of services has been carried out as a closed process without stakeholder involvement.

Luxembourg

Until now only a few measures are implemented, more are announced: fiscal governance with independent monitoring of fiscal rules; no more manipulation of the wage index system as there is no inflation; reducing so-called financial disincentives to work; raising VAT, making Employers implement plans to manage ageing. In June the youth guarantee started.

Malta

Several CSRs are implemented and most are seen as positive: new free childcare centres have been opened. A new LEAP project to support people preparing to enter the labour market, but with unclear funding. Lower electricity tariffs. Alternative learning programmes for under achievers in secondary school to tackle school dropout. The Government has launched measures to address precarious job conditions in Government tenders by private contractors, these need to be extended to private companies – particularly for low paid workers; cleaners, care, security and clerical.

Netherlands

Difficult to know the real impact, but Government has implemented major change in social security passing responsibility to local authorities from January 1st 2015. This is seen as a negative development, as it attacks government responsibility for social security – undermining the basis of solidarity or equality in law. The total amount of money has also decreased so it is an austerity measure sold in a positive light as communities taking responsibility for their poor, disabled and unemployed.

Poland

Some doubt about the implementation of the CSRs, due to their concise nature. But the EU fiscal policy focus on deficit/debt reduction clearly has an impact on Minister of Finance arguments against social policy reforms, e.g. the blocking of proposals for social assistance increases/reform. The Government has followed up on several reforms – employment services, childcare, vocational education etc and is planning some new in the future eg the introduction of a new non means-tested cash benefit for some families with newborn children, but mainly seen as a fertility enhancement measures. The overall assumption that poverty reduction is achievable only by employment growth, does not combat other types of poverty.

Portugal

Portugal finished its Troika programme in May 2014. The CSRs highlighted the negative repercussions on poverty, but made no recommendations to fight poverty. The CSRs are mainly being implemented: Minimum wage – the government has increased Minimum Wage to 505EUR from 485EUR and reduced contribution to social security of the enterprises, but only for those workers receiving Minimum Wage, but not for future contracts. The European Council Committee for Social Rights considered that this MW was not enough for a dignified life. A cooperation agreement was signed with the social and solidarity sector, but concerns are raised that this represents a progressive privatization of social protection services. The Youth Guarantee continues to be implemented during 2014 as the major answer to youth unemployment. Financial grants have been given to the employer to support the employment contract. Another measure guarantees work experience in private or non-for profit entities, but has had its time reduced to 9 months and level of reimbursement for scholarships. A new programme, *Reactivar* gives additional support for under 30 year olds and long-term unemployed. However, these actions are not seen as an effective inclusion into the labour market for young people or others into sustainable jobs that take them out of poverty. Neither is the impact of increased migration, particularly of young people being taken into account. An Energy social tariff was created in 2012, but has been extended to more beneficiaries and the amount of the discount. (*See full detail in country fiche*).

Slovakia

The CSRs are tailored to already implemented or designed policies (in the OP and the related “conditionality” strategies for new programming period with the support of the Structural Funds). This can be seen as both a positive and negative development. The European Semester seems to be a very expensive controlling process providing very little space for stimulating improvements in social protection and access to rights.

Spain

CSR 1. Consider lowering employers' social security contributions, in particular for low-wage jobs; *Governmental ACTION: On 23rd June the government released its long-awaited draft legislation. This does include reductions in income tax rates and bands. The average income tax burden is expected to reduce by 12.5%, but taxpayers with earning less than €24,000 will pay 23.5% less tax. The earners with lower income (below euro 12,000 per year) will not have the IRPF retention from January 2015.*

CSR 2. Develop a permanent framework for personal insolvency, paying due attention to balanced creditor/borrower rights and financial stability considerations.

Governmental ACTION: nothing done.

CSR 3. Pursue new measures to reduce labour market segmentation to favor sustainable, quality jobs, for instance through reducing the number of contract types and ensuring a balanced access to severance rights.

Governmental ACTION: The Spanish labor market showed new signs of recovery in 2014, according to new figures released at the beginning of January, by the National Statistics Institute (INE). The latest active population survey reports that unemployment fell by 477,100 people and 433,900 jobs were added from January to December, bringing the jobless rate down to 23.7% compared to highs of nearly 27% at the height of the crisis. Nevertheless, there is still a long way to go before the economy makes up for all the lost ground. In the third quarter of 2007, when the crisis began, there were 20.5 million people holding jobs; that number is now down to 17.6 million. Meanwhile, there were fewer than two million people out of work in late 2007, compared with 5.46 million today. Despite job creation is an important motor for the government, these jobs have poor quality. Most of them are temporary or partial.

CSR 4. Implement the 2013-2016 Youth Entrepreneurship and Employment Strategy and evaluate its effectiveness....(). *Governmental ACTION: The Framework Youth Entrepreneurship and Employment Strategy was legally established in August 2014, after several drafts and delays. It is directed to youths between 16-25 years old / 16-30 years old for disabled people; Unemployed; Not in training and not in education. The Registration system to be beneficiary Spanish YG Scheme is available at the website: www.garantiajuvenil.gob.es. The effects of these measures are still to be known.*

CSR 5. Implement the 2013-2016 National Action Plan on Social Inclusion and assess its effectiveness covering the full range of its objectives..... ().

Governmental ACTION: The National Action Plan comprised measures which were already enforced or working at the different levels of the administration. The Plan consisted in making more synergies among them, despite the lack of a necessary budgetary increase. However, key strategies as the Active Inclusion, have not been implemented. In the case of Minimum Income, considerable increases in the budget and the number of recipients have taken place, from 2013 to 2014. In this case, the system's streamlining, in order to making it more efficient and with more efficacy, is still pending. (See Country Fiche for full details).

Sweden

There are a lot of proposals but few decisions has been taken and few measures has been done. However, with a new government we hope this will give them space for positive reforms.

UK

The Coalition government disagreed with a number of the Commission/ Council conclusions underpinning the CSRs and the then financial secretary to the Treasury (now Secretary of State for Education) stated that the draft CSRs had no policy implications for the UK.⁵ The Commission/ Council CSRs for 2014 are on the same areas and are similar in content to those given in 2013. According to the Commission's Staff Working Paper of June 2014, the 2013 CSRs had been partially implemented.⁶ Based on that paper the European Parliament provided a summary table of implementation of UK CSRs in 2013.⁷ Of the 6 CSR's 'full or substantial' progress was made in one, 'some' progress in three and 'no or limited' progress in two CSRs.

EAPN agrees that there has been a re-capitalisation of banks. No or limited progress was made on **CSR 1** (reinforced budgetary strategy) and **CSR 2** (increasing housing supply). The UK Coalition government disagrees. We in EAPN would largely agree with the Commission and believe the assessments remain substantially correct for 2014-2015. The Commission judged that some progress has been made in addressing **CSR 3** (stepping up measures to address youth unemployment) and **CSR 4** (enhance efforts to support low income households and reduce child poverty). We think these judgments were and remain too generous to government as small positive measures are offset by the larger negative framework.

The weak implantation of CSR 1 is positive for poverty rates. If the government had achieved CSR 1 on excessive deficits by 2015, the austerity impact in the UK would have been much worse. The Commission proposed changes to VAT in 2013; there had been 'no progress' by 2014. (SWD P6). This remains the case. *This lack of progress is positive for poverty.* Had the government introduced their proposals, the impact would have been regressive on low income households. *CSR 2. The weak implementation of housing supply measures is a negative development for poverty.* Housing supply has increased to 159,000 per annum but is well below the 200,000-250,000 houses per year needed to deal with increasing population and smaller households. *Weak implementation of CSR 4 on low income households, child poverty and childcare is a negative development for poverty.* The low and falling real value of welfare benefits and the distributional effects of the austerity programme have been discussed. Benefits are well below consensual definitions of adequacy for working age households and also below the 60% of median household income threshold. There are insufficient improvements to the cost availability and quality of childcare and positive measures are likely to be undone by changes to costs and further cuts in welfare benefits and services. (See full details in country fiche).

Eurodiaconia CZ: They were "worded nicely" but not much is happening in reality.

⁵ Explanatory Memorandum of 9 June 2014, referred to in European Committee B, *Documents considered by the Committee on 11 June 2014, including the following recommendations for debate: European Semester – European Scrutiny Committee*, www.parliament.uk

⁶ European Commission (2014) Commission Staff Working Document: Assessment of the 2014 national reform programme and convergence programme for United Kingdom SWD (2014) 429 final, Brussels, 2 June

⁷ European Parliament Directorate General for Internal Policies Economic Governance and Support Unit (2014) *At a glance: Implementation of Country Specific Recommendations, October, PE 528.763*: Table 1: Implementation of the 2013 CSRs based on the June 014 Commission's assessment

3. NEW DEVELOPMENTS

Members were asked to highlight key new **negative and positive developments** in policies impacting on poverty and social exclusion in their Member States, which might provide the basis and justification for potential new CSRs. These developments build on the policies regarding the implementation of the CSRs, with a focus on national governments' current priorities.

Negative policy developments

The main negative feature highlighted by members was the continuation of **austerity measures, prioritizing cuts in services and benefits**. Disturbingly, these often seem closely aligned to the Commission's own CSRs (see above section), raising concerns about the coherence and priority given to the Europe 2020 goals and targets, particularly the poverty target, within the Semester. Cuts to benefits were highlighted in several cases (BE, FI, PL, UK). In some cases, they are linked to coverage, ie in Belgium where unemployment benefit was withdrawn from young people, forcing them onto social assistance, or where the period of accessing unemployment benefits was reduced (FI). In Ireland, there was a change in the payment, as lone parents were transferred to generic jobseekers' transitional allowance, with no compensation for extra costs. Other cuts were felt for example by de-indexing benefits from the standard of living (UK). In Austria, concerns were highlighted about EU funds – ie FEAD, and whether they would be used to justify cutting current minimum income supplements. In other cases, promised increases in income support had not been implemented so far (PL, ES, HR). In Poland's case, there was a clear intervention preventing upgrading of social assistance from the Minister of Finance, quoting EU requirements prioritising deficit reduction.

Increased conditionality and work fare as only activation agenda is also a disturbing tendency highlighted (BE, MT, PL, SK), undermining adequate income or access to quality jobs. Members underline that benefit recipients are being put under increased pressure to take up jobs (public/community jobs or otherwise), under threat of sanctions of having benefits cut or reduced. In several countries, 'work fare' measures or similar (MT, PL, SK) are being increased, where people on benefits are forced to work, on low wages or just to receive benefit. In Poland's case, these jobs are 'socially purposeful jobs', but are under 10 hours and paid below the minimum wage, with a duration of only 2 months. The lack of quality jobs being offered to the unemployed increasingly undermines a job as a viable route out of poverty (ES). Often the primary motive seems to be reduction in public expenditure at the expense of the poorest and most vulnerable.

Rising costs, contributions and taxes: People experiencing poverty are still finding their incomes further squeezed by rising prices of key goods and services, as well as increased contributions. These range from increased contributions towards health care (HR), increases in water taxes (IE) or VAT and consumption taxes (ES) or rises in electricity tariffs (ES) and taxes (HR), which proportionately hit the poor hardest, as the costs represent a higher proportion of their income.

Some members particularly highlight the disturbing evidence of a **rising tide of aggression** against people in poverty and excluded groups (UK, FR), with concerns about the negative role played by their own governments, with insufficient sanctions defending fundamental rights of excluded groups from EU level. For example, in France with the evictions of the Roma camps, and in UK a negative rhetoric against people in receipt of benefits.

Positive developments

Although the overarching concerns about the persistence of austerity measures continues as a common theme, members validated particularly the attempts of some countries to take **small steps to increase investment in social protection**, in order to prevent and alleviate poverty, but also to increase household incomes, as a support to sustainable and inclusive economic growth. However, the lack of coherency with the overall policies and their impact on poverty was also noted. Few reported positive developments in relation to quality work, or supportive integrated active inclusion approaches, or towards more progressive taxation.

Increases in Minimum Income and other benefits. Several members highlighted increases or improvements in minimum income or similar schemes (BE, CY, ES, FR, HR, IE, MT). In some cases, increases in levels are proposed (BE, FR), although implementation is unclear, or rises in the cost of living allowances (MT). In other countries, there has been an increase in additional benefits, eg Christmas bonus in Ireland, or a new working family bonus. In Cyprus and Croatia, a new Guaranteed Minimum Income (GMI) has been welcomed, although in Cyprus concerns are expressed that it hasn't so far prevented poverty from increasing, whilst in Croatia it's not been implemented so far. Concern to make work pay by supporting transitions from benefits into work has resulted in some positive developments (FI, SK), rather than increased conditionality, for example where the unemployed can earn 300 euro a month and not lose their housing benefit (FI).

Several members highlighted some **improvements in pensions** (DE, MT, SK), with introduction of a mother's pension in Germany, compensating for time out of the labour market, or the introduction of 2nd and 3rd pillars to the pension schemes in order to increase coverage and effectiveness (MT). However, as this was often combined with reductions in the first pillar, the negative impact on low income pensioners was a major concern, with the overall reduction of the right of a universal pension for all.

Increases in **child and family benefits** were particularly welcomed (EE, IE, PL). In Ireland's case, a €5 increase in Child Benefit, among other increases, was seen as likely to have a small positive impact on poverty, or, in Poland, where care has been taken to ensure increases will not prejudice access to other benefits. In Estonia, universal child benefits and need-based benefits for children have been increased, whilst from 2015 students of gymnasiums will also get free food at school.

For many EAPN networks, a renewal of **family-friendly policies** was an important sign of progress (ES, IE, DE, MT), ie in Spain, this takes the form of a family plan, or with specific developments to promote work/life balance and support families to have children. In Germany, members highlighted leave for carers, with better parental leave and benefits, or better maternity leave and extra family payments in Malta. In Ireland, a new in-work payment has been proposed. Some increases in the offer of childcare or affordability were also

welcomed, for example in Slovakia where new facilities are to be built, together with reforms in the allowances. However, the lack of a comprehensive strategy undermined often the piecemeal measures.

Progress on youth unemployment with the Youth Guarantee and action on NEETs was generally welcomed (AT, EE, FR, MT). However, members highlighted concerns that vulnerable youth might not be reached (Estonia). The use of harsh conditionality, ie cuts in benefits if the offer of the Youth Guarantee was not accepted, were also seen as problematic for vulnerable youth, particularly in the light of concerns about the quality of the training or jobs on offer (Malta), and where cuts would leave young people without income and at greater risk of poverty.

Access to services is a common preoccupation. Some progress was noted towards more **inclusive education**, as highlighted in the Czech Republic, with a new transparent School Act, but concerns raised about how far segregated/special schooling will still be promoted, and how the infringement on **Roma discrimination** in education will be tackled. The increased support to NGO social services was also noted. In France, improvements in **access to health** cover was highlighted, whilst in Czech Republic and Ireland new measures to promote social **housing** were welcomed. In Slovakia, new measures to provide free **transport** to key groups was welcomed.

In terms of **access to quality employment**, few improvements were noted (MT, SK). The main elements focused on increased subsidies to employers (MT, SK), but concerns about expressed about the quality and sustainability of the jobs on offer. In Slovakia, a new focus on working social enterprises to support the long-term unemployed, paying the minimum wage was welcomed.

In the area of **tax justice**, small progress was seen, mainly concerning the reduction in taxes for the lower paid (IT, ES). However, such gains were not likely to help the majority of poor people who are unemployed, in receipt of pensions, or trapped in undeclared work. Otherwise, the main developments towards 'growth-friendly' taxation were seen likely to increase poverty (see above).

Finally, some progress on **national strategies to tackle poverty** were noted (HR, LT). These were seen as positive and as key strategic documents, developed together with stakeholders, although worries were raised about their implementation and impact. In Portugal, a National Emergency Plan is in force and the new Operational Programme, POISE, promoting social inclusion and employment seems to offer some potential. However, without an integrated strategy to fight poverty in place, the measures are seen as limited and likely to be ineffective. In Luxembourg, some progress is noted on the implementation of the new strategy to fight homelessness.

Summary of EAPN Members' Assessment of New Developments

Austria

There was unfortunately no new and integrated approach on poverty reduction.

Negative: The ongoing crisis in the labour market led to a shift from youth unemployment to older workers, with money being shifted from current programs to measures for older workers. Recognition on migrants' qualifications still takes a long time and is a very complicated process thus making labour market access for this group difficult. Money from FEAD was accessed from Austrian government for the first time. We fear that this money will be used to cut back on the expenses given to minimum income receivers in the regions.

Positive: Programs for youth employment is still one of the best practice examples in Europe.

Belgium

There have been major reforms to benefits. But a lot of questions about the implementation and the exact consequences of the governmental agreement. For example, minimum income will be increased above the poverty line, but all social benefits will be taken into account. How this will be done is still unclear, so it could have both *positive and negative* effects. The other actions are mainly *negative* for poverty: eg young people will lose their right to Unemployment Benefit and will have to depend on social assistance/ minimum income; less financial support for people who want/need a temporary break, which will make this only possible for people who can financially afford it. People who work (involuntary) part-time, will lose their additional benefit. People who are (temporary & un-voluntary) unemployed, lose part of their additional benefits. People have to work more hours and longer (without taking into account the years people worked, heavy professions...); more sanctions for unemployed people and less support; decrease of protection of people unable to work for medical reasons; no indexation in 2015, which has an effect on the wages for the rest of their working lives; emphasis on activation and sanctions: people will be obliged to do "voluntary" work, or will lose their benefits.

Cyprus

There has been a generally *negative* impact of policy on poverty in 2014 even though the Guaranteed Minimum Income (GMI) was introduced in November 2014.

Croatia

Negative: In 2014, the main measures by government were the increase in social security contributions for health, higher fuel excises, savings in social transfers, mostly in health sector, changes in the lottery and gambling tax. The proposal for social pensions for those not receiving another form of pension or basic social assistance seems to have been abandoned. A large proportion of spending is devoted to 'categorical benefits' that are neither means nor income tested, predominantly in the form of cash payments linked to disability or special status. A series of reforms seeks to improve the effectiveness and adequacy of social protection but progress is still uneven.

Positive: The Croatian Government adopted the 2014-2020 Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia as the basic document of a systematic approach of all relevant stakeholder to dealing with issues of poverty and social exclusion.

Czech Republic

Generally positive. There has been preparation of a more transparent School Act enabling more inclusive education. The concrete outcome is still not clear, however, as some formulations in the new School Act draft are still dangerously vague and maybe in favor of “special” education. The Czech Ombudsman as well as NGOs are monitoring and lobbying for better formulations of this law. Czech Republic is currently also under the process of infringement - for Roma discrimination in education (D.H. vs. CR). Some process in conceptualization and preparation of the long awaited Social Housing Act have been done by Ministry of Labour and Social Affairs, but only in the form of “Concept”. Progress by Governmental Agency for social inclusion together with MoLSA, M of education and M of regional development in establishing so called “coordinated approach towards EU funds for better social prevention and integration projects that shall start in Autumn 2015-2020. Non-profit organisations, after some debates, will not have to provide co-funding in new period of ESF (100% funding), which potentially increases their accessibility to ESF, etc. In 2014, there has been quite sufficient financial support of social services and social NGOś by MoLSA but social sector is currently undergoing some reforms regarding financing – from MoLSA to 14 regions, but there is no unified methodology for regions, so there are some worries how this will affect the budgets for future.

Estonia

Positive: universal child benefits and need-based benefits for children have been increased. From 2015, students of gymnasiums will also get free food at school (before that the food was free only in primary school), however it is still not clear how big will be the state’s responsibility, there is a risk that government will put more responsibilities on local municipalities without raising their budget. Since all municipalities have different capacity, it may create inequality between schools and regions. From January 2015 the government started implementation of Youth Guarantee according to the national Youth Guarantee Implementation Plan, however it is still not clear enough how they are going to reach vulnerable groups.

Finland

Positive: The unemployed are now able to earn 300 euros per month without losing their unemployment benefit or housing benefit. This has already helped a lot, 22 000 people have been able to receive some kind of work. Unfortunately the income limit in social assistance is lower, only 150 euros per month. Basic social assistance will transfer from municipalities to the nationwide state organization which pays also other basic benefits. This will be mostly a positive change. *Negative:* Earnings-related unemployment benefit period may be shortened by one year. Now it is 2 years (in spite of people with work experience under 3 years, they have now 400 days). This would be a very big change and would increase poverty.

France

Positive: The Minimum Income (RSA) has been raised and the merging of minimum income and work incentive will be done in 2016, with the extension of the youth guarantee. The maintenance of supported work contracts is important, and there is an increase in the number of people benefiting from complementary health care.

Negative: there have been Roma evictions, demonstrating a repressive rather than an inclusive approach. Some measures helping to fight against the increase of rents or to improve the access of housing have been cancelled, although they were foreseen.

Germany

Positive: The Pension Package has been improved with "pension for mothers", pension for early retirement/improved capacity pension/higher budget for rehabilitation; Minimum wage has been introduced, although with some concerns about exemptions; Personal Leave for Caregivers Act: which should improve compatibility of care and work; Parental Benefits "Plus": Improvement of parental leave.

Ireland

Positive: There were some positive changes introduced in the 2015 Budget which should have a small positive impact. There relate to increases in some secondary welfare supports such as a €5 increase in Child Benefit and the return of a half of the extra weeks Christmas Bonus for long-term social welfare recipients, and the introduction of the new Back to Work Family Dividend. There was also a large budget allocated to address the current crisis in housing and specifically the deficit in social housing and the rapid increase in homelessness.

Negative: However, overall the Budget 2015 was assessed as being regressive. An Economic and Social Research Institute (ESRI) report shows that those on the lowest incomes saw a 1% reduction in incomes while those at the top end had an increase of around 0.5%. The main cause of this is the introduction of a flat rate Water Charge which comes into effect in 2015 with the only difference in charges being for single and multiple adult households and not for different levels of household income. Negative impact for one parent families of changes which have been coming into effect over the past few years. Lone-parents will be taken off their One-Parent Family Payment and moved to Jobseekers Transitional Allowance once their youngest child reaches 7 years of age. Apart for the potential impact on incomes in lone-parent families there is also a challenge for activation services arising from the lack of investment in affordable, quality childcare and after-school care in Ireland. Most recent poverty data shows that in 2013 over 63% of lone-parents were living in enforced deprivation. The announcement of a Commission on Low Pay to look at the adequacy of the Minimum Wage and at the issue of precarious work is welcome but concerns that it results in positive changes and policies which ensure that those in low-paid work can have an adequate income.

Italy

Positive/Negative: During 2014 there has been a first attempt at tax justice with a redistribution of resources (approximately € 1,000 net per year) to workers who earn less than € 1,500 per month. The downside is that large numbers are excluded: the poor who do not have work, pensioners and young people working precariously with false VAT numbers.

Lithuania

Negative: In 2014, the main measures envisioned by government have not moved beyond planning, ie to increase social partnership, open discussions about education and social security, culture partnership including PPP and multi-sectorial resources for increasing social economy tools. SMEs are often referred to as "the missing middle", yet few have understood fully how critical SMEs are as the pathway to prosperity. Even fewer have sought to harness the power that these companies have to drive growth, poverty reduction, and development.

Encouraging SMEs more actively, and taking a strong proactive position on social enterprises, would go a long way toward reducing poverty and unemployment. But not enough is done.
Positive: In 2014. The government adopted the 2014-2020 Strategy for Combating Poverty and Social Exclusion as the basic document presenting a systematic approach involving all relevant stakeholders to deal with issues of poverty and social exclusion.

Luxembourg

Negative: Since December 2013, there is a new government, composed of 3 parties. So this makes it not so easy! They have presented in October 2014, a “Future Package”, but this is still under negotiation with employers and TU’s. It will lead to cuts in social spending.

Positive: Some first steps of the national strategy against homelessness were implemented.

Malta

Positive/Negative: Pensions – The Government is likely to introduce a Third Pillar Pension so persons with low and medium income will be encouraged to invest in another private pension, with tax credits. The Second Pillar pension scheme is being suggested and would be a compulsory scheme wherein both employee and employer contribute towards this pension fund. For those aged over 75+ the Government is giving a regular €300 grant to help ends meet. There has been a Service Pensions/infringement notice as 2 ex-service men have lodged a formal complaint with the EU since on receiving the Government pension they had to forfeit their service pension. A series of measures aimed at helping the *employment of disadvantaged* people or people with disabilities have been introduced, eg: Employers would be given up to €5,000 when they employed socially disadvantaged people (to be defined in the law); Persons with disability who found a job would still continue to receive their full social benefits. The government would insist that employers engage a person with disabilities for every 20 employees, as already laid down in the law. Employers who employ the long term unemployed will be given €2,750 over three years; the system of community work for such people will be removed. Instead of being engaged in local councils or similar bodies, these people will be employed in a Social Enterprise Agency and deployed from there and would be paid a minimum wage.

Cost of Living Allowance was increased by €0.58; Families who are at the risk of poverty (9,000 in total) will be given a bonus of €400 for each of their children, up to four children, and €200 for each additional child thereafter, as long as these children achieve an attendance rate of 95% in their schools. *Unemployment and Single Parents Benefits:* Unemployed people aged under 23 will be made to follow training under the youth guarantee scheme or lose their unemployment benefit. Similar measures will also be taken against single parents, when their child was more than one year old. However, a person who is receiving social benefits will no longer lose entitlement to social benefits immediately after the union with somebody in employment. Instead, the social assistance would be reduced gradually over a period of three years. *Maternity leave has been increased:* Women in the last four weeks of their maternity leave will be paid the equivalent of a minimum wage by the state (increase of more than €6 weekly).

Netherlands

An extra 100 million to attack child poverty and to tackle the increase of household debts per year.

Poland

Negative: Social policy initiatives tend to be blocked if they are not connected with cuts in current spending. For example: reforms to increase social assistance were blocked by the Ministry of Finance from 2013, demonstrating the need to justify EU priorities in the CSRs. New measures in employment services were implemented without any new public spending for unemployed recipients of social assistance. A much higher gap in level and scope is expected in 2014. Unemployed people are expected to carry out socially purposeful jobs (welfare for work scheme for not more than 10 hours of work a week, paid below minimum wage), but results show a negative impact on employment. As the standard duration of the program is only two months, the expected results for poverty are unclear.

Positive: A new family cash benefit has been introduced. Although it was not intended for poverty reduction, it will probably result in reducing child poverty (if not suppressing other income sources). The proposal of a new cash benefit for families who are not entitled to maternity/family leave (unemployed, farmers, students, civil law job contact) has been made, and supplemented with family benefits reform. This is necessary otherwise families could lose their entitlements to other family benefits. It should be carefully evaluated especially in the context of 2015 scheduled verification of family benefits income test and its levels. They should be raised irrespectively of that and other reforms (voluntary discounts for families with 3+ children).

Portugal

The situation of poverty and social exclusion in Portugal is being particularly critical for the young population. The child poverty rate increased in 2012 to 24.4% (it was 21.7%). The poverty rate reached 18.7%. In terms of the AROPE rate, it has also increased (27.4% in 2012 and 25.3% in 2011). At national level, we underline and insist in the lack of a National Integrated Strategy to fight poverty and social exclusion. The only measures targeting this problem are included in the National Plan for Emergency, which only promotes assistance, is a set of individual measures rather than an integrated answer, and lacks assessment. All the employment measures presented need to be monitored to understand their impact on inclusion, especially the most vulnerable. However, employment is not the only answer to take people from poverty and social exclusion. Employment must be inclusive, adequately paid, secured in terms of rights and social protection. Increasing Minimum wage can be one step to it. But it's also important to build consensus in terms of a development of an adequate minimum income in Portugal.

Another important development is the new Program for Social Inclusion and Employment (POISE), under the new financing period of the European Social Fund (ESF), and the role that this program can have in the fight against poverty and social exclusion (its allocated EUR 5 billion to promote employment, labor mobility, social inclusion and fight poverty). However, and again, without a clear national anti-poverty strategy, we risk these kind of programs to become a mere sum of individual measures, not coordinated and integrated. Until now it is still not possible to see and evaluate seriously the potential impact of this program, particularly when there is a risk that it will be implemented "against" other decisions (macro-economic) counteracting its inclusion potential.

Slovakia

In 2014, the full conditionality of entitlement to the MI benefits for working able adults by participation in small community services was introduced. There are several projects that are aimed **at supporting the employment of disadvantaged jobseekers**. Support of employment of long-term unemployed persons is based on lowering overall costs of labour by state subsidies of such jobs and on improving conditions for concurrence of benefit and income from employment. The government has **increased substantially the minimum wage in the two subsequent years**. Since January 2014, the gross minimum monthly wage is EUR 352 and since January 2015 it will reach EUR 380. Resources provided by the new programming period of 2014-2020 are planned to be used to create conditions for extending the provision of services for families by **building new childcare facilities**. There are also plans to amend the childcare allowance to make childcare services more affordable. Since November 2014 **railway transportation is fully free of charge for several groups of inhabitants: for children, pupils, students up to 26 years of age and old age and disability pensioners**. Since February 2015, discount fares for commuters using railway transportation has been raised to 50% (35-40% so far). Work on the minimum pension intensified. It will come into force from June 2015 – for those with at least 30 years of work record.

Spain

Positive

- 1) PREPARA extended- the Minimum Income scheme funded by Social Security has been extended from Jan 2015, paying 426 euros a month, until unemployment rate drops to 20%.
- 2) Tax reform for the lower earners.
- 3) A “Family Plan” to be launched (the final version to be known, only announced until now).
- 4) FEAD. Implementation and continuity of the food relief activities.
- 5) ESF programme. To begin at the end of 2015, very delayed.

Negative

- 1) VAT and other consumption taxes are still very high.
- 2) Self-employed and small business carry a lot of fiscal pressure, and lack credit.
- 3) Electricity and other energy utilities have very high tariffs and generate increasing energy poverty.
- 4) Jobs of new creation have low quality. Active Inclusion has not been implemented. Minimum Income schemes are fragmented and with low efficacy, with extremely low levels.
- 5) No child benefits have been implemented. The Recommendation “Investing in Children” has not been taken into account.

Sweden

It is difficult to know since the present government has to work with the old government rightwing budget.

UK

The delinking of *working age welfare benefits from any measure of inflation* will progressively impoverish poorer citizens. The harsher benefits regime, combined with some of the weakest labour market protection in the western world, has led to a surge in working poverty which will continue with competition for jobs and lowered wage floors. UK Coalition government spending plans, including *welfare spending cuts* in the next Parliament, will only worsen poverty, now and forever. Chapter 4 of our UK EMIN report of 2014 discussed the toxic language used by government and much of the media to describe working-age benefits

claimants. The approach seems designed to pave the way for a *reshaped state with much lower ambition in the service of its low and moderate income citizens*. The language does not reflect the reality of risk of fraud, which is 0.7%⁸ and is much, much smaller in amount than tax fraud; nor does it reflect the scale of expenditure on working-age unemployed. Our EMIN report (pages 9-10) noted that Jobseeker's Allowance, which is paid to unemployed claimants, was just £3.8 billion of the cash benefits' budget of £163.2 billion in 2013-14. Disability Living Allowance, paid for the extra costs associated with living with disability, was £13.76 billion and it is rising as more people survive with disability. But at £83.14 billion, retirement pensions were the single largest part. A big growth area was housing benefit (£17.8 billion), paid to private landlords and reflecting supply shortages and distortions in the housing markets. There is a *General Election* on 7 May 2015. All the main Westminster political parties are committed to further spending cuts, but the proposed pace and scale of cuts varies significantly and details are not announced yet. The Scottish National Party and indeed main nationally -based parties in Wales and Northern Ireland are committed to greater protection of welfare budgets than are Westminster parties, but only to the extent that these budgets may be devolved (or further devolved in the case of Northern Ireland) when new devolution measures are settled.

4. ALTERNATIVE CSRs: COMMON MESSAGES

In this section, we provide a summary of the 2015 CSR proposals made by members, based on their assessment (provided in the Annex). The proposals for 2015 build on EAPN members' 2014 CSR proposals, incorporating the assessment of the 2014 CSRs and perceived implementation. In many cases, they call for more **nuanced and concrete** measures, which can make a discernable impact on poverty in the short and medium term.

1) **Balance economic and social CSRs and review social impact of austerity**

The need for a coherent balance in the CSRs is underlined, requiring the economic CSRs to contribute to social goals and the poverty reduction and other social targets, rather than undermining them. A common CSR proposal was to stop austerity impacting worst on the poor (CY, IE, ES, Eurodiaconia DK). Specific proposals were made to carry out poverty, equality and gender impact assessment (IE), red-lining key social services and protection that most impact on poverty (ES).

2) **Require an integrated anti-poverty strategy ensuring access to quality jobs, service and social protection and an effective poverty target**

All EAPN members highlighted the need to prioritize the poverty reduction target in the CSRs, wishing to see a common high-profile focus on poverty reduction in CSRs to all Member States. The targets needed to be more visible and effective, combined with a strategy for delivery (DE, PL, ES, SE). Some called for a more obligatory use of EU poverty and social exclusion indicators (AROPE), rather than more limited employment related indicators, eg long-term unemployed (SE and DE), and with a clearer focus on key target groups.

⁸ Department for Work and Pensions (2014) *Fraud and error in the benefit system 2013/14 estimates (Great Britain)* 6 November (supplementary tables fraud and error in the benefit system, final 2013 to 2014 estimates, accessed at: <https://www.gov.uk/government/statistics/fraud-and-error-in-the-benefit-system-2013-to-2014-estimates>)

In Spain's case, they call for a CSR requiring the poverty target to be returned and included in a specific social section, with priorities and budget allocated. In Poland's case, the network calls for setting a new higher target, as the existing one has already been achieved due to lack of ambition, and the choice of indicators. The target on its own, however, means very little unless matched with an effective strategy. Many members call for CSRs requiring a comprehensive, integrated strategy to fight poverty (DE, EE, IE, IT, LU, PL, PT) if the target is to be delivered. These should be based on access to rights, resources and services, and support people's right to quality jobs, services and social protection. In some cases, they call for CSRs to implement existing or proclaimed anti-poverty strategies, developed through the requirements of the ex-ante conditionality for Structural Funds or linked to National Social Reports or National Social Inclusion Action Plans (IE, PL, IT ES). Luxembourg calls for a CSR to require the NRP to be a strategic document, to promote smart, inclusive and sustainable growth.

3) Invest in universal social protection and ensure adequacy of minimum income

A large number of networks call for CSRs to guarantee adequate income support (AT, BE, HR, CY, DK, EE, FI, FR, IT, LV, MT, NL, PL, PT, SK, UK). The major focus is on guaranteeing an adequate minimum income that can take people out of poverty, and most call for raising the levels. The agreed poverty indicator of 60% of median income is a clear reference as a benchmark for the definition of adequacy of minimum income schemes, but more call is made for the systematic use of standard / or reference budgets to test the adequacy of the level set, linked to real needs. These proposals reflect EAPN members' learning from the Commission-funded EMIN project and agreed EU roadmap.⁹ The proposals highlight the need to ensure that adequacy is linked to purchasing power and effective transitions between the full package of overlapping benefits for income support across the life cycle and for all household groups: children, families, older people – including tackling regressivity and threats, as well as action to cut back index-linking for unemployment, child benefit, housing benefit and pensions. Tackling indebtedness linked to rising costs, declining incomes is also a focus (NL). An underlying call is made to invest in adequate universal social protection systems, which can insure people against social risks across the life cycle, with some specific demands around raising the percentage of the budget used specifically for minimum income and social exclusion (HR, IT).

4) Promote quality and sustainable jobs with decent wages

An increasing demand is made for CSRs that don't just focus on a job at any price, but promote quality jobs, as well as tackling growing in-work poverty, so that work can really become an effective route out of poverty (BE, CY, EE, DE, IE, IT, NL, SE, UK). Partly, this is seen as an issue of promoting decent wages. This involves establishing or enforcing minimum wages, and increasing their levels to ensure a decent income from working (EE, IT, UK). Increased focus is given to the need to improve employment protection and working conditions, particularly by increasing the security of contracts and the fight against segmentation, to counter the growth of precarious, atypical jobs, which particularly impact on excluded and vulnerable groups (BE, DE, IE, UK). Tackling inequality and harassment at work, and not replacing paid work by

⁹ The European Minimum Income Network (EMIN) was a two year project (2013-2014) sponsored by the European Parliament, funded by the European Commission, and promoted by the European Anti-Poverty Network (EAPN). See [here](#) report of final event (Dec 2015).

voluntary work, is another core concern (NL). New, quality and sustainable job creation is needed (IT), that invests in key sectors, particularly through participative local development strategies, which use public funding to promote access/jobs for those most excluded (SE). Others emphasize the need to defend quality public service jobs, ensuring they are not outsourced, and to use social clauses for public procurement to reinforce quality demands (BE). Self-employment should also not be seen as the main solution, particularly where it undercuts decent wage levels (NL). Ireland highlights the need for a quality work indicator to monitor new social investment, to ensure it delivers an impact on poverty.

5) Tackle long-term unemployment by promoting inclusive labour markets as part of integrated Active Inclusion approaches

Many networks call for CSRs to go beyond narrow activation approaches to invest in inclusive labour markets, but calling for a broader social inclusion approach based on the 3 pillar integrated active inclusion approaches (inclusive labour markets, access to quality services and adequate minimum income) that can support and accompany people facing exclusion from the labour market into quality jobs, social inclusion and better participation. (AT, BE, HR, FI, FR, IE, DK, Eurodiaconia DK, NL). The long-term unemployed are seen as a clear priority, calling for a focus on personalized support through counselling/training and placement mechanisms (HR, FI, FR), as well as incentives for companies to offer sustainable employment to such groups. It is very important to challenge the recent trend requiring the imposition of harmful conditionalities and sanctions. There also needs to be a clearer recognition of diverse needs of different groups – young people, women, people with disabilities, minorities and migrants, older people, and others, who find themselves unemployed and unable to access their pensions (IE). More requirements should be made on the type and quality of jobs accessed by excluded groups, with offers of flexible working or rehabilitation, under agreed conditions, particularly for the young and vulnerable. (DK, FR, Eurodiaconia DK and Eurodiaconia NL). The potential role of social economy should also be supported (LT).

6) Invest in social standards to ensure universal access to social and health services

The proposals highlight growing alarm at shrinking access to key public services, as well as to their quality. There is a core demand to view investment in social and health services as a benefit, not a cost, and as a pre-requisite for inclusion and a sustainable economy (BE, CY, CZ, EE). Some call for social services to be exempt from deficit calculations. Key issues are how to ensure accessibility and affordability for all groups – particularly in relation to health, education, housing and social services (BE) - for example, for migrants including undocumented migrants (BE), and as part of integrated social inclusion strategy and services (Eurodiaconia CZ). Guaranteeing equal coverage is also a key demand arising from concerns about the increasing trend to decentralize key services to local authorities, often in the context of budget cuts (FI, EE). Particular concerns were highlighted regarding access to health care and the need for effective policies to tackle growing health inequalities as a key priority (CY, FI, IE, MT). In the area of long-term care, calls are made for an extension of services and allowances with the revision of needs assessment (Eurodiaconia AT). Increased investment in mental health services are also called for, to counter growing gaps in provision due to budget cuts, particularly community and prevention services for key groups, including young people (MT). A key Recommendation is to embed the use of health outcome indicators when reviewing social and health systems, not just financial efficiency (IE).

7) Guarantee an affordable home for all

Action to ensure access to affordable housing is a growing common demand, in the context of dwindling private and public rented accommodation at affordable prices, particularly for low-income families. The decline in affordable housing is seen as being exacerbated by CSRs, which have actively promoted the deregulation of the private rented sector, causing increases in rent, at the same time as investment in social housing has been cut (CZ, FR, IE, LU, PL, SK, SE, UK, Eurodiaconia CZ). A sustainable housing market is called for across all tenures, which can improve access and affordability of decent homes for all (IE). Two key aspects are seen as vital: the control of private rented sector/regulation, and investment in new or converted social housing (UK). Members call for an urgent investment in social housing, with an emphasis on prevention of housing exclusion, which can lead to homelessness, and 'housing first' (CZ, FR, PL, SE, SK, UK), as well as concrete remedial actions. A call for CSRs to check the continued privatization of existing social housing is also made (SE).

8) Invest in inclusive, comprehensive education, particularly for Roma

Social investment in comprehensive and inclusion education, is seen as core to tackling poverty and social exclusion and its intergenerational transmission, as well as supporting social and economic mobility (AT, CZ, EE, FR). Apart from increased investment, many networks focus demands on inclusive education which tackle segregation (AT), particularly of **Roma** (CZ, SK), asking for supportive incentives to be created for Roma families, as well as abolishing segregated or special schools. Supporting mother-tongue education, including early childhood learning and education for Roma is highlighted (SK). Monitoring progress within the educational system, take up/access to sustainable employment is also seen as crucial (CZ).

9) Tackle youth poverty and social exclusion, as well as youth unemployment

Youth, and particularly NEETs, emerge as a key priority group, with many recommendations focused on better implementation of the Youth Guarantee or Employment Initiative combined with broader approaches to youth inclusion at school and in the community (HR, CZ, FI, FR, IE, LT, LU). Revising qualifications in school and further education, and ensuring that training leads to employment, is seen as key (IE). Key recommendations focus on the need to expand places and coverage to all young people, ie young lone parents and d youth with disabilities (IE), as well ensuring that the more vulnerable NEETs are reached, combining a broader approach to tackle social exclusion (FI). This should also include responsibility for undocumented migrant youth and unaccompanied children (FR). Members highlight that more participative schemes should be promoted, which encourage individualized mentoring of young people, linked to newly created job opportunities with public funding (CZ), as well as support for youth leadership and active citizenship (LT). Mutual learning between Member States to support the transfer of successful schemes tackling school drop-out is also crucial (FI, FR).

10) Promote gender equality, work-life balance and invest in children

Several National Networks propose interlinked recommendations to face the joint challenges of promoting gender equality and tackling child poverty through rights-based and integrated approaches that support families, particularly lone parents. Tackling the gender pay gap was

seen as a key priority, emphasizing its link to poverty for women because of old age reduced pensions, as well as the need to tackle the glass-ceilings preventing women's mobility to higher paid employment, or to tackle the increased dependency on precarious jobs (IE). Reconciling private and professional life through work/life balance with more flexible hours and better family care leave, as well as concrete actions to increase access to affordable, and quality early childcare, were all underlined (EE, IE, NL). A better recognition of the positive societal and economic role played by parents and carers were also called for, with increases in financial and other support, as well as promotion of reduced/shared working hours to create more jobs (NL). The implementation of the Commission's Recommendation on Investing in Children, based on its 3 pillars of access to resources, services and participation, was seen to be key to move beyond tackling child poverty to promoting children's well-being (IE, EE).

11) Reduce inequality by promoting tax justice

Many members call for a more explicit focus on reducing rising inequality. Whilst this is partly a question of fairer distribution through increasing minimum wages and closing the wage gap, members underline the key role of redistribution measures, including promoting tax justice/fairer taxation systems. There is general support for a shift away from tax on labour, particularly low-paid workers, but concerns that this should not undermine the long-term financing of social protection systems and people's coverage through the life cycle (BE, DE, IE). Tax bases should be broadened and made more progressive. In Ireland's case, they highlight the need to raise tax levels to the EU average. Instead of a shift to regressive consumer-based taxes, which penalize the poor, a new focus on capital, property and wealth tax is called for, as well as environmental taxes, which take into account sustainability, without increasing consumption taxation, and protecting the poor from unfair risk (BE). More generally, there needs to be an open debate about how to achieve fairer deficit reduction policies and budgets – ie, balancing expenditure and revenue, rather than prioritizing damaging public service cuts, including increasing resources through Financial Transactions Tax to finance social investments (DE).

12) Promote meaningful civil society engagement and ensure legitimacy

Increasing ownership in the European Semester is a welcome core AGS 2015 priority.¹⁰ Members therefore call for concrete actions to democratize the Semester process (PT), and specific CSRs to promote quality stakeholder engagement at national level (BE, IE, IT, LV, LT, PT). Concrete requirements include establishing an effective regular structured dialogue with relevant stakeholders, particularly civil society organisations, and involving people with direct experience of poverty, at all stages of the Semester decision-making process (BE). Providing financial and other support for sustainable engagement, for example through the European Semester Officers, could be key. Some members highlight the need to promote active citizenship and leadership also amongst specific groups, eg youth (LT). Participation has to be seen as key to increasing democracy, the legitimacy of EU policy-making, as well as a key pillar in the fight against poverty. It will be a crucial element to restoring citizen's confidence in the EU and its policy-making processes.

¹⁰ Annual Growth Survey 2015 (November 2014).

PROPOSALS FOR 2015 CSRs FROM EAPN NATIONAL NETWORKS AND EUROPEAN ORGANISATIONS

| <i>Member State</i> | <i>Country-Specific Recommendations (National Networks)</i> |
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| Austria | <ol style="list-style-type: none"> 1. Raise the amount of the means-tested minimum income, to introduce an independent minimum income for children and to include costs for housing. 2. More labour-market measures and employment opportunities for people most excluded from the labour market, especially for people able to work only part-time. 3. A reform of the educational system, which is highly segregating (full time school, common school for children from 10 - 14 etc.) <p>Same as for 2014 with addition of need for involvement of people experiencing poverty in policy process.</p> |
| Belgium | <ol style="list-style-type: none"> 1. Ensure a life in dignity for all citizens and people on the territory via an adequate income and quality services <ul style="list-style-type: none"> - Raise minimum income above the poverty threshold, both the 60 % of the median income as well as the “poverty threshold”, shown by the standard budgets. - Restore minimum social standards, improve the social situation of the most vulnerable. This means increase the accessibility and quality of the services: affordable (and free where necessary) good quality education, health services, housing... Investments are therefore needed! - Ensure minima also for undocumented migrants and anybody on the territory, the respect for human rights should be unconditional. 2. Build and strengthen an inclusive labour market: make the regular economy more social. <ul style="list-style-type: none"> - Decent quality jobs, with decent wages, good working environment, long term contracts should be the norm, not the exception. - Restore and reinforce the jobs in services delivered by the government, instead of outsourcing this. - When there are tenders, have strong social clauses playing a central role in them. 3. Restructure the taxation system towards fiscal justice <ul style="list-style-type: none"> - Organize a tax shift from labour towards profit and capital. Take into account sustainability, without stimulating more (so called green) consumption or without affecting low income families in their purchasing power. 4. Involve citizens and civil society more in decision making processes <ul style="list-style-type: none"> - Organize stakeholder engagement at all levels of the decision making processes, make sure the most vulnerable groups are actively involved, and ensure the necessary support to make this happen. |

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| Croatia | <ol style="list-style-type: none"> 1. Reduction of the population at risk of poverty or social exclusion, particularly tackling long-term unemployment and ensuring adequacy of social protection and benefits. 2. Reduction of the proportion of young people not in employment, education or training is also increasing (18.6 % in 2013.) 3. Increase public investment for social protection - ensure a minimum income for all as a means to preventing and fighting poverty. |
| Cyprus | <ol style="list-style-type: none"> 1. Invest in growth for creating decent and quality jobs to fight unemployment. 2. Support vulnerable groups, stop implementing austerity measures on social state. 3. Protection of employment and the rights of workers. 4. Improve the GMI to reach the basic needs of people and improve the criteria to cover the people who have no income. 5. Protect the health care system and keep it accessible to people. |
| Czech Republic | <ol style="list-style-type: none"> 1. Create clear incentives for inclusive education and monitoring of Roma and other vulnerable groups in secondary school completions and further job enrollments. 2. Implement Social Housing act focusing on the principle of prevention and “housing first”. 3. Promote participative employment and training schemes for youth and 15+ with more individualised mentoring, Investments to boost employment. |
| Denmark | <ol style="list-style-type: none"> 1. Adequate Minimum incomes based on standard budgets. 2. Flexicurity and holistic rehabilitation. 3. Better access to jobs on agreed conditions for vulnerable and disabled people |
| Estonia | <ol style="list-style-type: none"> 1. Contribute to the reconciliation of family and working life (flexible hours etc); 2. Make stronger statements with more concrete proposed measures to fight against poverty (caregivers, people with disabilities, minorities, homeless), reform the minimum income level for caregivers; implement the principles of inclusive education, in order to harmonize possibilities in labor market; Recognize elderly people and support them; Ensure sustainability and equal services in all municipalities; 3. Put more attention to fight against working poor situations. 4. Increase minimum income. |
| Finland | <ol style="list-style-type: none"> 1. Raise the level of basic income security benefits. 2. Reduce health and wellbeing inequalities. 3. Enhance the purchasing power of low income families with children. 4. Improve the position of long-term unemployed and partly employed and ensure the implementation of youth guarantee addressing the risk of social exclusion. |

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| <p>France</p> | <ol style="list-style-type: none"> 1. Financial programming law over 5 years regarding the creation of social and very social housing. 2. Extension of the possibility to go to the doctor without having to pay first. The health insurance pays for you. 3. A national agreement with the social partners so that long-term unemployed people can get training free. 4. Increase in minimum income. 5. Increase in housing allowance 6. Improve access to education, especially for young school- dropouts. Some states like Finland have put in place tools which fight against school- dropout, which is a de-socialising factor. Exchanges of good practice between teachers, trainers, tutors, all personnel connected to education and training at European level would thus be useful. 7. Fighting against the lack of accompaniment for isolated foreign minors in the street. |
| <p>Germany</p> | <ol style="list-style-type: none"> 1. A more comprehensive approach to fighting poverty, especially child poverty, and to improve social inclusion must be implemented to reduce inequality: including an inclusive labour market, an educational system that avoids the causal link between social backgrounds and educational success... 2. We need a discussion about the income and the expenses of the state: transparent and sustainable to secure general interests. E.g. a reform of the tax-system, establishing the financial transaction tax would help to make more and sustainable social investments. 3. Furthermore a revision of the measurement of poverty and transparent procedures must be found in order to take in account the involvement and period of time spent in the labour market. Beyond that, further factors (the at-risk-of-poverty rate, material deprivation etc.) must be considered rather than the only number of long-term unemployed people. |
| <p>Ireland</p> | <ol style="list-style-type: none"> 1. Poverty, equality and gender impact assessment needs to be carried out on all relevant policies including economic policies for example the national Budget. This will ensure consistency in the policy making process and ensure that social, economic and environmental dimensions of Europe 2020 are considered in tandem. 2. The necessary steps must be taken to broaden the tax base and increase tax levels towards the EU average while strengthening the fairness and progressiveness of the taxation system. 3. Address unemployment and improve access to quality employment particularly for those most distant from the labour market through: <ol style="list-style-type: none"> i. Active labour market policies, including any incentives for employers, must support progression towards quality employment; to underpin this, the level and quality of public employment services must be raised and delivered in a positive and enabling manner that supports service users to make informed and meaningful choices. |

- ii. Given the current and long-term pressure placed on individuals and the state through the increasing prevalence of low paid, precarious work, there is need for a 'quality' indicator on employment with one mechanism of accountability being the attachment of social clauses, including clear gender equality criteria, to all public spending, grants and procurement.
 - iii. Evident within Ireland's labour market are a range of equality and social inclusion issues that require specific responses. For example, age; ethnicity; rural and regional areas with high unemployment; communities living with urban disadvantage; people parenting alone; and people living with disabilities. Public Employment Services must be open to and be responsive to the needs of all people of working age, a concept that now must include people aged over 65 who wish to enter or re-enter the labour market.
 - iv. Particular issues around gender inequality persist and measures must be introduced to reduce their impact over the lifecycle. Specific measures must be introduced to reduce the gender pay gap of 14.9%, which contributes to longer term pension insecurity and inequality for many women. This includes improved family leave policies, gender equality targets at management and board level and firm measures to tackle precarious work and increased use of non-fixed hour contracts.
 - v. To ensure Ireland's economic recovery is inclusive the Action Plans for Jobs must spell out how they will assist in addressing structural unemployment and exclusion from the labour market: including the role local, green and social economic activities will play.
 - vi. The Irish Government must accelerate efforts to implement the Youth Guarantee, with the provision of additional quality education, training and work experience places. Also young people with disabilities and lone parents who are unemployed and currently excluded from the scheme should be included. Government should also commit to consulting and engaging with civil society at national and local level with regard to the roll out of the programme.
4. In extending its current National Action Plan for Social Inclusion and in developing a five year successor the **Irish Government needs to urgently implement an integrated and comprehensive strategy which aims to reduce inequality, eliminate poverty and promote social inclusion for all groups in society**, ensuring access to rights, resources and services for everyone. This strategy must address access to adequate income (whether in or out of work), to quality services and to an inclusive labour market with decent jobs for those who can work. It must also recognise and deliver social and economic inclusion beyond the labour market including addressing

issues of child poverty, pension inequality for women and equal participation in decision making.

5. **Immediately implement the European Commission Recommendation on Investing in Children** and ensure that the new strategy contains targets and commitments for reducing child poverty and investing in a national social infrastructure for children to cover both childcare and early childhood education and care.
6. **Put in place the measures to fully deliver on an affordable and publicly funded Early Childhood Care and Education (ECCE) sector**, with high quality standards including a professional workforce, streamlined programmes, with reduced costs including administrative costs and higher and more consistent quality of care provided.
7. **Offer people with less than National Framework for Qualifications (NFQ) level 4 (Level 4 is the equivalent of the Leaving Certificate in Ireland)** and with literacy and numeracy needs access to an intensive programme (15-20 hours per week) with an option to accreditation at NFQ level 3 and a work placement.
8. Given the range of learning attainment and needs amongst unemployed people and others living in jobless households, the **provision of education and training courses that will improve their employment status** is absolutely critical. This provision must be learner centred, facilitate on-going skill development and enhance life-long outcomes.
9. Irish government must take immediate steps to promote a **more sustainable housing market** by promoting supply across all tenures in areas of high market demand and by taking particular steps to ensure that the housing needs of disadvantaged and vulnerable groups are met.
10. The Government must take action to **address health inequalities** in Ireland. The principle of achieving measurable patient health outcomes must be integrated and used as the driver across all elements of the public health system rather than the current focus on financial efficiencies.
11. **The Irish Government must facilitate the participation of civil society** in making and implementing policies and decisions that impact on their lives. This must include the participation of people experiencing poverty and social exclusion and ensure that local and national civil society organisations have an independent voice and the capacity to participate.

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| Italy | <p>1. Promote Participation / civil dialogue</p> <ul style="list-style-type: none"> - Support effective contribution of stakeholders to the elaboration and monitoring of the National Reform Program ; - Develop the National Social Report that is still due to this day (as a matter of fact, the Italian government has not yet presented its NSR), ensuring that this report reflects the proposals and recommendations of the stakeholders involved in the fight against poverty and exclusion and the people living in poverty and social exclusion. - Put in place, finally, a National Anti-Poverty Strategy and Program with all necessary actions for understanding the phenomena of poverty and exclusion; - Effectively involve those network of organizations and structures that, at the local level, have been carrying out studies and awareness actions on poverty and social exclusion; - Actively encourage regional governments in elaboration of Regionals Anti-Poverty Strategies and in relate Programs linked to the knowledge of the poverty phenomenon; <p>2. Social protection</p> <ul style="list-style-type: none"> - We reaffirm the call on the Italian government to implement all efforts to rebalance spending on social protection also with an important contribution of solidarity on the part of better-off pensioners who receive pensions more than 7 times higher than the minimum pension, allocating proceeds to pay the costs for the fight against poverty, promote access to housing and to combat unemployment. - Finally, profiting also of the support of NOP inclusion, put in place a universal form of minimum income even if it is only a first step in the right direction. It is urgent to activate measures of active inclusion that can lift people out of poverty; a national system of adequate income support that is the first real step to fight poverty and the social exclusion. - To achieve this it is important that the government shifts its priorities in public spending by increasing the availability of resources (at least 5% of GDP) to combat poverty and social exclusion , for ' housing and unemployment. <p>3. Inclusive Labor Market</p> <ul style="list-style-type: none"> - Urgently put in place an extraordinary strategy for employment by focusing on: <ul style="list-style-type: none"> ➤ developing high quality work through significant investments in research, development and innovation; ➤ put in place all the necessary actions to attract more young people into scientific careers and increase the rate of graduates in sciences; ➤ encourage local development through investments in new areas and promote the recovery of traditional activities and crafts |
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| | <p>which have been abandoned by young people but may offer new employment opportunities;</p> <ul style="list-style-type: none"> ➤ reduce administrative costs and taxes on labor, both from the side of the employers and that of the workers, which in Italy are among the highest in Europe; ➤ increase net wages which are very low and therefore, for this reason, has effect of increase the number of working poor; |
| Latvia | <ol style="list-style-type: none"> 1. NGO and inhabitants should have more influence/ voice and government should take it into consideration. Democracy, equality and transparency should happen.....Social NGO involvement in decision and policy making is weak and should be improved, for now it is just sometimes and very formal to demonstrate externally there is engagement..... 2. Real figures, not % and real results should be mentioned. 3. State declared guaranteed benefit should be higher than survival allowance 4. Recommendations should be more as directive – not in “could”, but “should” form. The “could” formulation allows also could not to do.....Nothing may happens 5. Support to decrease poverty is mostly from municipal budget. State budget should facilitate municipalities. |
| Lithuania | <ol style="list-style-type: none"> 1. Support programs and choose priorities encouraging PPP, NGO, Universities partnership, clustering, international cooperation and experience exchange within the context of social economy; 2. To give more attention to involving and support active citizenship of young people and NGO, promote their leadership in developing a creative, peaceful, just and sustainable future. 3. To include the tools facilitating the assessment of change, complying with the globally agreed assessment parameters and indexes and providing the possibility to measure the change in public knowledge, skills, values and attitudes acquired via public, private and NGO sectors. |
| Luxembourg | <ol style="list-style-type: none"> 1. Make out of the NRP an integrated strategic programme, involving all stakeholders in the drafting, implementation, monitoring and evaluation. 2. Combine the employment, research, climate/energy and education targets related measures with the ones for reducing poverty and also evaluate for each measure its contribution to the poverty/social exclusion target and make sure that the sum of the effects of all the measures reaches the target. 3. Take strong action in the field of social housing, regarding both the provision of housing at affordable prices in general, as well as the provision of special social housing. At least as an intermediary measure introduce rent subsidies for those parts of the population that cannot afford the high lodging prices; such a measure should be accompanied by a strong control of rent prices in order to avoid that the amounts spent on the |

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| | <p>measure will not end up in the pockets of the tenants. And: implement the national strategy against homelessness!</p> <p>4. Implement the youth guarantee and strengthen combatting poverty and social exclusion, use therefore structural funds!</p> |
| Malta | <p>1. The Government should ensure that social welfare benefits are adequate to meet the peoples' adequate needs and to address that people overcome the benefit trap.</p> <p>2. The following are some areas where there are no services or not enough with regards to Mental Health which has not been given adequate importance in the NRP neither in the National Budget:</p> <ul style="list-style-type: none"> - Working with adolescents with mental health problems - Anti-stigma awareness - Social enterprises and employment - Mental health policies at the work place and in schools - More community support services instead of long stay hospitalization |
| Netherlands | <p>1. Create subsidized jobs for young people, e.g. within the alternative energy sector. This is a two-way strategy: 1. the alternative energy part will increase 2. young people learn new skills, that might help them to start their own business or get a non-subsidized- job.</p> <p>2. We need more participation. We need people to be involved in their society and change it for the better. For this , participation is the best tool. Client participation as we know it in the Netherlands can be a decent tool to involve the poor and excluded.</p> <p>3. Participation should start in schools. A council of pupils, each year officially elected that organizes meetings, workshops, etc. to make youngster aware of the way democracy works and teach them that they later, whilst in a job, can get influence in enterprises through the Employers Council.</p> <p>4. We have to be aware that more export out of the EU means more competitiveness, what will put wages under pressure and increase in work poverty and poverty as a whole. The EU is the largest single market in the world and needs a lot of improvement. Investing in this EU-market means that wages can rise again and this helps to reduce poverty and unemployment.</p> |

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| <p>Poland</p> | <ol style="list-style-type: none"> 1. We need a revision of the Europe 2020 Polish anti-poverty goal e.g. raising it from 1,5 million to 3 million. We propose to introduce three additional sub-goals for child poverty, disability poverty and in-work poverty. 2. Put into practice the implementation architecture designed in National Program for Combating Poverty and Social Exclusion which was intended to fulfill ex-ante conditionality for ESF in the period of 2014-2020. 3. We need new opening for social assistance reform. Polish EMIN Network justified and proposed 18 recommendations to reform social assistance and it should be taken into account in subsequent steps. 4. We need new opening for comprehensive housing insecurity and homelessness prevention. Legislative proposal number 2972 with comprehensive measures in that area should be put on a fast legislative track. It is important to adopt it before Autumn elections. |
| <p>Portugal</p> | <ol style="list-style-type: none"> 1. The need for a National Anti-Poverty Program, including a specific strategy against child poverty; 2. The need to guarantee an adequate and fairly social protection system and define an adequate minimum income at national level. 3. Guarantee a democratization of the European semester process. |
| <p>Slovakia</p> | <ol style="list-style-type: none"> 1. Government should acknowledge the necessity of adequate minimum income and base its level on evaluation and estimation of real living costs. The minimum income should be individualised and guaranteed to families with children with no conditionality. Benefits and allowances to benefit should be indexed annually. 2. Attention should be given to investments in public rental housing and to strengthening the duty of municipality to care for availability of decent housing for its inhabitants. 3. Permanent programmes for increasing and sustaining attendance of children with Roma mother tongue from marginalised Roma communities in pre-school education and care are needed. |

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| Spain | <ol style="list-style-type: none"> 1. The way-out of the crisis should be redistributed more equitably, with a greater effort by the richest individuals and corporations. Austerity measures due to the adjustment policy should not touch the red lines of the welfare system, although the reforms to improve efficiency and effectiveness are welcome. Vulnerable people, families and children cannot be ignored any longer. 2. The social chapter and poverty targets of the Europe 2020 Strategy should be reinstated with all their political strength and as such reflected in the budget in the NRP. 3. As instruments to achieve the goals of poverty reduction, the National Action Plan for Social Inclusion (NAP) and PENIA (National Plan for Children and Adolescents) should be included and budgeted in this 2014 NRP. Additionally, An Anti-Poverty Shock Plan should be implemented, with the participation of all stakeholders, in order to address the 1.8 million jobless households and 12 million people living in poverty. |
| Sweden | <ol style="list-style-type: none"> 1. Elaboration of specific poverty targets for Sweden, addressing key areas including increasing the growing gaps in society 2. A more active housing policy, more affordable housing – which in itself can create new jobs, and reduce household debts due to non-affordable housing, and reduce social costs for segregation etc. There should be no more privatization of public housing. 3. An active job creation strategy is needed with specific focus on creating job for people far from the labour market. |
| UK | <ol style="list-style-type: none"> 1. Welfare reform <ul style="list-style-type: none"> • The programme of welfare reform must be halted. Specifically we call for measures on the uprating of benefits below RPI prices to be abandoned; for a national (English) scheme to be introduced to replace Council Tax Benefit; for the introduction of Universal Credit to be further delayed until the labour market improves and for the increased sanctions associated with the benefit to be scrapped • The UK must retain the child poverty reduction target and the four measures of child poverty in the Child Poverty Act of 2010 • The UK government should re-establish stakeholder dialogue with NGOs on the development of its anti-poverty policies. This should sit alongside the Commission on Social Mobility and Child Poverty, and would enable engagement on the development of strategy overall. Such mechanisms must also involve people with direct experience of poverty. 2. Adequate income <ul style="list-style-type: none"> <u>Adequate income from work</u> <ul style="list-style-type: none"> • Commit to a steady and progressive rise in the statutory Minimum Wage for all ages including those aged 18-25 and better enforcement of it. The aims are to put a floor under living standards and slow the falling share of wages in national income; |

to limit the employer subsidy embodied in low wages both through tax credits and other social costs and to drive a “high” rather than “low” road of increased productivity to support better wages

- Commit to legal measures to prevent exploitation of workers confronting atypical, temporary, part-time and self-employed working, especially regarding unequal conditions of employment and work and access to employment and state welfare benefits and pensions. The aim is to prevent the deepening of a segmented workforce with poor pay and prospects and high risk of poverty and reduce the taxpayer costs associated with one-third of the workforce being unable to securely support itself over the lifecycle

Guaranteed minimum incomes

- Commit to steady and progressive improvement in cash benefits to meet adequate minimum income. Specifically we call for the implementation of the JRF model of determining minimum income thresholds and its use to benchmark minimum incomes to progress to at least meet the MIS threshold for each group of benefit recipients.
- The programme of welfare reform must be halted. Specifically we call for measures on the uprating of benefits below RPI prices to be abandoned; for a national (English) scheme to be introduced to replace Council Tax Benefit; for the introduction of Universal Credit to be further delayed until the labour market improves and for the increased sanctions associated with the benefit to be scrapped
- The UK must retain the child poverty reduction target and the four measures of child poverty in the Child Poverty Act of 2010
- The UK government should re-establish stakeholder dialogue with NGOs on the development of its anti-poverty policies. This should sit alongside the Commission on Social Mobility and Child Poverty, and would enable engagement on the development of strategy overall. Such mechanisms must also involve people with direct experience of poverty

3. Access to adequate, affordable housing

Rents and renters’ rights

- Re-introduce rent controls and secure tenancies in the private sector
- Reverse the policy shift to fixed-term social rental tenancies, increases in social rents above inflation and cuts in housing support including an end to the infamous “spare room subsidy” – commonly known as the bedroom tax
- Launch an improved shared ownership scheme to improve transportability of individuals’ equity stake

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| | <p><u>House-building</u></p> <ul style="list-style-type: none"> • A substantial programme of social house-building aimed at low to middle income households financed partly by full removal of the housing finance cap. The aim is to increase housing supply at affordable rents, including for the rising proportion of young people unable to access home-ownership or secure suitable homes in the private rented sector • Financial support for innovative developments in cooperative housing schemes and self-build attached to green energy commitments |
| European organisations | |
| Eurodiaconia | |
| Austria | <ol style="list-style-type: none"> 1. More structural reforms, e.g. new forms of assessments of care needs (in order that we have concrete numbers of needs as well as needs-planning). 2. Inflation adjustment of the cash-allowance (since 1993 the cash allowance lost app. 30 % due to inflation). 3. Extension of all sorts of care services (e.g. day care centers, short term care) |
| Czech Republic | <ol style="list-style-type: none"> 1. Place more emphasis on affordable housing 2. Improve inclusion of and provision of services for migrants |
| Denmark | <ol style="list-style-type: none"> 1. Focus on combating negative social effects of austerity measures 2. More emphasis on improving employment chances for excluded groups |
| France | There should be more focus on prevention and preventative action that will help to reduce future social and economic costs. |
| Netherlands | <ol style="list-style-type: none"> 1. Encourage flexibility in the labour market 2. Create possibilities to combine flexibility and social security ('flexicurity'). |

INFORMATION AND CONTACT

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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.



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