

# EAPN Assessment of the 2016 Country-Specific Recommendations

## *Annex – Country Analysis*

June 2016



## EAPN 2016 Country-Specific Recommendations Assessment Table

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

	MACROECONOMICS / TAXATION	EMPLOYMENT / EDUCATION / PENSIONS	POVERTY / SOCIAL INCLUSION	COMMENTS
<p><u>Austria</u> 3 CSRs</p>	<p><b>CSR 1:</b> Ensure that the deviation from the medium-term budgetary objective in 2016 and in 2017 is limited to the allowance linked to the budgetary impact of the exceptional inflow of refugees in 2015, and to that effect achieve an annual fiscal adjustment of 0.3% of GDP in 2017 unless the medium-term budgetary objective is respected with a lower effort. Ensure the sustainability of the healthcare system; and of the pension system by linking the statutory pension age to life expectancy. Simplify, rationalise and streamline fiscal relations and responsibilities across the various layers of government.</p> <p><b>CSR 3:</b> Reduce administrative and regulatory barriers for investments, such as restrictive authorisation requirements and restrictions on legal form and shareholding, and impediments to setting up interdisciplinary companies, in particular in the area of services.</p>	<p><b>CSR 2: Improve the labour market participation of women. Take steps to improve the educational achievements of disadvantaged young people, in particular those from a migrant background.</b></p>		<p><i>No mention of poverty. Main focus is budget control, with deviations only allowed for extra expenditure on refugees.</i></p> <p><i>Priority is given to reducing administrative barriers for private investment rather than public and social investment.</i></p> <p><i>On services (including expenditure on pensions and long term care) the priority is 'sustainability', rather than ensuring affordable access for all. Concerns around the coverage and effectiveness of the minimum income scheme not tackled.</i></p> <p><i>CSR 2 seems positive, function of how women's participation in the labour market will be done. The Preamble equally mentions the raising of the retirement age, and</i></p>

				<p><i>recognises that educational outcomes depend on socio-economical background.</i></p>
<p><a href="#">Belgium</a></p> <p>3 CSRs</p>	<p><b>CSR 1:</b> Achieve an annual fiscal adjustment of at least 0.6% of GDP towards the medium-term budgetary objective in 2016 and in 2017. Use windfall gains to accelerate the reduction of the general government debt ratio. Agree on an enforceable distribution of fiscal targets among all government levels. Simplify the tax system and remove distortive tax expenditures.</p> <p><b>CSR 3:</b> Boost the capacity to innovate, notably by fostering investment in knowledge-based capital. Increase competition in the business services sector and the retail sector by removing unwarranted operational and establishment restrictions. Address shortfalls in investment in transport infrastructure and energy generation capacity.</p>	<p><b>CSR 2:</b> Carry out the intended review of the 'Law of 1996' on competitiveness and employment in consultation with the social partners. Ensure that wages can evolve in line with productivity. Ensure the effectiveness of labour market activation policies. <b>Move forward with education and vocational training reforms and provide training support, notably for people from a migrant background.</b></p>		<p><i>No mention of poverty. Main priority is on reducing deficit and debt. Investment is prioritized in “knowledge-based capital” and R+D, not social investment.</i></p> <p><i>Recommendation on taxation, which is distortive to growth, rather than supporting more progressive taxation.</i></p> <p><i>No proposals to ensure adequate of minimum income and effective integrated active inclusion for all groups. CSR is rather dangerous, and echoes the critique in the Preamble of too generous wages, while it praises measures that curb the trend. It also acknowledges poor labour market policies (though solutions offered are about incentives to work and changes to unemployment benefits) and the link between socio-economic background and subpar educational outcomes. Raising of the retirement age is praised.</i></p>

<p><u>Bulgaria</u></p> <p>4 CSRs</p>	<p><b>CSR 1:</b> Achieve an annual fiscal adjustment of 0.5% of GDP towards the medium-term budgetary objective in 2016 and in 2017. <b>Further improve tax collection and take measures</b> to reduce the extent of the informal economy, including undeclared work.</p> <p><b>CSR 2:</b> By the end of 2016, finalise the asset quality review and stress test of the banks. By the end of 2016, complete the balance-sheet review and stress test of the insurance companies and the review of private pension funds' assets. Take the necessary follow-up actions in all three sectors and continue to improve banking and nonbanking supervision.</p> <p><b>CSR 4:</b> Reform the insolvency framework to accelerate recovery and resolution procedures and improve their effectiveness and transparency. Increase the capacity of the courts regarding insolvency procedures. Strengthen the capacity of the Public Procurement Agency and contracting authorities and improve the design and control of public tendering procedures. Speed up the introduction of e-procurement.</p>		<p><b>CSR 3: Reinforce and integrate social services and active labour market policies, in particular for the long-term unemployed and young people not in employment, education or training. Increase the provision of quality education for disadvantaged groups, including Roma. Improve the efficiency of the health system by improving access and funding, and health outcomes. In consultation with social partners establish guidelines and criteria for setting the minimum wage. Increase the coverage and adequacy of the minimum income scheme.</b></p>	<p><i>1 of the so-called 'poverty' CSRs. Explicit focus on 'high poverty and inequality' in preamble. However, dominant CSRs still on reducing deficit and debt, which could undermine poverty target. However, a positive emphasis on increasing tax collection and tackling undeclared work, but missing proposals to tackle lack of progressive tax system (ie flat taxes). Potentially positive advice to improve integration of services and ALMP, and to improve the quality and inclusiveness of the education system, highlighting particularly Roma children. Positive recommendation to increase funding and access to health services, and outcomes, but needs more specificity on affordability and coverage.</i></p> <p><i>Important positive recommendation on increasing the coverage and adequacy of minimum income.</i></p>
<p><u>Croatia</u></p>	<p><b>CSR 1:</b> Ensure a durable correction of the excessive deficit by 2016. Thereafter, achieve</p>	<p><b>CSR 2:</b> By the end of 2016, take measures to discourage early</p>		<p><i>1 of the so-called 'poverty' CSRs highlighted by the EC.</i></p>

<p>5 CSRs</p>	<p>an annual fiscal adjustment of at least 0.6% of GDP in 2017. Use any windfall gains to accelerate the reduction of the general government debt ratio. By September 2016, reinforce numerical fiscal rules and strengthen the independence and the mandate of the Fiscal Policy Commission. By the end of 2016, improve budgetary planning and strengthen the multi-annual budgetary framework. By the end of 2016, start a reform of recurrent taxation of immovable property. Reinforce the framework for public debt management. Adopt and start implementing a debt management strategy for 2016-2018.</p> <p><b>CSR 3:</b> By the end of 2016, start reducing fragmentation and improving the functional distribution of competencies in public administration to improve efficiency and <b>reduce territorial disparities in the delivery of public services.</b> In consultation with social partners, harmonise the wage-setting frameworks across the public administration and public services. Reinforce the monitoring of state-owned enterprises' performance and boards' accountability. Advance the listing of shares of state-owned companies and the divestment process of state assets.</p> <p><b>CSR 4:</b> Significantly reduce para fiscal charges. Remove unjustified regulatory restrictions hampering access to and the</p>	<p>retirement, accelerate the transition to the higher statutory retirement age and align pension provisions for specific categories with the rules of the general scheme. <b>Provide appropriate up- and re-skilling measures to enhance the employability of the working-age population, with a focus on the low-skilled and the long-term unemployed.</b> Consolidate social protection benefits by reducing special schemes, aligning eligibility criteria, integrating their administration, and <b>focus support on those most in need.</b></p>	<p><i>No mention of poverty in CSR, but in preamble, related to old people.</i></p> <p><i>Main CSR (1) is on reducing deficit which could impact on services, undermining poverty reduction. Potentially positive CSR to reduce geographical inequalities in the delivery of public services, and to increase quality/efficiency of judicial system.</i></p> <p><i>CSR 2 puts emphasis on restricting early retirement, rather than on ensuring positive active ageing and adequacy of pensions, although the latter is mentioned in the preamble.</i></p> <p><i>Recommendation on social protection is ambiguous. It appears to support more universal schemes and coverage, but also more targeting. No mention of adequacy, although highlighted in preamble or need for integrated active inclusion for all groups. Inadequacies of the education system are pointed out, as well as a high number of</i></p>
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	<p>practice of regulated professions. Reduce the administrative burden on businesses.</p> <p><b>CSR 5:</b> Take measures to improve the <b>quality and efficiency of the judicial system</b> in commercial and administrative courts. Facilitate the resolution of non-performing loans, in particular by improving the tax treatment of the resolution of nonperforming loans.</p>			<p><i>NEETs and long-term unemployed.</i></p>
<p><u>Cyprus</u> 5 CSRs</p>	<p><b>CSR 1:</b> Following the correction of the excessive deficit, respect the medium-term budgetary objective in 2016 and in 2017. By the end of 2016, adopt a binding mechanism containing the growth rate of the compensation of public employees. By the end of 2016, adopt the horizontal reform of the public administration and the law on the governance of state-owned entities, and implement the reform of local governments. By the end of 2016, adopt the secondary legislation to complete the new budgetary framework.</p> <p><b>CSR 2:</b> By June 2017, eliminate impediments to the full implementation of the insolvency and foreclosure frameworks and ensure adequate resources for the Insolvency Service. Ensure reliable and swift systems for the issuance of title deeds and the transfer of immovable property rights. Increase the efficiency and capacity of the court system. Reform the civil procedure law.</p>	<p><b>CSR 5: Enhance the capacity of the public employment services and their provision to the long-term unemployed; improve outreach to the non-registered unemployed.</b> Adopt legislation for a hospital reform and advance with the <b>planned implementation of universal health care coverage.</b></p>		<p><i>No mention of poverty.</i></p> <p><i>Main priority in CSR 1 to reducing excessive deficit, which could undermine poverty reduction.</i></p> <p><i>Emphasis on reducing barriers to investment, but not social investment in services and people. Welcome references to improving the provision and quality of ALMP, particularly for hard to reach groups, young people, and the long term unemployed.</i></p> <p><i>Important support to ensure effective implementation of universal health care, but no mention of affordability.</i></p> <p><i>No mention of adequacy of social protection, or integrated</i></p>

	<p><b>CSR 3:</b> By the end of 2016, take measures to ensure a decline in non-performing loans and accurate valuations of collateral for provisioning purposes. Increase the range of information available for creditors to make the credit registry fully operational.</p> <p><b>CSR 4:</b> Remove impediments to investment, notably by implementing the action plan for growth, pursuing the privatisation plan and strengthening the national regulatory authorities. Take measures to increase access to finance for small and medium-sized enterprises.</p>			<p><i>approaches to support people facing poverty.</i></p>
<p><a href="#">Czech Republic</a> 3 CSRs</p>	<p><b>CSR 1:</b> Take measures to ensure the long-term sustainability of public finances, in light of future risks in the area of healthcare. Adopt legislation to strengthen the fiscal framework.</p> <p><b>CSR 2:</b> Reduce regulatory and administrative barriers to investment, notably in transport and energy, and increase the availability of e-government services. Adopt the outstanding anti-corruption reforms and improve public procurement practices.</p>	<p><b>CSR 3:</b> Strengthen governance in the R&amp;D system and facilitate the links between academia and enterprises. Raise the attractiveness of the teaching profession and <b>take measures to increase the inclusion of disadvantaged children, including Roma, in mainstream schools and pre-schools. Remove the obstacles to greater labour market participation by under-represented groups, particularly women.</b></p>		<p><i>One of the so-called ‘Poverty’ CSRs named by EC, however, no mention of poverty in preamble nor in the CSR.</i></p> <p><i>Main CSR on sustainability of public finance, and focus on cutting expenditure in public services and in health.</i></p> <p><i>Welcome focus on the link between educational attainment and socio-economic background, and the situation of the Roma is particularly highlighted.</i></p> <p><i>No mention of need to ensure universal affordable access to services for all.</i></p>

				<i>No mention of adequacy/coverage of minimum income and social protection.</i>
<u>Denmark</u> 2 CSRs	<p><b>CSR 1:</b> Respect the medium-term budgetary objective in 2016 and achieve an annual fiscal adjustment of 0.25% of GDP towards the medium-term budgetary objective in 2017.</p> <p><b>CSR 2:</b> Enhance productivity and private sector investment by increasing competition in the domestic services sector, in particular by facilitating market entry in retail and construction. Incentivise the cooperation between businesses and universities.</p>			<p><i>No mention of poverty.</i></p> <p><i>Main CSR (1) on budgetary control, and encouraging private investment, but not social investment in services and infrastructure. Mention of the need to tackle low work intensity households.</i></p>
<u>Estonia</u> 2 CSRs	<p><b>CSR 2:</b> Promote private investment in research, development and innovation, including by strengthening cooperation between academia and businesses.</p>		<p><b>CSR 1: Ensure the provision and accessibility of high quality public services, especially social services, at local level,</b> inter alia by adopting and implementing the proposed local government reform. <b>Adopt and implement measures to narrow the gender pay gap, including those foreseen in the Welfare Plan.</b></p>	<p><i>No mention of poverty, despite Estonia registering one of the highest increases.</i></p> <p><i>It's positive that the main CSR is on ensuring access to quality social services, rather than reducing deficits, and the support to plans to reduce gender pay gap, the highest in Europe.</i></p> <p><i>However, the pressing issue of the adequacy and coverage of minimum income and social protection is not mentioned, nor integrated support.</i></p>



				<p><i>References to measures aimed at improving labour supply, but nothing about quality jobs. The gender pay gap (highest in the EU) and improvements in early childhood education and care and vocational training are also mentioned.</i></p>
<p><u>Finland</u> 3 CSRs</p>	<p><b>CSR 1:</b> Achieve an annual fiscal adjustment of at least 0.5 % of GDP towards the medium-term budgetary objective in 2016 and 0.6 % in 2017. Use windfall gains to accelerate the reduction of the general government debt ratio. Ensure timely adoption and implementation of the administrative reform with a view to better cost-effectiveness of social and healthcare services.</p> <p><b>CSR 3:</b> Continue pursuing efforts to increase competition in services, including in retail. Promote entrepreneurship and investment, including by reducing administrative and regulatory burden, to foster growth of high value added production</p>	<p><b>CSR 2:</b> While respecting the role of social partners, ensure that the wage setting system enhances local wage bargaining and removes rigidities, contributing to competitiveness and a more export industry-led approach. Increase incentives to accept work and <b>ensure targeted and sufficient active labour market measures, including for people with a migrant background.</b> Take measures to reduce regional and skills mismatches.</p>		<p><i>No mention of poverty, though it is rising in Finland. Main CSR (1) on reducing deficit and debt, and ensuring 'cost-effectiveness of social and health services, rather than reducing inequalities in provision of affordable, quality services across the country and for all groups.</i></p> <p><i>CSR 2 worryingly urges to continue to keep wages down, and the reference to increasing incentives to work raises concern that it will mean reducing coverage of unemployment benefits and using sanctions. There is also more positive wording on the need to better integrate some categories in the labour market (older, younger, long-term unemployed), while the Preamble criticises recent cuts</i></p>

				<i>in expenditure on ALMP, and proposing positive incentives (like combining benefits and work).</i>
<u>France</u> 5 CSRs	<p><b>CSR 1:</b> Ensure a durable correction of the excessive deficit by 2017 by taking the required structural measures and by using all windfall gains for deficit and debt reduction. Specify the expenditure cuts planned for the coming years and step up efforts to increase the amount of savings generated by the spending reviews, including on local government spending, by the end of 2016. Reinforce independent public policy evaluations in order to identify efficiency gains across all sub-sectors of general government.</p> <p><b>CSR 4:</b> Remove barriers to activity in the services sector, in particular in business services and regulated professions. Take steps to simplify and improve the efficiency of innovation policy schemes. By the end of 2016, further reform the size-related criteria in regulations that impede companies' growth and continue to simplify companies' administrative, fiscal and accounting rules by pursuing the simplification programme.</p> <p><b>CSR 5:</b> Take action to reduce the taxes on production and the corporate income statutory rate while broadening the tax base on consumption, in particular as regards VAT.</p>	<p><b>CSR 2:</b> Ensure that the labour cost reductions are sustained and that minimum wage developments are consistent with job creation and competitiveness. Reform the labour law to <b>provide more incentives for employers to hire on open-ended contracts.</b></p> <p><b>CSR 3:</b> Improve the links between the education sector and the labour market, in particular by reforming apprenticeship and vocational training, with <b>emphasis on the low skilled.</b> By the end of 2016, take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and to provide more incentives to return to work.</p>		<p><i>No mention of poverty.</i></p> <p><i>Main CSR (1) on reducing excessive deficit with a focus on cuts to services spending.</i></p> <p><i>CSR 5 on tax, focuses on reducing taxes which are "detrimental to growth" including corporation taxes, rather than promoting more progressive, social and environmentally friendly taxation which can reduce inequality.</i></p> <p><i>No proposals around key concerns around access to affordable housing, nor ensuring adequacy of minimum income and social protection as part of an integrated approach. Wages are deemed too high for the state of the economy, and stricter conditionality around benefits is proposed. Insufficient training possibilities for the</i></p>

	Remove inefficient tax expenditures, remove taxes that are yielding little or no revenue and adopt the withholding personal income tax reform by the end of 2016.			<i>unemployed and low skills are mentioned.</i>
<u>Germany</u> 3 CSRs	<p><b>CSR 1: Achieve a sustained upward trend in public investment, especially in infrastructure, education,</b> research and innovation, by using the available fiscal space and prioritising expenditure. Improve the design of federal fiscal relations, also with a view to addressing the persistent public under-investment, especially at municipal level.</p> <p><b>CSR 2:</b> Reduce inefficiencies in the tax system, in particular by reviewing corporate taxation and the local trade tax, modernise the tax administration and review the regulatory framework for venture capital. Step up measures to stimulate competition in the services sector, in particular in business services and regulated professions.</p>	<p><b>CSR 3:</b> Increase incentives for later retirement and reduce disincentives to work for second earners. <b>Reduce the high tax wedge for low wage earners and facilitate the transition from mini jobs to standard employment.</b></p>		<p><i>No mention of poverty</i></p> <p><i>Main CSR (1) focused on increased public investment, with some social.</i></p> <p><i>Ambiguous CSR on taxation, with insufficient focus on ensuring progressive taxation which can reduce inequalities.</i></p> <p><i>Concern is raised about CSR 2 focus on increasing competition in the services sector, rather than ensuring increased access to quality services, particularly social for all groups. The Preamble includes proposals to increase retirement age, support women and migrants into the labour market. Increasing income through reducing social security contributions or personal income tax is encouraged, also as a tool to stem the number of people in mini-jobs as reflected in CSR 3.</i></p>

<p><b>Greece</b></p>	<p>Greece is currently under Macroeconomic adjustment programme.</p>			<p><i>No CSRs for Greece. Although it is one of the countries facing highest risk of poverty and social exclusion.</i></p>
<p><u>Hungary</u> 3 CSRs</p>	<p><b>CSR 1:</b> In view of the high risk of a significant deviation, achieve an annual fiscal adjustment of 0.3 % of GDP towards the medium-term budgetary objective in 2016 and of 0.6 % of GDP in 2017, unless the medium-term budgetary objective is respected with a lower effort, by taking the necessary structural measures.</p> <p><b>CSR 2:</b> Further reduce sector-specific taxes and reduce the <b>tax wedge for low-income earners</b>. Strengthen transparency and competition in public procurement through e-procurement, increased publication of tenders and further <b>improvement of the anticorruption framework</b>. Improve the regulatory environment in the services sector and in the retail sector by addressing restrictive regulations and ensuring predictability.</p>	<p><b>CSR 3: Facilitate the transition from the public works scheme to the primary labour market</b> and reinforce other active labour market policies. Improve the <b>adequacy and coverage of social assistance and unemployment benefits</b>. <b>Take measures to improve educational outcomes and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education.</b></p>	<p>.</p>	<p><i>One of the so-called ‘poverty’ CSRs identified by the EC, and Hungary’s continuing high poverty levels are mentioned in preamble, particularly amongst children and Roma.</i></p> <p><i>However, main CSR (1) focusses on reducing deficit and debt, with risks to spending on services.</i></p> <p><i>Potentially positive CSR (2) on reducing tax for low-income earners, but no proposals on tackling predominantly regressive ‘flat taxes’. Positive recommendation to improve anticorruption framework.</i></p> <p><i>CSR 3 provides a positive recommendation to increase adequacy and coverage of social assistance and unemployment benefits, but risk to implementation by CSR 1. The Preamble praises the public works scheme for reducing unemployment, but</i></p>

				<p><i>criticises the low rate of transfer for regular jobs, as well as the very short duration of unemployment benefits (only 3 months). It criticises poor educational outcomes, particularly for Roma pupils, so the ensuing CSR 3 could be positive.</i></p>
<p><u>Ireland</u> 3 CSRs</p>	<p><b>CSR 1:</b> Following the correction of the excessive deficit, achieve an annual fiscal adjustment of 0.6 % of GDP towards the medium-term budgetary objective in 2016 and in 2017. Use windfall gains from strong economic and financial conditions, as well as from asset sales, to accelerate debt reduction. Reduce vulnerability to economic fluctuations and shocks, inter alia by broadening the tax base. <b>Enhance the quality of expenditure</b>, particularly by increasing cost-effectiveness of healthcare and by prioritising government capital expenditure in R&amp;D and in <b>public infrastructure, in particular transport, water services and housing.</b></p> <p><b>CSR 3:</b> Finalise durable restructuring solutions to lower non-performing loans, to ensure debt sustainability of households and to encourage lenders to reduce the debt of excessively leveraged yet viable businesses. Accelerate the phasing-in of a fully</p>		<p><b>CSR 2:</b> Expand and accelerate the implementation of activation policies to increase the work intensity of households and address the poverty risk of children. Pursue measures to incentivise employment by tapering the withdrawal of benefits and supplementary payments. <b>Improve the provision of quality, affordable full-time childcare.</b></p>	<p><i>One of the so-called ‘poverty’ CSRs highlighted by the EC. Only children at risk of poverty are mentioned..</i></p> <p><i>The main CSR (1), however focuses on reducing deficit and debt. Priority is on broadening the tax base, and cost effectiveness of health services. It also positively recommends increasing investment in public infrastructure including housing. There is however no specific mention of affordable housing, although mentioned in preamble or equity in the health system, although included in the Country Report.</i></p> <p><i>Recommendation (CSR 2), which focuses on low work</i></p>

	operational central credit registry covering all categories of lenders and debtors.			<i>intensity households, provides positive advice to taper the withdrawal of benefits and to increase the amount of quality, affordable full-time childcare. However, addressing child poverty required a broader range of measures than those that are mentioned including a wider range of services and adequate income supports.</i>
<u>Italy</u> 5 CSRs	<b>CSR 1:</b> In 2016, limit the temporary deviation from the required 0.5% of GDP adjustment towards the medium-term budgetary objective to the amount of 0.75% of GDP allowed for investments and the implementation of structural reforms, subject to the condition of resuming the adjustment path towards the medium-term budgetary objective in 2017. Achieve an annual fiscal adjustment of at least 0.6% of GDP towards the medium-term budgetary objective in 2017. Accelerate the implementation of the privatisation programme and use the windfall gains to accelerate the reduction of the general government debt ratio. Shift the tax burden from productive factors onto consumption and property. Reduce the number and scope of tax expenditures and complete the reform of the cadastral system by mid- 2017. <b>Take measures to improve tax</b>	<b>CSR 4:</b> Implement the reform of active labour market policies, in particular by <b>strengthening the effectiveness of employment services</b> . Facilitate the take-up of work for second earners. <b>Adopt and implement the national antipoverty strategy and review</b> and rationalise social spending.		<i>No mention of poverty. CSR 1 gives priority to deficit and debt reduction, with risks to service spending. Emphasis on privatisation rather than ensuring affordable access to quality services. Proposal on tax encourages to regressive consumption taxes, although positive recommendation is made to increase tax compliance. One of the few positive mentions of adopting and implementing a national antipoverty strategy, but this is undermined by the addition</i>

	<p><b>compliance</b>, including through electronic invoicing and payments.</p> <p><b>CSR 2:</b> Implement the reform of the public administration by adopting and implementing all necessary legislative decrees, in particular those reforming local public enterprises, local public services and the management of human resources. <b>Step up the fight against corruption</b> by revising the statute of limitations by the end of 2016. Reduce the length of civil justice proceedings by enforcing reforms and through effective case-management.</p> <p><b>CSR 3:</b> Accelerate the reduction in the stock of non-performing loans, including by further improving the framework for insolvency and debt collection. Swiftly complete the implementation of ongoing corporate governance reforms in the banking sector.</p> <p><b>CSR 5:</b> Swiftly adopt and implement the pending law on competition. Take further action to increase competition in regulated professions, the transport, health and retail sectors and the system of concessions.</p>			<p><i>of the need to rationalize ie reduce social spending.</i></p> <p><i>No mention of the need to ensure equal coverage and adequate minimum income and social protection for all. Young people, the long-term unemployed and women still require more support towards the labour market – as supported by CSR 4.</i></p>
<p><a href="#">Latvia</a> 3 CSRs</p>	<p><b>CSR 1:</b> Ensure that the deviation from the adjustment path towards the medium-term budgetary objective in 2016 and 2017 is limited to the allowance linked to the systemic pension reform and the major structural reform in the healthcare sector. Reduce the <b>tax wedge for low-income</b></p>		<p><b>CSR 2: Improve the adequacy of social assistance benefits and step up measures supporting recipients in finding and retaining work</b>, including through increased coverage of activation measures. Speed up</p>	<p><i>One of the so-called ‘poverty’ CSRs, identified by the EC. It is highlighted in the preamble that Latvia has one of the highest levels of poverty and social exclusion.</i></p>

**earners by** exploiting a growth-friendly tax shift towards environmental and property taxes and **improving tax compliance**.

**CSR 3:** Pursue the consolidation of research institutions and provide incentives for private investment in innovation. Strengthen the conflict of interest prevention regime and set up a common legal framework for all public employees. Increase the accountability and public oversight of insolvency administrators.

the curricula reform in vocational education, establish with the involvement of social partners a regulatory framework for apprenticeship type schemes and increase their offer. **Improve the accessibility, quality and cost-effectiveness of the healthcare system.**

*Main CSR (1) focussed on budgetary control, rather than social investment.*

*Potentially positive recommendation to reduce tax for low-income earners, but needs to be below 600 EUR a month/person, including untaxed living space (50 sq m) and ensure tax compliance. However, priority given to growth-friendly rather than progressive tax systems.*

*CSR 2 gives a positive recommendation to improve adequacy of social assistance, linked to activation, but without a strong reference to ensuring access to all quality services. A guaranteed minimum income of 400 Euros a month is necessary and increases in pension and all major benefits.*

*Positive recommendation to improve accessibility, quality and cost effectiveness of health care.*

*A recommendation is needed to ensure that 20% of ESF is used to fight poverty and raise*



				<p><i>social standards, rather than only focus on unemployment, particularly where the training offered does not lead to real jobs in the labour market, nor are the long-term education/employment outcomes checked.</i></p> <p><i>There is also no Recommendation on affordable housing, with major rises in rent levels, inflated partly by use of EU funds and increasingly available credit, not matched by investment in social housing. The rise in empty properties needs a triple property tax</i></p> <p><i>Activation efforts are considered insufficient, particularly for the long-term unemployed.</i></p>
<p><u>Lithuania</u> 3 CSRs</p>	<p><b>CSR 1:</b> Ensure that the deviation from the medium-term budgetary objective is limited to the allowance linked to the systemic pension reform in 2016 and in 2017. <b>Reduce the tax burden on low-income earners</b> by shifting the tax burden to other sources less detrimental to growth and improve tax compliance, in particular in the area of VAT.</p>		<p><b>CSR 2:</b> Strengthen investment in human capital and address skills shortages, by improving the labour market relevance of education, <b>raising the quality of teaching</b> and pursuing more active labour market policies and adult learning. Strengthen the role of social dialogue mechanisms. <b>Improve the</b></p>	<p><i>No mention of poverty.</i></p> <p><i>Main CSR on budgetary control, rather than social investment.</i></p> <p><i>Positive recommendation to reduce tax burden for low income earners but regressive shift to consumption taxes</i></p>

	<p><b>CSR 3:</b> Take measures to strengthen productivity and improve the adoption and absorption of new technology across the economy. Improve the coordination of innovation policies and encourage private investment, inter alia by developing alternative means of financing.</p>		<p><b>performance of the healthcare system by strengthening outpatient care, disease prevention and health promotion. Improve the coverage and adequacy of unemployment benefits and social assistance.</b></p>	<p><i>that hit the poor hardest rather than progressive taxes.</i></p> <p><i>CSR 2 could provide potentially positive advice on health care, but only if it concentrates on improving quality and accessibility of health services for all.</i></p> <p><i>Positive recommendation to improve coverage and adequacy of unemployment benefits and social assistance.</i></p> <p><i>Skills shortages and gaps in adult learning are highlighted, as well as personalised approaches needed for long term unemployed.</i></p>
<p><u>Luxembourg</u> 2 CSRs</p>	<p><b>CSR 2:</b> Remove barriers to investment and innovation that limit economic development in the business services sector. Address bottlenecks that hamper housing investment.</p>	<p><b>CSR 1:</b> Ensure the long-term sustainability of public pensions by further limiting early retirement, by linking the statutory retirement age to life expectancy and by increasing incentives to work longer.</p>		<p><i>No mention of poverty.</i></p> <p><i>Main CSR is on sustainability of public pensions, without focus on adequacy and coverage.</i></p> <p><i>CSR 2 encourages investment, but insufficient social investment.</i></p> <p><i>Recommendation on housing investment could be positive if it ensures access to affordable housing, including social</i></p>

				<p>housing.</p> <p><i>CSR 1, supported by the Preamble, includes a worrying push for the country to raise retirement age and keep a close eye on wage developments, to maintain competitiveness.</i></p>
<p><a href="#">Malta</a></p> <p>2 CSRs</p>	<p><b>CSR 1:</b> In view of the high risk of a significant deviation, achieve an annual fiscal adjustment of 0.6 % of GDP towards the medium-term budgetary objective in 2016 and in 2017, by taking the necessary structural measures. Step up measures to ensure the long-term sustainability of public finances.</p>	<p><b>CSR 2:</b> Take measures to strengthen labour supply, notably through <b>increased participation of low-skilled persons in lifelong learning.</b></p>		<p><i>No mention of poverty.</i></p> <p><i>CSR 1 prioritises deficit reduction and sustainability of public finances, with no support to social investment.</i></p> <p><i>There is no advice on ensuring adequacy of minimum income, social protection and access to quality services. Welcome recommendation to improve adult participation in lifelong learning.</i></p>
<p><a href="#">Netherlands</a></p> <p>3 CSRs</p>	<p><b>CSR 1:</b> Limit the deviation from the medium-term budgetary objective in 2016 and achieve an annual fiscal adjustment of 0.6 % of GDP in 2017. Prioritise public expenditure towards supporting more investment in research and development.</p>	<p><b>CSR 2:</b> <b>Tackle remaining barriers to hiring staff on permanent contracts and facilitate the transition from temporary to permanent contracts. Address the high increase in self-employed without employees,</b> including by reducing tax distortions favouring self-employment, without compromising entrepreneurship, and by promoting <b>access of the self-</b></p>		<p><i>No mention of poverty.</i></p> <p><i>CSR 1 prioritises budget control and investment in R+D rather than social investment.</i></p> <p><i>CSR 3 focuses only on 2<sup>nd</sup> pillar of pension system rather than reinforcing the adequacy of the 1<sup>st</sup>, which is the main support for people facing</i></p>

		<p><b>employed to affordable social protection.</b></p> <p><b>CSR 3:</b> Take measures to make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks. Take measures to reduce the remaining distortions in the housing market and the debt bias for households, in particular by decreasing mortgage interest tax deductibility.</p>	<p><i>poverty, although improvements in this pillar are welcomed.</i></p> <p><i>There are no recommendations around ensuring high quality social protection and services for all, including affordable housing.</i></p> <p><i>CSR 2 is a welcome recommendation to tackle bogus self-employment, as well as the proliferation of temporary contracts</i></p>
<p><u>Poland</u></p> <p>3 CSRs</p>	<p><b>CSR 1:</b> Achieve an annual fiscal adjustment of 0.5% of GDP towards the medium-term budgetary objective in 2016 and in 2017. Strengthen the fiscal framework, including by establishing an independent fiscal council. Improve tax collection by ensuring better VAT compliance, and limit the extensive use of reduced VAT rates.</p> <p><b>CSR 3:</b> Take measures to remove obstacles to investment in transport, construction and energy infrastructure, and increase the coverage of spatial planning at local level.</p>	<p><b>CSR 2:</b> Ensure the sustainability and <b>adequacy of the pension system</b> and increase participation in the labour market, by starting to reform the preferential pension arrangements, <b>removing obstacles to more permanent types of employment</b> and improving the labour market-relevance of education and training.</p>	<p><i>No mention of poverty.</i></p> <p><i>CSR 1 is focussed on debt and deficit reduction, rather than social investment. Improvement in tax collection is welcomed, but concern raised about the focus on regressive consumption taxes eg VAT.</i></p> <p><i>CSR 2 includes positive recommendation to ensure the adequacy of pensions, although sustainability is the dominant theme.</i></p> <p><i>There is no mention about ensuring adequacy of minimum income and social</i></p>

				<p><i>protection, access to quality services for all, including affordable housing.</i></p> <p><i>The Preamble signals the insufficient quality of education, together with low participation in vocational training and lifelong learning. Encouraging recommendation on tackling temporary contracts, in CSR 2.</i></p>
<p><u>Portugal</u> 5 CSRs</p>	<p><b>CSR 1:</b> Ensure a durable correction of the excessive deficit by 2016, reducing the general government deficit to 2.3% of GDP in 2016, by taking the necessary structural measures and by using all windfall gains for deficit and debt reduction. This is consistent with an improvement in the structural balance of 0.25% of GDP in 2016. Thereafter, achieve an annual fiscal adjustment of at least 0.6% of GDP in 2017. Conduct, by February 2017, a comprehensive expenditure review at all levels of public administration and strengthen expenditure control, cost effectiveness and adequate budgeting. Ensure the long-term sustainability of the health sector, without <b>compromising access to primary healthcare</b>. Reduce the reliance of the pension system on budgetary transfers. By the end of 2016, refocus</p>	<p><b>CSR 2:</b> In consultation with social partners, ensure that minimum wages are consistent with the objectives of promoting employment and competitiveness across industries.</p> <p><b>CSR 3:</b> Ensure the effective <b>activation of the long term unemployed and improve the coordination between employment and social services. Strengthen incentives for firms to hire through permanent contracts.</b></p>		<p><i>One of the so-called ‘poverty’ CSRs highlighted by the EC. Only child poverty and in-work poverty are explicitly mentioned in the preamble, but there is no specific Recommendation on poverty.</i></p> <p><i>Main CSR 1 is focused on reducing the excessive deficit under threat of sanctions, with implications for spending cuts in services that impact on poverty.</i></p> <p><i>Although an important reference is made to not compromising access to primary healthcare, the main priority is to ‘sustainability’.</i></p>

	<p>ongoing restructuring plans of state-owned enterprises.</p> <p><b>CSR 4:</b> Take measures, by October 2016, to facilitate the cleaning up of the balance sheets of credit institutions and address the high level of non-performing loans. Reduce the debt bias in corporate taxation and improve the access to finance for start-ups and small and medium-sized enterprises via the capital market.</p> <p><b>CSR 5:</b> Increase transparency and efficiency in public procurement as regards public-private partnerships and concessions. By the end of 2016, improve and accelerate administrative and licensing procedures, accelerate tax litigations and reduce regulatory barriers, especially in business services. Incentivise cooperation between universities and the business sector.</p>			<p><i>In CSR 3 support is given to better coordination between employment and social services, but no references are made to ensuring equal access to adequate minimum income and social protection in the CSRs.</i></p> <p><i>The Preamble highlights that, while Portugal's wage structure may help combat in-work poverty, it puts undue pressure on competitiveness – and follows up with a worrying recommendation (CSR 2) on limiting wage increases. However, CSR 3 contains positive aspects regarding better support for the long-term unemployed, and tackling insecure contracts.</i></p>
<p><a href="#">Romania</a> 4 CSRs</p>	<p><b>CSR 1:</b> Limit the deviation from the medium-term budgetary objective in 2016 and achieve an annual fiscal adjustment of 0.5 % of GDP in 2017 unless the medium-term budgetary objective is respected with a lower effort. <b>Ensure the application of the fiscal framework and strengthen further tax compliance and collection.</b> Ensure that legislative initiatives do not undermine legal certainty and do not put at risk financial</p>	<p><b>CSR 2:</b> Strengthen the National Employment Agency's services to employers and jobseekers, in particular by <b>tailoring services to jobseeker profiles</b>, better linking them with social services and <b>reaching out to unregistered young people.</b> Establish, in consultation with social partners, objective criteria for setting the minimum wage. <b>Take action to prevent early</b></p>	<p><b>CSR 3: Curb informal payments in the healthcare system and increase the availability of outpatient care.</b> Strengthen the independence and transparency of human resources management in the public administration. Simplify administrative procedures for business and the public. Strengthen corporate</p>	<p><i>One of the so-called 'poverty' CSRs highlighted by the EC The preamble highlights Romania as an MS with one of the highest levels of poverty and social exclusion, and also highlights older people poverty.</i></p> <p><i>However, CSR 1 prioritized reduction of deficit and debt</i></p>

	<p>stability. If necessary, adopt measures that mitigate such risks.</p>	<p><b>school leaving and increase the provision of quality education, in particular among Roma.</b> Adopt the equalisation of the pension age for men and women.</p>	<p>governance of state-owned enterprises.</p> <p><b>CSR 4: Improve access to integrated public services,</b> extend basic infrastructure and foster economic diversification, in particular in rural areas. Adopt and implement the transport master plan.</p> <p><b>Strengthen public investment</b> project prioritisation and preparation.</p>	<p><i>with implication for spending on public services. There is a positive reference to increasing tax compliance and collection.</i></p> <p><i>Although a reference is made in preamble to minimum income and income support, no recommendation is made on adequacy and coverage.</i></p> <p><i>In CSR 3, positive recommendations are made around tackling informal payments and outpatient care, but not regarding the severe underfunding of the health system, ensuring universal access to affordable, quality care.</i></p> <p><i>CSR 4 provides positive support to improving access to integrated public services and strengthening public investment, but needs to underline, affordability and quality.</i></p> <p><i>CSR 2, as well as the Preamble, urge for the implementation of personalised approaches for jobseekers, particularly young people, as well as tackling</i></p>
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				<p><i>early school leaving and improving the inclusiveness and quality of the education system, particularly for Roma and children coming from low income families.</i></p>
<p><u>Slovenia</u> 4 CSRs</p>	<p><b>CSR 1:</b> Following the correction of the excessive deficit, achieve an annual fiscal adjustment of 0.6% of GDP towards the medium-term budgetary objective in 2016 and in 2017. Set a medium-term budgetary objective that respects the requirements of the Stability and Growth Pact. Strengthen the fiscal framework by appointing an independent fiscal council and amending the Public Finance Act. Complete and implement the reform of the long-term care and healthcare systems, making them more cost-efficient to ensure long-term sustainability of accessible and quality care. By the end of 2017, adopt the reform of the pension system.</p> <p><b>CSR 3:</b> Improve the financing conditions for creditworthy business, including by facilitating durable resolution of non-performing loans and access to alternative financing sources. Ensure the proper implementation of the bank asset management company strategy.</p> <p><b>CSR 4:</b> Take measures to modernise public administration and reduce the administrative</p>	<p><b>CSR 2:</b> In consultation with social partners, <b>increase the employability of low-skilled and older workers, including through targeted lifelong learning and activation measures.</b></p>		<p><i>No mention of poverty.</i></p> <p><i>CSR 1 if focused on reducing the excessive deficit with risks to spending on public services.</i></p> <p><i>The recommendation on long-term care and health care, is concerned with financial sustainability and cost cutting, rather than how to ensure universal access to quality, affordable health and other care.</i></p> <p><i>No mention is made of ensuring adequacy of minimum income and social protection.</i></p> <p><i>CSR 2 could be positive, depending on how the ALMP are designed, whether they provide personal approaches, rooted in integrated Active Inclusion.</i></p>



	burden on business. Improve the governance and the performance of state-owned enterprises.			
<a href="#">Slovakia</a> 3 CSRs	<p><b>CSR 1:</b> Achieve an annual fiscal adjustment of 0.25 % of GDP towards the medium-term budgetary objective in 2016 and of 0.5% of GDP in 2017. Improve the cost-effectiveness of the healthcare system. <b>Take measures to increase tax compliance.</b></p> <p><b>CSR 3:</b> Consolidate governance, reinforce the shift from price only to quality-based competition and improve the prosecution of illicit practices in public procurement. Improve the transparency, quality and effectiveness of human resources management in public administration, in particular by adopting a new civil service act, and the effectiveness of the justice system. Adopt a comprehensive plan to address administrative and regulatory barriers for businesses.</p>	<p><b>CSR 2: Improve activation measures for the long-term unemployed and other disadvantaged groups, including individualised services and targeted training. Facilitate the employment of women, in particular by extending the provision of affordable, quality childcare. Improve educational outcomes by making the teaching profession more attractive and by increasing the participation of Roma children from early childhood in mainstream education.</b></p>		<p><i>One of the so-called ‘poverty’ CSRs identified by the EC. However, poverty is not mentioned in the preamble nor in the CSR.</i></p> <p><i>CSR 2 prioritises budgetary control rather than social investment.</i></p> <p><i>Advice is given on improving cost-effectiveness of the healthcare system, rather than how to ensure affordable access to quality services. A welcome recommendation is given to improve tax compliance.</i></p> <p><i>CSR 2 is focussed on employment and education, rather than support to integrated active inclusion. No mention is made of ensuring access to adequate minimum income and social protection, or access to quality services, including housing. However, references to personalised support, particularly for key groups, and better supporting</i></p>

				<i>Roma and other disadvantaged children into education are positive.</i>
<p><a href="#">Spain</a></p> <p>4 CSRs</p>	<p><b>CSR 1:</b> Ensure a durable correction of the excessive deficit by 2017, reducing the general government deficit to 3.7% of GDP in 2016 and to 2.5% of GDP in 2017, by taking the necessary structural measures and by using all windfall gains for deficit and debt reduction. This is consistent with an improvement in the structural balance of 0.25% of GDP in 2016 and of 0.5% of GDP in 2017. Implement at all government levels the tools set out in the fiscal framework law. Enhance control mechanisms for public procurement and coordination of procurement policies across government levels.</p> <p><b>CSR 4:</b> Accelerate the implementation of the law on market unity at regional level. Ensure implementation by the autonomous regions of the reform measures adopted for the retail sector. Adopt the planned reform on professional services and associations.</p>	<p><b>CSR 3:</b> Take further measures to improve the labour market relevance of tertiary education, including by providing incentives for cooperation between universities, firms and research. Increase performance-based funding of public research bodies and universities and foster R&amp;I investment by the private sector.</p>	<p><b>CSR 2:</b> Take further measures to improve labour market integration, by focusing on individualised support and strengthening the effectiveness of training measures. Enhance the capacity of regional employment services and reinforce their coordination with social services. <b>Address gaps and disparities in minimum income schemes and improve family support schemes</b>, including access to quality child-care and long-term care.</p>	<p><i>One of the so-called ‘poverty’ CSRs identified by the EC, with 29, 2% of population at risk of poverty and social exclusion and 1 in 3 children. Poverty is only mentioned in relation to income support schemes.</i></p> <p><i>However, CSR 1 is focused entirely on reducing excessive deficit under threat of sanctions. This is likely to negatively impact on spending on public services, particularly health, education and social services and increase poverty.</i></p> <p><i>CSR 2 gives priority to social concerns.</i></p> <p><i>A positive reference is made to the need to address gaps and disparities in minimum income, improving family support with child and long-term care. This reflects EAPN ES demands. However, this is likely to be undermined by CSR 1. It is also contradictory to the Commission’s Country Report 2016 and analysis of</i></p>

				<p><i>growing poverty and inequality.</i></p> <p><i>No reference is made to ensuring affordable, access to quality services, including housing, health.</i></p> <p><i>While the Preamble notes that unemployment remains high, particularly among certain groups, no CSR is provided on the topic, while CSR 3 only speaks of better aligning skills with labour market needs.</i></p>
<p><a href="#">Sweden</a></p> <p>1 CSR</p>	<p><b>CSR 1:</b> Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes. Ensure that the macro-prudential authority has the legal mandate to implement measures to safeguard financial stability in a timely manner. <b>Foster investment in housing</b> and improve the efficiency of the housing market, including by introducing more flexibility in setting rental prices and by revising the design of the capital gains tax to facilitate more housing transactions.</p>			<p><i>No mention of poverty.</i></p> <p><i>Sweden receives only 1 CSR, but no recommendation on increasing social investment.</i></p> <p><i>The recommendation on housing is an improvement, with the demand for market-orientated solutions replaced by a more general recommendation for more flexibility in setting rents and with a positive demand for investment in housing. Priority needs to be given however to providing affordable housing for people on low incomes also</i></p>

				<p><i>migrants and refugees and people with social problems</i></p> <p><i>What is missing is a recommendation on growing inequality, and rising insecurity on the labour market.</i></p>
<p><u>UK</u></p> <p>3 CSRs</p>	<p><b>CSR 1:</b> Endeavour to correct the excessive deficit in a durable manner by 2016-17. Following the correction of the excessive deficit, achieve a fiscal adjustment of 0.6% of GDP in 2017-18 towards the minimum medium-term budgetary objective.</p> <p><b>CSR 2:</b> Address shortfalls in network infrastructure investment, including by delivering the priorities of the National Infrastructure Plan. <b>Take further steps to boost housing supply</b>, including by implementing the reforms of the national planning policy framework.</p>		<p><b>CSR 3:</b> Address skills mismatches and provide for skills progression, including by strengthening the quality of apprenticeships. <b>Further improve the availability of affordable, high-quality, full-time childcare.</b></p>	<p><i>No mention of poverty.</i></p> <p><i>CSR 1 prioritises reduction of excessive deficit with likely impact on spending on public services.</i></p> <p><i>The CSR to boost housing supply could benefit people in poverty if investment is made in affordable, particularly social housing.</i></p> <p><i>CSR 3 positively calls for upgrading skills and for increases in affordable, high quality childcare.</i></p> <p><i>But the proposed mechanisms in CSRs 2 and 3 do not address the scale and depth of the challenges nor acknowledge the most important policy and resource deficiencies that will prevent effective implementation of the CSRs,</i></p>

				<p><i>especially for people on low and moderate incomes.</i></p> <p><i>The lack of CSR comment on the major challenges confronting the restructuring of health and social care reduces their impact.</i></p>
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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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