

EAPN Assessment of the 2019 CSRs

Annex – Country Analysis

July 2019

EAPN 2019 Country-Specific Recommendations Assessment Table

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

	MACROECONOMICS / TAXATION/HEALTH/PENSIONS	EMPLOYMENT / EDUCATION	POVERTY / SOCIAL INCLUSION
<p><u>Austria</u> 3 CSRs</p>	<p>CSR 1: Ensure the sustainability of the health, long-term care, and pension systems, including by adjusting the statutory retirement age in view of expected gains in life expectancy. Simplify and rationalise fiscal relations and responsibilities across layers of government and align financing and spending responsibilities.</p> <p>CSR 3: Focus investment-related economic policy on research and development, innovation, digitalisation, and sustainability, taking into account regional disparities. Support productivity growth by stimulating digitalisation of businesses and company growth and by reducing regulatory barriers in the service sector.</p>	<p>CSR 2: Shift taxes away from labour to sources more supportive for inclusive and sustainable growth. Support full-time employment among women, including by improving childcare services, and boost labour market outcomes for the low skilled, in cooperation with the social partners. Raise the levels of basic skills for disadvantaged groups, including people with a migrant background.</p>	
<p>COMMENTS</p> <p>No 'poverty' CSR, although Austria received one in 2018. CSR 1 focuses on sustainability, with main focus on raising retirement age, but without requirements to ensure adequacy of pension levels.</p> <p>CSR 2 emphasises need for more inclusive and sustainable tax systems, but primarily shifting away from labour/income taxes, rather than underlining the need for fair redistribution systems to finance welfare states. However, the reference in the Preamble to increasing property tax, seen as 'progressive', redesigning the tax base and considering a wealth tax is encouraging. CSR 2 also focusses on improving childcare, which is a welcome element, however this is not seen from the perspective of the rights of the child, but merely as an employment-boosting tool. Full-time employment is named as the goal, rather than allowing parents (not only women!) flexibility and work-life balance measures. It also mentions basic skills for disadvantaged groups, including migrants, which is positive – but does not stress the need for quality and inclusive education and training systems. However, Austria has been receiving this Recommendation for several years, and there are still no improvements – there is no mention of allocating funds to such measures, nor a rights-based approach, targeting the unequal treatment of children.</p>			

The Preamble gives no focus to poverty, nor explicitly to the European Pillar of Social Rights, except with some employment issues. No mention is made of minimum income/social protection or access to key services, including housing. It frames its employment analysis in a narrative of “untapped potential of human capital (...) hampering productivity and long-term growth”. In addition to elaborating on the issues reprised in the actual Recommendations, it mentions the gender pay and pension gap, visibly above the EU average. Regarding education, it highlights that those with a weak socio-economic background have worse educational outcomes, requiring additional investment, and underlines that “recent education reforms partly undermine previous reform efforts and are not in line with EU and OECD best practice”. However, none of these issues is reflected in the CSRs themselves.

Belgium
4 CSRs

CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.6% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Continue reforms to ensure the fiscal sustainability of the long-term care and pension systems, including by limiting early exit possibilities from the labour market. Improve the composition and efficiency of public spending, notably through spending reviews, and the coordination of fiscal policies by all levels of government to create room for public investment.

CSR 3: Focus investment-related economic policy on sustainable transport, including upgrading rail infrastructure, the low carbon and energy transition and research and innovation, in particular in digitalisation, taking into account regional disparities. Tackle the growing mobility challenges, by reinforcing incentives and removing barriers to increase the supply and demand of collective and low emission transport.

CSR 4: Reduce the regulatory and administrative burden to incentivise entrepreneurship and

CSR 2: Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the **low skilled, older workers and people with a migrant background. Improve the performance and inclusiveness of the education and training systems** and address skills mismatches.

	remove barriers to competition in services, particularly telecommunication, retail and professional services.		
<p>COMMENTS</p> <p>Also this year no ‘poverty’ CSR.</p> <p>CSR 1 primarily focuses on ‘sustainability’ of long-term care and pension systems, but not concern regarding quality, access nor adequacy. The prime interest is in preventing people taking early retirement and supporting reductions to public expenditure, rather than considering increases to progressive tax revenues to finance better social protection/health/care systems.</p> <p>CSR 2 explicitly mentions the low-skilled, older workers and people with a migrant background, which is very positive. However, the language used (‘removing disincentives to work’, ‘effective labour market policies’) is ambiguous and could mean negative activation and sanctions. Regarding education, we welcome the request to improve the inclusiveness of the education and training systems.</p> <p>CSR 3 is concerned with investment, including welcome support to sustainable transport, however no concern is highlighted for social investment supporting social rights. Especially in rural areas, mobility is a big concern for people experiencing poverty. When increasing the supply of collective transport, special attention needs to be paid to ensuring accessibility for precarious groups.</p> <p>CSR 4 focuses on deregulation and liberalisation in services, without reference to how to ensure right to good quality, accessible services (Principle 20, EPSR) and the right to fair working conditions.</p> <p>The Preamble’s overarching concern is increasing the ‘efficiency of public spending’, encouraging review and implying cuts, particularly in relation to pension/care. It does however highlight problems of coordination of social protection and problems of lack of coverage from some groups in employment but not the inadequacy of minimum income/social protection levels. There is no reference to a much-needed new Federal plan to combat poverty, in the frame of the EPSR and SDGs, that will actually reduce poverty rates in Belgium. The EPSR is not visible. The Preamble explicitly states that Belgium will not meet its Europe 2020 employment target, and it makes additional references to strong regional disparities in the labour market. Labour market participation is low for the low-skilled, people with a migrant background, older workers and people with disabilities. The Preamble states that important financial disincentives to take up employment remain. EAPN BE is in favour of positive financial incentives for people that take up work, but this cannot lead to downgrading social benefits (limit unemployment benefits in time) or not increasing them to an adequate level or reducing their accessibility. Regarding education, the text notes that the gap in educational outcomes due to socio-economic and migration background is high, but otherwise it continues to focus narrowly on skills mismatches and labour market relevance, without any consideration given to quality and accessibility of education.</p> <p>EAPN BE’s concerns regarding employment/education are partly reflected, with the caveats expressed above, but not their concerns regarding minimum income and the failure of Belgium to reduce the poverty rates for many years.</p>			
<p><u>Bulgaria</u> 4 CSRs “Poverty” CSR</p>	<p>CSR 1: Improve tax collection through targeted measures in areas such as fuel and labour taxes. Upgrade the state-owned enterprise corporate</p>		<p>CSR 4: Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education</p>

	<p>governance by adopting and putting into effect the forthcoming legislation.</p> <p>CSR 2: Ensure the stability of the banking sector by reinforcing supervision, promoting adequate valuation of assets, including bank collateral and promoting a functioning secondary market for non-performing loans. Ensure effective supervision and the enforcement of the Anti-Money Laundering framework. Strengthen the non-banking financial sector by effectively enforcing risk-based supervision, the recently adopted valuation guidelines and group-level supervision. Implement the forthcoming roadmap tackling the gaps identified in the insolvency framework. Foster the stability of the car insurance sector, by addressing market challenges and remaining structural weaknesses.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, transport, notably on its sustainability, water, waste and energy infrastructure and energy efficiency, taking into account regional disparities, and improving the business environment.</p>		<p>and training, in particular for Roma and other disadvantaged groups. Address social inclusion through improved access to integrated employment and social services and more effective minimum income support. Improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.</p>
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COMMENTS

Bulgaria receives a ‘poverty CSR’ as last year but no explicit mention of poverty, although the high level is highlighted in the Preamble (32.8%).

CSR 1 encourages increased tax collection, but in areas of fuel and labour without distributional impact analysis to ensure that the ‘poor don’t pay more’, nor challenges to the flat tax system.

CSR 3 positively encourages more investment in environmental sustainability but not social investment to implement social rights.

CSR 4 refers to integrated employment and social services, which could be positive as support to an integrated Active Inclusion approach, if it is implemented from a user-centred approach, aimed at ensuring better services to the individual, rather than merely simplifying delivery, increasing surveillance and hardening conditionality, and cutting costs. There is also a positive reference to reinforcing skills, including digital skills, and improving the quality and inclusiveness of education and training. Additionally, we

welcome the explicit mention of the Roma and other disadvantaged groups. However, the language used ('strengthen employability', 'labour market relevance') frames education in a predominantly employment perspective, rather than a broader approach about personal development and social participation. The reference to more 'effective minimum income' could be positive, but a more direct language regarding adequacy/coverage would have been welcomed given the very low levels. The reference to increasing access to health services is welcomed, particularly the high costs of out-of-pocket payments and shortage of health professionals. However, the issue of challenges to access and low pay levels is not tackled.

The Preamble highlights the high poverty and inequality levels and need for more effective redistribution, as well as "more efforts are therefore needed to foster active inclusion, promote the socioeconomic integration of vulnerable groups including the Roma, enhance access to quality services and address material deprivation". A strong emphasis is given to low adequacy/coverage of minimum income, high out-of-pocket payments in health and the causal link to low spending on social protection and health systems. CSR 1 on increased tax collection however does not directly call for increased social investment in these systems, to reverse previous austerity cuts. The Preamble also highlights that some groups such as the low-skilled, young people, Roma and people with disabilities still face difficulties to find work, however this is not reprised in the CSRs themselves. The emphasis is exceedingly placed on people's employability. There are calls for better wage setting mechanisms and improved social dialogue, but this aspect is equally missing from the Recommendations. While the fact that "educational outcomes are still low and continue to be strongly influenced by parents' socio-economic status" is mentioned in the Preamble, there is no corresponding CSR. Adequate pensions are not mentioned, nor reference budgets for minimum income.

<p>Croatia 4 CSRs "Poverty" CSR</p>	<p>CSR 1: Reinforce the budgetary framework and monitoring of contingent liabilities at central and local level. Reduce the territorial fragmentation of the public administration and streamline the functional distribution of competencies.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, sustainable urban and railway transport, energy efficiency, renewables and environmental infrastructure, taking into account regional disparities. Increase the administration's capacity to design and implement public projects and policies.</p> <p>CSR 4: Improve corporate governance in state-owned enterprises and intensify the sale of such enterprises and non-productive assets. Enhance the prevention and sanctioning of corruption, in particular at the local level. Reduce the duration of</p>		<p>CSR 2: Deliver on the education reform and improve both access to education and training at all levels and their quality and labour market relevance. Consolidate social benefits and improve their capacity to reduce poverty. Strengthen labour market measures and institutions and their coordination with social services. In consultation with the social partners, introduce harmonised wage-setting frameworks across the public administration and public services.</p>
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	court proceedings and improve electronic communication in courts. Reduce the most burdensome parafiscal charges and excessive product and services market regulation.		
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COMMENTS

Croatia receives a ‘poverty’ CSR and poverty is explicitly mentioned in CSR 2.
 CSR 1 positively calls for action to reduce territorial disparities in public services and quotes EAPN members proposals.
 CSR 3 positively requires more investment in sustainable infrastructure, however there is no equal concern with social investment to support social rights.
 CSR 2 speaks of strengthened employment services and better coordination with social services, which could be positive, if it is implemented from a user-centred approach, aimed at ensuring better services to the individual, rather than merely simplifying delivery and cutting costs. We welcome the call for improved quality and access to education and training at all levels. CSR 2 refers to poverty and rightly calls for HR to consolidate social benefits and increase capacity to reduce poverty. However, no proposal is made regarding increasing spending/investment on social protection/health systems.

The Preamble gives a welcome focus to reducing disparities between regions, and in particular issue of funding for the local authority levels who often provide direct services. Effectiveness of benefits to reduce poverty is a key focus, however it focuses on the need to capture information about benefits at different levels rather than adequacy. It also clearly states that “socio-economic differences are an important determinant of educational attainment in Croatia”, and the country performs below the EU average, however this is not explicitly included in the Recommendations.

EAPN Croatia’s proposals are largely reflected regarding the need to reduce regional disparities in access to services, as well as effectiveness of benefits and employment support in reducing poverty. However, there is insufficient focus on increasing the adequacy of levels as well as coverage of minimum income and social protection.

<p><u>Cyprus</u> 5 CSRs 1 ‘poverty’ CSR</p>	<p>CSR 1: Adopt key legislative reforms to improve efficiency in the public sector, in particular as regards the functioning of the public administration and the governance of state-owned entities and local governments. Address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, in particular by means of outbound payments.</p> <p>CSR 2: Facilitate the reduction of non-performing loans including by setting up an effective governance structure of the State-owned asset management company, taking steps to improve</p>	<p>CSR 3: Complete reforms aimed at increasing the effectiveness of the public employment services and reinforce outreach and activation support for young people. Deliver on the reform of the education and training system, including teacher evaluation, and increase employers' engagement and learners' participation in vocational education and training, and affordable childhood education and care. Take measures to ensure that the National Health System becomes operational in 2020, as planned, while preserving its long-term sustainability.</p>	
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payment discipline and strengthening the supervision of the credit acquiring companies. Strengthen the supervision capacities in the non-bank financial sector, including by fully integrating the insurance and pension funds supervisors.

CSR 4: Focus investment-related economic policy on sustainable transport, environment, in particular waste and water management, energy efficiency and renewable energy, digitalisation, including digital skills, and research and innovation, taking into account territorial disparities within the Member State. Adopt legislation to simplify the procedures for strategic investors to obtain necessary permits and licences. Improve access to finance for small and medium-sized enterprises, and resume the implementation of privatisation projects.

CSR 5: Step up efforts to improve the efficiency of the judicial system, including the functioning of administrative justice and revising civil procedures, increasing the specialisation of courts and setting up an operational e-justice system. Take measures to strengthen the legal enforcement of claims and ensure reliable and swift systems for the issuance and transfer of title deeds and immovable property rights. Accelerate anti-corruption reforms, safeguard the independence of the prosecution and strengthen the capacity of the law enforcement.

COMMENTS

CSR 1 gives a focus to taking measures that might promote tax evasion/avoidance but falls short of a comprehensive requirement to support effective redistribution through effective tax collection, tackling evasion and promoting progressive tax systems, which are an essential base for funding quality public services.

CSR 3 is supposed to be a ‘poverty’ CSR, but no mention is made of poverty, only employment. It asks for the increasing the effectiveness of the public employment services and reinforce outreach and activation support for young people, which could be positive, as long as it means providing personalised, supportive pathways in an integrated Active Inclusion approach. While we appreciate that the Recommendation speaks of affordable childhood education and care, it misses a focus on quality and inclusiveness, while the rest of the language on education and training is somewhat ambiguous and seems to be narrowly labour-market oriented. No focus is given to the lack of adequacy of minimum income/social protection systems.

The Preamble does not mention the AROPE poverty rates, or give a focus on poverty at all, so should not be counted as a ‘poverty CSR’. It offers little more than the Recommendations when it comes to employment and education. It additionally features a reference to promoting self-employment and the social economy, and the fact that participation in early childhood education and care has become less affordable for households. There is additional detail about the implementation of the National Health Service and its key role in providing access to universal health services and reducing out-of-pocket payments, but the main focus is on efficiency and long-term sustainability rather than how to ensure increased social investment supported by more effective/progressive tax collection and levels.

EAPN CY’s concerns are partly reflected. While they asked for the creation of quality jobs to be mentioned, it is not the case. Their call for improving access to employment is reflected in part, however it only refers to young people, and it is not clear if what is encouraged is positive activation. EAPN’s call for a “radical redistribution of wealth to ensure a just welfare state that supports vulnerable groups by creating development and well-being opportunities” is not heeded, nor concern to ensure access to quality services including health/care/education and increased financing. However, the CSR on tackling aggressive tax avoidance is welcomed.

<p><u>Czech Republic</u> 3 CSRs</p>	<p>CSR 1: Improve long-term fiscal sustainability of the pension and health-care systems. Adopt pending anti-corruption measures.</p> <p>CSR 3: Focus investment-related economic policy on transport, notably on its sustainability, digital infrastructure, and low carbon and energy transition, including energy efficiency, taking into account regional disparities. Reduce the administrative burden on investment and enable more quality-based competition in public procurement. Remove the barriers hampering the development of a fully functioning innovation ecosystem.</p>	<p>CSR 2: Foster the employment of women with young children, including by improving access to affordable childcare, and of disadvantaged groups. Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.</p>	
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COMMENTS

CSR 1 focuses only on sustainability of pension and health care, i.e. reducing costs rather than ensuring access to quality services and benefits as a social right. CSR 2 has a welcome focus on fostering female employment, including improving access to affordable childcare (though the qualitative aspects is not mentioned), and of disadvantaged groups, although personalised pathways and an integrated Active Inclusion approach are not mentioned. Regarding education, we note the very positive reference to increasing the quality and inclusiveness of education and training systems, and the mentioning of digital skills. CSR 3 encourages investment in sustainable infrastructure but encourages de-regulation and increased competition without prioritising funding and access to quality services for all, particularly affordable housing, adequate social protection and minimum income.

The Preamble gives no focus to poverty nor explicitly to social rights. It highlights that CZ has recently raised adequacy of pensions through indexing, levels and topping up for older people, but highlights concern that this is not accompanied by ‘policies to improve sustainability’, which is taken up in the CSR, rather than recognising the key contribution of improved benefit/pension levels to reducing poverty and inequality. It points to strong labour market performance and rising employment rates, but also highlights difficulties for people with disabilities and the low-skilled, aside women with young children, who are also mentioned in the Recommendation. It also stresses that “public employment services currently fall short of providing jobseekers with personalised, continuous support”. The Preamble equally notes that “education outcomes continue to be strongly affected by the socioeconomic background of students”, and that reforms aimed at inclusive education will only succeed with sufficient and sustainable national funding.

EAPN CZ’s recommendations are partly reflected. While there is a strong call on supporting women and improving access to childcare, nothing is mentioned about in-work poverty. There is however no recommendation to invest in more adequate minimum income nor social and affordable housing, nor to tackle over-indebtedness which is a major challenge with new legislation to protect consumers regarding debt and property relief.

<p><u>Denmark</u> 2 CSR</p>	<p>CSR 1: Focus investment-related economic policy on education and skills, research and innovation to broaden the innovation base to include more companies, and on sustainable transport to tackle road congestion.</p> <p>CSR 2: Ensure effective supervision and the enforcement of the anti-money laundering framework.</p>		
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COMMENTS

There is no CSR on poverty or inequality.

CSR 1 focuses on investment, including positively on education and skills as well as sustainable transport, but does not highlight need for broader social investment to ensure social rights for all, including minority groups.

CSR 2 could be positive in tackling money laundering but needs to be more clearly linked to tackling tax evasion and avoidance and their role in reducing inequality.

The Preamble includes one reference to better integration on the labour market of disadvantaged groups, such as young people with low skills, people with a migrant background, and people disabilities. The brief reflections on education are exclusively concerned with boosting employment, speaking about upskilling and betting on digital skills, with a brief mention of the educational performance of children with a migrant background, which remains a challenge. However, none of this made its way into the actual CSRs. Poverty and inequality levels are not a focus, nor ensuring equal access to all disadvantaged groups to essential services, including housing. The only mention is high levels of housing prices and household debt, nor how to increase supply of affordable housing for all. The focus on money laundering is explicitly linked to concerns around financing terrorism, rather than tackling evasion.

EAPN Denmark’s proposals for a national and municipal human rights-based antipoverty strategy are not picked up, nor the focus on child poverty, integration, anti-social dumping, adequate minimum income, improving social/employment rehabilitation, and equality of access to education and health, particularly for excluded groups.

<p>Estonia 3 CSRs “Poverty” CSR</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.1% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Ensure effective supervision and the enforcement of the anti-money laundering framework.</p> <p>CSR 3: Focus investment-related economic policy on sustainable transport and energy infrastructure, including interconnections, on fostering research and innovation, and on resource and energy efficiency, taking into account regional disparities.</p>		<p>CSR 2: Address skills shortages and foster innovation by improving the capacity and labour market relevance of the education and training system. Improve the adequacy of the social safety net and access to affordable and integrated social services. Take measures to reduce the gender pay gap, including by improving wage transparency.</p>
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COMMENTS

Estonia receives a ‘poverty CSR’, although poverty is not mentioned in the Recommendation.

CSR 1 is concerned with containing growth public expenditure, which is likely to undermine CSR 2 calling for increased adequacy of social safety net and access to services, particularly as it does not call for increased social investment nor increased tax collection/tackling evasion or progressiveness of tax systems to help finance these. It is an austerity-oriented Recommendation, which seems strange when Estonia’s public debt is the lowest in the EU, at 8%, whereas the second lowest is Luxembourg with more than double the rate.

CSR 2 is the ‘poverty CSR’ and positively calls for improved adequacy of social safety nets and increased access to affordable and integrated social services, however it doesn’t underline the need for quality, the link to integrated active inclusion, and omits major concerns highlighted in the Preamble regarding health and long term care. It mentions reducing the gender pay gap and improving wage transparency, which is very positive. Education is only viewed from the perspective of responding to labour market needs – there is nothing about access, quality, inclusiveness, or affordability.

CSR 3 encourages sustainable investment, particularly transport and energy infrastructure but does not consider social impact nor need for social investment to support social rights.

The Preamble highlights the high poverty rate, particularly in reference to older people (42% compared to EU average of 15%) but makes no Recommendation particularly regarding increasing adequacy of pensions, and the need to increase funding of social protection systems. It also highlights major concerns about low investment in health and long-term care, with low level of spending and infrastructure. It positively highlights “that investment supporting social inclusion and social infrastructure would foster inclusive growth” but this is not taken up in the CSR, nor in the overall coherence of the CSRs with its focus on debt containment. The Preamble also only mentions the labour market in connection to the gender pay and employment gap, and exclusively views education from the perspective of upskilling the workforce.

<p><u>Finland</u> 4 CSRs 1 ‘poverty’ CSR</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.9% in 2020, corresponding to an annual structural adjustment of 0.5% of GDP. Improve the cost-effectiveness of and equal access to social and healthcare services.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, low carbon and energy transition and sustainable transport, taking into account regional disparities.</p> <p>CSR 4: Strengthen the monitoring of household debt and establish the credit registry system.</p>	<p>CSR 2: Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.</p>	
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COMMENTS

Finland receives a so-called ‘poverty CSR’ but poverty is not mentioned in the Recommendation nor in the Preamble. CSR 1 is concerned with containing growth of public expenditure and improving ‘cost-effectiveness’ of social and health care, which is likely to undermine the positive Recommendation to ensure equal access to social and healthcare, as this will require increased social investment. Unmet health needs are a big problem in the country. Recommendations to increase adequacy of social benefits and to tackle lack of access to affordable housing are absent. CSR 2 very explicitly calls for an Active Inclusion approach and integrated services, which is very positive, however the reference to improving incentives to accept work could be problematic, if it means increased conditionality and sanctions on benefits. The solitary mention of skills is exclusively linked to the labour market, instead of featuring a broader social inclusion and participation approach, with no reference to access, quality, affordability, and inclusiveness of education systems.

The Preamble does not mention poverty nor the AROPE poverty rate, so it cannot be considered a ‘poverty’ CSR. However, it importantly focuses on the need to ensure equal access to health and social services, with large disparities for different groups and highlights the failure of the Finnish Parliament to agree a reform that might have remedied

this. It echoes the call for an Active Inclusion approach, which is very positive, highlighting specifically people with a migrant background, women at childbearing age, low-skilled men, people partially able to work and persons with disabilities, and supporting tailor-made, integrated services and policies. It also quotes the rapid withdrawal of benefits once a person is in work, which does not make work pay and constitutes a disincentive to taking up employment, but does not highlight general issue of adequacy of benefits, particularly for families, where child poverty has increased. There is no mention in the Preamble about education, aside investing in skills relevant for the labour market.

EAPN FI's recommendations are partly reflected. While there is a clear demand for more integrated services for the unemployed, as asked by our members, there is no mention of strong investment and additional resources for them. Neither is there a strong focus on poverty and wellbeing, despite the nomination as a 'poverty CSR' particularly of families with children regarding child welfare and income levels and the need to increase the supply of affordable housing.

[France](#)

4 CSRs

CSR 1: Ensure that the nominal growth rate of net primary expenditure does not exceed 1.2% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfalls gains to accelerate the reduction of the general government debt ratio. Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022. Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.

CSR 3: Focus investment-related economic policy on research and innovation (while improving the efficiency of public support schemes, including knowledge transfer schemes), renewable energy, energy efficiency and interconnections with the rest of the Union, and on digital infrastructure, taking into account territorial disparities.

CSR 4: Continue to simplify the tax system, in particular by limiting the use of tax expenditures,

CSR 2: Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.

	further removing inefficient taxes and reducing taxes on production. Reduce regulatory restrictions, notably in the services sector, and fully implement the measures to foster the growth of firms.		
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COMMENTS

CSR 1 calls for containment of public expenditure growth, and explicit reductions which may impact negatively on ensuring access to public services/social protection and on poverty rates. The focus on pensions as in previous CSRs is to create a level playing field between different pension regimes but the focus continues on pressing for ‘sustainable’ pensions through raised retirement ages, without an explicit concern for pension adequacy.

We welcome that CSR 2 mentions labour market integration and equal opportunities, as well as a focus on vulnerable groups and migrants. However, it falls short of endorsing an integrated Active Inclusion approach. The Recommendation only refers to skills needed on the labour market, instead of featuring a broader social inclusion and participation approach, with no reference to access, quality, affordability, and inclusiveness of education systems, nor to adequacy of minimum income/social protection schemes nor other essential services, particularly affordable housing.

CSR 3 supports more sustainable investment but does not assess the social impact nor call for more social investment.

CSR 4 calls for a more simplified, efficient tax system which could be welcomed, but does not underline the redistribution role in reducing inequality. It calls for deregulation of the service sector, without guarantees for ensuring access to quality, affordable services, particularly for people facing poverty and exclusion.

The Preamble explicitly mentions the effectiveness of the French Social Protection system in reducing poverty at a historic low (17.1% compared to EU average), and particular risks faced by key groups, particularly single parents and people from outside the EU, highlighting the need for better integrated policies, including higher investment in specific regions to reduce territorial inequalities, but this is not picked up in the Recommendations, nor the implication to continue strong social investment. It points to the fact that the French labour market remains highly segmented, almost 85% of new hires are on temporary contracts – however, this is not highlighted in the Recommendations themselves. The impact of socio-economic background on one’s hope to access the labour market is stressed, alongside migrant background, as well as the fact that youth unemployment remains high, above the EU average. Nothing is said in the Preamble about education, aside addressing skills mismatching. What is missing is a push from the EU for a national anti-poverty strategy, and remarks about how minimum income is not enough to live on.

EAPN FR’s concerns are not clearly present in this year’s CSRs, although there are some references in the Preamble. Their call for ensuring that macroeconomic policies promote social rights and poverty reduction is not reflected given the pressure to reduce public expenditure. However, their call for a rights-based, integrated strategy is picked up in the call in the Preamble for the implementation of the new antipoverty strategy with a coordinated approach, although not reflected in the Recommendations. While they have called for quality jobs for all, this is not mentioned in the Recommendations. Neither is their demand for investment in access to universal, free and quality public education. Support for partnership with people living in poverty and their NGOs to drive social rights is also absent, including the call to increase use of EU funds to support their engagement and actions.

Germany 2 CSRs	CSR 1. While respecting the medium-term budgetary objective, use fiscal and structural	CSR 2: Reduce disincentives to work more hours, including the high tax wedge, in particular for low-wage	
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	<p>policies to achieve a sustained upward trend in private and public investment, notably at regional and municipal level. Focus investment-related economic policy on education; research and innovation; digitalisation and very-high capacity broadband; sustainable transport as well as energy networks and affordable housing, taking into account regional disparities. Shift taxes away from labour to sources more supportive for inclusive and sustainable growth. Strengthen competition in business services and regulated professions.</p>	<p>and second earners. Take measures to safeguard the long-term sustainability of the pension system, while preserving adequacy. Strengthen the conditions that support higher wage growth, while respecting the role of the social partners. Improve educational outcomes and skills levels of disadvantaged groups.</p>	
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COMMENTS

CSR 1 call for more public and private investment, particularly at regional/municipal level, is welcomed, particularly in education, sustainable transport and affordable housing, tackling regional inequalities. However, no recommendation is made on supporting financially indebted cities and regions who are facing greater challenges with a disadvantaged population. Neither are investments called for to increase the low level of benefits, e.g. unemployment and minimum income whose level is calculated arbitrarily and does not cover subsistence. The focus on affordable housing lacks a call for increase of social housing, as a key means to increase access for poorer households. CSR 2 asks for supporting more full-time employment for low-wage and second earners, which could be positive, but it largely depends on how it is implemented and whether it will support quality work and employment. The call for higher wage growth is very welcome, it is however necessary to ensure that the minimum wage is increased. We appreciate the call to improve education and skills for disadvantaged groups, however the approach is explicitly labour-market oriented, failing to address the quality and inclusiveness of education systems in a broader social inclusion approach.

The Preamble mirrors the concerns expressed in the Recommendations, regarding increasing public and private investment. Regarding affordable housing, it highlights steps already taken by government, and calls for increased investment in social housing, however this is not in the CSR. More detail is given on pensions, but the overarching concern appears to be sustainability more than adequacy, as it underlines the uncertain impact but high cost on recently introduced improvements for key groups. It also mentions better support for women, second earners, and people with a migrant background to join the labour market, as well as calls to step up wage growth, praising the introduction of the minimum wage back in 2015, but highlighting that the share of low-paid workers is nearly 1 in 5, considerably above the EU average. Regarding education, the Preamble notes that socio-economic background has a strong influence on educational outcomes, while upward social mobility remains low. While it points to migrant and refugee children facing more difficulties at school, quality and inclusiveness of education are not mentioned.

EAPN DE's call for increased investment to tackle regional inequalities in education and other services and in promoting affordable housing is partly reflected in the Recommendations. However, their call for a holistic, comprehensive strategy to fight poverty is lacking, together with the call for investment in adequate levels of minimum income/wage and other benefits, strengthening of the social housing sector as the main instrument for increasing supply of affordable housing, although this is mentioned in the Preamble.

<p><u>Greece</u> 2 CSRs 1 'Poverty' CSR</p>	<p>CSR 1: Achieve a sustainable economic recovery and tackle the excessive macroeconomic imbalances by continuing and completing reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018.</p> <p>CSR 2: Focus investment-related economic policy on sustainable transport and logistics, environmental protection, energy efficiency, renewable energy and interconnection projects, digital technologies, research and development, education, skills, employability, health, and the renewal of urban areas, taking into account regional disparities and the need to ensure social inclusion.</p>		
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COMMENTS

Greece is supposed to have received a 'poverty CSR', however the focus on poverty and social inclusion is not very evident in the CSR, although it is mentioned in the Preamble. CSR 1 is overwhelmingly focused on reducing macroeconomic imbalances and delivering the post-programme commitments, whilst CSR 2 encourages sustainable investment in energy, but also education, skills, health. It is not clear how these two CSRs are made compatible. The call to take into account regional disparities and to ensure social inclusion is very weak and appears an add-on, in a situation where Greece has one of the highest levels of poverty in the EU. No concrete strategy is proposed.

The Preamble points to the high levels of income inequality and the lowest impact of social transfers reducing poverty, but then makes no Recommendations to close this gap – i.e. investing in an integrated Active Inclusion approach: ensuring adequate minimum income, social protection, public services and quality jobs. It emphasises the role of quality, integrated social services, and particularly support for the most deprived and social integration of children, migrants, people with disabilities, reflecting also regional disparities, but does not make concrete proposals, particularly linked to ensuring an adequate income. It highlights the extremely high share of long-term unemployed – 70% of the unemployed in 2018, with categories of particular concern being women and young people. Fostering job creation, supporting labour market participation, and improved social dialogue are suggested. The text equally highlights the need to promote quality and inclusive education and training, as well as much needed higher investment in this sector. However, none of this is reprised in the actual Recommendations, as the country receives no real social CSR, despite the table.

<p><u>Hungary</u> 4 CSRs "Poverty" CSR</p>	<p>CSR 1: Ensure compliance with the Council recommendation of XX June 2019 with a view to correcting the significant deviation from the adjustment path toward the medium-term budgetary objective.</p>		<p>CSR 2: Continue the labour market integration of the most vulnerable groups in particular by upskilling and improve the adequacy of social assistance and unemployment benefits. Improve</p>
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	<p>CSR 3: Focus investment-related economic policy on research and innovation, low carbon energy and transport, waste infrastructure and energy and resource efficiency, taking into account regional disparities. Improve competition in public procurement.</p> <p>CSR 4: Reinforce the anti-corruption framework, including by improving prosecutorial efforts and access to public information, and strengthen judicial independence. Improve the quality and transparency of the decision-making process through effective social dialogue and engagement with other stakeholders and through regular, appropriate impact assessments. Continue simplifying the tax system, while strengthening it against a risk of aggressive tax planning. Improve competition and regulatory predictability in services sector.</p>		<p>education outcomes and increase the participation of disadvantaged groups, in particular Roma in quality mainstream education. Improve health outcomes by supporting preventive health measures and strengthening primary health care.</p>
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COMMENTS

Hungary receives a 'poverty' CSR although poverty is not mentioned.

CSR 1 targets deviation on balancing budgets, whilst CSR 3 focuses on more sustainable investment, but without analysing social impact or proposing greater social investment to underpin social rights. CSR 1 and 3 are not necessarily compatible, and no Recommendations are made for increasing revenues through Tax Justice, particularly moving to more progressive tax and away from flat taxes.

CSR 2 speaks about the labour market integration of the most vulnerable groups, which is positive, however it only focusses on upskilling, rather than proposing an integrated Active Inclusion approach. There is a very welcome reference to improving the adequacy of social assistance and unemployment benefits but could be strengthened by insisting on levels that take people out of poverty. Regarding education, it calls for improving education outcomes and access for disadvantaged groups, in particular Roma, and for quality mainstream education, which is also very welcome. Improving health outcomes is welcomed but requires increased investment in universal, affordable, quality health services as well as in prevention and primary care, financed by fairer, more progressive tax systems.

CSR 4 reference to the need to improve quality and transparency of decision-making with social dialogue and other stakeholders is important, but does not go far enough, in a context where NGOs have been hounded and civil liberties attacked.

The Preamble highlights that poverty is declining and recognises that family support measures have helped as well as in-kind support but criticises the lack of targeting. It highlights the problem of lack of social affordable housing, although not picked up in the CSR. It additionally acknowledges the gender pay and employment gap, attributing it in part to lack of access to good, quality childcare. It also points to poor labour market participation for Roma and people with disabilities. It explicitly condemns the use of the ineffective Public Works Scheme, and the fact that the duration of unemployment benefits is the shortest in the EU and does not provide enough time to find a new job. The text equally notes poor educational outcomes and high territorial disparities, highlighting the situation of disadvantaged groups, particularly Roma children. However, this situation is strictly dealt with from a perspective of ‘missed opportunity to build up human capital’. Finally, the Preamble stresses recent threats to academic freedom.

EAPN Hungary’s recommendations were partly reflected: particularly increasing adequacy of minimum income, but not as stipulated by reintroducing an official calculation of actual subsistence levels, and investing in energy, although tackling energy poverty is not stipulated. Other concerns such as need for a new social contract to re-establish social norms of solidarity and participation, prioritising investment in people, particularly children and the social sector, implementation of social rights particularly for marginalised groups such as Roma, as well as measures to tackle brain-drain in the health, education and social sector.

<p><u>Ireland</u> 3 CSRs 1 ‘Poverty CSR’</p>	<p>CSR 1: Achieve the medium-term budgetary objective in 2020. Use windfall gains to accelerate the reduction of the general government debt ratio. Limit the scope and number of tax expenditures, and broaden the tax base. Continue to address features of the tax system that may facilitate aggressive tax planning, and focus in particular on outbound payments. Address the expected increase in age-related expenditure by making the healthcare system more cost-effective and by fully implementing pension reform plans.</p> <p>CSR 3: Focus investment-related economic policy on low carbon and energy transition, the reduction of greenhouse gas emissions, sustainable transport, water, digital infrastructure and affordable and social housing, taking into account regional disparities. Implement measures, including those in the Future Jobs strategy, to diversify the economy and improve the productivity of Irish firms – small and medium enterprises in particular – by using more direct</p>		<p>CSR 2: Provide personalised active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity. Increase access to affordable and quality childcare.</p>
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funding instruments to stimulate research and innovation and by reducing regulatory barriers to entrepreneurship.

COMMENTS

Ireland receives a so-called ‘poverty’ CSR, although poverty is not mentioned in the Recommendation nor in the Preamble.

CSR 1 positively calls for restrictions on tax expenditures (breaks), broadening the tax base, and measures to tackle tax evasion/avoidance, particularly ‘aggressive tax planning’. We believe however that due to the large deficits in social infrastructure, windfall taxes should be used for investment. The rest of the focus is on cost-efficiencies in health and pensions, rather than measures to address health inequality and adequacy of pensions.

CSR 2 calls for personalised active integration support, in particular for vulnerable groups and those living in households with low work intensity, which could be positive, if it means a true, integrated Active Inclusion approach, aimed at ensuring not only better employment rates, but quality of work and employment, as well as social participation and inclusion. It is concerning that guaranteeing access to adequate minimum income and social protection at levels that take them out of poverty is not mentioned. The reference to increasing access to affordable and quality childcare is very welcome, but it is important to ensure that childcare has a wider societal meaning and is not just seen as a labour market tool. Unfortunately, education is not mentioned at all, except for a brief mention of upskilling, clearly in context of boosting employability, and without taking into account ensuring broader personal development and social participation through quality and inclusive education systems.

CSR 3’s calls for more sustainable investment, including affordable and social housing, taking account of regional disparities are positive, but the CSR lacks other areas of social investment.

The Preamble does not focus on poverty, nor is the new National Action Plan for Social Inclusion mentioned or followed up. The challenges of delivering universal health services are more explored, highlighting the problem of duplicate health insurance market. Considerable space is dedicated to analysing the problem of affordable housing. It highlights rise in homelessness, recognising the inadequate mix of social housing and very limited supply of affordable market rents, but without Recommendations. It dedicates very limited space to the labour market and echoes the call of the recommendation to step up activation efforts, particularly for women and people with disabilities, and those living in households with low work intensity, through upskilling, investing in quality and affordable childcare, and more integrated support. Education is only briefly mentioned from the perspective of increased investment in skills and tackling mismatches. The Irish Country Report highlighted an increase in income inequality, but this is not addressed in the CSRs.

EAPN Ireland’s proposals are not generally reflected, calling for the implementation of the new National Action Plan for Social Inclusion, poverty/gender and equality impact assessment, benchmarking social welfare benefit rates to a level that lifts people out of poverty, as well as introducing sub-targets for specific groups with higher risk of poverty.

<p><u>Italy</u> 5 CSRs 1 ‘Poverty CSR’</p>	<p>CSR 1: Ensure a nominal reduction of net primary government expenditure of 0.1% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio.</p>	<p>CSR 2: Step up efforts to tackle undeclared work. Ensure that active labour market and social policies are effectively integrated and reach out notably to young people and vulnerable groups. Support women’s participation in the labour market through a</p>	
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Shift taxation away from labour, including by reducing tax expenditure and reforming the outdated cadastral values. **Fight tax evasion**, especially in the form of omitted invoicing, including by strengthening the compulsory use of e-payments including through lower legal thresholds for cash payments. Implement fully past pension reforms to reduce the share of old-age pensions in public spending and create space for other social and growth-enhancing spending.

CSR 3: Focus investment-related economic policy on research and innovation, and the quality of infrastructure, taking into account regional disparities. Improve the effectiveness of public administration, including by investing in the skills of public employees, by accelerating digitalisation, and by increasing the efficiency and quality of local public services. Address restrictions to competition, particularly in the retail sector and in business services, also through a new annual competition law.

CSR 4: Reduce the length of civil trials at all instances by enforcing and streamlining procedural rules, including those under consideration by the legislator. Improve the effectiveness of the fight against corruption by reforming procedural rules to reduce the length of criminal trials.

CSR 5: Foster bank balance sheet restructuring, in particular for small and medium-sized banks, by improving efficiency and asset quality, continuing

comprehensive strategy, including through access to quality childcare and long-term care. Improve educational outcomes, also through adequate and targeted investment, and foster upskilling, including by strengthening digital skills.

	the reduction of non-performing loans, and diversifying funding. Improve non-bank financing for smaller and innovative firms.		
<p>COMMENTS</p> <p>Italy is supposed to have received a ‘poverty CSR’ but it is not visible. Poverty is not mentioned except in the Preamble. CSR 1 focuses on debt containment, and positively highlights need to increase tax including through broadening the tax base and tackling tax evasion. However, no reference is made to tax’s key re-distribution role in reducing inequality, including progressive tax, where Italy has one of the highest levels. CSR 2 does not focus on reducing poverty. It contains welcome references to tackling undeclared work, as well as to supporting young people, women, and vulnerable groups to access the labour market. While it does not spell out personalised pathways and support through Active Inclusion, it does speak about integrating active labour market and social policies. This could be positive, if interpreted as above, however it could simply mean making access to income subject to punitive labour market conditionality, or simply a subsuming of social objectives to activation. Improving educational outcomes is welcome, however the approach is strictly labour market oriented, missing a broader component of personal development and social participation, as well as fostering quality and inclusive education systems throughout the lifecycle. There is no mention of the implementation of adequate minimum income (citizenship income), to take people out of poverty.</p> <p>The Preamble provides a paragraph on poverty, highlighting the high level (28.9% compared to 22.4% EU average), and emphasising higher risk groups like children, particularly of migrants. The low impact of social transfers on poverty is also highlighted, underlining problems with the implementation of the citizenship income, based on an integrated Active Inclusion approach, but no Recommendation is made. It also contains several ample paragraphs regarding the situation of employment in Italy. It reprises the concerns outlined in the Recommendation, about undeclared work, supporting young people and women into the labour market, and integrated support. Additionally, it highlights increases in the share of temporary contracts and involuntary part-time, regional gaps, and a high tax wage for second earners – however, these issues are not supported by wording in the actual Recommendation, nor are the long-term unemployed and migrants mentioned, despite featuring in the Preamble. Regarding education, improving quality is mentioned in the Preamble, but not in the CSR.</p> <p>EAPN IT’s request for work insertion projects is echoed in the Recommendation. However, their recommendations on ensuring adequate minimum income, as part of an integrated Active Inclusion approach as proposed in the citizenship income scheme, is not highlighted.</p>			
<p><u>Latvia</u> 4 CSRs 1 “Poverty” CSR</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 3.5% in 2020, corresponding to an annual structural adjustment of 0.5% of GDP. Reduce taxation for low-income earners by shifting it to other sources, particularly capital and property, and by improving tax compliance. Ensure effective supervision and the enforcement of the anti-money laundering framework.</p>		<p>CSR 2: Address social exclusion notably by improving the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities. Increase the quality and efficiency of education and training in particular of low-skilled workers and jobseekers, including by strengthening the participation in vocational education and</p>

	<p>CSR 3: Focus investment-related economic policy on innovation, provision of affordable housing, transport notably on its sustainability, resource efficiency and energy efficiency, energy interconnections and on digital infrastructure, taking into account regional disparities.</p> <p>CSR 4: Strengthen the accountability and efficiency of the public sector, in particular with regard to local authorities and state-owned and municipal enterprises and the conflict of interest regime.</p>		<p>training and adult learning. Increase the accessibility, quality and cost-effectiveness of the healthcare system.</p>
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COMMENTS

Latvia receives a 'Poverty CSR' and social exclusion is mentioned in CSR 2, as well as in the Preamble.

CSR 1 positively calls for reducing tax on low income and shift towards more progressive taxes, e.g. property and capital and improving compliance however no call is made for more progressive income tax, in the context of continuing mainly flat taxes.

CSR 2 – we welcome the calls for increasing the adequacy of income support, pensions and benefits for older people and people with disabilities, although concrete measures should be proposed to ensure that these are set at levels that take people out of poverty. The quality of education and training is emphasised, which is positive. However, there is a marked emphasis on efficiency in labour market terms, rather than inclusiveness and equal access for all, from a broader personal development and social participation perspective. The call to increase accessibility and quality of health care is essential, but not easily balanced with cost effectiveness, given the low levels of public investment in universal health services and to ensure equal access and treatment to all groups and regions.

CSR 3 encourages more sustainable investment, including in affordable housing, but not on how this should be achieved, nor more broadly in public services and social protection systems.

The Preamble includes a section on poverty and inequality, including the important link to the EPSR – “faces challenges in delivering on social protection and inclusion principles” particularly related to income support adequacy, but also access to key services. Specific at-risk groups are highlighted, particularly in terms of adequate income – older people and people with disabilities, whose benefit levels have not been revised since 2006. It also highlights that the Minimum Income reform promised in 2014 has not been implemented, with very detrimental impact for people in poverty. The Recommendation should therefore have had a higher degree of urgency and specificity around this. It also calls attention to the low and unequal levels of public investment in public services, particularly in health care, but no Recommendation is made regarding the increase in funding, regional inequalities, problems of quality staffing, etc.

Unlike the Recommendations, the Preamble includes a brief analysis of the employment and labour market situation, stressing the impact of demographic change and migration, regional disparities, and the additional difficulties faced by older workers and the low-skilled, particularly low digital skills, the need for additional investment, and

strengthening social dialogue. It is deemed that engagement in labour market policies is lower than the EU average, yet no part of the Recommendations deals with this. The text also gives more analysis about the CSR's call to increase quality of education and training, pointing to low adult participation in learning, disparities based on place of residence and type of school, insufficient investment.

<p><u>Lithuania</u> 3 CSRs "Poverty" CSR</p>	<p>CSR 1: Improve tax compliance and broaden the tax base to sources less detrimental to growth. Address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system.</p> <p>CSR 3: Focus investment-related economic policy on innovation, energy and resource efficiency, sustainable transport and energy interconnections, taking into account regional disparities. Stimulate productivity growth by improving the efficiency of public investment. Develop a coherent policy framework to support science-business cooperation and consolidate research and innovation implementing agencies.</p>	<p>CSR 2: Improve quality and efficiency at all education and training levels, including adult learning. Increase the quality, affordability and efficiency of the healthcare system.</p>	
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COMMENTS

Lithuania receives a 'poverty CSR' and poverty is mentioned in CSR 1.

CSR 1 prioritises increasing tax revenue through compliance, broadening the tax base and repeats last years' CSR on addressing inequality, poverty and social exclusion by improving the design of the tax benefit system. Although the latter is welcomed, an emphasis on more progressive income taxation, i.e. a move from flat taxes as well as a more specific 'social' CSR, is really needed to propose concrete measures to address high poverty levels. This could include a reference to an Active Inclusion approach that tackles access to quality jobs, social protection including minimum income and essential services. The lack of a proposal on the adequacy and coverage of minimum income is disappointing, given the challenges raised around large decline in take up (66%) highlighted in the recent Peer Review (Lithuania) linked to the localisation of funding.

CSR 2 encourages more sustainable investment but does not assess social impact nor proposes social investment to support social rights. It also includes very positive language about improving the quality across the education system, with an explicit mention of adult learning, which is very welcome. However, efficiency (presumably, in labour market terms) is stressed, rather than inclusiveness and equal access for all.

The Preamble highlights the very high poverty and inequality levels in Lithuania, as well as those who face greatest risks (older people, people with disabilities, children, single parents and unemployed), and stresses the importance of income support. It highlights recent attempts at improvements but that these do not go far enough, and the importance of an integrated Active Inclusion Strategy approach, whose effectiveness is enhanced by adequate benefits/pensions. It also addresses the severe challenges to

universal health care, although rather as an afterthought, highlighting the low levels of financing, and high out-of-pocket payments. It stresses the impact of demographic developments and migration on the labour force, and the need to make the labour market more inclusive. However, it does not dwell on this aspect, nor is it present in the Recommendations. Consistent with the CSR, it dedicates ample space to improving the quality and efficiency of education and boosting adult learning, with a focus on digital skills. There is also a reference to better integration of the disadvantaged into the labour market (for example, persons with disabilities, and older, unemployed or inactive adults), explicitly made from the perspective of the Lithuanian economy.

EAPN LT's calls for an integrated antipoverty strategy, more progressive tax regulation, urgent improvements of adequacy and coverage of social assistance as well as development of complex social services through a case management approach involving NGOs, are not explicitly picked up in the Recommendations, although there is some reflection in the Preamble particularly regarding adequacy of benefits and social services, and need for Active Inclusion approach. They also highlight that more attention to be paid to the creation of quality jobs, providing personalised employment and social services, and combatting the public works scheme, are not mentioned at all in the Recommendation, as there is nothing concerning employment and the labour market.

<p><u>Luxembourg</u> 4 CSRs</p>	<p>CSR 2: Reduce barriers to competition in regulated professional business services.</p> <p>CSR 3: Focus economic policy related to investment on fostering digitalisation and innovation, stimulating skills development, improving sustainable transport, and increasing housing supply, including by increasing incentives and lifting barriers to build.</p> <p>CSR 4: Address features of the tax system that may facilitate aggressive tax planning, in particular by means of outbound payments.</p>	<p>CSR 1: Increase the employment rate of older workers by enhancing their employment opportunities and employability. Improve the long-term sustainability of the pension system, including by further limiting early retirement.</p>	
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COMMENTS

CSR 1 speaks of increasing the employment rate for older workers, which could in principle be positive. However, nothing is said about the quality of employment, measures to combat ageism, adapted workplaces etc, which may mean that the focus is simply to boost the employment rate and remove the pension burden off public finances, rather than ensuring decent employment and social inclusion for older workers. No focus is given to access to quality services, particularly affordable accommodation – although it is positive that housing is mentioned, the proposed solutions are market-oriented, rather than conducive to broader social inclusion.

CSR 4 addresses tax evasion, challenging measures that facilitate aggressive tax planning or evasion/avoidance, which are welcomed, but does not go far enough in terms of ensuring that tax/benefit policy is an effective redistributive instrument of income and wealth reducing inequality.

The Preamble gives some more focus to access to services, in particular housing supply, but does only underline the need for increased investment in social housing, looking at it from a market point of view (despite the fact that there is no such thing like a “housing market”!) and by only calling for incentives and removed barriers to reach higher supply. It also highlights the labour market situation of older workers, consistent with the Recommendation. Nothing else is said about the labour market. There are some remarks about the need for better investment in skills, particularly digital skills, employability, and education and training, however this is not reprised in the Recommendation.

EAPN LU’s proposals are not reflected in the Recommendations, but partly in the Preamble: where the need for increased investment in social housing is highlighted. However, concrete proposals regarding adapting the social impact law and the strategic change process, to make social impact a decisive element in planning and implementing industrial and economic policy, are missing. Nothing is said about the growing risk of poverty and the increasing inequalities (cf. in-work poverty and single parents!).

<p><u>Malta</u> 3 CSRs</p>	<p>CSR 1: Ensure the fiscal sustainability of the healthcare and the pension systems, including by restricting early retirement and adjusting the statutory retirement age in view of expected gains in life expectancy.</p> <p>CSR 2: Address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, in particular by means of outbound payments. Strengthen the overall governance framework, including by continuing efforts to detect and prosecute corruption. Continue the ongoing progress made on strengthening the anti-money laundering framework, notably regarding enforcements. Strengthen the independence of the judiciary, in particular the safeguards for judicial appointments and dismissals, and establish a separate prosecution service.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, natural resources management, resource and energy efficiency,</p>		
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	sustainable transport, reducing traffic congestion and inclusive education and training.		
<p>COMMENTS</p> <p>Malta receives no poverty CSR nor a social one.</p> <p>CSR 1 purely focuses on ‘efficiency’ and cost-cutting/the fiscal sustainability of health and pensions, without consideration of how to guarantee social rights to quality, affordable services or adequate pension levels. With pensions, the focus is on raising the retirement age, which creates problems for the Government.</p> <p>CSR 2 prioritises actions to challenge tax evasion and avoidance, i.e. aggressive tax planning, which is welcomed, but regrets that the overall approach is not framed in terms of using tax/benefit policy to reduce poverty and inequality.</p> <p>CSR 3 includes a brief mention of inclusive education and training, which is positive, however it is not seen from a social inclusion perspective, but it is clearly labelled as economic policy. No mention is made of poverty and social exclusion, nor adequacy of minimum income and social protection systems, nor challenges to the health care system, particularly entitlements to free medication. The focus on research and innovation is welcome.</p> <p>The Preamble gives no real focus to social rights or poverty. Its focus is on sustainability as highlighted above. Proposals regarding expanding services/primary care and community/home-based services are only commented on in terms of sustainability, not whether they increase social rights in health. The Preamble speaks of increasing employment rate, however points out that people with disabilities and women still have sub-participation in the labour market, and more support to informal carers could help, but also makes the point that more attention could be paid to policy initiatives in the areas of labour market, skills and social inclusion. The Preamble also explicitly refers to the European Pillar of Social Rights and Principle 2 on quality and inclusive education and the need to correct social disadvantage, as well as to counter early school leaving and improve tertiary education attainment (which are the two Europe 2020 objectives on education). However, none of these concerns are reflected in the CSRs.</p> <p>EAPN MT’s recommendations are not reflected as there is no social CSR nor focus on poverty and inequality in the Preamble. Their concern about raising the statutory minimum wage is not reflected. Neither are EAPN’s other proposals regarding reference budgets to establish adequate levels of minimum income, entitlement to free medication, subsidies and measures to deal with lack of affordability in private rented housing, access to healthy, fresh food, or support for independent living. Affordable and sustainable housing is not mentioned in any of the Recommendations, although during the past years the situation in the country has gone out of hand and prices have increased at an alarming rate, with individuals and families suffering to pay their rent ending up not living adequately throughout the month. The Maltese economy is booming, but the income of the people is not rising at the same rate and, while it is good to have a minimum wage, it is even better to analyse whether it helps make ends meet for the people – therefore, a detailed reference budget must be done to create an adequate living income for people to live decently.</p>			
<p><u>Netherlands</u> 3 CSRs</p>	<p>CSR 1: Reduce the debt bias for households and the distortions in the housing market, including by supporting the development of the private rental sector. Ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks. Implement policies to increase household disposable income,</p>	<p>CSR 2: Reduce the incentives for the self-employed without employees, while promoting adequate social protection for the self-employed, and tackle bogus self-employment. Strengthen comprehensive life-long learning and upgrade skills notably of those at the margins of the labour market and the inactive.</p>	

	<p>including by strengthening the conditions that support wage growth, while respecting the role of social partners. Address features of the tax system that may facilitate aggressive tax planning, in particular by means of outbound payments, notably by implementing the announced measures.</p>		
<p>COMMENTS</p> <p>CSR 1 addresses the issue of debt in the housing market, but does not call for affordable housing, particularly social housing. It calls for increases to household income primarily through the conditions that affect wage growth, rather than wage growth itself. There is no call to increase adequacy of minimum income and minimum wage, nor to tackle the costs of services, particularly care for those on low incomes. The call to tackle aggressive tax planning is welcomed, but lacks an overall approach seeing tax/benefit policy's role in reducing poverty and inequality.</p> <p>CSR 2 includes a strong call to combat bogus self-employment and promote adequate social protection for them, in line with the recently adopted Council Recommendation on Access to Adequate Social Protection for All. The reference to strengthening lifelong learning, particularly for those furthest from the labour market, is welcome, however it seems clearly motivated by employment concerns, rather than fostering inclusive and quality education and training systems for all throughout the lifecycle.</p> <p>The Preamble crucially mentions that wage growth has remained moderate, though this is not reflected in the Recommendations, as it is deemed that the Dutch Government is already taking steps to boost disposable household income from work. While temporary and part-time employment are highlighted alongside self-employment, only the latter is explicitly mentioned in the CSR. Very encouragingly, the Preamble equally speaks about active inclusion and providing equal opportunities, stressing the situation of people with a migrant background – though, again, this did not make it into the final text of the Recommendation. The Preamble does not contain any additional reflections on education, aside the need to invest in skills for the labour market already included in the CSR. Neither is there a focus on adequacy of minimum income, or access to services. Pensions are seen as being adequate and are mainly addressed through the issue of increasing transparency on Pillar 2 pensions.</p> <p>EAPN NL's recommendations are not reflected. While our members asked for an increase in minimum income and minimum wage (5%), or at least a decrease in the tax wedge placed on low-earners, this is not mentioned (except partly in the Preamble), nor is the high cost of education, which makes it inaccessible to many, or lands them in debt. Neither is their call for building affordable social housing and adjusting the housing allowance, investing in affordable care services.</p>			
<p><u>Poland</u> 3 CSRs</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.4% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Take further steps to improve the efficiency of public spending, including by improving the budgetary process.</p>	<p>CSR 2: Ensure the adequacy of future pension benefits and the sustainability of the pension system by taking measures to increase the effective retirement age and by reforming the preferential pension schemes. Take steps to increase labour market participation, including by improving access to childcare and long-term care, and</p>	

	<p>CSR 3: Strengthen the innovative capacity of the economy, including by supporting research institutions and their closer collaboration with business. Focus investment-related economic policy on innovation, transport, notably on its sustainability, digital and energy infrastructure, healthcare and cleaner energy, taking into account regional disparities. Improve the regulatory environment, in particular by strengthening the role of consultations of social partners and public consultations in the legislative process.</p>	<p>remove remaining obstacles to more permanent types of employment. Foster quality education and skills relevant to the labour market, especially through adult learning.</p>	
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COMMENTS

CSR 1 focuses on efficiency of public spending, but without requiring measures addressing increased tax collection to finance welfare states, including increased progressivity of tax systems.

CSR 2 mentions improving access to childcare and long-term care, which is undoubtedly positive, however they are only mentioned from the perspective of improving labour market participation. There is also a welcome reference to quality education, though not to its inclusiveness. There is no mention in the Recommendation of the key role of income support/family benefits in reducing poverty and the need to extend this to other groups.

CSR 3 calls for more investment in innovation, also in healthcare and cleaner energy, taking into account regional inequalities, however it doesn't call for increased social investment to guarantee social rights, particularly in health and care services where there is a high level of underinvestment. The call for strengthened consultations with social partners is welcomed and public consultations is welcome but misses an explicit recognition of the partnership with Civil Society organisations.

While the Recommendations say little about poverty, the Preamble highlights the key role that child benefit played in reducing poverty and inequality, however underlining the supposed impact on women's motivation to work. No mention is made of risk of poverty for other key groups. It recognises that tax collection has improved revenues for public services, but criticises the lowering of retirement ages, as likely to hit not only sustainability but adequacy of pension levels, although this is not explained. The weakness of health and care services is highlighted, including the low level of investment (4.7% of GDP compared to 7% as EU average), but with no Recommendation. Although the labour market is not a focus in the Recommendations, the Preamble points to the fact that participation of some groups, especially the low-skilled, persons with disabilities and their carers and older people, has remained low. However, this is explicitly blamed on the fact that the system provides insufficient incentives to work, citing the recently introduced generous child benefit which, while it reduced poverty, hindered the participation of parents, particularly women, in the labour market. The text praises Poland for having taken steps to reduce labour market segmentation, but highlights that it still remains among the highest in the EU. However, this is not reprised in the Recommendation itself. The Preamble is clear that the support for quality education is due to the fact that it is deemed "a crucial factor supporting future growth prospects in Poland."

EAPN PL's concerns regarding improving childcare are reflected, though without the accompanying special programmes for children from disadvantaged families, that our members had deemed necessary. The focus on more progressive taxation is missing, as is a call for a change in antipoverty policy to groups facing greatest risk, i.e. from families with many children to single parents, and those with adult children with disabilities, and pensioners.

<p><u>Portugal</u> 4 CSRs 'Poverty' CSR</p>	<p>CSR 1: Achieve the medium-term budgetary objective in 2020, taking into account the allowance linked to unusual events for which a temporary deviation is granted. Use windfall gains to accelerate the reduction of the general government debt ratio. Improve the quality of public finances by prioritising growth-enhancing spending while strengthening overall expenditure control, cost efficiency and adequate budgeting, with a focus in particular on a durable reduction of arrears in hospitals. Improve the financial sustainability of state-owned enterprises, while ensuring more timely, transparent and comprehensive monitoring.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, railway transport and port infrastructure, low carbon and energy transition and extending energy interconnections, taking into account regional disparities.</p> <p>CSR 4: Allow for a swifter recovery of the collateral tied to non-performing loans by increasing the efficiency of insolvency and recovery proceedings. Reduce the administrative and regulatory burden on businesses, mainly by reducing sector-specific barriers to licensing. Develop a roadmap to reduce restrictions in highly regulated professions. Increase the efficiency of administrative and tax</p>	<p>CSR 2: Adopt measures to address labour market segmentation. Improve the skills level of the population, in particular their digital literacy, including by making adult learning more relevant to the needs of the labour market. Increase the number of higher education graduates, particularly in science and information technology. Improve the effectiveness and adequacy of the social safety net.</p>	
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courts, in particular by decreasing the length of proceedings.

COMMENTS

Portugal receives a so-called ‘poverty’ CSR, although poverty is not mentioned in the Recommendation, but in the Preamble. It would be better not to call it a poverty CSR, but a recommendation with larger social concerns, especially taking into account that the indicator of the impact of social transfers in reducing poverty is, according to the Commission's analysis, in critical condition.

CSR 1 prioritises budget containment and ‘growth-enhancing spending’ with an emphasis on cost-efficiencies rather than investing in effective quality public services.

CSR 2 is the ‘social’ CSR. There is a welcome call to address the effectiveness and adequacy of minimum income, as well as to address labour market segmentation. There is also positive focus on education, however the Recommendation, which is similar to last year, seems more concerned with the need of the labour market and increasing the number of graduates, rather than providing quality and inclusive education and training throughout the lifecycle. There are still concerns about the access of some disadvantage groups (like Roma) to education, especially higher education; and the difficulties that adult population have in accessing the labour market. Even with “making the adult learning more relevant to the needs of the labour market”, adult population faces age discrimination, for example.

In CSR 3 there is some focus on more sustainable investment but no assessment of social impact or call for social investment.

The Preamble highlights the reduction in the poverty rate and concludes that the main cause has been improved labour market conditions. However, it highlights that income inequality is very high, and the impact of social transfers limited. Portugal has the lowest adequacy of Minimum Income in the EU, only covering 40% of the poverty threshold. It also confirms that the preoccupation with education and training is caused by the fact that “the low qualification level of workers is an obstacle to investment and productivity growth.”

EAPN PT’s concerns are partly mirrored by the Recommendation, insofar as it calls for more adequate minimum income, and in promoting education and training. However, our members’ call for the development of a national strategy for the eradication of poverty and social exclusion, and monitoring the allocation of the 20% ESF earmarking, or explicitly supporting the professional integration of young people, tackling unemployment and in-work poverty, go unanswered. Sadly, the dire situation of the Roma is not included.

Romania
5 CSRs
“Poverty”
CSR

CSR 1: Ensure compliance with the Council recommendation of XX June 2019 with a view to correcting the significant deviation from the adjustment path toward the medium-term budgetary objective. Ensure the full application of the fiscal framework. **Strengthen tax compliance and collection.**

CSR 2: Safeguard financial stability and the robustness of the banking sector. Ensure the

CSR 3: Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups. Improve skills, including digital, notably by increasing the labour market relevance of vocational education and training and higher education. Increase the **coverage and quality of social services and complete the minimum inclusion income reform. Improve the functioning of social dialogue.** Ensure minimum wage setting based on objective criteria, consistent with job creation and competitiveness.

	<p>sustainability of the public pension system and the long-term viability of the second pillar pension funds.</p> <p>CSR 4: Focus investment-related economic policy on transport, notably on its sustainability, low carbon energy and energy efficiency, environmental infrastructure as well as innovation, taking into account regional disparities. Improve preparation and prioritisation of large projects and accelerate their implementation. Improve the efficiency of public procurement and ensure full and sustainable implementation of the national public procurement strategy.</p> <p>CSR 5: Ensure that legislative initiatives do not undermine legal certainty by improving the quality and predictability of decision-making, including by appropriate stakeholder consultations, effective impact assessments and streamlined administrative procedures. Strengthen the corporate governance of state-owned enterprises.</p>	<p>Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.</p>	
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COMMENTS

Romania receives a so-called 'poverty' CSR, however there is no mention of poverty in the Recommendation.

CSR 1 prioritises reducing deficits and balanced budgets, whilst calling for better tax compliance, without however a recognition of the role of better tax/benefit policy in reducing poverty and inequality.

CSR 2 focuses on sustainability of pension systems, rather than adequacy, and prioritises 2nd pillar rather than 1st pillar pensions.

CSR 3 positively calls for better access to quality social services, but without referencing the need to reduce disparities in regions, particularly urban and rural. It also calls for the implementation of the minimum income reform, which is still delayed, leaving very inadequate levels. It contains a positive reference to strengthening social dialogue, but also an extremely damaging one to ensuring minimum wage setting function of job creation and competitiveness, which in fact means cutting wages or at least freezing them. Such Recommendations, in the past, at least also included in-work poverty as a criterion, to ensure that employment delivered poverty-free lives, however no such reference is present this time. Regarding education, the call to improve its quality and inclusiveness, with a focus on Roma and disadvantaged groups, is very positive, as is the reference to digital skills.

CSR 4 calls for more sustainable investment, but without analysing social impact or calling for social investment, particularly in increased funding in health services, including availability of outpatient care, in rural areas and for vulnerable groups.

The Preamble highlights the high poverty levels (with 1/3 at risk of poverty and social exclusion), with children, Roma, people with disabilities, older people as the most at-risk groups. A comprehensive analysis is given of the shortfalls in access to services, social protection and minimum income. It warns of the lack of adequacy, and problems of delays to the Minimum Income Reform proposed in 2016 and delayed now until 2021. The Preamble confirms most of the issues already reflected in the CSRs, referring to poor quality and inclusiveness of education, high early school leaving, the particular situation of Roma children, and the need for upskilling. However, the text also explicitly speaks about the fact that active labour market policies provide a limited response to labour market needs, with measures focused mainly on financial incentives rather than tailor-made and comprehensive approaches. This is a very important critique of negative activation which unfortunately did not make its way into the Recommendation. Other issues mentioned by the Preamble only include declining labour force, low labour market participation of women, and rural-urban disparities.

EAPN RO's Recommendations are only partly reflected. While priority is given to quality and inclusive education, particularly for Roma children, there is no reference to strengthened, targeted, positive activation policies and integrated public services, focusing on supporting those furthest away from the labour market, or to stepped-up investment in education. However, both these concerns are fully echoed in the Preamble. Increase in effectiveness of social transfers, particularly children, is only partly echoed in the Preamble, with the delay in implementation of the Minimum Income Reform. Access to integrated social services is picked up in the Recommendation, with the focus on rural communities and vulnerable groups highlighted in the Preamble.

<p><u>Slovakia</u> 4 CSRs “Poverty” CSR</p>	<p>CSR 1: Achieve the medium-term budgetary objective in 2020. Safeguard the long-term sustainability of public finances, notably that of the healthcare and pension systems.</p> <p>CSR 3: Focus investment-related economic policy on healthcare, research and innovation, transport, notably on its sustainability, digital infrastructure, energy efficiency, competitiveness of small and medium-sized enterprises, and social housing, taking into account regional disparities. Increase the use of quality-related and lifecycle cost criteria in public procurement operations.</p> <p>CSR 4: Continue to improve the effectiveness of the justice system, focussing on strengthening its independence, including on judicial appointments.</p>	<p>CSR 2: Improve the quality and inclusiveness of education at all levels and foster skills. Enhance access to affordable and quality childcare and long-term care. Promote integration of disadvantaged groups, in particular Roma.</p>	
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	Increase efforts to detect and prosecute corruption, in particular in large-scale corruption cases.		
<p>COMMENTS</p> <p>Slovakia receives a ‘Poverty’ CSR, but poverty is not mentioned in the Recommendation.</p> <p>CSR 1 focuses on sustainability and efficiency of public finances, with a particular focus on healthcare and pensions, but without a requirement to ensure access to quality, affordable care, and adequate pensions.</p> <p>CSR 2 explicitly calls for improving the quality and inclusiveness of education at all levels, enhancing access to affordable and quality childcare and long-term care, and promoting the integration of disadvantaged groups (including the Roma), which is all extremely positive. However, the CSR falls short of tackling poverty, through an integrated Active Inclusion approach that supports adequacy of minimum income/social protection, access to quality jobs and services for all.</p> <p>CSR 3 calls for more sustainable investment, including in health and in social housing, which is welcomed, but doesn’t call for social investment in quality services to ensure social rights.</p> <p>The Preamble highlights the lower levels of poverty, but underlines the challenges for specific groups, particularly Roma, but also homeless and people facing housing exclusion, in accessing quality health and social services, as well as social housing, and calling for an integrated approach. It also reinforces the elements of the CSR, referring to considerable bottlenecks in access to high-quality and inclusive education, regional disparities, high early school leaving rates, limited access to and low availability of affordable childcare and long-term care facilities. Additionally, though, it highlights the low employment rate for women and the unequal distribution of parental leave, but this is not reprised in the text of the Recommendations.</p>			
<p>Slovenia 3 CSRs “Poverty” CSR</p>	<p>CSR 1: Achieve the medium-term budgetary objective in 2020. Adopt and implement reforms in healthcare and long-term care that ensure quality, accessibility and long-term fiscal sustainability. Ensure the long-term sustainability and adequacy of the pension system, including by adjusting the statutory retirement age and restricting early retirement. Increase the employability of low-skilled and older workers by improving labour market relevance of education and training, lifelong learning and activation measures, including through better digital literacy.</p> <p>CSR 2: Support the development of equity markets. Improve the business environment by reducing</p>		

	<p>regulatory restrictions and administrative burden. Improve competition, professionalisation and independent oversight in public procurement. Carry out privatisations in line with the existing plans.</p> <p>CSR 3: Focus investment-related economic policy on research and innovation, low carbon and energy transition, sustainable transport, in particular rail, and environmental infrastructure, taking into account regional disparities.</p>		
<p>COMMENTS</p> <p>Slovenia is supposed to have a CSR to reduce poverty, but poverty is not mentioned and there is no explicit social CSR. CSR 1 prioritises fiscal sustainability focussing on reducing expenditure in health/care and pensions, without stressing need to ensure access to quality, affordable services or adequate pensions. The focus in pensions is on raising the retirement age. There is no call to reinforce adequate social protection or minimum income schemes. The call for better labour market inclusion of older workers and the low skilled focusses exclusively on the supply side (upskilling and activation), while education is only mentioned from the perspective of its labour market relevance, rather than access for all to quality, inclusive education and training throughout the lifecycle. CSR 3 calls for more sustainable investment, but without assessment of social impact or calls for social investment in public services to ensure rights.</p> <p>The Preamble highlights poverty rate of older people, but then focuses on sustainability of pension/health and care systems, without mention of the need to implement social rights. In the area of pensions, it points out that 70% of people ‘choose’ the lowest form of contributions, without reflecting on the causes linked to low wages/precarious labour markets, inadequate levels of income support and social protection.</p>			
<p><u>Spain</u> 4 CSRs “Poverty” CSR</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 0.9% in 2020, corresponding to an annual structural adjustment of 0.65% of GDP. Take measures to strengthen the fiscal and public procurement frameworks at all levels of government. Preserve the sustainability of the pension system. Use windfall gains to accelerate the reduction of the general government debt ratio.</p>	<p>CSR 2: Ensure that employment and social services have the capacity to provide effective support. Foster transitions towards open-ended contracts, including by simplifying the system of hiring incentives. Improve support for families and address coverage gaps in national unemployment assistance and regional minimum income schemes. Reduce early school leaving and improve educational outcomes, taking into account regional disparities. Increase cooperation between education and businesses with a view to improving the provision of labour market relevant skills and</p>	

	<p>CSR 3: Focus investment-related economic policy on fostering innovation, resource and energy efficiency, upgrading rail freight infrastructure and extending energy interconnections with the rest of the Union, taking into account regional disparities. Enhance the effectiveness of policies supporting research and innovation.</p> <p>CSR 4: Further the implementation of the Law on Market Unity by ensuring that, at all levels of government, rules governing access to and exercise of economic activities, in particular for services, are in line with principles of that Law and by improving cooperation between administrations.</p>	<p>qualifications, in particular for information and communication technologies.</p>	
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COMMENTS

Spain receives a 'Poverty' CSR, although poverty is not mentioned in it.

CSR 1 prioritises budget containment and sustainability of pensions but omits to underline the need for adequacy to prevent/combat poverty.

CSR 2 has a welcome focus on the coordination between employment and social services, provided this is done with an aim to improve quality and inclusion. It is not clear what 'effective' support means, as it could merely imply simplifying administrative delivery, or a numbers' game without a qualitative evaluation. The call for fostering transition towards open-ended contracts is very positive, as is the urging to improve coverage of unemployment benefits and regional minimum income schemes, recognising the inequalities existing between regions. However, adequacy could have been better stressed. The Recommendation also speaks of reducing school leaving, improving educational outcomes, and taking into account regional disparities, which is welcome, however it does not mention quality and inclusive education throughout the lifecycle. CSR 3 calls for more innovative/sustainable investment, but not social investment to guarantee social rights.

The Preamble gives a detailed section on the high rate of poverty/social exclusion and inequality, highlighting particular challenges for children, and the low capacity of social transfers to reduce poverty. It highlights continuing problem with adequacy and coverage of a fragmented unemployment system and regional disparities in minimum income and welcomes the new Social Card that will increase transparency, however the call to increase targeting could be restrictive. It calls importantly for major social investment and expansion of social infrastructure to deliver inclusive growth. It contains generous paragraphs regarding Spain's employment situation, noting that unemployment and labour market segmentation remain among the highest in Europe, as well as about the need to increase the capacity of employment and social services, as well as their coordination. All of this is echoed in the Recommendation. However, the text also tackles the specific situation of young people, the low-skilled, third-country nationals, and the long-term unemployed, as well as how numerous incentives to support job creation are having limited effects in promoting quality employment, and none of this is in the CSRs themselves. Regarding education, the Preamble dedicates ample space to early school leaving and curbing regional disparities, as well as to improving human capital

and promoting digital skills, as mirrored in the CSRs, however it is clearly stated that the reason for these concerns is their impact on the long-term potential for productivity growth.

EAPN ES's concern regarding minimum income is partly reflected, although the focus on quality and adequacy is insufficient, except in Preamble. Their focus on low wages is not reflected, though poor-quality contracts are addressed. The call to have more emphasis on the achievement of the EPSR and to rebalance macroeconomic recommendations is still not visibly reflected, although the Preamble gives a stronger call in this direction.

Sweden

3 CSR

CSR 1: Address risks related to high household debt by gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes. Stimulate investment in residential construction where shortages are most pressing, in particular by removing structural obstacles to construction. Improve the efficiency of the housing market, including by introducing more flexibility in rental prices and revising the design of the capital gains tax.

CSR 2: Focus investment related economic policy on education and skills, maintaining investment in sustainable transport to upgrade the different transport modes, in particular railways, and research and innovation, taking into account regional disparities.

CSR 3: Ensure effective supervision and the enforcement of the anti-money laundering framework.

COMMENTS

CSR 1 focuses on reducing household debt related to the housing market, increasing supply, but does not address affordability in the private rented sector. Indeed, the call for greater flexibility in rent prices is likely to increase rents. There is no call for increase in social housing. In a Swedish perspective, we would like to see integrated housing that can be obtained for people in a weak economic situation or with social problems, and not segregating housing solely for people with problems, as this often contributes to strengthening the problems.

CSR 2 includes a brief mention of improving skills, however it is not seen from a social inclusion perspective, but it is clearly labelled as economic policy.

The Preamble does not mention poverty nor inequality. It highlights problems of high household debt linked to mortgages, and proposes deregulation to increase supply and flexibilise rents, which will not increase affordable supply for low income households. It only includes a short paragraph about education, explicitly and strictly viewed from a labour market perspective. It notes labour shortages in what concerns specialist human capital and the need to invest in education and skills, including digital skills. It also mentions a large and increasing educational performance gap between different social groups, highlighting the case of non-EU migrants and foreign-born pupils, and challenges posed by the sustainable inclusion of the low-skilled and non-EU migrants (in particular women) into the labour market. However, none of these considerations are reflected in the actual Recommendations.

EAPN SE's concern about low level of benefits and compensations is not reflected, as the country does not receive a social CSR, neither is their call for a comprehensive mapping of poverty including an analysis of relative poverty and national action plan, as well as mapping current welfare system failures, particularly in coordination of services.

<p><u>United Kingdom</u> 2 CSRs</p>	<p>CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.9% in 2020-2021, corresponding to an annual structural adjustment of 0.6% of GDP.</p> <p>CSR 2: Focus investment-related economic policy on research and innovation, housing, training and improving skills, sustainable transport and low carbon and energy transition, taking into account regional diversity.</p>		
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COMMENTS

CSR 1 calls for a freeze in public expenditure, despite some fiscal headroom and an environment of deficient social infrastructure and declining public services after 10 years of cuts.

CSR 2 encourages a focus on innovation and sustainable investment in transport and energy transition and recognises regional differences. It does not say what should be cut to fund it. Housing investment focuses on changing the planning environment but does not otherwise address the broken housing market and the need to build really affordable and social homes. CSR 2 also includes a brief mention of improving skills, however it is not seen from a social inclusion perspective, but it is clearly labelled economic policy.

The Preamble mentions that real wages remain below their pre-crisis peak and acknowledges high levels of in-work poverty, though none of this is reprised in the actual Recommendations. It also speaks of a high proportion of low-skilled employees and the scope to improve education and training systems. While the approach to education only narrowly focusses on the labour market, not even this aspect has made it into the final Recommendations beyond a one-word reference.

Most of EAPN UK's recommendations are not reflected, as the country received no social CSR. Our members' call to change the negative dynamic between benefits, incomes and labour market, launch a properly funded Housing First programme, see social security and protection as an investment, reinstate better work allowances, promote quality jobs, support positive activation, increase minimum wage, improve access to employment rights and social dialogue, and increase funding and support for further education life-long learning went unanswered. However, the call to 'end the focus on deficit and debt reduction to support green transition', encouraging public as well as private investment, is somewhat taken up in the stronger focus on sustainable investment.