

A STEP FORWARD FOR SOCIAL RIGHTS?

EAPN Assessment of the 2019
Country-Specific Recommendations
with Country Annex

July 2019

Introduction

On 5th June 2019, the College of Commissioners adopted the European Commission's Spring Package¹, including Country-Specific Recommendations (CSRs) for 28 Member States, a chapeau Communication and excessive deficits reports. Greece was included for the first time post-crisis, emerging from the Troika arrangements.

In the Press Release, Marianne Thyssen, the Commissioner for Employment, Social Affairs, Skills and Labour Mobility, underlined the increased commitment of the EU to a stronger social focus in the CSRs²: *"This Commission has worked hard to build a fairer Europe, a sustainable and inclusive Europe, a Europe that leaves no one behind. The European Pillar of Social Rights establishes principles and rights for all EU citizens. This has to be implemented at national level. With the world of work changing fast, it is essential that Member States follow up with reforms in initial education and lifelong learning, labour markets and social protection."* However, the test remains how far this translates into stronger Social CSRs, backed by Macroeconomic CSRs which invest in social rights and services, and which lead to poverty reduction and real improvements in people's living standards.

In the Chapeau Communication³, the overarching priorities from the 2019 Annual Growth Survey remain the *"'virtuous triangle' of boosting investments, pursuing effective reforms that foster sustainable and inclusive growth, and sound fiscal policies"*. However, whilst Stability and Growth remain the main focus, there is a stronger message of the need to support inclusion and advance *"social convergence in line with the European Pillar of Social Rights"*. The Communication celebrates the return of growth, increased employment and overall reductions in poverty levels but acknowledges growing differences and gaps in the coverage of social protection systems and access to services in many Member States. In-work poverty and the persistence of poverty facing specific disadvantaged groups is acknowledged.

What are the results? The overall picture on progress on social rights is more uncertain. Whilst all countries receive Recommendations restraining public budgets, 16 receive CSRs on poverty reduction, but focussing on individual measures rather than an integrated approach. Despite a large number of references to social issues (i.e. health, care, etc.) not all enforce social rights, requiring instead 'reform', i.e. expenditure cuts and efficiencies which undermine social rights rather than embed them. With 113 million people still in poverty and widening gaps across the EU, urgent action is needed to ensure that the macroeconomic and social CSRs together invest in social rights, universal welfare states and integrated anti-poverty strategies that lead to concrete results, if the EU is to regain credibility and grassroots support.

Whilst a welcome reference is made to Social Dialogue with Social Partners in the *"successful design and implementation of policies... improving ownership of policies... leading to better and more sustainable policy outcomes"*, civil society organisations and people in poverty are

¹ European Commission Spring Package – Press Release and Memo. 5 June 2019

² Press Release: EC Spring Package 5 June 2019.COM

³ European Commission Chapeau Communication, European Semester Country-specific Recommendations.COM/2019/5000

not included. This is a missed opportunity to build on the important new legal base embracing Civil Society as an active and equal partner in the European Semester.⁴

Main Messages

Priority to cost-cutting reform rather than social investment financed through tax justice puts social rights at risk

The overarching focus of the macroeconomic CSRs continues to be on sustainability of public finances and the need to ‘reform’ public services – particularly pensions, health and long-term care. Rather than seeing them as a benefit, they are framed as a cost. Although austerity cuts are rarely explicit, several countries are required to carry out public spending reviews with restrictions on growth of expenditure. Positively, most countries received encouragement to increase investment, particularly for sustainable investment (green transition – energy efficiency and renewables).

Whilst there is increased focus on social investment, it is primarily to support ‘inclusive growth’ rather than social rights. Priority is given to education, training and research, whilst investment in key services, particularly social services and social protection, is not consistently underlined. Although there is more focus on increasing housing, it is generally as an instrument to support growth in the housing market rather than affordability, although the support to social housing in Ireland and Slovakia is strongly welcomed. Overall the approach to public services, including social protection, is still dominated by the narrative of ‘cost-cutting’ and efficiency, rather than how to ensure adequacy and universal access to key public services/social protection across the life cycle.

If a social investment approach is to be delivered it requires more than the *Investment Annex*. It needs Recommendations to increase public revenue through effective, fairer tax systems. Although many countries receive CSRs on tax, with welcome requirements to increase collection and tackle ‘aggressive tax evasion’, with positive measures including property, inheritance and wealth tax, there are few calls to invest in comprehensive progressive taxation systems which shifts the tax burden onto the wealthy. Tax is still primarily seen as an instrument for growth, rather than a vital redistributive tool to reduce inequality and finance welfare states.

Coherent anti-poverty strategies based on active inclusion guaranteeing rights to adequate minimum income/social protection/services still missing

Although more Member States get supposed ‘poverty’ CSRs, poverty is not sufficiently visible in the Recommendations, with piecemeal proposals on individual aspects. Whilst in the *Preambles* more welcome attention is given to the overall trends and challenges facing specific at-risk groups, the approach is often inconsistent, lacking Recommendations on coherent strategic approaches to tackling poverty, exclusion and inequality. Although the

⁴ Employment Guidelines 2018 Recital 11

Social Scoreboard indicators are clearly referenced, it is harder to find references to the full set of 20 principles/rights of the Social Pillar.

Whilst minimum income continues to be a strong focus in several Member States, with a welcome emphasis on adequacy, coverage and take-up are insufficiently highlighted. A consistent approach to investing in universal social protection, including adequate minimum income for all as a crucial instrument to fight poverty and reduce inequality, is often lacking. Although access to key services, including housing, health and long-term care are referenced in some Member States, including individual concerns on affordability, access and quality, the approach is not consistent across Member States, nor coherent with the overarching Macroeconomic Recommendations requiring efficiencies and reduced public spending. Overall, there is a missed opportunity to require investment in an effective integrated Active Inclusion strategy to tackling poverty and inequality: through a person-centred approach which guarantees rights to adequate minimum income and social protection, access to essential services, including social services, combined with personalised support into quality work. Clearer reference to agreed EU thematic strategies for key target groups is also crucial: Investing in Children, Roma Inclusion and Tackling homelessness and housing exclusion.

Supportive pathways to inclusive labour markets and quality jobs are still not prioritised, with getting people into employment the main priority

The overwhelming focus of the vast majority of Country-Specific Recommendations dealing with employment continues to be concentrating on the supply side. Most of them call for an increase in employability, while many others urge for strategies to reach the so-called 'untapped' potential of key groups facing obstacles in accessing employment. The European Pillar of Social Rights calls for equal opportunities in employment and social protection (Principle 3) and for active support to employment (Principle 4). Nevertheless, fewer Member States received specific Recommendations calling for inclusion of specific groups into the labour market, although these groups were persistently mentioned in several Preambles. The rhetoric on integrated employment and social services and policies could prove very positive if implemented correctly, delivering on an integrated Active Inclusion approach (combining inclusive labour markets, access to quality services and income support measures). While calls for reduction of temporary contracts and transitions towards open-ended forms of employment are welcome, there is a striking lack of reference to quality of employment and job creation, and to combatting in-work poverty.

Some positive proposals on inclusiveness and quality of education, while still primarily being perceived as a labour market tool

The main focus of Country-Specific Recommendations regarding education, training and lifelong learning continues to be on responding to labour market needs and enhancing employability. What is missing is a concern for education in a broader perspective, one that fosters personal development and critical thinking, as well as social participation and inclusion, beyond employment. While there is some focus on improving the quality and inclusiveness of education systems, more emphasis could be placed on these dimensions, as well as on affordability. Dealing with obstacles preventing specific groups from better

education and training results is not given enough priority in the actual Recommendations and is often relegated to the Preamble. For instance, while the influence of socio-economic background is recognised as one of the factors most influential in educational outcomes of learners, there are no CSRs demanding this issue be taken into account while designing educational reforms and policies. More financial resources allocated to education could also be better encouraged.

Support to civil dialogue must be put on a par with social dialogue

There is a welcome new focus in the Recommendations on the importance of increased transparency and effectiveness of decision-making in several countries, recognising the key role of stakeholder dialogue. However, the main focus is on improving social dialogue with social partners, rather than on supporting civil society organisations and civil dialogue. In several countries, civil society organisations are under attack, which represents a severe threat to democracy, as well as to effective decision-making. Given the recent amendment of the Employment Guidelines to embed civil society as an equal partner in the European Semester (2018), it is disappointing that more concrete references to support civil dialogue have not been made.

Detailed Proposals

Macroeconomic

Restricting public expenditure but some social investment, including housing

Overall, the focus is on quality of public finances (PT) and long-term sustainability (SK) ensuring balanced budgets. Austerity cuts are rarely explicitly required. However, several Recommendations require restrictions on the growth of public expenditure (BE, EE, FI, FR, LV, PL, ES, UK), often with requirements of public spending reviews (BE, HR, PL). Some countries who have emerged from Programme arrangements or threats of excessive deficit procedures get stronger Recommendations to reduce debt and deficits (FR, EL, HU, IT, RO). Even when there are windfall gains, CSRs say to use them to reduce debt ratios (BE, FR, IE, IT, PT, ES) rather than investing in social infrastructure. On a positive note, investment is more explicitly encouraged in many Member States (BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, LU, MT, PL, PT, RO, SK, SI, ES, SE, UK). Although increasing investment in R&D and innovation is a common theme, there is a notable new emphasis on sustainable investment (BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, EL, HU, IE, LV, LT, LU, MT, PL, PT, RO, SK, SI, ES, SE, UK) i.e. on transport, carbon transition, waste... (BE, BG, HR, CY, CZ, FI, DE, EL, IE, HU, LV, LT, PL, PT, RO, SK, SI, ES, SE, UK) and energy efficiency and renewables (HR, CY, CZ, EE, FR, EL, LV, RO, SK, ES).

Although there are more welcome signs of social investment, they are primarily as an instrument for growth rather than stipulating its key role in guaranteeing social rights: *“Investment supporting social inclusion and social infrastructure would foster inclusive growth”* (EE, ES Preambles).

The main focus is on education and skills (DK, DE, EL, LU, MT, SE) and health (EL, PL, SK), but there are few details of how this should be realised. There is a positive focus on housing (DE, IE, LV, NL, SE, SK, UK), but this is more about supporting growth in the housing market: by increasing supply (LU) and reducing regulation of rents (SE), rather than investing in affordable private and social housing to benefit low income households. Positively, in two countries, an increase in social housing is required (IE, SK) also in the Preamble for Luxembourg, but without a Recommendation.

There is also a welcome focus on reducing regional disparities (BG, CY, CZ, EE, FI, FR, DE, EL, HU, IE, IT, LV, LT, PL, PT, RO, SK, SI, ES, SE). In Latvia, reference is made to low and unequal levels of public investment in public services, including health care, but there is no Recommendation to increase investment, and it is undermined by the CSR 1 requiring balanced budgets. Continued pressure to privatize services is also seen (CY, SI) promoting competition in public procurement (CZ, HU, RO, ES) and reducing regulatory restrictions on services (FR), but without considering the social impact. On a positive note, there is an increased concern to reduce the territorial fragmentation of public administration (HR). Here the Recommendation of EAPN Croatia is fully adopted.

Efficiency/sustainability of pensions, health and long-term care; not adequacy

18 countries receive CSRs on health/long-term care and pension systems (AT, BE, CY, CZ, FI, FR, DE, IE, IT, LV, LU, MT, NL, PL, RO, SK, SI, ES) compared to 9 last year, with a focus on sustainability and efficiency. Recommendations focus on pension 'reform' mainly, without reference to ensuring adequate pensions (AT, BE, CZ, FR, DE, IE, IT, LU, MT, PL, RO, SK, SI, ES), apart from Germany and France with a reference to fairness. This is to be done by raising statutory retirement ages (AT, MT, SI) and effective retirement ages (PL), and limiting early retirement (LU, MT, SI) without considering the impact on poverty. Low pension levels or the challenges that older people face to remain in employment, as well as the disparity in healthy life years for poorer older people all impact. More focus is given to ensuring the viability of 2nd pillar pensions (NL, RO) raising concerns about the commitment to ensuring the right to adequate 1st pillar pensions for all. Where mention is made of improving adequacy of old age pensions, it is made in the 'social' rather than the 'economic' CSRs raising concerns about coherence in the CSRs to ensure adequate public funding for implementation (LV, PL).

Similar concerns are raised about access to health care (see later section) where Recommendations for increasing accessibility and quality are combined with cost effectiveness. Reducing inequalities in access to health outcomes and to services is also not raised (IE). Positively, in Estonia, the Preamble highlights how low investment in health and long-term care is leading to low levels of care and infrastructure.

Increased tax collection/tackling aggressive evasion but only as instrument for growth

Several countries receive a CSR on tax (AT, BG, CY, FR, IE, IT, LV, LT, LU, NL, RO). However, the primary focus is still on tax as an instrument for growth (LT), with pressures to simplify the tax system (FR, HU), removing taxes which are detrimental to growth (LV), or inefficient taxes/reducing taxes on production (FR) and shifting taxes away from labour (AT, DE, IT). It lacks a consistent distributional impact analysis or recognition of the redistributive role of tax and in reducing inequality. Only in Lithuania is the positive 2018 CSR repeated on the need to "*design tax/benefit systems with the aim of reducing poverty and inequality*".

However, some positive measures are proposed: reducing the scope and number of tax expenditures (IE, IT), broadening the tax base (IE, LT), reducing tax on low earners to help fight in-work poverty (LV). There is also a strong pressure to increase collection (BG, RO) and improve tax compliance (LV, LT, RO) and fight tax evasion (IT). The Preamble in Poland positively recognises that tax collection has improved funding for public services. 6 countries also receive very concrete CSRs addressing *“features that may facilitate aggressive tax planning by individuals and multinationals”* (CY, HU, IE, LU, MT, NL) which are welcomed. A few receive CSRs requiring more progressive taxes, i.e. increasing taxes on capital and property (LV). In the Preamble in Austria, increasing property tax is seen as ‘progressive’, as well as redesigning the tax base and the wealth tax. Taxes which are *“more supportive of inclusive and sustainable growth”* (AT, DE) are encouraged but not explained, nor the need for fair tax systems to promote redistribution, reduce inequality and finance welfare states. This is particularly surprising in countries with high levels of poverty that continue to maintain highly regressive, mainly flat, income taxes (BG, RO, LV, LT, etc.). As EAPN CY points out there is *“No call or redistribution of wealth to ensure a just welfare state that supports vulnerable groups and creates well-being for all”*.

Poverty, social exclusion and inequality

Increased CSRs on Poverty and Inequality? But lacking coherence and consistency

This year, 16 Member States received a so-called ‘poverty’ CSR⁵⁵ (BG, HR, CY, EE, FI, EL, HU, IE, IT, LV, LT, PT, RO, SK, SI, ES). 4 of these were new (CY, IE, IT and PT). 3 countries no longer had a ‘poverty’ CSR from last year (AT, BE, FR), although it’s not clear why. Most make no explicit mention of poverty (CY, EE, FI, FR, HU, IE, IT, LV, PT, RO, SK, SI, ES). Only Lithuania mentions poverty, repeating last year’s CSR: *“Addressing income inequality, poverty and social exclusion including by improving design of tax and benefit system”*. Social inclusion is referenced in Greece in relation to investment, and in Latvia addressing social exclusion. In most countries, the Preamble highlights the trends/high levels of poverty and inequality drawn from the Social Scoreboard, with accurate diagnosis, but without proposing concrete solutions or CSRs (BG, EE, FR, EL, HU, IT, LV, LT, PT, RO, SK, SI, ES). The specific target groups facing greater risk are correctly highlighted (ES, LT, PT, SI, SK). In Spain and Portugal, inequality is highlighted and the limited impact of social transfers on poverty. However, in Finland, poverty is not mentioned at all, despite having a supposed poverty CSR. In Ireland, there is no mention of the high levels of poverty, exclusion, nor income inequality, despite the focus on inequality in the Country Report. Neither is the link to the European Pillar of Social Rights principles made, with the main focus being on the Scoreboard indicators. Only in Latvia is an explicit reference made regarding *“challenges to delivering social protection and inclusion principles - particularly related to income support adequacy but also access to services”* (LV’s Preamble).

Positively, several Preambles make concrete policy proposals, i.e. the need for more effective redistribution in Bulgaria, as well as *“more efforts to foster active inclusion, promote the socioeconomic integration of vulnerable groups including Roma, enhance access to quality services and address material deprivation”*. In Italy, the problems with implementation of citizen’s income, based on integrated active inclusion are highlighted. In Romania, where 1/3 of households face poverty and social exclusion, children, Roma, people with disabilities, and

⁵⁵ Chapeau Communication accompanying the Country Specific section Recommendations 2019 p.17 table.

older people are highlighted as most at risk. It analyses shortfalls in access to services, social protection and minimum income, and warns of lack of adequacy. But these are not picked up in the CSR itself. In France's Preamble, it mentions the effectiveness of the French Social Protection System in reducing poverty to a historic low (17.1% compared to EU average), as well as risks faced by key groups – single parents, people from outside the EU –, but these are not followed through in the CSR and high spending is criticized. However, it generally falls short of proposing an integrated, rights-based anti-poverty strategy. In the French Preamble, it does underline the need for a coordinated approach to implement the National anti-poverty strategy. In Ireland, disappointingly, no mention is made of the new National Action Plan for Social Inclusion, nor in Belgium of the failure to initiate the new Federal plan to combat poverty.

Stronger emphasis on adequacy of minimum income, but inconsistent focus on coverage/take up or comprehensive social protection

7 countries receive CSRs on Minimum Income (BG, HR, HU, LV, PT, RO, ES) compared to 6 last year (BG, EE, HU, LV, RO, ES). EE, LV, HU, PT and ES refer to adequacy, with Portugal highlighted in the Preamble as having the lowest adequacy level in the EU (only 40% of AROP). Only Spain refers explicitly to coverage: calling to improve support for families and address coverage gaps in national unemployment assistance and regional minimum income schemes. In Croatia, the call is for increased capacity to reduce poverty and in Bulgaria and Portugal for increasing effectiveness. The CSR in Romania rightly calls for implementation of planned reform, which was proposed in 2016 and delayed until 2021 (Preamble). However, a similar problem of delay in the implementation of the Latvian reform of Minimum Income from 2014 is only mentioned in the Preamble. The overall issue of adequacy of income support and problems of coordination across the social protection system is not consistently emphasised with the same wording. In Hungary, the lack of adequacy of unemployment benefits is highlighted. The need to link to access to affordable integrated social services is made in Estonia. In Latvia, the overall adequacy of minimum income, minimum old-age pensions and income support of people with disabilities is rightly addressed. In the Netherlands, the need to promote adequate social protection for the self-employed is highlighted, in line with the EPSR access to social protection Recommendation. However, although welcomed, these CSRs fall short of proposing a comprehensive approach to income support across the life cycle for those in and outside the labour market (minimum income and conventional contribution-based social protection systems) and run the risk of being undermined by lack of public investment with the dominant CSRs being on controlling public expenditure.

In several of the Preambles, statements are made underlining the positive role of income support in reducing poverty and inequality, e.g. in Poland, the key role of child benefit is recognised but the dominant concern is about impact on women's motivation to work. In general, the Recommendations do not go far enough in raising alarm bells and proposing concrete measures to counter the unacceptably low levels which are increasing poverty in many countries. In Hungary, EAPN says that the CSR should require the reintroduction of the official calculation of real subsistence levels, including benefits to combat energy poverty if it is to make a difference. Neither are key issues of take-up given much focus, for example in Lithuania, where there has been a 66% reduction in benefit take-up. There is no clear analysis of whether this is due to the beneficiaries accessing work, or merely falling out of the system, as a result of the decentralisation of services to local authorities.

Cost-cutting priority undermines investment in access to universal health/care services

Several Member States get Recommendations on access to health services (BG, CY, FI, LV, RO) or to long-term care (SK), but without references to the right to health and long-term care (Principles 16 and 18). Whilst there is some better focus on increasing accessibility and quality (LV, LT), improving equal access (FI), and implementation of planned National Health Service (CY), this is usually combined in the CSR with efficiency (RO), sustainability (CY) and cost effectiveness (FI). Reducing public spending is generally seen as more of a priority than enforcing rights to universal health and care services. In some cases, positive concrete measures are proposed, e.g. shift to outpatient care (RO), investing in preventative and primary health care (HU) as well as tackling issues of affordability by reducing out-of-pocket payments (BG, CY – in Preamble) or tackling the shortage of health professionals (BG). Equally, calls for expanding community-based services/primary care could be positive (MT Preamble). However, they are not combined with CSRs requiring substantial public investment in universal affordable health and long-term care. In some Preambles, lack of public investment is more explicitly explored, e.g. in Ireland, highlighting the problem of the duplicate health insurance market undermining the provision of a universal health service; in Lithuania highlighting low levels of financing and high out-of-pocket payments, or in Poland, where the very low levels of investment is underlined – 4.7% compared to the 7% EU average. However, no CSRs are made.

Missed opportunity to embed person-centred Active Inclusion strategies

As highlighted in the employment section below, there is an increased tendency in the CSRs to address social inclusion through improved access and coordination of integrated employment and social services (BG, EE, IT, ES). In some cases, the coordination between minimum income and affordable integrated social services is emphasised (EE) or in Finland where Active inclusion is required linking employment and well-integrated services for the unemployed. However, there is a disappointingly low focus on promoting Active Inclusion strategies integrating the 3-pillar approach (adequate minimum income, inclusive labour markets and quality services) or to making the strategies person-centred. The overall focus is on increasing ‘surveillance’ and hardening conditionality to get efficiency gains rather than as an instrument to deliver on social inclusion and social rights. Positively some of the Preambles give more emphasis to the quality of integrated services and support for integration of key groups (EL) or an integrated Active Inclusion approach, whose effectiveness is enhanced by adequate benefits and pensions (LT’s Preamble).

More attention to target groups, but few concrete Recommendations

As highlighted above, more attention is given this year to highlighting specific target groups that face the greatest risks, although comprehensive, rights-based solutions are rarely proposed in the Recommendations. For example, several countries receive CSRs for improving childcare, with a welcome focus on affordable and quality childcare (IE, SK) and even affordable childhood education and care (CY, CZ). However, childcare is primarily seen as an instrument to increase women’s employment, rather than supporting the rights of the child, or an “Investing in children”⁶ approach to implementing the EPSR principle 11 (AT, CY, CZ, IE, PL), or promoting an integrated gender equality approach.

⁶ 2013 Investing in Children Commission Recommendation.

Where target groups are highlighted, this is generally in the Preambles not in the Recommendations themselves (IE, LT, PT, SK, SI, ES). For example, in Lithuania the Preamble highlights those facing greatest risks: older people, people with disabilities, children, single parents and unemployed, stressing the importance of income support, and in Spain the particular challenges for child poverty are emphasised. In Slovakia the challenges for key groups are noted, e.g. Roma, but also homeless and people facing housing exclusion, particularly in accessing quality health and social services, social housing and a call for an integrated approach is made. The homeless are emphasised in the Irish Preamble, recognising the inadequate mix of social housing and lack of affordable market rents. However, no concrete solutions are proposed through a Recommendation. Neither is the need for social investment and spending recognised. In Slovenia, the higher poverty rate for older people is emphasised but the Preamble then focuses on ensuring the sustainability of pension/health and care systems, not social rights to adequate pensions to reduce poverty.

Employment

Boosting employment rates still the priority, with productivity and growth dominating the discourse over ensuring social inclusion through employment

19 countries receive a Country-Specific Recommendation regarding their employment policies, one less than in 2018. This means every Member State, with the exception of nine (DK, EL, LV, LT, MT, SK, SI, SE, UK). A number of these were specifically called upon to improve the professional integration of particular groups believed to be still facing obstacles to accessing the labour market (BE, CZ, FR, HU, IE, IT, SK), such as women (AT, CZ, EE, IT), the low-skilled (AT, BE, LV), older workers (BE, LU), migrants (BE, FR), or youth (CY, IT). Many countries were urged to provide more and better quality care services, particularly childcare (AT, CZ, IE, IT, PL, SK), however often from the mere perspective of improving women's participation in the labour force, and not as part of a more integrated approach towards services. The emphasis on skills and training is overwhelming, featuring in 16 countries (BE, BG, HR, EE, FR, DE, HU, IE, IT, LV, LT, NL, PL, PT, SK, ES), while other key support measures are less present. There seems to be a disproportionate focus on improving employability and on the supply side, rather than fostering inclusive labour markets.

Some positive steps towards integrated Active Inclusion approaches and personalised support, but ambiguous language

More encouragingly, and in a rather marked improvement from last year, several countries (BG, HR, CY, FI, IE, IT, ES) are urged to implement integrated support and better aligning of employment and social services and policies. However, only Finland explicitly used the term Active Inclusion. Otherwise, ambiguous language leaves room for interpretation, as it could potentially mean increased job-related conditionality for benefits, or mere administrative simplification of delivery, in order to cut costs rather than ensure inclusion. Belgium and Spain are urged to implement "effective" active labour market policies (ALMP) but the term is not clarified – does it mean employment at any cost? In a welcome step, personalised approaches are explicitly mentioned in Ireland, while Hungary and Spain receive a clear reference to improving the adequacy of unemployment benefits. Other Recommendations include removing disincentives to work (BE, DE), or curbing bogus self-employment and ensuring better social protection for self-employed workers (NL). Some Preambles (CZ, HU, NL, RO), also deal with better activation practices, condemning the use of the ineffective Public Works

Scheme in Hungary, explicitly mentioning Active Inclusion in the Netherlands, requiring more personalised support in the Czech Republic. Equally, some Preambles (BE, FI, RO) refer to the inadequacy of the benefit system to support labour market integration, criticising the rapid withdrawal of benefits in Finland, or the excessive reliance on benefit sanctions without tailor-made and comprehensive approaches in Romania. Conversely, the Preamble for Poland makes it clear that it sees the new, generous child benefit as a disincentive to women's labour market participation.

Quality of work insufficiently prioritised and in-work poverty not mentioned, despite welcome references to curbing precariousness

Only very few countries (HR, EE, FR, DE, NL, PL, PT, RO, ES) receive Recommendations regarding aspects of quality of work. Wages are mentioned in some CSRs (HR, EE, DE), but wage growth per se is only recommended explicitly in Germany, and implicitly in Estonia (through tackling the gender pay gap). It is unclear what are the effects of the proposed changes to wage setting in Bulgaria and Croatia. In Romania, however, the language is directly critical of recent wage increases, and the country is urged to take into account 'objective criteria', such as job creation and competitiveness. The Preamble for some countries (NL, UK) does mention that wage growth has remained moderate, but this does not translate into an actual CSR about this. Encouragingly, a few countries (PL, PT, ES) receive a specific Recommendation about tackling segmentation on the labour market and ensuring transitions to permanent employment. While it failed to make the actual text of the CSRs, the same aspect is also pointed out in some Preambles, for example in France, where it is stressed that almost 85% of new hires are on temporary contracts, and Italy and the Netherlands, where involuntary part-time work is on the rise. There is no explicit Recommendation about tackling in-work poverty, while only the Preamble for Germany and the UK speak of it, pointing to the fact that the share of low-paid workers is nearly 1 in 5, considerably above the EU average. Only Italy receives a Recommendation about tackling undeclared work.

Generally, support for job creation is absent. Only the Greek Preamble makes a reference to it, while the Cypriot Preamble mentions boosting self-employment and social economy. The role of social partners is mentioned in the CSRs for a number of countries (BE, HR, DE, RO), as well as in some Preambles (BG, EL, LV). Regional disparities are mentioned in BE, IT, LV, RO.

More on key groups facing multiple obstacles in the Preambles than actual Recommendations

The Preambles do not typically offer more than the Recommendations themselves, with a few notable exceptions. Some key groups and issues are explicitly mentioned in the Preambles, while they are not reflected in the actual CSRs: women (AT, FI, HU, IE, IT, MT, RO, SK), the low-skilled (BG, DK, FI, LV, PL, ES, SE, UK), migrants (DK, FI, FR, IT, NL, ES, SE), people with disabilities (BG, DK, FI, IE, MT, PL), young people (BE, BG, DK, FR, ES), the long-term unemployed (EL, IT, ES), older workers (LV, PL), and the Roma (BG).

Education

Education primarily seen as labour market tool, despite some attention to inclusiveness and quality

20 Member States (AT, BE, BG, HR, CY, CZ, EE, FR, DE, HU, IE, IT, LT, LV, NL, PL, PT, RO, SK, ES)

receive a Country-Specific Recommendation related to education, training, and lifelong learning, in a marked increase from 2018, when only 14 received such a Recommendation. In the overwhelming majority of cases (BE, BG, HR, EE, FR, DE, HU, IE, IT, LV, LT, NL, PL, PT, SK, ES), education is dealt with primarily in connection with the labour market, stressing upskilling of workers, reforming the education system for better market relevance, and improving vocational training. There is a new focus on digital skills, which are mentioned in a number of CSRs (BG, CZ, IT, PT, RO, ES) and some Preambles (DK, LT, LU, SE).

Encouragingly, quality of education is however mentioned in a number of CSRs (HR, CZ, LV, LT, PL, RO, SK), while inclusiveness is explicitly referenced in a few (BE, CZ, RO, SK). There is also positive rhetoric about rendering education more inclusive for groups having a hard time accessing it or having poor educational outcomes. For instance, some Recommendations focus on Roma children (BG, HU, RO, SK), in terms of improving their access to quality education, as well as better integrating them into mainstream education. Other disadvantaged groups with poor educational outcomes are also mentioned in some Recommendations (AT, BG, DE, HU, IE, RO, SK). Spain's education Recommendation includes a focus on regional disparities, which are also referred to in the Preambles for Latvia and Hungary. Staggeringly, while the strong link between a disadvantaged socioeconomic background and poor educational outcomes is highlighted in several Preambles (AT, BG, HR, CZ, FR, DE), this is never picked up in a single actual Recommendation. For some countries that did not receive a CSR on education, this was at least mentioned in the Preamble (DK, MT, SE, UK), although mostly from a mere employability perspective. The Swedish and Danish Preambles mention groups with poor educational outcomes. The Maltese Preamble explicitly refers to Principle 1 of the EPSR on quality and inclusive education, and the need to counter early school leaving and improve tertiary education attainment.

Participation and Civil Dialogue

Improvements to social dialogue but more needed on civil dialogue

There is a new positive focus on improving social dialogue, with 3 countries receiving CSRs (HR, PL and RO). Whilst there is a welcome emphasis given to improving the quality and transparency of decision-making (HU, RO, PL), for example through stakeholder consultations, the importance of strengthening civil society and civil dialogue is not underlined. One of the worst examples is Hungary, where civil society organisations are being silenced and closed down. Here, the CSR rightly highlights the need for *“Quality and transparency of decision-making through effective social dialogue and engagement with other stakeholders and regular appropriate impact assessments”* (HU), but falls far short of *“calling for a new social contract to reestablish norms of solidarity, democracy and participation in line with the EU social rights and aquis”*, as highlighted by EAPN Hungary. Given the new legal base supporting civil society participation in the Semester in the Employment Guidelines, it would be hoped that stronger Recommendations could ensure better accountability and quality participation, on a par with social partners, thus ensuring better policy solutions and implementation.

Annex 1. The status of the document

This EAPN assessment and position paper is issued on behalf of our EU Inclusion Strategies Group (EUISG) which has delegated powers within EAPN to develop position papers/ reports. An assessment of the Country Reports with proposals for alternative CSRs was developed with the EUISG in an exchange on 23-23 March in Riga, Latvia, involving 26 national networks and 2 European Organisations (EOs), with additional written responses from 12 national networks. On the basis of these CSR proposals, the EAPN policy team drafted a response to the CSRs, which was discussed in a mutual learning exchange in the EU ISG Meeting in Brussels on the 14-15 June involving 26 National Networks and 2 EO members, with written comments received from 12 National Networks (AT, BE, DE, FI, LU, HU, IE, LT, MT, PT, SE, UK). All comments were incorporated into the draft. The key messages build on discussions in the EUISG and their strategic work with the European Semester carried out throughout the year.

Diversity of opinion within civil society

Whilst EAPN members have a range of views on certain topics, all members are united in working to bring about a social Europe, free of poverty and social exclusion, with access to economic, social and cultural rights for all. Members are united by our vision and values, which can be found [here](#).

INFORMATION AND CONTACT

For more information on EAPN's policy positions, contact

Sian Jones – EAPN Policy Coordinator

sian.jones@eapn.eu – 0032 (2) 226 58 59

See all EAPN publications and activities on www.eapn.eu

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



EUROPEAN ANTI-POVERTY NETWORK

EUROPEAN ANTI-POVERTY NETWORK. Reproduction permitted, provided that appropriate reference is made to the source. July 2019.



This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020).

For further information please consult: <http://ec.europa.eu/social/easi>

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