



## **THE EUROPEAN PILLAR OF SOCIAL RIGHTS AND THE EUROPEAN SEMESTER** ***Achieving progress on poverty reduction and strengthening civil dialogue***

14 May 2019, 10am-1pm

*Permanent Representation of Romania to the European Union*  
107 Avenue de Cortenbergh, 1000 Brussels, room 2.19

### **FINAL REPORT**

#### **AGENDA**

**10 – Welcome by Chair** – *Leo Williams*, EAPN Europe Director

**10:10 – Opening remarks** – *Cosmin Boianiu*, Deputy Permanent Representative of Romania to the European Union

**10:20 – Setting the Scene:** Assessment of the Country Reports and the European Semester 2019 – *Sian Jones*, EAPN Europe Policy Coordinator

**10:40 – Presentation of European Semester & Social Pillar work by EAPN members**

- **EAPN Romania** – *Ştefan Constantinescu*
- **EAPN Finland** – *Anna Järvinen*
- **EAPN Portugal** – *Paula Cruz*
- **EAPN Belgium** – *Judith Tobac*
- **AGE Platform Europe** – *Philippe Seidel*

**11:30 – Coffee Break**

**11:45 – Response from national and European decision-makers**

- Reactions by the social attachés of the Permanent Representations:
  - **Romania** – *Alexandru Alexe*
  - **Finland** – *Pasi Korhonen*
  - **Portugal** – *Teresa Requejo*
  - **Belgium** – *Josée Goris*
- Reactions by the European Commission representative: *Mr Jeroen Jutte*, Head of Unit European Semester, *Ms Katalin Szátmari*, EAPN Liaison Officer, Social Investment Unit.

**12:25 – Discussion with participants**

- *How to ensure that the European Semester, including Europe 2020 and the European Pillar of Social Rights, deliver on poverty reduction?*
- *How to strengthen civil dialogue and the role of civil society, at EU and national level, as partners in the delivery of these processes?*
- *What can we expect from the post-2020 framework, and what role for the European Pillar of Social Rights?*

**12:55 – Closing Remarks by Chair** – *Leo Williams*, EAPN Europe Director

## **Welcome by Chair – Leo Williams, EAPN Europe Director**

Thank you all for coming. This is meant to be an open discussion and informal exchange on what progress was achieved on poverty reduction and fostering participation in the European Semester and the implementation of the European Pillar of Social Rights. EAPN has just released its 2019 *Assessment on the Country Reports*, as well as proposals for alternative Country-Specific Recommendations. We have also followed with great interest the Future of Europe discussion in Sibiu, we have responded to the public consultation and are now formulating our response to the summit. EAPN has been actively working on Europe 2020 Strategy since its inception, and we are keen to get involved with the shaping of Europe's next development strategy, in the context of the European Pillar of Social Rights and the Sustainable Development Goals. Today we propose to bring to you the analysis of some of our members at the national level, putting forward the voice and concerns of people with direct experience of poverty, and to have a dialogue about how we can better cooperate with Permanent Representations and national Governments to reach our mutual goals, and what role civil society can play in these processes.

## **Opening remarks – Cosmin Boiangiu, Deputy Permanent Representative of Romania to the European Union**

Welcome to all on behalf of the Romanian Permanent Representation to the EU. The motto of the Romanian Presidency is *cohesion*, and we choose to look at it in a broader way, not only territorial cohesion, but also political cohesion within our societies. That will bring growth, with a focus on development, digitalisation, decarbonisation. We put an emphasis on fighting poverty, and bringing everybody together, so that nobody is left behind. We are happy to have this discussion around the European Semester and the European Parliament upcoming elections. Romania, already before the Presidency, was a big supporter of the European Pillar of Social Rights. We are very proud of our achievement. The Semester is an important tool for implementing the Social Pillar, as reflected also in this year's Country Reports, which had an emphasis on the Pillar's implementation. We try to spread discussion in various Council formations. We need to invest in skills, education and lifelong learning, in people with a migrant background. Social security schemes are essential, as well as working towards closing the gender pay gap. These are essential elements to poverty reduction. During the EPSCO meeting, we stressed that the Pillar should continue to be the basis of future development, with a fundamental role for EU funds. Council Conclusions were adopted on the Annual Growth Survey, highlighting also that involving civil society is crucial. I also want to remind of an event organised by the Romanian Presidency dedicated to the future of the European Semester, in Bucharest this past April, with a focus on investment in social policy. We hope that the next Presidency will continue the work we did, so that the Social Pillar will become a true reality for citizens.

## **Setting the Scene: Assessment of the Country Reports and the European Semester 2019 – Sian Jones, EAPN Europe Policy Coordinator**

See full PowerPoint presentation [here](#).

The presentation provided an overview of EAPN's detailed work on the European Semester, looking specifically at the assessment of the 2019 Country Reports.

- EAPN is one of the largest independent networks of NGOs working on fighting poverty and social exclusion in Europe, with and for people in poverty. We are mainly funded by the European Commission's EaSI programme. EAPN is composed by 31 National Networks (NNs) and 13 European Organisations (EOs).
- We've been engaged since 1990 in poverty programmes, through the Open Method of Coordination, Lisbon Strategy, Europe 2020 and the European Semester. Our members get involved with national Governments, European Semester Officers and Desk Officers, allowing for an exchange of information on National Reform Programmes, Country Reports and Country-Specific Recommendations. Our national members produce a Poverty Watch as an input to Country Reports. At the EU level, we make inputs on the European Semester, an assessment of the Annual Growth Survey and draft Joint Employment Report, of the Country Reports, of Country-Specific Recommendations, of National Reform Programmes.
- This year we have new Employment Guidelines, and for the first time, the Annual Growth Survey states that the civil society is essential.
- *What progress has been achieved in the Country Reports this year?* There is an improvement in the analysis and in the social focus, with some rebalancing of economic and social concerns. But the macroeconomic priorities are still dominating. There is a positive focus on some key topics – like social security, social protection, child poverty, regional disparities and outcomes for different key groups, quality of work, education and lifelong learning, access to quality services, health and childcare, fight against inequality, over-indebtedness, gender pay gap – but not consistently, across all countries.
- *What is missing?* A real focus on social rights: housing and homelessness (lack of accommodation), social protection, the situation of vulnerable groups (child poverty), access to affordable healthcare, precarious labour markets.
- *What progress on poverty reduction in Europe?* While poverty is reducing, 113 million people are still at risk of poverty or social exclusion in Europe. In countries like Romania, we're talking about one third of their population in poverty. Employment isn't always a full solution to poverty. There is inconsistency on it and insufficient focus on poverty, a lack of a strategic approach on Integrated Active Inclusion, and of focus on specific groups at risk (Roma, single parents, precarious workers, child poverty, migrants, homeless).
- The *Social Scoreboard* is useful because it includes about poverty and inequality, whereas these are not part of the 20 principles of the Social Pillar. However, its impact is insufficient, and our members flag up contradictory or incomplete data, which doesn't capture realities. The use of EU averages raises concerns about downward convergence.
- Not all *Country Specific Recommendations* are positive, in our view, and there is often a lack of consistency and coherence between more social CSRs and with macroeconomic objectives. For example, housing is often mentioned, but from the perspective of the housing market, not affordable social housing. Key principles like minimum income are targeted, but not enough.
- Our members report *increased involvement*, particularly with the representatives of the European Commission (European Semester Officers, Desk Officer etc). What remains a concern is the shrinking of civil society engagement with national Governments.

- *Conclusion:* We do see some steps forward in addressing social concerns, but too much macroeconomic focus. The Scoreboard is insufficient, we must keep complex indicators. There is progress on engagement with civil society, but still steps to take to embed meaningful participation.



## Key Messages on Country Reports

1. **Positive steps rebalancing economic and social but macroeconomic priorities still predominant**
2. **Social Rights + Poverty less well developed than economic /employment – need separate section**
3. **Full set of principles not adequately mainstreamed**
4. **Scoreboard insufficient to analyse realities of poverty and social exclusion on ground (Target)**
5. **Promising progress in engagement of civil society with Commission but more needed (MS too!)**



## EAPN proposals for CSRs 2019 Messages on Country Reports

1. **Socialize macroeconomic policies to promote well-being and defend social rights**
2. **Give a systematic priority to poverty target and social rights require progress with integrated active inclusion.**
3. **Require urgent action to increase adequacy of minimum income and social protection**
4. **Embed living wages, quality jobs and personalized support through inclusive labour markets**
5. **Invest in universal, free, public education/training and lifelong learning, including early learning and care**
6. **Guarantee rights for all to affordable essential services, particularly housing and health.**
7. **Promote integrated strategies for key at risk groups**
8. **Embed meaningful participation and partnership on equal terms with NGOs at all stages.**

## ***Presentation of European Semester & Social Pillar work by EAPN members***

### **EAPN Romania – Ștefan Constantinescu**

In what concerns the Country Report 2019 for Romania, we feel that it should be written in a more accessible language for the general public, as it is not always easy to extract the essential points in such a long Report. We generally agree with all social and poverty-related issues included, and most of our analysis is reflected. However, more detail and explanation are needed, as we have huge regional disparities, which national indicators don't capture. Income poverty remains at the same level, something that the law on minimum income and associated measures are trying to address. However, we are very concerned about the minimum income programme in Romania, as its level hasn't increased since 2008. Last year, the law imposed negative conditionality regarding job activation. The new pilot project for the minimum income law is only scheduled to begin in 2021. In our Poverty Watch, we try to bring the lived experience of people in poverty, identifying real life stories. We try to humanise the statistical data. Minimum income beneficiaries have a rather bad image with the public opinion, something we are trying to work on and tackle stigma on poverty and on social protection recipients – for example, through the Journalism Prize project, rewarding media portrayals of people in poverty which respect their dignity. Regarding the National Reform Programme 2019 for Romania, we find it quite positive, particularly in what concerns integrated measures for Roma communities, the development of community services in rural area, and setting up new agencies for children, social inclusion, and social innovation. However, we need to see the implementation, once adequate funding is made available.

### **EAPN Finland – Anna Järvinen ([PowerPoint](#))**

It is relatively easy to contact our European Semester Officer and Desk Officers, but the Government hasn't been so active. We are represented in the Subcommittee on Social Affairs and Health. We have conducted trainings for NGOs on engaging with Semester processes, and have invited Government representatives, but they are not pro-active in asking for our opinion. We try to influence through our Poverty Watch. The Country Report 2019 for Finland is very positive, the Commission sees that Finland performs well in the Scoreboard, which means it doesn't encourage the Government to do more. Finland still need to lift 100.000 people out of poverty and social exclusion, it's a realistically achievable target. We appreciate that Finland is urged to invest in social inclusion, and that children in low skill families are mentioned. Regarding the National Reform Programme, it lists a lot of different actions and projects, but there is not much evaluation. For many years, we've proposed alternatives Country-Specific Recommendations both in English and Finnish. The number of people at risk of poverty or social exclusion must be reduced. The Social Pillar is not well known in Finland among NGOs, we've organised public seminars on that ('More Social Europe'). The Finnish Presidency of the EU will begin right after the Romanian one. In this context, we have produced our own Opinion on the concept of the economy of wellbeing.

### **EAPN Portugal – Paula Cruz ([Intervention](#))**

Our Country Report highlights the improvements on poverty. It includes references to child poverty, which is new, but there is still no mention of the Roma community, the most vulnerable community in Portugal, no reference to the homeless. There should be more about Principle 19 of the Social Pillar, which speaks of housing assistance, it is not enough that the Pillar is reduced to the mention of the Scoreboard in the Report. We would also like to see a concrete roadmap for the implementation of the Pillar.



Portugal is not doing well on some indicators, particularly the impact of cash transfers on poverty reduction. The minimum income scheme is far from adequate. Traditionally, Portugal has low wages, and high rate of in-work poverty. Portugal didn't receive ambitious Country Specific Recommendations, particularly in social sphere. EU funds are very important for Portugal, and we are currently missing a monitoring process of the implementation of the 20% of F earmarked for poverty reduction. We also miss a CSR prioritising the fight against poverty and social exclusion for Portugal. It is fundamental to have an integrated anti-poverty strategy, involving all the areas and groups. The engagement of civil society in the European Semester processes has been quite low, we had no opportunity to get involved with the drafting of the Country Report or the National Reform Programme. We have contacts with Ministries and the European Semester Officers, but we miss a permanent space for participation.

### **EAPN Belgium – Judith Tobac ([PowerPoint](#))**

People in poverty feel that despite promises and international commitments, their situation has not improved, on the contrary. They're asking now for concrete actions, not more empty words. In recent years more attention was paid to social issues in the Country Reports for Belgium. However social exclusion is often seen as a problem because it slows down the economy, not because it violates human rights. The Europe 2020 poverty reduction target is no longer given much importance. It is only mentioned in the Annex. Comparing to the starting point in 2008, there has been an increase in the number of people experiencing poverty instead of a decline. It is evident we will not meet the target. Belgium is not called to account for this. Regarding the Scoreboard, Belgium is an average performer but only because countries are compared with all the other Member States and not just with its peers. The new Annex D has a strong focus on labour market activation and education, but other important principles of the Pillar are missing, and there is no integrated approach. We got involved by meeting with Desk Officers and producing a Poverty Watch. Our social housing concern was taken on board. We think this was taken into account because we could present international figures for housing. We believe that the recommendations coming from the people in poverty themselves are highly valuable and should also get a place in the report. The National Reform Programme 2019 for Belgium is a list of all kind of measures, but we want to see an approach that prioritises reducing poverty in a structured manner. Some measures not only won't contribute to eradicating poverty, but are liable to increase it. Minimum income needs to be increased above the poverty line. We need much stronger participation opportunities for people experiencing poverty, a true political commitment, and ambitious policies, such as a new federal plan to combat poverty, with a strong vision that actually reduces the poverty figures.

### **AGE Platform Europe – Philippe Seidel ([PowerPoint](#))**

We are a European umbrella organisation of national NGOs working to represent the rights of older people in Europe, we are a member of EAPN, and we have also been engaging with the European Semester. Our members report that, while the risk of poverty and social exclusion for the overall population is on a downward trend, there is a higher risk for people aged 55-64, and an increase of risk of poverty and social inclusion for people aged 75+, with an even higher risk for women in this age group. Poverty and social exclusion rates for older persons are rising again in the past three years. The cost of long-term care is a real concern. There has been a noticeable shift of language in the Country Reports, with the introduction of the Social Pillar.

However, we notice that the objective of reducing public deficit is stronger than the social analysis. Our Belgian members reported on their Country Report identifying a contradiction between calling for public investments and expressing concern for financial sustainability. Pensions are seen, in the vast majority of cases, from a cost-containing perspective, rather than for their social function, fulfilling the intergenerational contract and protecting from old-age poverty. Not enough attention is paid to the erosion of the contribution base. The analysis needs to go beyond the spending side and look at what do people need to buy for a dignified life? This should include the rising cost of housing, and transportation, which is crucial for older people to stay socially engaged, and is particularly an issue in rural areas. In many member states, the privately-borne cost of long-term care is far above even average pension levels. The main concerns reported by AGE members include: the oldest old, pensions' indexation, older women and older self-employed, cost of health and long-term care.

### ***Response from national and European decision-makers***

#### **Romanian Permanent Representation – Alexandru Alexe**

Romania has attained and overcome its national poverty target, not least due to public policies adopted. The Country Report highlights the improvements in the field of employment and social affairs. Also, the Romanian legislation is in line with the principles of the European Pillar of Social Rights. The Government supported measures aiming at increasing life quality in rural areas, facilitating transition from institutional to home-based care services and the reform of the healthcare sector. The Ministry of Labour and Social Justice is running EU co-funded projects in 130 marginalised communities, in partnership with the Ministries of Health and Education. The main aim is to integrate different types of community services with social benefits. Legislative improvements have been made, as the Ministry of Labour amended the laws on social assistance, elderly and access to services. Investments in the professional training of social workers are also planned. There is a National Strategy on social inclusion and poverty reduction, which includes provisions about a minimum inclusion income, designed to contribute to the activation of people on the labour market. The law on minimum income is trying to adapt the level of benefits, with the aim of moving as many people out of poverty as possible. Other types of interventions in the long run should target improving access to education in marginalised areas, increasing public services for the unemployed, attracting investors in economically disadvantaged communities, creating conditions to reach a better standard of living for all citizens.

#### **Finland – Pasi Korhonen**

While material deprivation has decreased, Finland has still not reached the Europe 2020 poverty-reduction target. The pilot basic income experiment was interesting, and we are currently analysing the result. It appears that it didn't have much effect on the employment rate, but it did raise quality of life. Providing services to every part of Finland continues to be a challenge – administrative reform is being carried out to simplify that. The social issues referred in National Reform Programme are always discussed with civil society beforehand. I want to encourage the work EAPN Finland does, it is very appreciated, particularly around the Social Pillar, which is unfortunately not very known in Finland. We want to bring education, unemployment, sustainable economic growth at the heart of the debate, and it is not enough to raise them in the EPSCO council, they need to be part of discussions in other environments as well.

### **Portugal – Teresa Requejo**

I listened attentively to the presentation by EAPN Portugal, and appreciated that it highlights how Portugal has improved in a number of aspects, such as the positive trajectory on poverty data (Poverty risk rate was reduced from 19% in 2015 to 17.3% in 2017). The reduced risk of poverty rate is related to the decrease of unemployment levels in recent years, as well as the improvement of the economic climate in general. The commitment of the Portuguese Government to combat poverty and to promote the living conditions of the most disadvantaged population is evident in several measures, such as the efforts to increase the values of social (minimum income) benefits, such as the RSI and the CSI, and to increase the minimum wage values.

### **Belgium – Josée Goris**

For us in the Federal Ministry, not taking decisions, evidence-based input, including the lived experience of people in poverty are very valuable. We try to follow a value-based approach, that everybody is entitled to live in dignity. We try to engage with civil society as much as we can, because participation of all stakeholders is very important for us, and your key messages have been heard. Europe 2020 and the Social Pillar have provided more opportunities for a social agenda, and we can see spillover effects. However, we are currently missing an instrument to have a coordinated approach in Belgium for the fight against poverty. The Scoreboard is useful, but it is important dig further into the dynamics. For instance, while total poverty is diminishing, too much focus is placed on employment solutions, and groups such as the low-skilled are left behind. More investment is needed in what EAPN Belgium called a social emergency. It is true that conditionality has been increased, as there is a belief that reducing social supports can more easily activate people into employment. The increase in the level of minimum income is part of the Memorandum for next Government. There are some small steps in the right direction, but they are not enough. I can only hope we can keep on working together, putting pressure to achieve a true commitment to poverty eradication in Belgium.

### **European Commission – Mr Jeroen Jutte, Head of Unit European Semester<sup>1</sup>**

The Europe 2020 Strategy included explicit employment, education and poverty targets, hence it was extremely important for increasing the role of social issues in the European Semester. It is important to have a good balance during a crisis, and this Strategy has been much more successful than credited. Employment is an important factor for reducing poverty, and the target is very close to being reached. On education, Europe has also done fairly well, and the two targets relating to early school leaving and tertiary education attainment have already been reached. On poverty, there is a reduction of 17-18 million people, which is much better than anticipated, however it is unlikely that the target will be reached. The European Semester was created at the darkest point of the crisis, when an implosion of the whole system was feared, but then it had the highlight of the European Pillar of Social Rights. Regarding the Country Specific Recommendations, they are limited in number, which allows for little space of manoeuvre, and reaching social targets also has a cost side. It will take some time, the Pillar is meant to be a medium- to long-term goal, till 2030. Regarding the Country Reports, sometimes the analysis appears thin, but there's a lot of insight condensed in one sentence.

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<sup>1</sup> The summary of Mr Jutte's intervention strictly reflects what was captured by EAPN's note taker, as we were unable to verify the text with Mr Jutte himself at the time of publishing this report.



I do agree that the analysis is evidence-based, and we can disagree on the solutions, but at least let's agree on the challenges. The Social Pillar has both a social and an economic rationale, it is not only about fundamental rights. The challenges we are facing are how to strengthen Europe in an age of big change, such as demographic challenges and the technological change. We have long-term unemployed to deal with, and we are trying to bring more women in the labour market. These are not just social objectives, but reflect what is Europe's strength as a global player, and what does Europe want to be in the future. I would like to echo what was said, that it is up to the stakeholders to promote the Pillar more at the national level. We are civil servants, you are the influencers, important players in this context. This engagement dimension is fundamental. The Scoreboard has 14 indicators, which are political ones and have taken a lot of compromise to be agreed, hence they are not complete, and shouldn't be taken too seriously from an analytical view point. We use the Joint Assessment Framework for in-depth, technical assessment. For providing input into the Country Reports, the best moment is September/October, and we are more interested in analysis than in opinions. Brief main messages and close engagement with the Desk Officers are the way to go. For the Country Specific Recommendations, look carefully on the timing – early March is the best moment to send in your alternative proposals. Regarding benchmarking, we look at policy levers, such as the level of a person's previous income, and we compare across countries. That way, we see the outliers, and we can compare with other effects. We try to be really accessible at the European Commission, I encourage to contact us, as we can only improve things together, through ongoing engagement.

### **European Commission – Ms Katalin Szátmari, Social Investment Unit**

The Social Pillar carries over the implementation of previous policies dedicated to active inclusion including access to inclusive labour markets, well covered by the 20 principles of the Pillar. The European Semester is the vehicle for implementing the Pillar's principles. The principle on social services has a particular role in it. As more conditions are put on the beneficiaries, it must be ensured that proper services are provided to people. This is reflected by the third chapter of the Pillar, related to Social Protection and Inclusion. Social services is an area, where we have the least information and we lack evidence, since there aren't that many indicators on that, particularly on access to services. We use all the available information, but it's not enough to produce a solid assessment. We are keen to take into account also the quality of services, not just accessibility. A lot of work is being done with the Social Protection Committee in parallel, establishing more instruments, for example through the benchmarking exercises on the minimum income scheme, unemployment benefits, collective bargaining, adequacy of pensions. There are good accomplishments on minimum income and unemployment benefits. Common indicators are crucial. In what concerns access to social services, there might be room in the Indicators Subgroup to establish some sort of information and data collection, to develop indicators for this area, which could also be interesting for health care, housing etc. As a follow up of the European Minimum Income Network, an initiative has been launched for a structured dialogue bringing on board public authorities dealing with minimum incomes. A thematic review on Active Inclusion took place in the SPC, following two peer reviews and other more ad hoc actions, which need to be consolidated in a more structured way, in order to keep the topic high on the political agenda.

### ***Discussion with participants***

- It was encouraging to see convergence between EAPN members and Government representatives on some of the messages.
- Social spending needs to stop being viewed as a cost, but seen as an investment.
- Much more can be done to reinforce the role and participation of people with direct experience of poverty in national and European processes.
- Too much focus is placed on employment as the only route out of poverty.
- Services are crucial, not just to enable employment, but to allow people dignified lives, autonomy, and social participation, they need to be affordable and accessible.
- More transparency is needed on the indicators of the Social Scoreboard and how they really work, and what is their power in triggering recommendations.
- Unlike social partners, the engagement of civil society is not codified, and we do not have their resources. However, we do play a valuable role, and EAPN has invested a lot in its work on the European Semester.
- Consensus that the exchange was useful and that participants will try to keep in touch and work together collaboratively.

### ***Closing Remarks***

*Leo Williams, EAPN Europe Director*

We are hoping that this is only the first informal meeting, to kick start a longer process of cooperation and joint working. A brief report will be produced of this exchange. We must not forget that we have a certain amount of power as civil society, however it is Governments who have the mandate, the staff, the resources, and not least the responsibility to implement the Social Pillar, and to deliver on a truly social and inclusive Europe. We count on you to do it, and we are ready and eager to help.

*Alexandru Alexe, Romanian Permanent Representation*

Thank you for your inputs and reflections on the Semester process. This event provided a good opportunity to better understand where the challenges lie. As mentioned repeatedly during today's discussions, civil society does have an important role to play through its practical experience and I believe its input is very useful for our work.

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*This report was written by **Stefania Renna**, Policy Assistant, and **Amana Ferro**, Senior Policy Officer with EAPN Europe. For more information about EAPN's policy work, please contact **Sian Jones**, EAPN Europe Policy Coordinator – [sian.jones@eapn.eu](mailto:sian.jones@eapn.eu) – or visit [www.eapn.eu](http://www.eapn.eu).*