



EUROPEAN ANTI POVERTY NETWORK

POSITION PAPER

EAPN ASSESSMENT OF THE 2020 COUNTRY-SPECIFIC RECOMMENDATIONS

JUNE 2020

Introduction

On 20 May, the College of Commissioners adopted the European Commission's Spring Package¹, including **Country-Specific Recommendations** (CSRs) for 28 Member States, and chapeau Communication and surveillance reports for Greece, Cyprus, and Spain. The 2020 CSRs were expected to reflect the 'new' direction of the Annual Sustainable Growth Survey, "*promoting competitive sustainability to build economy that works for people and the planet*" based on four priorities: stability, fairness, environmental sustainability and competitiveness. However, since March 2020, the EU has been radically impacted by the eruption of the COVID-19 pandemic, which has disrupted the 'normal' European Semester process, threatening a huge negative social, health and economic impact across the EU. EAPN's main concern was to see how far the CSRs would adapt to this context, put people first, and embed short-term support with long-term effective action to reduce poverty and embed social rights.

In the Chapeau [Communication](#)², it is clear that the overarching priorities from the new 2020 ASGS remain in place. However, the 2020 CSRs have been restructured around two objectives: in the short-term, mitigating the coronavirus pandemic's severe negative socio-economic consequences; and in the medium-term, achieving sustainable and inclusive growth which facilitates the green transition and the digital transformation. "*The crisis will have a significant impact on social conditions, in particular for vulnerable groups. It's a priority to mitigate the social impacts and avoid a permanent rise in poverty and inequalities.*"

Furthermore, in the [Press Release](#), Nicolas Schmit, Commissioner for Jobs and Social Rights, emphasized this priority: "*Supporting workers, reinforcing social protection, fighting inequalities and guaranteeing people the right to develop their skills will be top priorities for our economic response to the crisis, as well as to ensure inclusive green and digital transitions. We can only achieve this together. The European Pillar of Social Rights remains our compass in these endeavours. The post-coronavirus recovery must foster resilience and upward convergence by putting people at the centre.*"

In EAPN's [letter to Vice President Dombrovskis and Commissioner Schmit – Putting social rights and poverty reduction at the heart of the COVID-19 response](#), we explicitly called for a reshaping of the CSRs to respond to the social and economic impact, prioritizing the protection of the poor, highlighting 6 key priorities, and ensuring that short-term support was linked to long-term investment in welfare states, public services and quality jobs. These recommendations were drawn from our members' [Assessment of the 2020 Country Reports](#).

What are the results? EAPN strongly welcomes the commitment to implement the escape clause from the Stability and Growth Pact and the overall support to MS emergency support measures, including commitments to protect and strengthen health and care services, employment, education services and social protection. However, the reminder that the Stability and Growth Pact requirements remain in force raises concerns of future austerity measures aimed at recovering public debt and deficits. Poverty is a clear focus, although in slightly fewer CSRs (EAPN calculates 14 compared to the 16 quoted in the Commission table last year), with many CSRs strongly acknowledging that the epidemic is likely to exacerbate existing inequalities. We strongly welcome the increased focus on increasing the adequacy and coverage of income support or income replacement (minimum income and social

¹ European Commission Spring Package – Press Release and Memo (20 May 2020)

² European Commission Communication: 2020 European Semester: Country Specific Recommendations (20.05.2020)

protection). However, there is less of a focus on specific target groups, on quality or inclusive work, inclusive, affordable universal health and long-term care (although healthcare is covered for all Member States), education and affordable social housing and other Services of General Interest as public goods. This is further reflected in the dominant proposals on investment for recovery, which focus primarily on the green and digital transition, rather than on social investment in welfare states and public services, or ensuring that the poor benefit and do not pay for ‘just transition’. The reference to the SDGs and the European Pillar of Social Rights are fleeting, and not visibly mainstreamed. In fact, the SDGs are referenced in a standard paragraph in many CSRs as being synonymous with the Green Deal, which is clearly not the case, as this misses out the whole social rights dimension of Agenda 2030. During the implementation phase of the CSRs, it will be vital that a coherent social and sustainable Agenda 2030 strategy can provide the framework for delivering an existing strategy that makes serious inroads on poverty, embeds social rights as well as the green transition through public social investment, avoiding austerity measures and increasing tax revenue and progressivity. Although there is increased positive support for Social Partners and collective bargaining, Civil Society is distressingly invisible – the European Semester is still renegeing on its legal commitments to embrace Civil Society as an active and equal partner in the European Semester.³

³ Employment Guidelines 2020 Recital 10

Main Messages

- 1. Important backing for emergency measures, but threat of austerity cuts to recoup deficits. Welcome challenges to aggressive tax planning but progressive tax justice is notably lacking.**
- 2. Exit Strategies support green + digital transition but insufficient focus on 'inclusive transition', investing in social rights, welfare states and public services.**
- 3. 14 MS received poverty CSRs highlighting impact of COVID on existing poverty with some useful measures but lacking an integrated antipoverty strategy.**
- 4. Too many left behind! No CSRs for at-risk target groups, nor any concrete measures: particularly with respect to the homeless, Roma and ethnic minorities, migrants, families with children and people with disabilities.**
- 5 Welcome focus on adequacy/coverage of minimum income with important call for progress towards social protection for all as a social right, regardless of employment status.**
- 6. Insufficient guarantees with regard to access to essential services and to considering the social impact and cost of privatisation of public services.**
- 7. Health and long-term care a new priority! - but needs a stronger focus on universal access, unmet needs, a rights-based approach, public service principles and public investment.**
- 8. Employability and skills development still priorities for overcoming new challenges due to the COVID19 pandemic, but no mention of promoting inclusive labour markets or active inclusion.**
- 9. Quality of work insufficiently prioritised and in-work poverty largely ignored, but more weight given to the role of Public Employment Services and social partners.**
- 10. Education and training still primarily seen as labour market tools, despite some attention given to inclusiveness, quality, and vulnerable groups.**
- 11. Inclusive and quality education is largely off the radar, and the strong link between disadvantaged socioeconomic background and poor educational outcomes is not included in the CSRs.**
- 12. Continued improvements to social dialogue but much more needed on civil dialogue and the meaningful involvement of civil society organisations.**

Detailed Assessment

Macroeconomic Policy

Support for emergency measures but threat of long-term austerity?

The 2020 CSRs (and their preambles) are more standardized than in previous years, as a clear priority has been established⁴ in the [Communication](#) to back Member States' emergency support measures to mitigate the social and economic impact of the COVID-19 crisis. Nearly all MS (except EL and RO) receive the same CSR 1 which recognizes the flexibility introduced under the 'general escape clause' of the Stability and Growth Pact, while already announcing the need to comply with the criteria on public debt and deficit in some indeterminate future. *"In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment"*. Greece and Romania, who are still operating under Programme arrangements, are required to implement the programme arrangements and recommendations, including tackling macroeconomic imbalances, and avoiding threats to fiscal sustainability. Standard paragraphs are introduced in the preamble, advising MS that they can mobilise all *"unused resources from the European Structural and Investment Funds...providing additional flexibility, as well as simplified and streamlined procedures. To alleviate cash flow pressures, MS can also benefit from a 100% co-financing"*. While this support and immediate flexibility, including with EU ESIF, is welcomed, no specific reference is made to the need to protect the vulnerable as a priority. Major concerns are also raised regarding the eventual application of the fiscal rules to recuperate public debt and deficits, with the threat of austerity measures that will undermine the necessary investment in universal public services such as health, care, housing and social protection and generate more poverty, exclusion and inequality.

Exit Strategies support green + digital transition not 'inclusive transition' with social rights

All MS received a common CSR (CSR 3) requiring exit strategies that give priority to front-loading public and private investment in green and digital transition, particularly *'innovation, sustainable transport, clear and efficient production and clean energy'*. In some, 'just transition' is targeted at decarbonisation (BG, EE, LU, PL, RO), and in others at waste services and management (IT, SK, ES). CSRs on the digital transition target expanding digital infrastructure, upgrading digital skills and the digitalisation of businesses and public administration (CY, FI, FR, EL). Only in Greece is the digital divide specifically addressed, requiring particular attention to *"people from disadvantaged backgrounds, including refugees and asylum seekers, and those living in remote and rural areas"*. However, the proposals lack a consistent poverty/social impact analysis and concrete measures to ensure that these measures do not impact negatively on the poor and to ensure they can benefit from them. Such measures would include tackling the barriers to e-inclusion (targeting digital education/supplying hardware/software and ensuring that the digitalization of public services does not exclude the most vulnerable), affordable public transport (both local and national), action against energy poverty including support to energy efficient measures linked to decent housing that target low-income households, ensuring that the costs are not passed on. In the area of job creation, support for excluded groups in the transition to new areas of work is essential. Housing is only mentioned directly in a few CSRs. In some MS (DE, NL, UK), CSR 3 focuses on supply of housing but as a focus for growth, rather

⁴ EC Communication: 2020 European Semester Communication on the Country-specific Recommendations (20 May 2020)

than addressing affordability particularly in the rented sector, or the need to drastically expand social housing. Ireland is the only country to receive a CSR on increasing the provision of social and affordable housing, highlighting further in the preamble that there were 68,700 households on social housing waiting lists in Ireland in December 2019. However, the preambles give more attention to the need to invest in affordable housing (EL, DE, HU,) as well as highlighting the challenges of housing deprivation and severe overcrowding (LV), highlighting the shortfalls in social housing (IE, HU, LV, LT) and the need for additional financial support for those with low income i.e. housing assistance (HU) as well as cheap mortgage schemes for poorer owner occupiers (EL). It is vital that the Exit Strategies mitigate the negative social impact of transition and equally support a social as well as a green and digital deal: investing in strong welfare states, public and essential services like housing and social protection to guarantee adequate incomes and living standards and implementing social rights.

Countering aggressive tax planning, but more needed to support progressive tax justice

This year, 9 MS received CSRs on tax (AT, CY, FR, HU, IE, LU, MT, NL, PT), compared to 11 last year. However, little priority is given to ensuring consistency in the approach across the different MS. It is still primarily viewed as an instrument for growth, rather than a redistribution tool to reduce inequality and finance welfare systems. Few specific measures are proposed. This may be due to the impact of COVID-19 and proposals for tax deferrals, etc. 7 MS are required to 'address aggressive tax planning' and to challenge tax systems which facilitate it (LU, MT), often linked with CSRs to increase the supervision and effectiveness of anti-money laundering frameworks. Other MS are required to simplify the tax system (FR) or increase the efficiency of tax courts (PT). Only AT and IE have CSRs which hint at the importance of a more tax justice-oriented approach: for example, in Austria, proposing a more efficient tax system that is "supportive to inclusive and sustainable growth" and specifically supporting a **wealth tax**. In others (e.g. AT), the focus is on increasing 'Consumption Taxes e.g. on alcohol, energy and CO2 emissions', which are inherently regressive more heavily impacting the poorest with least control over their household consumption. This is particularly a concern given the new focus on 'environmental taxes' which needs careful tailoring to ensure the poor do not pay. More importantly, no proposals are made in relation to increasing the progressivity of taxes, to ensure that the wealthiest bear the main tax burden rather than the poor, i.e. shifting away from regressive consumption taxes and including more progressive income taxes, property, inheritance and corporation taxes. This is particularly surprising in Member States that still have high inequality, low tax collection, and flat income taxes (BG, LT, RO). The CSR for Lithuania is unique in requiring the improvement of the tax/benefits system to protect against poverty, highlighting in its preamble that "*low progressivity and ability to redistribute of the tax/benefit system limits their ability to finance public goods and services and reduce poverty and inequality*".

Poverty, Social Exclusion, and Inequality

No poverty CSRs but stronger focus on the impact of COVID on existing poverty

This year, the Spring Package does not include a table capturing the prevalence of CSRs on specific topics. Last year, 16 MS received a so-called ‘poverty’ CSR⁵ (BG, HR, CY, EE, FI, EL, HU, IE, IT, LV, LT, PT, RO, SK, SI, ES.) This year, EAPN calculates that **14 MS received partial ‘Poverty Reduction’ CSRs** (BG, HR, CY, EE, HU, IT, LV, LT, PT, RO, SK, SI, ES, UK) i.e. CSRs that focus on poverty reduction, supporting access to adequate income support (social protection and minimum income) and, to some extent, access to essential services and decent jobs. Only LT mentions poverty in the CSR itself *“the effectiveness of the tax and benefit system to protect against poverty”*. However, a large number of preambles (BG, DK, EE, EL, ES, HU, LV, IT, LT, SI, UK) highlight existing high poverty levels before the crisis, warning that COVID-19 will increase poverty and inequality for many groups: For example, in Bulgaria: *“The COVID-19 crisis disproportionately affects vulnerable groups and exacerbates existing social challenges. The share of people at risk of poverty or social exclusion was already high before the crisis, especially among children, the elderly, people with disabilities and Roma, while social transfers managed to reduce poverty only to a limited extent”*. In some cases, poverty rates were improving, but are likely to suffer a setback (IT, IE). In Romania, the already high rates are expected to increase (31.2% in 2019) with an expected increase in *“child-poverty, in-work poverty and income inequalities, particularly affecting vulnerable groups such as non-standard workers, undeclared workers, the self-employed, Roma, people with disabilities, the elderly and the homeless”*. However, these concerns are not translated into concrete CSRs. Only in Slovenia is a specific proposal made with regard to the necessity *“to monitor the effects of the crisis on poverty regularly on specific groups”* (SI). Importantly some preambles highlight the key role of tax/benefits policies in reducing poverty and inequality (BG, LV, LT, RO); for example in Bulgaria: *“Income inequality was one of the highest in the EU and the tax and benefit systems showed one of the weakest impacts on reducing it”*. Despite these positive approaches, it is disappointing that no concrete proposals are made regarding the need for a **rights-based integrated antipoverty strategy, building on an active inclusion approach** and delivering on the Key EPSR principles and SDGS - which guarantees adequate income (access to decent wages/jobs, minimum income and social protection) with essential services.

Welcome focus on adequacy/coverage of minimum income, but will it only be temporary?

Last year, 7 countries received CSRs on **Minimum Income** (BG, HR, HU, LV, PT, RO, ES). This year, the number has increased to 11 (BG, HR, EE, HU, IT, LV, LT, PT, PL, RO, ES), with 6 more (CY, MT, NL, SK, SI, UK) aimed at increasing the **adequacy of broader ‘income replacement and/or social protection schemes’** (some focus on both). The fact that 17 MS received concrete CSRs on the need to guarantee adequate income support is a strong recognition of the urgency of the challenge to guarantee incomes threatened as a result of the COVID-19 crisis and the policy measures taken i.e. lockdown measures. It is, however, surprising that Greece did not receive a CSR, despite its very high level of poverty and newly introduced MI, although it is highlighted in the preamble.

The COVID-19 Crisis has exposed the **weaknesses of Member State social protection systems that are mainly contribution-based** from those in work (i.e. unemployment benefits, sickness, maternity) with reduced tax-based minimum income or social assistance. At times, the CSRs and the preambles do not sufficiently clarify this distinction and use the terms ‘social protection system’, ‘income replacement’,

⁵ Chapeau Communication accompanying the Country Specific section Recommendations 2019 p.17 table.

as well as social assistance/safety nets and minimum income rather interchangeably. Where **minimum income** is concretely named, the primary focus is on **adequacy** (BG, HR, EE, HU, LV, LT, ES) with only a few focusing on **coverage**, i.e. tackling restrictive eligibility or duration of benefits (LT, PL, and ES). LT and ES' CSRs highlight both. In Spain's case, strong support is given to the newly-launched national Minimum Income scheme and increased family support. Stronger evidence is provided, highlighting the interplay between low levels of inadequacy, duration and coverage of MI and other benefits, recognizing their low poverty reduction capacity as well as, in some cases, **territorial disparities and risk factors** related to age, gender and disability (HR). For example, the preamble in the UK CSR, recognizes that *'welfare cuts and reforms risk undermining the strong poverty-reducing effect of the UK tax-benefit system, particularly for the vulnerable including children, which is expected to increase poverty and income inequality'*. Others draw attention to **problems linked to implementation**. In Romania, the preamble outlines the regrettable delay in a new scheme upgrading minimum income levels (planned since 2016 and now delayed until 2021). Others draw attention to lack of upgrading i.e. in HU where minimum income levels have remained unchanged since 2012 despite being one of the lowest in the EU. For Poland, the CSR surprisingly criticizes the universality of support, recommending the government 'better targets' the benefits to "ensure access for those in need", despite the fact that the universal Child benefit introduced has had a proven positive impact on the reduction of poverty, because of its effective non-stigmatized take up. In others there is a focus on the need for **'temporary' increases in MI** (AT, EL, IT). While such increases are welcome, the overall approach needs to involve embedding long-term, adequate and effective systems of income support, beyond the impact of the current Crisis.

Progress towards Social Protection for All?

Where some CSRs focus more broadly on **'income replacement and social protection** (BG, HR, CY, EE, IT, NL, PT, RO, SK, SL, UK), and some focus on **adequacy** (BG, HR, CY, IT, PT, RO), the major focus is on **coverage** (DE, CY, EE, LV, LT, MT, NL, PL, PT,FR, SK, ES) – particularly with regard to the **limited duration** of unemployment benefits (EE, HU, SK), for example Hungary offering only 3 months of unemployment benefits and Slovakia offering 6 months, or **restrictive eligibility requirements** due to employment status leaving many workers underinsured or not insured at all against sickness, disability, unemployment or old age. This particularly affects the **self-employed (or bogus self-employed) and non-standard workers** (SK, PT, PL, NL, MT, LT, LV, IT, FR, CY, ES), negatively impacting key vulnerable groups e.g. in NL - young, temporary agency workers and people with a migrant background. In Italy, the case of undeclared workers in the shadow economy is highlighted. However, positively, some CSRs contain a **strong call to develop a more comprehensive social protection system for all** i.e. encompassing contributive and expanding tax-based income support) (BG, CY). E.g. in Bulgaria the *"crisis requires measures to fix the gaps already identified in previous years, and in particular in the minimum income scheme, which is one of the least adequate in the EU for lifting recipients out of poverty. Issues such as ensuring social protection for all, including non-standard workers, self-employed and low-income households, ensuring income support, food and adequate social services"*. In some, a clear message is sent regarding the need to **increase tax revenue** to increase funding for effective, non-contribution-based income support: *"Continuous efforts are needed to improve the adequacy, duration and coverage of the social safety net for all. However, these efforts are constrained by the low tax revenue as a share of GDP"* (LV). EAPN strongly supports the development of an overarching **universal social protection system that guarantees income support against all risks, regardless of employment status** –coherently linking contributive and tax-based systems. This is becoming an urgent priority in a post-COVID19 context of high unemployment and increasing precariousness of work, where rights to income must be guaranteed.

No Recommendations for target groups and few concrete measures

This year, no CSRs specifically address key target groups, compared to the ‘Social CSRs’ which are replaced by a more general focus on ensuring **adequate income support or replacement and/ or essential services for all**. Although this more structural approach to poverty and inequality is welcome, it is crucial to ensure that the key challenges met by the main at-risk groups are also highlighted, with concrete additional measures. In the preambles, some attention is paid to specific groups, however the focus is limited, missing out key groups and lacking concrete policy proposals. No references are made to the relevant EPSR principles. Several preambles highlight **families with children** (BG, HU, UK, ES, IT, EL). For example, the Spanish preamble notes that the crisis will likely increase the high levels of poverty or social exclusion in Spain, especially among families with children. Only Spain, however, has a specific CSR supporting increased family income support. Overall, a more integrated strategic approach is lacking e.g. based on the ‘[Investing in Children](#)’ Commission Recommendation (access to resources, services and participation), and referencing the upcoming [Child Guarantee](#) focused on 5 essential services (housing, health, nutrition, childcare/early learning and education).⁶ Some preambles focus on **people with disabilities** (BG, GR, DK), **Roma** (BG, HU, SK) **and migrants** (BE, GR, CY). In the case of Roma, the main focus is on the lack of access to essential services (BG, HU, SK) or social services (EL, BG). In Bulgaria’s case, it is acknowledged that “*many were already in deep poverty prior to the crisis, needing mediation services, essential services and support*”. A few highlight the vulnerability of **older people** (SI), particularly women for whom the risk of poverty and social exclusion rates were already higher than the EU average before the crisis. Others note that the social protection system protects the elderly more (EL and ES). **Women are only a focus in terms of the labour market** (SI and AT), such as in Austria, where access to inclusive, good-quality early childhood education and care is recommended in order to provide opportunities for women to fully access the labour market. There is little broader analysis of gender impact in terms of unequal job loss, increased precariousness of jobs, exposure as predominant front-line workers in key health, care and retail sectors, increased care/work-life demands and domestic violence as well as gender pay/pension gap. Only 2 countries highlight **the plight of the increasing number of homeless**: BG and IE, despite their acknowledged vulnerability to the virus, and examples of positive measures to take the homeless off the streets with emergency housing (UK, ES, BE). In Ireland, the preamble recalls that of the “*10,000 homeless people registered in Ireland, 3,500 are children ... raising concerns about the potential risks of deepening inequalities, entrenched poverty and social exclusion ... single parents with children are among the groups most affected by homelessness*. The text also highlights important regional/urban differences, such as the fact that 69% of all homeless adults are concentrated in the greater Dublin area. However, in all these cases, concrete measures or CSRs are lacking. Given the key role of **grass-roots Social NGOs in providing services supporting key vulnerable groups**, it is surprising that only Slovenia emphasizes the need to provide additional financial assistance to “*those organizations working on the front lines to ensure that the COVID-19 pandemic does not disproportionately affect all groups facing risk of social exclusion ensuring that they have their basic needs met, such as daily meals and health-care*” (SI).

⁶ See Investing in Children Alliance statement on Protection Children and their families during and after the COVID crisis. <http://www.alliance4investinginchildren.eu/joint-statement-on-protecting-children-and-their-families-during-and-after-the-covid19-crisis/>

Insufficient guarantees to access essential services or consider social impact of privatisation

Access to Essential Services is captured in **Principle 20 of the EPSR and includes (water, sanitation, energy, transport, financial services, and digital communications)**. However, EAPN members normally refer to the broader concept of **Services of General Interest** – which are essential ‘public goods’ for the realization of rights and a dignified life. An analysis of the CSRs related to education – including ECEC and digital skills –, healthcare, social services and housing is provided in the relevant sections below. In 2020, Bulgaria, Hungary, Romania and Slovakia all received CSRs on “*ensuring access to essential services for all*”. This is strongly welcomed, and the statement that “*the pandemic is hitting hardest vulnerable groups in terms of access to essential services*” (HU), however precise, often lacks details, both in the CSRs and the preambles. The preambles for Romania and Bulgaria mention specific services in relation to which the poor/socially excluded face severe challenges: water, sanitation, energy and housing; however, the nature of the challenges and the specific groups affected are not always outlined. The preamble for Romania highlights children in rural areas and ‘informal settlements, stressing uneven territorial distribution ‘*characterised by rural-urban and regional disparities*’, emphasizing that these settings “*limit the capacity to counteract the impact of the pandemic*”. Bulgaria and Slovakia confirm Roma as the major group facing such barriers, but they do not go further in challenging the **discriminatory segregation of provision to Roma groups** as the basic tenet of a rights-based Roma Inclusion and antipoverty strategy. Greater focus is placed on ‘**access to affordable housing**’, with Ireland receiving the only Social Rights CSR on increasing the provision of social and affordable housing, and some references are made in the preambles to affordable housing (DE, LT, LV, RO). However, in general, housing is considered as an ‘investment for growth’ rather than a Service of General Interest and Social Right, with a focus on ‘supply’ (see section above). A clear concern which our members consider has been left out is the **social/poverty impact of the ‘privatisation and liberalisation’** of essential services (SGI) in some countries which is seen as negatively impacting access, affordability and quality of such services, particularly for key disadvantaged and vulnerable groups. This issue is not developed anywhere in the CSRs.

Health and Long-term Care

A new thematic priority - but needs a stronger focus on universal access, a rights-based approach, public service principles and public investment

The COVID19 pandemic has clearly exposed the **strengths and weaknesses of the national healthcare and long-term care systems**. The new thematic focus is also clearly reflected in the Recommendations – except for Greece – and even more so in the preambles for all Member States. **Long-term care**, comprising both elderly care and care for persons with disabilities (EE, FI, GR) is covered in the recommendations for 4 countries (CZ, FI, PT, SI). Key challenges relating to **financial sustainability** (GR, RO, SK), for Slovenia more generally in relation to the system's **resilience**, and for Austria, Hungary and Italy concerning the **better integration of healthcare and long-term care**, are further explored in the preambles. Long-term care systems feature in the preambles for 17 Member States (AT, BE, BG, CY, CZ, DE, EE, GR, IE, IT, LT, MT, NL, PL, PT, SK, SI). The call to move towards a smoother and more effective **integration of healthcare and social services** is contained in the Preambles for 5 countries (CZ, DE, EE, NL, SI).

Positive focus on improving access to healthcare, reducing unmet needs and sustainably financing healthcare, but more public investment needed!

Many of the problems and deficiencies highlighted and the **bulk of recommendations are welcomed and supported by EAPN**. CSR 1 calls for **strengthening the resilience of the healthcare system** for all but two countries (AT, BE, BG, HR, CZ, DK, EE, FI, FR, DE, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI, ES, SE, UK), for **improving accessibility** for 10 countries (BG, EE, HU, IE, LV, LT, PL, PT, RO, SK), and for **expanding capacity** for 4 countries (BG, HR, IT, ES). The aspect of affordability of healthcare is, however, not dealt with, except for some wording on high out-of-pocket payments in countries with relatively high shares of unmet medical needs (see below). The Recommendations also rightly propose to **address the structural problems of staff shortages** (for nearly all countries, and mainly concerning nurses and doctors, but also other front-line workers in healthcare and social services) **and an unbalanced regional distribution of the health workforce** (BG, HR, CZ, FR, HU, IT, PL, RO), implying staff shortages in rural areas. It is positive to see the need for improved working conditions referred to for Cyprus and more generally the demand to better orient policies towards the needs of the staff as is the case for Ireland. The urgent task of **addressing unmet medical needs** with regulation and policy measures **and thereby improving access to healthcare in particular for the poor and vulnerable groups** is highlighted for 9 countries (HR, EE, GR, HU, LV, LT, MT, PL, RO). The preamble for Malta attributes the unmet medical needs to high **out-of-pocket expenditure** for primary and outpatient care and for some medicines, as is the case for Latvia and Lithuania where vulnerable groups are particularly affected. Consistently long waiting lists for primary care (EE) or outpatient care specialties (EE, MT) are also flagged up. For EAPN, policy reforms in the field of health and long-term care policies should, however, always be operated in line with **public service principles** and reflect a **rights-based approach** – ensuring the right to accessible, affordable and good quality for everybody in line with EPSR Principles 16, 17 and 20. Recalling the **need of continued public investment** would have made the CSRs stronger for many countries and thus also politically more coherent – among the exceptions are BG, DE, LV, LT and PL for healthcare (for SK this is only mentioned in the preamble), and ES for long-term care where the recommendation explicitly requests that **adequate financial resources be mobilised**. In Country-Specific Recommendation 1, health is nevertheless primarily treated as a macroeconomic issue, rather than a social rights issue. The proof, however, will be in the pudding: Should the currently relaxed fiscal rules of the Growth and Stability Pact eventually be

tightened up again in order to recoup public debt and deficits, the positive recommendations and calls for investment in accessible, affordable and quality health care and long-term care services would be undermined and generate more poverty, exclusion and inequality.

Employment

Employability and skills development are still priorities for overcoming new challenges due to the COVID19 pandemic, but not promoting inclusive labour markets

21 countries received a Country-Specific Recommendation regarding their employment policies, one less than in 2019, with the exception of seven Member States (AT, DE, DK, EE, SK, SE, UK). Largely attributable to the COVID19 pandemic, in many cases a more generic CSR of the type “*Mitigate the employment and social impact of the crisis, notably by **promoting effective active labour market measures and fostering skills development***” (quoted from BE) was given. A second recurrent general recommendation – for the same reason – is to “**improve the access to distance working and promote digital skills**” (quoted for BG). The “digital skills” part is often included in the CSRs and preambles on “Education” (see also below). A third priority is the **call to extend and/or improve short-time working arrangements** in order to protect employment and to prevent unemployment and income loss (GR, HU, MT, PL, SI) attributable to the economic effects of the COVID19 crisis and highlighted for a number of countries. For Portugal, the aim of “*protecting employment*” (PT) is highlighted without this explicit reference, but surely not unaffected by it. The fourth “common denominator” is an **emphasis on skills and training** which features in CSR 2 for 12 countries (BE, HR, CZ, FR, IE, IT, LV, LT, MT, PL, RO, ES). The need to improve digital skills is mentioned for 8 Member States (BG, CZ, DE, GR, IT, NL, SK, SI), partly overlapping with the former list, while other key support measures in line with **integrated active inclusion or fostering inclusive labour markets are less present** in the Recommendations compared to last year’s exercise. This also implies a disproportionate focus on improved employability, and on the supply side the focus remains on the “new context”, too, although the language is less explicit, as it is no longer labelled with the term “employability”.

Key groups facing multiple obstacles and needing specific support largely dropped from Recommendations, but stronger focus on combating atypical employment

Compared to last year, only two Member States, Luxembourg, and Slovenia, are specifically called upon to improve the **professional integration of specific groups believed to be still facing obstacles in accessing the labour market**. Concretely, it is recommended to “*mitigate the employment impact of the crisis, with special consideration for people in a difficult labour market position*” (LU) and to ensure that flexible working arrangements “*provide adequate protection for non-standard workers*” (SI). In 2019 the CSRs focused more on the low-skilled (AT, BE, LV), migrants (BE, FR), women (AT, CZ, EE, IT), older workers (BE, LU), and youth (CY, IT). For 2020, **relevant wording** has not only been **largely pushed to the preambles, but also reduced across the board and completely dropped for Roma**. Some key groups and issues are still explicitly mentioned, although it can be deplored that they are no longer directly mentioned into the actual CSRs: the low-skilled (BE, MT), non-standard workers (AT, BG, EE, NL, RO, ES, SI), the long-term unemployed (CY), migrants (BE, NL) and undeclared workers (CY, HR, IT, RO), people with disabilities (BE, CZ, DK, EE, FI, IE, RO), women (GR, IT), young people (GR, IT, NL, ES) and older workers (BE, LU). The “**non-standard workers**” and “**undeclared workers**” **categories receive more attention, at least in the preambles**, but once again are not mentioned in concrete Recommendations (as was the case for the second category last year for Italy). In line with the **shift towards less detailed or specific recommendations on employment** compared to 2019, the

number of countries urged to provide more and better quality care services, particularly childcare, also dropped from six (AT, CZ, IE, IT, PL, SK) to three (CZ, HU, SK) countries. The reference to this matter is kept in the preambles, with the main focus clearly placed on the increase in female labour market participation, and not on a push for a more integrated approach towards services or to promote a rights-based approach.

Call for integrated Active Inclusion approaches basically lost, but some attention given to better social protection for the unemployed and the self-employed

Cyprus, Italy, Latvia, Poland, Romania and Slovenia are asked to “mitigate the employment impact of the crisis through **flexible working arrangements**, without being more specific. Bulgaria, the Czech Republic, Finland, Latvia, Lithuania and Spain are urged to implement (and in the case of LT also to better fund) **active labour market policies** (ALMP) and Romania is urged to deploy “**activation measures**”, but again the term is not clarified – does it mean employment at any cost? If “flexible working arrangements” imply a subsuming of social objectives to activation and flexibility or even making access to employment subject to punitive labour market conditionality, then the wrong direction is pursued. In the case of Greece, the need to ensure “**effective activation support**” is explicitly mentioned in CSR 2, which would be welcome if translated into integrated active inclusion based on case-management approaches and personalised planning when rolling out the related measures. Probably due to the new economic and social realities in the context of the COVID 19 pandemic, but positively, it should be noted, the term “**conditionality**” is no longer explicitly used. However, this year’s exercise **lacks concrete language on the need to implement integrated support and better align employment and social services and policies**, which was included for six countries in 2019 (BG, HR, CY, FI, IE, IT, ES), and on the benefits of supporting personalised approaches to employment mentioned for CZ (in the preamble) and IE (in the Recommendation). The same holds true for the explicit use of the term “Active Inclusion”, as it had appeared in the CSRs for FI and in the preamble for NL, and also for the reference to better activation practices (contained in the preambles for CZ, HU, NL). It is welcome and in line with the demands of EAPN HU that the preamble for Hungary explicitly condemns the continued use of the ineffective Public Works Scheme. Croatia and Malta received a clear reference to improving the **adequacy of unemployment benefits**, Hungary on their **duration** (against the backdrop of a payment period of 3 months only, a record-low across the EU), and Spain on **improved protection against unemployment for atypical workers**. The preamble for the Netherlands recalls the task for government and relevant public authorities to ensure **better social protection for self-employed workers** which has become more urgent in the current economic situation: “*COVID-19 crisis also highlighted significant challenges in terms of access to adequate social protection for the self-employed that are more often underinsured (or not insured at all) against sickness, disability, unemployment and old age*” (NL). (See also section on social protection above)

Quality of work insufficiently prioritised and in-work poverty largely ignored, but more weight given to the role of Public Employment Services and social partners

Only very few countries (FR, GR, HR, HU, IT, PL, RO, SK) received Recommendations relating to **aspects of quality of work in a broader sense** – which seems to be a step back from last year’s Semester exercise. It is, however, positive that the role and importance of Public Employment Services (PES) is included in some CSRs, by e.g. calling on Croatia to “*strengthen labour market measures and institutions*”, on Cyprus to “*strengthen public employment services*” or on France and Italy to provide “*active support for all jobseekers/for employment*”. Only the Romanian preamble mentions the “*untapped potential of the **social economy** to improve social conditions*”, but again without any

concrete recommendation on how to best to use it. The **risk of growing regional disparities** in the areas of the labour market and employment, not only for health and social services or education (see above and below), is mentioned in many preambles as a very likely consequence of the COVID19 pandemic, but no concrete Recommendation is formulated to counter this trend. It is also welcome that the **role of social partners** is emphasised in the CSRs for 5 countries (GR, HU, PL, RO, SK) – see also below under “Participation and Civil Dialogue”. For Hungary, the demand to “*ensure effective involvement of social partners and stakeholders in the policy-making process*” is clearly set out. Similar wording is addressed to Poland, Romania, and Slovakia. In the latter case, the Recommendation extends to the involvement of civil society by highlighting the need to reinforce the “*systematic engagement with social partners and civil society organizations in policy making processes*”.

However, four other points are problematic when comparing this year’s CSRs with the CSRs issued in 2019: 1) Whereas some EAPN members (CZ, DE, LU, PL) call for keeping a focus on **wages**, the broader issue (including minimum wages and wage setting arrangements) **slipped from the agenda**. This is also very disappointing in view of the still persistent gender pay gap acknowledged in the preambles for Austria and Hungary, but mainly in the context of, and attributing it in part to, a lack of access to good, quality childcare, but not addressed in any CSR. 2) There is also **no explicit CSR about tackling in-work poverty**, with the preambles for Greece, Italy and Romania still recognising the high rates of poverty, social exclusion, in-work poverty and inequality before the crisis and the preamble for the United Kingdom acknowledging that “*in-work poverty and child poverty are (...) high*”. 3) The need to ensure **transitions from precarious to permanent employment** and the problem of **high rates of temporary contracts**, including for young workers, seem to have fallen victim to a shift of attention and priorities due to the COVID 19 crisis. This is deplorable as the related structural problems are likely to prevail and even deteriorate in the near future. 4) Last, but not least, the preambles for France, the Netherlands and Spain highlight the problem of persistent **labour market segmentation**. In France, “*around two thirds of new recruitments were on short-time contracts of less than one month*” in 2019, making the “*transition rate from short-time to open-ended contacts (...) one of the lowest in the Union*”. For Spain, the preamble holds that “*temporary workers with very short contracts, who constitute the bulk of the close to one million new unemployed and amongst which there are many young workers, are often not eligible for standard unemployment protection*”. For the Netherlands, the preamble raises the concern that “*workers with flexible and temporary contracts*” will be hit first and strongest as a consequence of the COVID 19 crisis.

Education

Education and training still primarily seen as labour market tools, despite some attention given to inclusiveness, quality, and vulnerable groups

16 Member States (AT, BG, HR, CY, CZ, FR, IE, IT, LT, LV, MT, PL, PT, RO, SK, ES) received a Country-Specific Recommendation relating to education, training, and lifelong learning. This is a decrease compared to 2018 when such recommendations were addressed to 20 countries. In the overwhelming majority of cases (AT, BG, HR, CY, CZ, FR, IE, IT, LT, LV, PL, RO, ES), **education is dealt with primarily in connection with labour market needs**, stressing upskilling of workers (without being specific in any case on format, sectors and or target groups) and better employability (CY), without, however, explicitly mentioning vocational training as was the case last year. Closely linked to the **needs for digital learning (infrastructure) and digital skills** which have gained in importance as a consequence of the COVID19 pandemic and the lockdown of schools and VET institutions, there is a strong focus on access to (and less so on the quality of) digital skills, which are mentioned in a number of CSRs (AT, BG, CZ, IE, IT, PL, SK, ES) and the preambles for all but six countries (DK, IE, IT, MT, PT, ES).

Inclusive and quality education is largely off the radar, and the strong link between disadvantaged socioeconomic background and poor educational outcomes is not included in the CSRs

Encouragingly, (equal) **access to education** is mentioned as an objective to be better achieved in a number of CSRs (AT, BG, PT, RO, SK), while **quality** is explicitly referenced only for three countries (MT, PT, SK); in the case of Portugal, highlighting the need to “ensure equal access to quality education and training” (PT), and for Slovakia recalling that “Challenges concerning equal access to quality and inclusive education remain, as basic skills levels and general performance of students are strongly affected by their socio-economic background”. A direct emphasis on the **inclusiveness of education** (MT) and on **vocational education and training** (PT) is only mentioned for one country. The Maltese CSR 2 indirectly refers to Principle 1 of the EPSR on quality and inclusive education by asking to “strengthen the quality and inclusiveness of education and skills development” (MT), but otherwise it has to be deplored that rhetoric about rendering education more inclusive for groups having a hard time accessing it or having poor educational outcomes that was found in recent years is no longer present.

Looking at these last three key aspects of education, in particular for students from poor and/or vulnerable households, this is a clear step back. Staggeringly, while the **strong link between a disadvantaged socioeconomic background and poor educational outcomes** is highlighted in several preambles (BG, CZ, DE, HU, SE, SK), this is never mentioned in a single actual CSR. The focus on disadvantaged groups, such as people with disabilities with poor educational outcomes (AT, BE, DK, FI, HU, IE) gets lost both in the preambles and in the CSRs – whereas the related challenges have surely not gone away in the last 12 months and are also likely to persist with the COVID 19 crisis. Only two Preambles mention Roma children (BG, HU), specifically with respect to improving their access to quality education and better integrating them into mainstream education. **Early school leaving** is exclusively referred to in the Preambles, and only those of 4 countries (HU, IT, MT, and SK), whereas NEETs are completely overlooked (as is adult education beyond a narrow focus on employment and employability), even though both issues are underpinned by targets set in the Europe 2020 Strategy and by indicators of the Social Scoreboard. Spain’s education Recommendation includes a welcome

focus on **regional disparities**. Those disparities are also referred to as a problem in the preambles for Italy and Romania.

Participation and Civil Dialogue

Continued improvements to social dialogue but much more needed on civil dialogue and the meaningful involvement of civil society organisations

There is a continued **positive focus on strengthening the role and improving the functioning of social dialogue**, with 5 countries receiving dedicated CSRs (EL, HU, PL, RO, SK), with a new focus on EL, HU and SK in 2020, and HR having dropped out of the list compared to last year. However, the **importance of strengthening civil society and civil dialogue is only weakly emphasized and recommended**. In fact, the topic only explicitly appears in CSR4 for 5 countries (HU, IT, PL, RO and SK), in the case of Romania also calling for the improvement of the predictability of decision-making. It is, however, not included for countries where EAPN members (FR, GR) have explicitly placed an emphasis on the need to improve the involvement of civil society organisations in policy design, monitoring and decision-making processes. It is positive that the *“need to increase engagement with stakeholders particularly civil society organizations involving people experiencing poverty in the policy making process”* is specifically set out for Italy, it being the only country with a CSR explicitly mentioning **the key role of people experiencing poverty and the need to involve them in the policy-making process**. As was already evident in 2019, one of the worst examples is Hungary, where civil society organisations are being silenced, closed down and/or deprived of their resources. Here, the CSR rightly highlights the need to *“ensure effective involvement of social partners and stakeholders in the policy-making process”* (HU), but falls far short of querying the Hungarian government’s imposition of martial law and restrictions or of hinting at or imposing sanctions. Given the **new legal base supporting civil society participation in the European Semester in the Employment Guidelines**, EAPN had strongly hoped for a direct reference and active use of Recital 10 of the 2020 version⁷ and clear recommendations to ensure better accountability and quality participation, on a par with social partners, thus ensuring better policy solutions and implementation.

⁷ The last sentence of recital 10 reads: “While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as the social partners and representatives of civil society.” Source: Proposal for a Council Decision on guidelines for the employment policies of the Member States, COM(2020) 70 final, 2020/0030 (NLE), Brussels, 26.02.2020, https://eur-lex.europa.eu/resource.html?uri=cellar:8bfc0644-5940-11ea-8b81-01aa75ed71a1.0003.02/DOC_1&format=PDF

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. An [assessment of the Country Reports with proposals for alternative CSRs](#) was developed based on inputs collected from 20 members in writing and during an online meeting held on 2 April 2020 to partly replace the EAPN EU Inclusion Strategies Group Meeting scheduled for 20 and 21 March in Madrid, Spain which had to be cancelled due to the Coronavirus pandemic. 17 EAPN National Networks (AT, BE, CZ, DE, DK, ES, FI, FR, HR, HU, IE, LT, MT, NL, PL, PT, UK) provided contributions, with additional views from AGE Platform Europe, Eurochild and the International Federation of Social Workers (IFSW) Europe, three European EAPN member organisations. On the basis of these CSR proposals, the EAPN policy team drafted a response to the CSRs which was shared on 4 June with the EUISG, Executive Committee members and EO members with a deadline of 12 June. On 29 May, the “Annex with the Country-Specific Analysis” for the “EAPN Assessment of the 2020 CSRs” was shared with the EUISG for comments with the same deadline of 12 June. Written comments on the Main Analysis and the Annex were received from 10 members (BE, CZ, DE, FI, FR, HR, IE, PT, SI, UK). They were all incorporated into the draft. The response and key messages build on the EUISG’s strategic work with the European Semester carried out throughout the year. The assessment was signed off by the EUISG Steering Group, on behalf of the EUISG.

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



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