

Country Specific Recommendations 2015: Out of touch with reality in Europe 2015

Juncker Commission & the European Semester: a triple A Social Europe?

With rising levels of poverty and unemployment throughout Europe, the then newly elected President of the European Commission, Jean-Claude Juncker was quite clear last year when he declared his intent to put social issues further up on the Commission's agenda. In light of Juncker's consequential pledge to foster a Union "dedicated to being triple-A on social issues, as much as it is to being triple-A in the financial and economic sense", one could have expected the European Semester this year to be more "socially-oriented". With the European Semester often receiving criticism for being overly focused on economic and fiscal policies, this opportunity for a policy reorientation becomes even more pertinent.

It was thus rather a shock when the Annual Growth Survey was published late 2014 and failed to mention poverty and social exclusion as a key challenge for Europe; instead focusing on "boosting investment, implementing structural reforms and pursuing fiscal responsibility" as a solution to all problems.

When presenting the Country-specific recommendations (CSRs) for 2015 on May 13th, vice-President of the European Commission, Valdis Dombrovskis, mirrored this strategic plan. In order to tackle Europe's social issues, the CSR's would focus primarily on economic and fiscal policies. Acknowledging that "many Member States face challenges such as high public and private debt, low productivity and lack of investment, which result in high unemployment and worsening social conditions" Mr. Dombrovskis concluded that "addressing these challenges is what today's country-specific recommendations are about".

The European Association of Service providers for Persons with Disabilities (EASPD) is concerned by the approach adopted by the Commission since the onset of the crisis. EASPD argues that the failure of the Union to successfully tackle its extremely high (and growing) levels of poverty, social exclusion and unemployment in many Member States are all a product of the failure to implement inclusive policies, able to successfully bring people out of situations of poverty and exclusion. In other words, rather than focusing on the effect of the problem: high levels of debt, low productivity and a lack of investment, the European Commission should consider tackling the root of these issues through its European policy process.

As such, EASPD suggests to the European Commission to consider recommending policies which tackle the core of the problem, not only the effect. Promoting policies which successfully help to bring excluded groups out of poverty and unemployment – by for instance strengthening the quality,

affordability, availability and accessibility of support schemes through a system of social investment – would improve Europe’s high levels of debt, low productivity and lack of investment.

EASPD is concerned that the current set of recommendations are likely to replicate the conditions of the past seven years – extremely high levels of poverty and social exclusion. In this circumstance, will the European Commission consider promoting more inclusive policies on an equal footing with more socially-friendly fiscal recommendations? Only by recommending policies which tackle the core of Europe’s social problems will the European Commission be able to provide solutions in touch with the needs of many of Europe’s citizens.

Are the CSRs inclusive?

EASPD believes that the CSR’s could be more progressive in terms of promoting inclusive growth. Nonetheless, it is also important to state that there are some improvements, in particular when it comes to addressing support schemes for employment and inclusive education measures.

In addressing labour market issues, the European Commission adopts a commendable approach when it asks Member States to develop additional support measures for the unemployed (SP, SL, SK, LI, HU, ES, AU); in particular those most excluded from the labour market (young people, elderly, disadvantaged groups, persons with disabilities). However, EASPD regrets that most activities targeted at tackling the unemployment of groups most excluded from the labour market focus most on their employability rather than on support to employers and creating a more inclusive labour market. EASPD proposes that the upcoming European Commission’s employability package is used to streamline the Commission’s approach towards tackling long-term unemployment with the European Semester process in the years to come to avoid promoting diverging policies on the issue of tackling unemployment.

Furthermore, in addressing education and skills development, the CSRs emphasize steps to improve the educational opportunities for disadvantaged persons, incentives to keep students in school longer, teacher training, and an increase in apprenticeships. EASPD fully supports the country-specific recommendations calling on Member States to do more to support the inclusion of disadvantaged groups in mainstream education (AU, CZ, HU, MA, SK). Nonetheless it is essential that the European Commission streamlines its inclusive approach throughout all recommendations; in particular when it asks for reform in higher education.

Despite the aforementioned CSRs addressing the labour market and education, they remain comparatively weaker when it comes to addressing healthcare, poverty and social inclusion. Out of the 26 countries represented in the list of CSRs, only six have CSRs discussing poverty and social inclusion, yet levels of poverty and social exclusion continue to grow throughout most, if not all, EU member states. This should be read in contrast to CSRs related to public finances which amount to 22, albeit most if not all focusing on austerity measures. This clearly highlights that despite the European Commission’s verbal commitment towards making the European Semester more social, economic and fiscal policies remain its priority. Moreover, these policies are almost always concerned with diminishing public expenditure (“increasing the cost-effectiveness”, often towards the health and social care systems).

This, for instance, can be demonstrated by the CSRs concerning provision of health care, which (mostly) address cost-effectiveness, governance and accessibility, as well as the fiscal risks of health care.



Also noticeable is the lack of specific efforts in the CSRs towards the transition from institutions to community-based care, an essential problem throughout Europe re-enforcing the segregation of many of Europe’s citizens. Although the issue is somewhat tackled in the CSRs for some countries (Estonia, for instance), it would be highly relevant both in terms of achieving the Europe 2020 targets and the EU’s and Member States’ human rights obligations to have more specific provisions for promoting community-based care throughout Europe, particularly in Central and Eastern European Member States.

Below are a list of countries and the respective CSRs they received from the European Commission in 2015 dealing with employment, education, poverty and social inclusion, as well as healthcare.

Member State	Topic	Content
<u>Austria</u>	Employment	Strengthen measures to increase the labour market participation of older workers and women, including by improving the provision of childcare and long-term care services.
	Education	Take steps to improve the educational achievement of disadvantaged young people
	Other	Remove disproportionate barriers for service providers and impediments to setting up interdisciplinary companies
<u>Belgium</u>	Labour Market	Improve the functioning of the labour market by reducing financial disincentives to work, increasing labour market access for specific target groups and addressing skills shortages and mismatches.
<u>Croatia</u>	Labour Market	Strengthen incentives for the unemployed and inactive to take up paid employment.
	Poverty & Social Inclusion	Based on the 2014 review, carry out the reform of the social security system and further consolidate social benefits by improving targeting and eliminating overlaps.
	Other	Tackle the fiscal risks in healthcare Remove excessive barriers for service providers
<u>Czech Republic</u>	Education	Adopt the higher education reform. Ensure adequate training for teachers, support poorly performing schools and take measures to increase participation among disadvantaged children, including Roma
	Poverty & Social Inclusion	Further improve the availability of affordable childcare.
	Other	Further improve the cost-effectiveness and governance of the healthcare sector. Take measures to increase the transparency and efficiency of public procurement, in particular by establishing a central register of public contracts and strengthening guidance and supervision.
<u>Estonia</u>	Labour Market	Improve labour market participation, including by implementing the Work Ability Reform. Improve incentives to work through measures targeting low-income earners
	Education	Increase participation in vocational education and training, and its labour market relevance, in particular by improving the availability of apprenticeships.
	Poverty & Social Inclusion	Ensure high-quality social and childcare services at local level
	Other	Take action to narrow the gender pay gap.
<u>Finland</u>	Labour Market	Pursue efforts to improve the employability of young people, older workers and the long-term unemployed, focusing particularly on developing job-relevant skills.
	Other	Ensure effective design and implementation of the administrative

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		reforms concerning municipal structure and social and healthcare services, with a view to increasing productivity and cost-effectiveness in the provision of public services, while ensuring their quality
<u>France</u>	Labour Market	Reform the law creating the accords de maintien de l'emploi by the end of 2015 in order to increase their take-up by companies. Take action to reform the unemployment benefit system in order to bring the system back to budgetary sustainability and provide more incentives to return to work.
	Other	Step up efforts to make the spending review effective and identify savings opportunities across all sub-sectors of general government, including on social security and local government. Facilitate take up of derogations at company and branch level from general legal provisions, in particular as regards working time arrangements.
<u>Germany</u>	Labour Market	Revise the fiscal treatment of mini-jobs to facilitate the transition to other forms of employment
	Other	Further increase public investment in infrastructure, education and research. Use the ongoing review to improve the design of fiscal relations between the federation, Länder and municipalities, particularly with a view to ensuring adequate public investment at all levels of government.
<u>Hungary</u>	Labour Market	Reorient the budget resources allocated to the public work scheme to active labour market measures to foster integration into the primary labour market; and improve the adequacy and coverage of social assistance and unemployment benefits.
	Education	Increase the participation of disadvantaged groups in particular Roma in inclusive mainstream education, and improve the support offered to these groups through targeted teacher training; strengthen measures to facilitate the transition between different stages of education and to the labour market, and improve the teaching of essential competences.
	Other	Strengthen structures in public procurement that promote competition and transparency and further improve the anti-corruption framework.
<u>Ireland</u>	Poverty & Social Inclusion	Take steps to increase the work-intensity of households and to address the poverty risk of children by tapering the withdrawal of benefits and supplementary payments upon return to employment and through better access to affordable full-time childcare.
	Other	Take measures to increase the cost-effectiveness of the healthcare system, including by reducing spending on patented medicines and gradually implementing adequate prescription practices. Roll out activity-based funding throughout the health system.
<u>Italy</u>	Labour Market	Adopt the legislative decrees on the use of wage supplementation schemes, the revision of contractual arrangements, work-life balance and the strengthening of active labour market policies.
	Education	As part of efforts to tackle youth unemployment, adopt and implement the planned school reform and expand vocationally-oriented tertiary education.
<u>Latvia</u>	Labour Market	
	Education	Improve vocational education and training, speed up the curricula reform and increase the offer of apprenticeships.
	Poverty & Social Inclusion	Take concrete steps to reform social assistance, ensuring adequacy of benefits, and take measures to increase employability. Reduce the high tax wedge for low-income earners by shifting tax burden to other sources less detrimental to growth.
	Other	Take action to improve accessibility, cost-effectiveness and quality of the healthcare system and link hospital financing to performance mechanisms.

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<u>Lithuania</u>	Labour Market	<p>Address the challenge of a shrinking working-age population by improving the labour-market relevance of education, increasing attainment in basic skills, and improving the performance of the healthcare system</p> <p>Improve the coverage and adequacy of unemployment benefits and cash social assistance and improve the employability of those looking for work.</p>
<u>Malta</u>	Education	Take measures to improve basic skills and further reduce early school-leaving by promoting the continuous professional development of teachers.
<u>Portugal</u>	Poverty & Social Inclusion	<p>Ensure effective activation of benefit recipients and adequate coverage of the minimum income scheme.</p> <p>Improve the efficiency of public employment services, in particular by increasing outreach to non-registered young people.</p>
<u>Romania</u>	Labour Market	<p>Strengthen the provision of labour market measures, in particular for unregistered young people and the long-term unemployed.</p> <p>Ensure that the national employment agency is adequately staffed.</p>
	Poverty & Social Inclusion	Increase the provision and quality of early childhood education and care, in particular for Roma.
	Other	Pursue the national health strategy 2014-2020 to remedy issues of poor accessibility, low funding and inefficient resources.
<u>Slovakia</u>	Labour Market	Take additional measures to address long term unemployment by introducing activation measures, second chance education and high-quality training tailored to individuals' needs.
	Education	Improve teacher training and the attractiveness of teaching as a profession to stem the decline in educational outcomes.
	Other	Improve the cost-effectiveness of the healthcare sector, including by improving the management of hospital care and strengthening primary healthcare.
<u>Slovenia</u>	Labour Market	<p>Increase the employability of low skilled and older workers.</p> <p>Take measures to address long-term unemployment and provide adequate incentives to extend working lives.</p>
<u>Spain</u>	Labour Market	<p>Take steps to increase the quality and effectiveness of job search assistance and counselling, including as part of tackling youth unemployment.</p> <p>Streamline minimum income and family support schemes and foster regional mobility.</p>
	Labour Market	Address skills mismatches by increasing employers' engagement in the delivery of apprenticeships.
<u>United Kingdom</u>	Labour Market	<p>Take action to further reduce the number of young people with low basic skills.</p> <p>Take further steps to boost supply in the housing sector, including by implementing the reforms of the national planning policy framework.</p> <p>Further improve the availability of affordable, high-quality, full-time childcare.</p>
	Poverty & Social Inclusion	Further improve the availability of affordable, high-quality, full-time childcare.

Thematic Reports

For the first, time, the Commission has released thematic reports that are intended to complement the more in-depth country specific analysis which is provided in the country reports, which explain the proposals for the CSRs. While the country reports focus individually on each Member State, the

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thematic reports focus on an individual issue at the EU level. The reports that are of most interest to EASPD are:

- [Active Labour Market Policies](#)
- [Early Leavers from Education and Training](#)
- [Employment Incentives](#)
- [Poverty and Social Exclusion](#)
- [Undeclared Work](#)

Individually, these thematic reports provide key background information on the issues discussed in the CSRs. Additionally, key statistical indicators, which analyse the Member States in regards to the thematic issues are discussed. The reports also outlines an assessment of the challenges that many Member States face when addressing these thematic issues, while some of the reports additionally discuss the responses to these challenges by the Member States.

Additional information

More information on country specific CSRs, Country Reports, and National Documents can be found [here](#).

For EASPD's report on the European Semester, click [here](#).

EASPDs briefing on the European Semester can be found [here](#).

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