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Preparing an advocacy strategy for 2017

Dear friends,

In this last issue of the year, we chose to focus on the “autumn” package of the European Semester, which was released last month on 17th of November. With this group of documents, the European Commission has revealed its official set of economic and social priorities for the year ahead.

This package will influence the contents both of the upcoming National Reform Programmes and of the 2017 Country Specific Recommendations, which makes the autumn package particularly relevant for our advocacy. We warmly encourage you to use these documents as tools for your engagement with your national governments. At the same time, we encourage you to comment on the Annual Growth Survey by contacting the Semester Officer in your Representation of the Commission at National level, and to share your observations on the social situation in your countries with the Country Desk officers of the European Commission. The Eurodiaconia secretariat would be happy to provide you with any assistance you might require.

The current edition of the ESQ features a general description of the relevance and contents of the 2017 Annual Growth Survey (AGS) on **page 4**. On **page 6**, a critical commentary is provided, in particular as regards to the impact of the AGS on the fight against poverty and social exclusion. On **page 11**, you can find an introduction to the Joint Employment Report, which is also part of the autumn package released in November by the European Commission.

As in previous editions, this ESQ features a member interview and an analysis of a relevant Semester stakeholder. This time, we interviewed Jean Fontanieu from Eurodiaconia’s French member FEP on the organisation’s involvement in the European Semester (see **page 8**). On **page 10**, you will find an introduction to the Social Protection Committee and its role in EU economic and social policy planning.

Please feel free to give us feedback on your involvement in the European Semester process and on this publication – we want to hear your views, experiences and ideas for future editions. Hoping for a fruitful new year for advocacy for all Eurodiaconia members, we wish you good reading and a restful Christmas break.

Eurodiaconia’s Semester Policy Team

If you have any questions, suggestions or experiences to share, please do not hesitate to contact stephan.burger@eurodiaconia.org, giacomo.manca@eurodiaconia.org or Clotilde.clark-foulquier@eurodiaconia.org

The Annual Growth Survey for “dummies”:

What it says and why it's important

Introduction

On 17 November 2016, the European Commission published its Annual Growth Survey (AGS) for the year 2017 as part of the so-called “Autumn Package”, which launches the new Semester cycle for the next year. The package contains various documents covering several aspects regarding the financial, economic and social policies for the EU. Among these documents, the European Commission released:

- [a Recommendation for a Council Recommendation on the economic policy of the Eurozone](#);
- [a Communication "Towards a positive fiscal stance for the euro area"](#);
- [the 2017 Alert Mechanism Report](#), which identifies the countries and issues which require In-Depth Reviews for further economic analysis;
- [the 2017 draft Joint Employment Report](#);
- [the assessment of euro area Member States' Draft Budgetary Plans for 2017: a Chapeau Communication](#) and individual [Opinions for 18 euro area Member States](#) (all except Greece) including the [Assessment of action taken by Portugal and Spain](#), as well as analytical [Staff Working Documents](#).

The AGS is the most general and comprehensive of the documents forming the package. It tries to analyse the most recent trends in terms of economic and social policies in Europe, it sets out what the Commission believes should be the EU's priorities for the coming 12 months in terms of economic and budgetary policies, and it announces the main policy steps foreseen for the upcoming year.

Quoting the Commission press conference that released this package, the emphasis is placed on “the importance of ensuring social fairness as a way to stimulate more inclusive growth, as well as on the need to strengthen competitiveness, innovation and productivity”. Eurodiaconia, together with many other civil society actors following European policies,

welcome the commitment to social fairness and hopes this will be reflected in next year's documents, particularly the National Reform Programmes published by Member States in April and the Country Specific Recommendations, which the Commission will release in May. The positive developments in terms of the language and rhetoric used by the 2017 AGS, combined with some significant proposed measures, could help to support a stronger Social Europe.

What can you do?

As it outlines key political priorities for the next year, the AGS can be a very valuable tool to support your demands towards reforms reflecting the social fairness envisaged by the Commission with this document.

Every EU Member State needs to submit a National Reform Programme (NRP), which responds to the policy priorities outlined in the AGS, to the European Commission in April. Before the submission of the finalised NRP, civil society actors (including Eurodiaconia members) have the opportunity to provide their own input for the draft version.

As getting involved in consultations for NRPs can be difficult in some Member States, we would encourage you to contact your **European Semester Officer**, asking what kind of engagement is envisioned for civil society stakeholders and what the opportunities are for involvement in NRP consultations. Please find an updated list of the European Semester Officers [here](#).

Main findings on the AGS

The AGS lists several improvements across the EU when it comes to the resilience of the European economy: all Member States are growing again, the employment rate has increased and it is in line with the Europe 2020 target, and the average public deficit of the EU has been reduced. However, the Commission states clearly that there is no room for

complacency in the light of these slight improvements: one the structural weaknesses the Commission points out are various social issues, stating that “concerns for equality, fairness and inclusiveness call for raising awareness at all levels about the impact of policy reforms on income distribution”.

Concerning its reflections on the state of play, the survey scores some points in terms of better social integration, with comparison to the previous years:

- » It acknowledges the high level of inequality, which is growing in Europe, while at the same time the risk of poverty and social exclusion are mentioned as very severe issues to be taken into account, together with unemployment, which still remains very high in some EU Member States.
- » It mentions the possibility to introduce greater flexibility into budgetary policy, with reference to the Stability and Growth Pact and to fostering growth and employment.
- » Concerning the shrinking labour force, it calls for closing unjustified gender pay gaps, improving the work-life balance of men and women and for the inclusion of disadvantaged groups. It moreover addresses the discrimination of people with a migration background, stating that **growth and social fairness go hand in hand**.
- » It addresses the topic of **youth unemployment**, acknowledging that many actions are still to be taken: in this document, the Commission calls for prioritising investments into human capital, placing increased importance on skills through the new Skills Agenda, and providing additional funding for the Youth Guarantee, which needs to be enhanced in its effectiveness to better work across the Union.

- » It calls for improved social dialogue as a prerequisite for the good functioning of the social market economy, affirming the importance of social partners both at EU and national levels in striking the right balance between economic and social policies.
- » It defines social policy as a productive factor and calls for better unemployment benefits (which should be sufficient in terms of duration, eligibility, compensation level, and be accessible for all irrespective of contract type), as well as for active support towards labour market reintegration of unemployed people and for the use of tax systems as a tool for combating inequities and poverty.
- » It acknowledges unmet health needs, calling for reforms of health systems which ensure “universal access to cost-effective public health and healthcare services”. It also points out the need to protect potentially vulnerable people from fall into poverty or social exclusion due to health-related expenditures.
- » It mentions persons with disabilities as a vulnerable category persistently lacking equal opportunities in the labour market, which needs to be supported more effectively with efforts focusing on “abilities instead of disabilities”.

Some concerns remain, referring to the focus on fostering growth and employment: **social fairness is mainly portrayed as a productivity factor, while in terms of jobs creation, little attention is paid to the quality of jobs contracts**. Whilst declaring the importance of the social partners in shaping economic and social policies, little attention is given to the dialogue with civil society. Finally, **where flexibility is mentioned, there is no acknowledgement of the damage produced by austerity measures in previous years**.

Is the Annual Growth Survey 2017 a true step forward for social Europe?

There seems to be a consensus between social NGOs in saying the Annual Growth 2017 has given more attention to social objectives than any of the previous annual growth surveys before. In many instances, the 2017 package has indeed placed a strong emphasis on social objectives and investment, but the real challenge remains the difficulty in implementing such objectives in a context which, by all other means, concentrates on growth and budget reduction as essential first steps for economic policy coordination.

Quality employment and adequate social protection

The AGS 2017 is based, as the previous ones, on the principle of an economic recovery grounded on employment. But it also underlines strongly the importance of social protection by stating, for instance, that Member States and social partners should consider their impact on in-work poverty, job creation and competitiveness when setting minimum wages. Further on, it states that “unemployment benefits should be sufficient in terms of duration, eligibility and levels, and be accessible to all employees irrespective of their contract, while preserving incentives to work and including activation requirements as regards job search and participation in active measures. Furthermore, adequate minimum income benefits should be ensured for those who lack sufficient resources for a decent standard of living.”¹ The AGS 2017 therefore seems to clearly express a care for a balance between social and economic objectives. This is a key step, and a success in itself.

The challenge of coherence and implementation

However, others view this AGS package as a missed opportunity. As FEANTSA (the European Federation of National Organisations working with the homeless) puts it, “the Commission appears to have overlooked the fact that a growing number in Europe struggle to find and keep a decent home.” FEANTSA goes further than the housing question and explains that “The Commission name-checks a range of crucial policy elements: social protection systems; quality services; social housing and housing benefits; income support schemes; long-term responses to migration; reaching the most excluded young people and those who lack basic skills; the link between health and inclusion etc. However, the AGS does not present a convincing manifesto for improving the living conditions of people in Europe. The policy areas listed are presented as levers for growth and jobs, rather than for delivering social rights.”²

Eurodiaconia understands and supports this analysis, regretting the lack of implementation tools for the package and the priority focus on a “job-intensive” recovery leaving too much space for low-quality jobs, even if the importance of quality of employment is mentioned. However, Eurodiaconia also wants to recognise the decisive improvement in the wording of the AGS 2017, even if the wording in itself provides no guarantee for positive social change.

An improvement in the social situation?

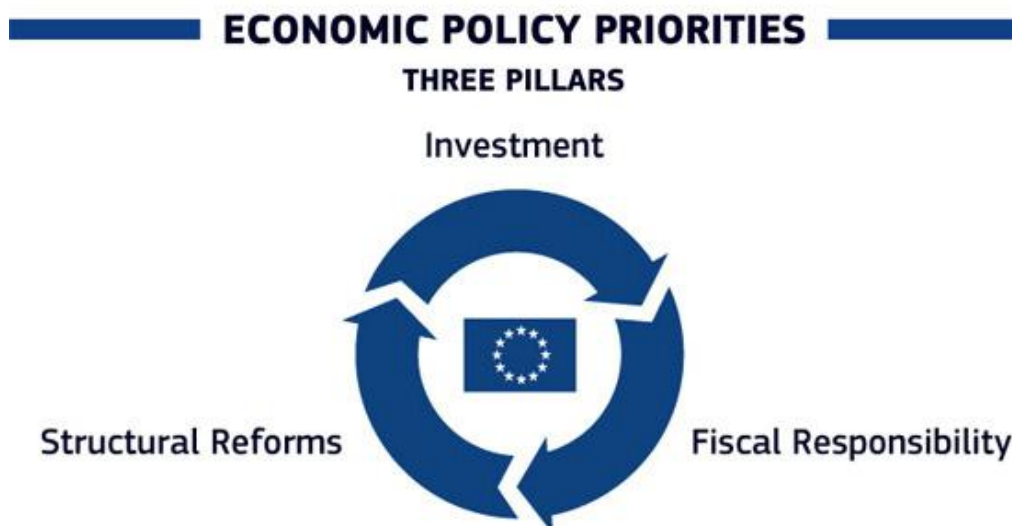
The draft Joint Employment Report, published with the AGS 2017, presents the state of play

¹ Page 12, Annual Growth Survey 2017

² FEANTSA Position: “The Autumn package missed the point on housing” 28th November 2016, page 2

for employment and the social situation in Europe. It describes an improvement in the employment and social situation, explaining that *“though recent improvements are welcome, a concerted effort is needed towards the target of lifting at least 20 million people from poverty or social exclusion by 2020, as the number of people at risk of poverty or social exclusion in 2015 remains higher than in 2008. Overall income inequality stabilised on a high level in historic terms, with important divergences across the EU, as shown by the scoreboard of key employment and social indicators.”*³

It appears that the AGS 2017 package has been giving more attention to the social situation, and might even lay down the basis for a rebalancing of economic and social priorities and for a more social Europe. This would be in line with some positive recent initiatives from the European Commission such as the European Pillar for Social Rights and the links made to the Sustainable Development Goals. However, Eurodiaconia is looking forward to seeing how these positive wordings will be translated in terms of actions, and in particular, how they will be linked to aspects of economic coordination, such as “responsible fiscal policies”.



The European Semester (and consequently the AGS) develops around three main objectives for Europe.

³ Page 2-3 draft joint employment report accompanying the communication from the Commission on the Annual Growth Survey 2017

The 2016 European Semester: A French perspective

Eurodiaconia's French member, **Fédération d'Entraide Protestante (FEP)** has recently started to be involved in the European Semester process as a member of a bigger federation of non-profit social services providers. We have asked a few questions to **Jean Fontanieu**, Secretary General of FEP, to share some insights from his experiences with the Semester.

How long have FEP been involved in the European Semester? How would you rate your involvement in the European Semester process for 2016 so far?

Our involvement is quite recent; we started monitoring this process about two years ago. We started thanks to a Eurodiaconia meeting on this topic that we co-organised in Paris in 2014. Since then, we have tried to establish a dialogue with the French government on its **National Reform Programme** and on the implementation of the **Country Specific Recommendations**, but the government has not been very supportive towards our direct engagement.

Do you have any other way to make your voice heard?

The French authorities accept only a very limited number of stakeholders for consultations on EU matters. Civil society actors operating in social affairs are invited to consultations through a federative alliance, the UNIOPSS (Union nationale interfédérale des œuvres et organismes privés non lucratifs sanitaires et sociaux), which represents all not-for-profit actors providing health and social services. FEP is a member of this organisation, which has a bigger capacity and employees covering many policy fields. Having a policy officer specialised



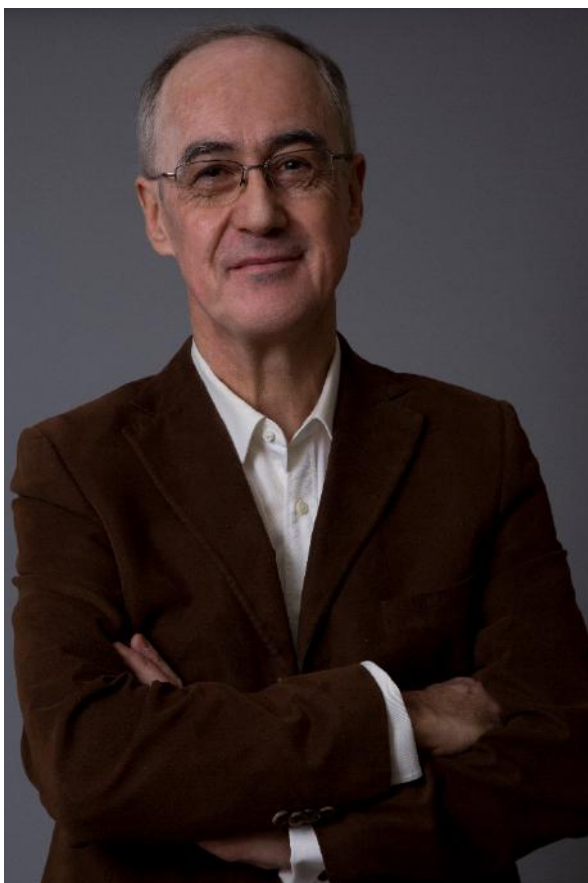
in EU Affairs, UNIOPSS can structurally engage with the French government on the European Semester, which is not possible for smaller organisations like FEP.

Have you ever been involved in a consultation organised directly by the European Commission? Have you ever been in touch with the European Semester Officers?

No. Currently we are not in contact with the French European Semester Officers, but we are open to it and we would be happy to participate in any consultations, perhaps together with other Christian organisations such as Secours Catholique in order to join voices. We haven't been invited to any consultation yet; perhaps this is because we are less known at the EU level, as our only direct engagement with EU institutions relates to project calls, especially in the realm of refugee integration.

Do you feel that key social issues of your country are adequately reflected in the Country Specific Recommendations published by the European Commission in 2016, and more broadly, by EU policies?

I think that the recommendations are fine, but limited in their scope. The issue of **youth exclusion** is addressed concerning the rise of youth unemployment, and the lack of a connection between the education sector and the labour market (which the European



Jean Fontanieu is the Secretary General of Fédération de l'Entraide Protestante, Eurodiaconia member in France

Commission has pointed out as a very urgent problem). But the fact that 150 000 persons leave school without a diploma every year poses a much bigger challenge. We face this generations years later in our services, as these persons risk falling directly into destitution and often drug consumption, alcoholism or criminality. It is a very widespread problem which has existed for at least 20 years, but there have not been any successful policies to address it so far.

The question of refugees is a key social priority indeed, which is not included in any of the recommendations. We are not adequately prepared for the influx of refugees we are currently facing. The French government has responded to an emergency, but the issues of shelters and refugee status are not being managed effectively.

More broadly speaking, are you active in advocacy and policy monitoring at the national level? If yes, on which topics and in which way?

Yes. We are involved in consultations on national political issues, but not in relation with the European Semesters' objectives. The authorities are interested in hearing our voice on programmes against poverty in France, however. We often meet with representatives from the Ministry of Interior on the issue of refugee' protection and I would say that we are quite well-involved at the national level.

Could you mention other very urgent measures in terms of social policies to be taken for France?

One of our problems relates to the lack of structures providing services to many marginalised people: public authorities provide emergency support, but they lack a preventive approach. We face over-indebted people which are not defended or assisted until they lose their properties, as well as people getting out of prison and finding themselves ending up in homeless shelters as there are not adequate support programmes. **Homeless shelters** are often overcrowded, up to a point where just in Paris we had to pay millions of euros for hotel rooms due to a lack of facilities for people in need. We are facing problems which could be easily prevented.

- Involved with the European Semester since 2014
- **Participation in consultations:** through an umbrella organisation of social services providers (UNIOPPS)
- Main focus: NRP, CSRs.

European Semester Stakeholders: A closer look at the Social Protection Committee

The [Social Protection Committee](#) (SPC) is an advisory committee to the Employment and Social Affairs Ministers, meeting as the [Employment and Social Affairs Council](#) (EPSCO).

The SPC is formed by national social policy experts from each Member State, chosen by their Member States. The SPC's responsibility is to monitor and report on the social situation in the European Union, as well as to promote coordination between governments on employment and social affairs policies. The SPC particularly focuses on social inclusion, health care, long-term care and pensions under the method of the "[social open method of coordination](#)". The idea is for the SPC and European Commission to support Member States' policies in the field of social inclusion and social protection.

This is relevant for Eurodiaconia members as the SPC plays a very important role in the European Semester by describing the social

context and proposing how to respond to it: although it has no decision power, it describes the background situation. Based on this analysis, the Employment and Social Affairs ministers will decide policy orientations.

That is why Eurodiaconia members are encouraged to establish a relationship with their national SPC members, to inform them of their experience and challenges, and in doing so to contribute to the analysis of the SPC, that will serve as a basis for the EU political actions. It might be easier to engage with the national SPC member on some specific issues, such as child poverty or homelessness. It might be possible also to contact them to ask about the formal process (if any) for stakeholders' engagement at local and national level.

To know more about the SPC, click [here](#). The updated list of SPC representatives is available [here](#). If you would like the Eurodiaconia secretariat to support you in engaging with your national SPC representative, please feel free to contact us.



A closer look at... the Joint Employment Report

Introduction

Towards the end of each year, as part of the so-called AGS package, the European Commission releases a draft Joint Employment Report and an Alert Mechanism Report. Together with the AGS, the documents kick start the new European Semester cycle.

It is generally the Annual Growth Survey which receives the most attention and triggers the largest number of responses – by setting out broad strategic priorities for Member States, it influences both the economic and the social dimensions of national policy-making. Eurodiaconia members who are doing advocacy on a national level can use the AGS to reinforce their own recommendations – they can use AGS statements as ‘hooks’ to support their analysis and proposals, and link observations

By contrast, the Joint Employment Report (JER) remains an item of relative obscurity. This article will attempt to shed some light on the contents of the 2017 JER, as well as on its relevance for diaconal actors.

What does the Joint Employment Report say?

Comprising more than 50 pages and providing many graphs and figures, the JER is lengthier and more technical than the AGS. It receives less attention primarily because, unlike the AGS, it doesn't provide explicit policy guidance to Member States. Rather, it serves as an evaluation tool, providing an annual overview of key social and employment trends across Europe and looking more in-depth at the implementation of jointly agreed Employment Guidelines.

Whilst the title of the report already implies that the key focus is on employment, the document doesn't look solely at labour market trends. It also looks at measures combating poverty and



from the local and national level to the European level.

fostering social inclusion, making it relevant not only for social partners but also for

organisations supporting those who are not able to access employment.

Overall, the 2017 JER paints a cautiously positive picture of social developments in Europe, starting off with the statement that “the employment and social situation [in Europe] is improving in a context of moderate economic recovery.” Employment rates have risen, severe material deprivation rates have decreased, pension reforms have improved pension adequacy, and efforts have been continued to ensure that social protection systems provide adequate coverage and service quality. On the other hand, however, the JER emphasises that we have not yet succeeded to return to pre-crisis levels. Importantly, (child) poverty remains a key concern, income inequality remains high, in-work poverty developments remain mixed, and women continue to be underrepresented in the labour market. As the JER clearly illustrates, there is no space for complacency in the fight against poverty.

Why is the Joint Employment Report important?

The JER can be interesting for diaconal actors for two main reasons. Firstly, it provides us with reliable, up-to-date data on key social and employment trends in Europe. Whilst not being able to provide as much detail on the situation in individual Member States as the Country Reports (which are published at a later stage, usually in February/March), its contents are relevant because of their comprehensive scope and, particularly, their timing. Published well ahead of the drafting process of National Reform Programmes, diaconal organisations

can use information contained in the JER to support and complement their national advocacy.

Secondly, the JER does not only provide a diagnosis, but also recommendations. For example, the 2017 JER mentions the following points:

- “In recent years, the EU has experienced an unprecedented influx of migrants including refugees, with almost 1.8 million asylum applications filed in 2015 and the first half of 2016. This underlines the importance of **comprehensive integration strategies** in order to ensure that refugees can be effectively integrated into the labour market and society more generally.”
- “Reforms promoting resilient and inclusive labour markets must continue, stimulating job creation and labour market participation while properly combining flexibility and **adequate security**.”
- “Tax systems should better support job creation and **address inequalities**.”

Whilst such statements don't carry the same political weight as the priorities outlined in the AGS, they can nonetheless constitute advocacy hooks for diaconal organisations and other NGOs.


To read the 2017 Draft Joint Employment Report, please click [here](#).


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