

European Semester Quarterly

April 2017 - Issue 5

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Editorial

Dear colleagues and friends,

On the 25th of March, exactly 60 years after the Rome Treaties were signed, the leaders of 27 Member States convened in Rome to reflect on the future of the European Union. Together with the leaders of the three key EU institutions, they renewed their commitment to European unity, signing a Declaration to build a more secure, prosperous, sustainable and social Europe.

From a diaconal perspective, the explicit emphasis on fostering a social Europe, on promoting equal opportunities for all and on fighting poverty and social exclusion is an encouraging one. However, the key question remains to what extent these words will be translated into action. In a White Paper launched earlier this month, the European Commission has outlined five possible scenarios for Europe's future, but only two of them would enhance the space for joint action on social issues, and only one of them would stand a clear chance of increasing social cohesion and convergence across the whole EU.

The European Commission's White Paper and the Rome Declaration mark the beginning of a reflection process which will have major implications for the future shape and direction of European cooperation. The first conclusions will be drawn at a meeting of the European Council in December. As such, the coming months will be crucial for diaconal actors across Europe to make their voices heard. The European Semester represents a key opportunity to do just that.

In 2017, the European Semester cycle is about more than fiscal consolidation and social investment in different national contexts; it provides a chance to discuss your vision on the future of (social) Europe with both the EU institutions and your national government. Accordingly, this year's European Semester Quarterly will be about more than 'just' the Semester cycle itself. We will continue to inform our members about key developments around the Semester, but also aim to present and discuss key documents which relate to the wider reflection on Europe's future. We hope to demonstrate that, in the end, these issues are closely interlinked.

This issue of the European Semester Quarterly features a closer look at the topic of 'youth inclusion' in the context of the European Semester, an interview with Diakonie Austria on their involvement in the Semester process, an examination of the social content of the 2017 Country Reports and a comparative analysis of different European Parliament reports on the 2017 Annual Growth Survey. It also explores the contents of the European Commission's 'White Paper on the Future of Europe', providing members with both an assessment of the Paper's key scenarios and with some pointers on ways to take action. We hope the different articles in this issue can be of use for your advocacy work.

With best wishes,

Eurodiaconia's Semester policy team

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Reminder:

What the European Semester is and what you can do!

The European Semester is an annual cycle of policy coordination which the European Commission uses to analyse EU Member States' economic and budgetary policy and to provide recommendations for future reforms. It is important for us because it is meant to support Member States in achieving the targets of Europe2020, and can have a serious impact on poverty and social exclusion policies.

Please help us use the full potential of the European Semester to realise a more social Europe by 2020!

Key dates of the European Semester Process

November 2016

Annual Growth Survey (AGS) 2017

- Analyse what the proposal means to your specific area of expertise (i.e. do you agree? is there something missing?)

February 2017

Country Reports

- Provide feedback on the accuracy of the Reports to your Country Desk Officer and to your national member of the Social Protection Committee
- Use observations made in the Country Report, where possible, to corroborate your concerns and recommendations towards your national government

March 2017

Ministers at EPSCO Council debate European Semester

- Share your own position and priorities with governmental representatives (e.g. your social affairs minister) and other relevant actors

NOW

→ March/April 2017

Member States develop National Reform Programmes (NRPs)

- Get involved in the stakeholder consultation at national level
- React on the NRP once it has been issued

May - July 2017

Member States receive Country Specific Recommendations (CSRs)

- Analyse the (draft) CSRs for your country and comment on their appropriateness to your Country Desk Officer

August - October 2017

Member States incorporate recommendations in their NRPs

- Monitor and assess how the CSRs are implemented
- Send your assessment to Eurodiaconia, your government and to your Country Desk Officer ahead of the next AGS and Country Reports

In our past editions of the European Semester Quarterly we have focused on different of these key documents. You will also find in-depth analyses as well as interviews with some of our members, giving tips & tricks on how to reach out to your governments. You can find them [here](#).

Furthermore, we have developed a specific toolkit on the European Semester, where you have access to all information on the European Semester and how to take action. Check it out [here](#).

It can also be interesting to have a look at our general [Advocacy Toolkit](#) or at the [European Semester Alliance Toolkit](#).

Thematic Feature: Europe's Youth – Europe's Future

Young people in the European Union have been particularly affected by the economic crisis, resulting in a sharp increase of youth unemployment and creating a feeling of insecurity for many. While now the economy is generally recovering, many young people still find it difficult to enter the labour market. Therefore, in his State of the Union Speech in September 2016, Commission President Jean-Claude Juncker insisted on the importance of investing in the youth:

“And, more than anything, we need to invest in our young people. I cannot and will not accept that Europe is and remains the continent of youth unemployment. I cannot and will not accept that the millennials, Generation Y, might be the first generation in 70 years to be poorer than their parents.”

In line with this speech a [Commission Communication on Investing in Europe's Youth](#) has been published in December 2016. It aims at making youth unemployment a priority, focusing on investing in skills and education and aiming at a full and sustainable implementation of the *Youth Guarantee* by all Member States. Concrete steps forward are the development of a *Quality Framework for Apprenticeships*, the creation of *Erasmus Pro* to support apprentice's mobility and the *European Solidarity Corps* to encourage the young to get engaged in the society through a volunteering and an occupational strand. A consultation will be conducted in 2017 among different stakeholders, including young people, in order to shape the revision of the European Youth Strategy beyond 2018. These initiatives build on

Commission Initiatives on Youth
Since 2010 the European Commission is putting forward initiatives to support young Europeans, such as the European Youth Strategy. In 2014 the Youth Employment Initiative, a financial instrument, has been created to support the efforts made by Member States under the Youth Guarantee, which is a commitment ensuring that all young people under 25 receive a good quality offer of employment,

and aim at complementing already successful EU programs for youth inclusion, such as the *European Volunteering Service* and *Erasmus+*, which is celebrating its 30th anniversary this year.

How is youth addressed in the European Semester?

At first sight, it seems that the European Semester is not having a focus on youth. However, it is addressing it through the lens of the Europe 2020 targets, in particular the employment and education targets. The employment target aims at having 75% of the population between 20 and 64 in work by 2020, while the education target aims at reducing the share of early school leavers to 10% and reaching a share of 40% of 30-34 year olds having completed higher education. These two aspects lead the Commission to have a closer look at education policies and youth employment strategies in the European Semester Cycle.

Tackling youth unemployment – reaching out to the low-skilled

Both the AGS and the Communication on the Country Reports stress the positive evolution of falling unemployment numbers throughout the last year. However, youth unemployment in the EU is still high (18,2%) and several Member States have youth unemployment rates well above this, such as Italy facing 40% youth unemployment in December 2016. It is encouraging that the AGS is stating that “more action is needed from the Member States to fight youth unemployment” (p.10). It is surprising, though, that youth unemployment is not presented as a key problem and that fully

rolling out the Youth Guarantee is presented as the main remedy, without mentioning the need of any other measures.

Some countries have already received Country-Specific Recommendations (CSRs) throughout the last years addressing youth employment and the Commission is recognizing the reform efforts that have been undertaken. In Romania, for example, these recommendations “have triggered a more integrated approach, which was proposed in 2016, including a pivotal role for the National Employment Agency” (p.10). It “plans to deploy integrated teams to identify and register NEETs. The teams will offer an integration pathway supported by more attractive active labour market policies. Since 2016 all NEETs can benefit for the first time from employment subsidies.” (p.21)



Reaching out to young people, especially to the lower skilled, encouraging them to register and providing them with adequate services and opportunities to enter the job-market is, however, still a key difficulty for many countries. For example, the Country Report for Cyprus states that “the capacity of the public employment services to provide services to the unemployed, reach out to NEETs, and help reduce welfare dependency remains sub-optimal.” (p.20) The Commission points out particular difficulties in reaching out to the low-skilled in several Member States, such as Bulgaria, Denmark, Slovakia and France, where “increased active labour market policy

measures targeting low-skilled young people have succeeded in reducing low-qualified youth unemployment only slightly.” (p.35)

Fighting inequalities in Education

The AGS and the Communication on Country Reports are widely positive about the achievement of the education targets. When taking a closer look at the Country Reports, however, it becomes obvious that the situation is not as positive as it seems at first sight. While the European targets on early school leavers and people in tertiary education are very likely to be achieved by 2020, some Member States have more difficulties reaching their national targets. Furthermore, Eurodiaconia regrets that education is not presented as a value and a right per se, but rather as a means for entering the job market and supporting the competitiveness of the economy.

Concretely, the key issue across most Member States concerns inequalities in education and employment perspectives. In several countries, young people with a disadvantaged socio-economic background, with a migrant background or from a minority community

achieve much lower results in education than the others. The Country Report for Belgium found “persistently high educational inequalities and wide gaps in performance between schools.” (p.27). Similarly, in countries such as Malta or Sweden, the “socio-economic status is found to strongly influence student performance” (Malta, p.21), whilst the Czech Republic still struggles to ensure Roma children’s access to mainstream education.

Why is this relevant for you?

At EU-level, good momentum has been built following President Juncker’s Statement on the importance of investing in Youth. It is positive

that the European Commission recognizes the importance of addressing equal access to and high quality of education, as well as the need of addressing youth unemployment with targeted measures, in the context of the European Semester.

Eurodiaconia Members can use this momentum at national level by calling for more and better investment in the youth and by proposing necessary reforms. More concretely, members can call on their governments to promote youth inclusion in their National Reform Programmes (NRPs), as well as to fully implement the Youth Guarantee and step it up with additional efforts to ensure active inclusion of all young people,

regardless of their background. Have a look at our [Europe 2020 toolkit](#) for tips and tricks on how to reach out to your governments.

Many of our members provide services for young people, addressing not only the questions of education and work inclusion, but all kinds of challenges that these youngsters encounter. Several EU funds are available supporting projects targeting young people. Do not hesitate to check our [funding toolkit](#) and to keep an eye on potential [calls for proposals on our website](#). If you have any questions related to these funding opportunities, please contact the Eurodiaconia Secretariat.

The 2017 European Semester: an Austrian perspective

For this edition of the European Semester Quarterly, we have asked Martin Schenk from our Austrian member Diakonie Österreich to share with us his experiences with the European Semester. Diakonie Österreich is involved in the European Semester process since its very beginning. They act individually as well as through their membership of the Austrian Anti-Poverty Network and the Bundesarbeitsgemeinschaft Freie Wohlfahrt, which is a cooperation of the five main Austrian social service providers, including also Caritas and the Red Cross.

- Involved with the European Semester since 2010
- **Contact with the European Semester Officer:** Yes, but only concerning the Pillar of Social Rights and not in relation with the European Semester
- **Main focus:** care and long-term care, investment in social services, affordability and accessibility of health care

Martin Schenk told us his rather difficult experience with the European Semester. Eurodiaconia is aware that many members are struggling to be (meaningfully) consulted by their governments in the European Semester process. However, Diakonie Österreich is a good example of an organisation which, in spite of facing significant obstacles, continues to see the value of engaging with the Semester as a tool to voice its concerns and recommendations.

How long have you been involved in the European Semester Process?

Actually, since the very beginning. We always had a tradition of being involved. This involvement goes also a lot through our strong cooperation with the other main social service providers in Austria in the Network BAGFW, which is doing a lot of policy work. Furthermore, we are part of the Austrian Anti-Poverty Network, which is more research-based. In both cases we have very good and regular cooperation. Within the BAGFW we are meeting on a monthly basis. Despite having sometimes different points of view, we cooperate very well,



Martin Schenk is Diakonie Österreich's Deputy Director

especially in the field of care, social services and social investment.

Since I started working in the Diakonie in the year 2000, we have always responded to European initiatives or participated in consultations, also working with the Austrian government. The main focus for our involvement is care, especially long-term care, but also the whole concept of Social Investment in social services, as well as affordability and accessibility of health care.

How would you describe your involvement in the European Semester Process?

Before the European Semester, we had very good contacts with the Federal Ministry of Labour, Social Affairs and Consumer Protection. The process was clear and, even though the decisions taken by the government did not always align with our recommendations, the exchange took place at eye level. We could present our issues and there were always good discussions. We were provided with explanations whenever the government deemed particular proposals infeasible.

With the introduction of the European Semester, the responsibilities moved to the

“Bundeskanzleramt” (Federal Chancellery). For them, the exchange with civil society is a completely new domain and it is providing to be very difficult. Instead of organising a consultation or dialogue during the drafting process of the NRP, they have been inviting civil society organisations to an annual conference with Q&A sessions at the end. After the third conference of this type, we told them that this was not what we expected from a dialogue. From that moment onwards, they did not invite us anymore, but commissioned a study on stakeholder involvement. They presented the outcomes of the study last year, but it did not result in any change in working methods. In 2016, there was no consultation with civil society whatsoever.

On the other hand, we have good personal contacts with the cabinet of the new Chancellor. Thanks to this, we have had three or four good conversations with the Chancellor on several social issues, but not in the framework of the European Semester.

Are you in contact with your European Semester Officer?

Our contact with the European Semester officer is very recent. Actually the contact has been established in the context of the Social Pillar, because he is also responsible for this. During the consultation phase around the Social Pillar, the European Commission needed input and we have been contacted by the Semester Officer last year. Concerning the European Semester, the Commission Representation is more in contact with the social partners and does not seem to be aware of the contribution we could make. For sure it is also us who should be more

You don't know your European Semester Officer yet? Have a look at the list [here](#) to find out who it is and to contact him!
Should you encounter any difficulties, don't hesitate to contact the Eurodiaconia Secretariat.

active in this regard so that they notice that we are present and important partners.

Looking at this year's Country Report do you feel that it is adequately reflecting key social issues of your country?

The analysis is generally quite accurate and thorough, although it is of course very strongly focused on the economy and the labour market and therefore there are some blind spots as well. For example, some key social issues are not reflected in the Country Report, such as the lack of affordable housing, which is currently a key issue in Austria. Also, the limited accessibility of health care for low income households and the negative impact of minimum income policy reforms on families and children are key issues at the moment in Austria, which have not been taken into account.

In other fields we found a lack of coherence in the Country Report. There is, for example, no reference to the necessity of social investment, although the increasing need for care services is recognised.

Would you have tips for other Eurodiaconia Members who want to make their voices heard in the European Semester?

“Dran bleiben und lästig sein” (“Carry on and be annoying”) this is also an advice for ourselves. We have received a mandate from the Commission to get involved in this process, where all relevant stakeholders should be consulted. It is important that we make use of this mandate, which also gives us the legitimacy to talk to our governments on these issues. It is an important instrument and opportunity that we should not miss to make our voices heard.

We will do this again this year. In the last years we were disappointed by the situation and did not push very much in order to be heard, although we had been very active before. I think that this year it is going to play a key role in shaping the future of Europe, and as such, it is important that social service providers use the tools given through the EU and contribute their perspective.

European Semester Key Documents: A closer look at the 2017 Country Reports

In February 2017, the European Commission published a new set of **Country Reports** as part of the annual European Semester cycle. With the exception of Greece, which is subject to a separate process due to its ongoing sovereign debt crisis, all EU Member States participate in the European Semester and receive a Country Report.

Released a few months after the Annual Growth Survey, Country Reports mark a second phase of the Semester Cycle. Whilst both the Annual Growth Survey and the Country Reports are European Commission documents, they differ in two important ways.

Firstly, the Annual Growth Survey outlines explicit policy priorities and recommendations, whereas Country Reports are more aimed at taking stock of key developments. Generally speaking, the AGS is primarily prescriptive whereas Country Reports are primarily descriptive. Secondly, the Annual Growth Survey does not focus on the situation in individual countries. It formulates priorities for the EU as a whole, and contains a separate list of recommendations for the Eurozone; by contrast, Country Reports focus on a specific national context.

What kind of information is provided?

Country Reports analyse the social and economic policies of individual Member States. Their contents vary significantly, but their structure is similar. Each of the 27 Country Reports for 2017 is composed of the following relevant elements:

- ✓ An **executive summary**, highlighting the key trends per country. It provides a reliable indication of the Commission's understanding of a country's key challenges, and as such, of the potential focus of future Country-Specific Recommendations.
- ✓ An **economic outlook**. Unlike the title implies, this section also analyses labour market conditions and (in some cases) social policies.
- ✓ A description of progress made on the implementation of previous **Country-Specific Recommendations**. This section is particularly relevant for countries which have received social CSRs; Eurodiaconia members can use the assessment in their dialogues with national governments.
- ✓ **Reform priorities**. Of particular relevance is the subsection on 'labour market, education and social policies', which tends to vary in length between 5 and 10 pages.

What is positive?

A positive development regarding the 2017 Country Reports is the new section describing CSR implementation, which was missing in previous editions. Recognising that policy reforms on the basis of Country-Specific Recommendations take time, and that effects may take longer to manifest, the section does not just consider CSRs from 2016 but also those from previous years. This not only reduces the risk that 'older' social CSRs (from 2015 and previous years) fade from view and are not properly implemented; it also provides a

transparent analysis of the degree to which different social CSRs have been implemented so far. Eurodiaconia members can use this new section of the Country Reports to draw additional attention to social policy reforms which have not (yet) been effectively translated into practice.

Another positive development is the fact that, for the year 2017, all Country Reports contain a focused analysis of social policies (under the header 'Reform Priorities'), and many of them look explicitly at the issue of poverty and social exclusion.



What is worrying?

However, the general outcome of a cross-national social policy analysis bears ambivalent results. On the one hand, the European Commission's Press Release on the Country Reports notes that "the risk of poverty or social exclusion is the lowest in five years, and the overall income distribution is more equal than in other major economies." On the other hand, it acknowledges that "significant challenges still persist as high unemployment, poverty and inequality in some countries remain key concerns following the economic and financial crisis." Against this background, the Commission recognises that there is still a lack of progress in reaching Europe2020's poverty target. Persons with a migrant background, in particular, continue to be underrepresented in the labour market and face an increased risk of poverty and social exclusion.

A negative feature of the 2017 Country Reports is that they fail to recognize the role of civil society in designing and monitoring new policy measures. The European Commission's official Communication emphasises the importance of "close involvement of social partners to ensure ownership by a wider range of stakeholders" (p. 9), not mentioning civil society organisations. In a similar vein and on the same page, it underlines that policies need to be agreed with "key stakeholders, such as regional and local authorities and the social partners." The Commission's lacking awareness of civil society's role in shaping effective, evidence-based social policies in the context of the European Semester can have a negative impact at the national level too, as governments might feel less inclined to meaningfully involve civil society in the consultation process around the National Reform Programmes.

What can Eurodiaconia members do?

Members are warmly encouraged to read their Country Reports, which can be accessed [here](#). Particular attention should be paid to the executive summaries contained in each Country Report, which outline the Commission's view on key trends per country

and provide a sense of direction for future Country-Specific Recommendations.

Members can use the Country Reports in two different ways:

- 1) Members can use the Reports as a supporting tool in their advocacy towards their governments, complementing their own arguments with analyses provided by the Commission wherever possible and combining insights from the local/national and the EU level. This is particularly relevant now, as national governments are drafting their National Reform Programmes (NRPs) and are in many cases organising consultation rounds with civil society.
- 2) Members can respond directly to the European Commission on the content of an individual Country Report, reflecting on the accuracy of its social analysis and highlighting content for a potential Country-Specific Recommendation. To do so, please contact the Eurodiaconia secretariat – we would be happy to help you identify the relevant Country Desk officer within the European Commission and to support you in framing your key messages.

European Parliament's contribution to the AGS 2017: Towards a better implementation of the Country Specific Recommendations

The European Semester 2017 is continuing to prioritise economic growth through three pillars: boosting investment, pursuing structural reforms, and ensuring responsible fiscal policies.

In this context, the European Parliament has issued several opinions on the AGS from the Economic and Monetary Affairs Committee (ECON), the Employment and Social Affairs Committee (EMPL) and the Internal Market and Consumer Affairs Committee (IMCO).

First, the **Economic and Monetary Affairs Committee (ECON) issued its own-initiative report on the European Semester for economic policy coordination** on 14th February 2017. The report aims to contribute to the definition of economic policy priorities for the 2017 European Semester.

The report supports the European Commission's priorities of boosting jobs, growth and investment for the Union. Amongst other things,

the report insists on the need for structural reforms and the lack of implementation of the Country-Specific Recommendations (declining from 11% in 2012 to 4% in 2015 according to the report) in order to return to growth and create jobs. Through this report, the European Parliament also notes the new economic and political instabilities created by the Brexit and elections results in the US, and the related increasing uncertainties on trade; as well as the “backlash against globalization and the rise of protectionism” (point 6)

Regrettably for Eurodiaconia, the document does not mention social safeguards, or even quality employment as essential elements of a return to growth and structural reform. However, it is noticeable that the report does mention (point 27.) the need for the European Commission to focus efforts on cost-effective spending on high-quality healthcare as well as on universal access to and sustainability of healthcare. It also highlights the need for an increased effort of Member States to address youth unemployment (point 28).

Secondly, the **report on the employment and social aspects in the AGS 2017 from the Employment and Social Affairs Committee (EMPL)** was adopted on 10th February 2017. It is a very good report which clearly insists on the importance of quality employment (for instance in point 23.). The report also welcomes the AGS's emphasis on the 'importance of ensuring social fairness as a means of stimulating more inclusive growth' and request that the European Commission defines and quantifies its concept of social fairness (point 10).

Last but not least, the report insists on the need to address inequalities, not only as a moral necessity but also as high levels of inequality are detrimental to growth, referring to IMF and OECD studies that have underlines the economic need to address inequalities. It underlines that social inequalities in Europe hamper economic

recovery; it calls for stronger efforts to combat poverty and rising inequality, and, where needed, for greater investment in social infrastructure and support for those hit hardest by the economic crisis; and it calls on the Commission to ensure that the CSRs include a specific focus on combating inequalities).

Thirdly, the **Internal Market and Consumer Affairs Committee (IMCO) report on the Single Market Governance within the European Semester 2017** (1st February 2017) introduces an unexpected call for an increased awareness of the potential impact of policies and reforms on income distribution and fairness in its point 6. It “welcomes the Commission’s efforts to ensure that the benefits of globalisation and technological change are distributed fairly across different groups of society, in particular among young people; calls for awareness to be raised at all levels about the impact of policies and reforms on income distribution, guaranteeing equality, fairness and inclusiveness”.

The reports also emphasises the social dimension of the European Semester (e.g. point 3. stresses the importance of maintaining a focus on social performance as well as the promotion of upward economic and social convergence) and shares the ECON committee’s criticism regarding the lack of implementation of the CSRs.

The European Parliament, through these three reports, is generally supportive of the European Commission in its priorities of boosting jobs, growth and investment for the Union. It is also insisting on the value of economic coordination and the consequent need to better implement the Country-Specific Recommendations. In doing so, the EMPL and IMCO committees have successfully emphasized the importance of the social dimension of the European Semester, based on social fairness and quality employment.

The White Paper on the Future of Europe: What does it say and why does it matter?

On 1 March 2017, the European Commission presented its [White Paper on the Future of Europe](#). The release was strategically timed: the White Paper constitutes the European Commission's contribution to the Rome Summit, which took place on 25 March to commemorate the 60th anniversary of the EU. On that day, it was exactly 60 years ago that six European countries signed the Treaty of Rome, which officially established the European Economic Community (TEEC).

Much has changed since the Treaty of Rome entered into action. The European Economic Community became part of a more comprehensive 'European Union' in 1992, extending intergovernmental cooperation to new areas such as security and foreign policy and justice and home affairs. The number of Member States has expanded significantly, reaching its zenith when Croatia became the 28th Member State in 2013.

However, as the Commission's White Paper clearly acknowledges, the process of European integration is becoming increasingly contested. Juncker's self-proclaimed 'Last Chance Commission' is facing challenges ranging from the aftermath of a financial crisis and an unprecedented influx of refugees to a general disconnect between EU institutions and European citizens. The Paper concedes that "many Europeans consider the Union as either too distant or too interfering in their day-to-day

lives. Others question its added-value and ask how Europe improves their standard of living" (p. 6). In 2016, the United Kingdom voted to leave the Union. Depending on the outcome of various national elections in 2017, more Member States might follow in the future.

No single vision

Confronted with the potential unravelling of the European Union, the Commission's White Paper has adopted a very cautious approach to framing a future for Europe – more cautious and

less ambitious, in fact, than had been expected. First and foremost, this caution manifests itself in the fact that the White Paper does not promote any particular direction for Europe's future. Instead, it outlines five very different scenarios for Europe by 2025, ranging from drastically narrowing the EU's policy focus to keeping the status quo or even 'doing much more together across all policy areas', without committing to a single one:

I Carrying On: The first scenario implies a continuation of Juncker's agenda, focused on promoting growth and jobs and on strengthening the stability of the Eurozone. As such, the current imbalance between economic and social priorities is likely to persist; social policy remains a shared competence of the EU and Member States.

II Nothing but the single market: The second scenario reduces the EU to a trade bloc, with the

What is a White Paper?

European Commission White Papers are documents which contain proposals for EU action in a specific area. They are not aimed at guiding the implementation of agreed policy initiatives, but about providing a foundation for a targeted discussion in order to establish political consensus. This discussion involves a broad range of other stakeholders, including the European Parliament, the Council of the EU, social partners and civil society. Previous examples of White Papers include 'Adapting to climate change: towards a European framework for action' (2009) and 'An agenda for adequate, safe and sustainable pensions' (2012).

single market as the only focus of cross-national coordination. Policies relating to areas such as migration, security, foreign policy or social inclusion are shaped at national level or managed bilaterally, probably resulting in a greater divergence of standards.

III Those who want more do more: The third scenario keeps the status quo, but enables subgroups of Member States to pursue enhanced cooperation on any areas of their choosing, such as defence or social policy. A prominent example of an already existing subgroup would be the Eurozone, allowing coordination between Member States which have adopted a single currency.

IV Doing less more efficiently: The fourth scenario narrows the EU's scope for policy action, but in a less drastic fashion than scenario 2. Member States are free to choose on which (limited) number of areas they want to pursue cross-national cooperation and coordination. Migration is mentioned as a topic where the EU could potentially continue 'providing added value'. Social policy, by contrast, is mentioned as an area which might be dropped, with the exception of aspects linking directly to the functioning of the single market.

V Doing much more together: The fifth and final scenario envisages that the EU stays true to the principle of 'ever closer union', with Member States deepening their cooperation on a broad range of policy issues. This scenario would be the one most likely to enhance the EU's role in coordinating social policy and fighting poverty; however, in the face of mounting Euroscepticism, this scenario also seems the least likely.

Who is in charge?

Looking at the five scenarios outlined above, the White Paper clearly demonstrates that the European Commission is reluctant to claim the driver's seat. The document is not championing a specific vision and aiming to get as many

Member States as possible on board; indeed, the Commission refuses to explicitly promote any particular scenario, although implicit preferences can be detected when looking at the 'Pros and Cons' section of each option (for example, scenario 1 is evaluated more positively than scenario 2).

Instead, the Commission is positioning itself as a facilitator of a discussion whose outcome will be determined at the national level. In other words, it's not the European Commission but the Council which will truly shape the path ahead; this is further underlined by the White Paper's concession that the final outcome of the reflection process might deviate from any individual scenario the European Commission has proposed (p. 15).

Social policy and the European Semester

Given the lack of direction offered by the White Paper, it is very difficult to predict the future of a Social Europe. However, some preliminary observations can be made. Two out of five scenarios (2, 4) are likely to drastically reduce the role of the EU in coordinating social policies. Three out of five scenarios (2, 3 and 4) are likely to increase social divergence across the EU. The first scenario is likely to retain the current imbalance between social and economic priorities, whilst the fifth scenario seems politically unfeasible. The third scenario enjoys support from Member States such as Germany, France and Italy; however, other Member States such as Poland reject it. The third scenario constitutes a double-edged sword for Social Europe. In principle, it allows for a 'coalition of the willing' to pursue improved social policy coordination - but it entails a real risk that Member States with less advanced social protection systems will be left behind.

The outcome of the reflection process will have a clear impact on the role of the European Semester as well. The cycle might be further disconnected from the Europe2020 Strategy if the EU loses its current role in coordinating

social policy. An outcome similar to scenario 2 and 4 might spell the end for CSRs on poverty reduction or an emphasis on social investment in the Annual Growth Survey. The risk is that the social impact of economic policies would receive even less attention than before. An outcome similar to scenario 3 might change the structure of the Semester cycle, with new groups of Member States receiving their own, separate set of CSRs.

What is next and what can members do?

Over the course of the coming months, the White Paper will be complemented by a series of five reflection papers. Like the White Paper, these papers will offer different ideas and scenarios, without promoting a particular direction, for Europe in 2025:

- ✓ Developing the social dimension of Europe
- ✓ Deepening the Economic and Monetary Union
- ✓ Harnessing globalisation
- ✓ The future of Europe's defence
- ✓ The future of EU finances

Together with the White Paper itself, the reflection paper on 'developing the social

dimension of Europe' is the most relevant one for Eurodiaconia members. It is expected to be published around the end of April and to be accompanied by a finalised proposal on a European Pillar of Social Rights. More information on the reflection paper and on the Pillar proposal will follow on the Eurodiaconia website and in the next edition of the European Semester Quarterly.

In the meantime, members are strongly encouraged to address the contents of the White Paper in meetings with governmental representatives (including consultation meetings in the context of the European Semester) or through other advocacy initiatives, such as conferences, policy papers and social media campaigns. As Member States are now in the driver's seat when it comes to shaping (Social) Europe's future, sharing your concerns and recommendations with national governments is of key importance. Promoting common messages through broader NGO coalitions will increase your chances of achieving impact; in case you would welcome assistance with identifying potential partner organisations working on social policy in your country, please do not hesitate to contact the Eurodiaconia secretariat.



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