

# Rebalancing social and economic policy analysis in the European Semester:

*An appraisal of the 2018 Country Reports by  
Eurodiaconia and its members*

# Eurodiaconia

Eurodiaconia is a **dynamic**, Europe wide **community** of organisations founded in the **Christian faith** and working in the tradition of Diaconia, who are committed to a Europe of **solidarity**, **equality** and **justice**. As the **leading network of Diaconia in Europe**, we connect organisations, institutions and churches providing **social and health services and education** on a Christian value base in over 30 European countries.



We bring members together to **share practices**, **impact social policy** and **reflect on Diaconia in Europe today**.

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# Introduction

Eurodiaconia is a dynamic, **Europe-wide network of social services and healthcare providers** founded in the Christian faith and working in the tradition of diaconal service, which are committed to a Europe of solidarity, equality and justice. We represent **46 members in 32 countries**, including churches, non-statutory welfare organisations and NGO's, providing social services to hundreds of thousands of individuals across Europe on a not-for-profit basis. Our members have long-standing expertise in addressing social exclusion and care needs across our society, including the most

vulnerable, and a strong commitment to fostering a more inclusive Europe.

Following the publication of the country reports on 7 March 2018, Eurodiaconia asked its members for feedback, together with the recommendations they would like the Commission to give to their government. This document gives an analysis of how social challenges are dealt with in this year's country reports (part 1), as well as a detailed assessment of some country reports, based on the on-the-ground knowledge of our members (part 2).

## Part I: General assessment of the 2018 Country Reports

### [Eurodiaconia and the European Semester, a long story](#)

Eurodiaconia has been closely following the European Semester process. As a network and together with other civil society organisations, we have been calling since the beginning for the inclusion of stronger social analysis within the European Semester. Since 2015 Eurodiaconia has published regular reports on the European Semester<sup>1</sup> calling strongly on the European Commission to develop the social dimension of the European Semester, as macro-economic recommendations should not be made without carefully taking into account the potential effects on the well-being of citizens. Therefore, the network **welcomes the proclamation of the European Pillar of Social Rights in November 2017** as well as the use of the European Semester for the monitoring of its implementation.

This report aims at **taking stock of the evolution of the European Semester**. It therefore assesses whether the social challenges in the member states have been adequately taken into account and if the Country Reports are effectively monitoring the implementation of the European Pillar of Social Rights. It is to be acknowledge however that these are the first country reports since the proclamation of the Social Pillar. They are therefore a first attempt to take it on board and will probably be improved in following cycles.

The report is organised in two sections. The first is providing a general assessment of the 2018 Country Reports and has a look at trends and commonalities across member states.

The second section presents the detailed feedback from Eurodiaconia members, country by country. The analysis is based on the assessments of the 2018 Country Reports made

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<sup>1</sup> Eurodiaconia, [European Semester 2015: Evaluation and Recommendations](#)

by a wide range of Eurodiaconia's membership. Member organisations have analysed their Country Report and provided feedback. They have been asked whether they consider that the social situation in their country is adequately reflected and whether the most important social challenges are included in the analysis. In addition, they have been asked to provide three recommendations they would like the Commission to make to their national government.

### [An increasingly social Semester which reflects a shift in the perception of social expenditures](#)

Eurodiaconia and its network recognise and welcome the **increased focus on social policies in the European Semester** throughout the last two years, which has also been reflected in the 2018 Country Reports. Following the proclamation of the European Pillar of Social Rights, the European Semester now needs to prove that it can effectively play the expected crucial role of implementation framework for the Social Pillar.

Several issues which Eurodiaconia had been calling for have received more attention recently within the European Semester outputs. The 2018 Country Reports for example, stress the importance of investments in improved social safety nets and social infrastructure, including social housing. Although there is still some way to go, the last two years mark a shift of perception **from social expenditure as a burden towards considering them as investments**, which help to build more resilient economies. In addition, the European Commission also recognized the problematic issue of **in-work poverty**, which has significantly increased across Europe recently

and currently affects about 10% of all workers. In this regard, Eurodiaconia welcomes the Commission's attention to **quality employment**.

### [The 2018 Country Reports and the integration of the Social Pillar: a good start in need of further improvement](#)

The proclamation of the European Pillar of Social Rights provides a unique opportunity to enhance the social analysis within the European Semester and achieve a better balance between fiscal and social reforms. Expectations have therefore been high and while the Country Reports and the Communication from the Commission<sup>2</sup> have visibly taken the Social Pillar into account, it remains below expectations. The following section will develop further how the Social Pillar could have been included even more strongly into the Country Reports.

In the Communication from the Commission, the Social Pillar is only addressed in one paragraph. However, in the future, Eurodiaconia would welcome the inclusion in the Communication of a section with a summarized **analysis of the general performance of all Member States on each of the principles**. It would have been of great added value to have a short analysis of the general state of implementation of the Social Pillar across Member States. The first paragraph of **this year's Joint Employment Report** (Key Message 1) could be used as a starting point since it does give this global picture of the Pillar's implementation by Member States : *“Overall, this evidence points to ongoing progress with respect to the Pillar's three chapters, supported by the strong recovery and by recent reform efforts. Still, challenges on specific principles of the Pillar are identified for a majority of the Member States [...]”*<sup>3</sup>. We would suggest developing it further by

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<sup>2</sup> [https://ec.europa.eu/info/publications/2018-european-semester-communication-country-reports-0\\_en](https://ec.europa.eu/info/publications/2018-european-semester-communication-country-reports-0_en)

<sup>3</sup> <http://ec.europa.eu/social/main.jsp?advSearchKey=joint+employment+report&mode=advancedSubmit>

having a **separate section dedicated to an overview of the Pillar implementation** in the past year, with one paragraph on each of the Social Pillar principles, containing qualitative information on Member States' performance and reform efforts (**Recommendation 1**).

It is regrettable that the inclusion of the European Pillar of Social Rights, has mainly taken place through the **addition of a box reflecting the results of the Social Scoreboard**. This is of course an improvement and adds value to the Country Reports in comparison to previous years. However, the **Social Scoreboard fails to reflect the entire Social Pillar**. In particular, the principles concerning **social inclusion** are not well reflected through the Social Scoreboard and are thus hardly included in the Country Reports. The European Commission, together with the SPC and EMCO should work on **developing additional indicators** which adequately reflect the principles on social inclusion (**Recommendation 2**). In addition, the European Commission should think about **alternative ways to reflect the progress on implementation of all 20 principles**. This could be done in the body of the text by clearly identifying each principle, matching laws and policy measures to them, and following with an evaluation of their implementation and reforms. The box would then complement this qualitative and systematic approach by focusing on certain aspects or principles (**Recommendation 3**).

Indeed, a **systematic analysis of all principles of the Social Pillar** throughout all Country Reports is clearly missing. While unemployment benefits are mentioned in all Country Reports and minimum income in all but one (Finland), the problem of homelessness is only addressed in 7 Country Reports. This is happening despite the fact that many organisations are regularly

publishing reports which clearly show that homelessness has become an increasing problem in almost all Member States.

In addition to being incomplete, there is another issue with the Social Scoreboard which concerns the way it is measuring Member State's performance. No targets or benchmarks have been agreed, instead Member States are compared with each other. This is very regrettable, as mentions like "better than average" or "critical situation" don't tell the reader anything about the actual situation in this Member State. It can be that all Member States are performing very well and then the one performing slightly less well is badly represented. On the other hand, if all Member States perform very badly, those performing slightly better have no incentive to improve further. The effect of upward convergence is then only limited and not oriented towards concrete targets to reach. We would therefore suggest **adding quantifiable targets to reach for all Social Scoreboard indicators**, therefore making the evolution towards better compliance with the Pillar principles more visible for each Member States. These could be country-specific or EU wide, depending on the indicator and on the national situation. It would make the analysis clearer and turn the Semester into the real Pillar implementation monitoring tool it ambitions to be (**Recommendation 4**). Finally, this way of measuring also makes it **difficult to show evolutions in time**, since the improvement or deterioration of a Member State's situation is only measured in comparison to the previous year, long term or even medium term trends are not reflected and it is therefore difficult to draw conclusions.

[The role of civil society remains undervalued](#)

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[&catId=22&policyArea=0&policyAreaSub=0&country=0&year=0](#), p. 7

The **effective involvement of civil society organisations at all levels in the European Semester** process is a key pre-condition for making the European Semester more social. Civil society organisations have a different

However, it is regrettable that the European Commission is not **encouraging Member States** sufficiently to engage in a civil dialogue at national level. Most of our members face **closed doors when they try to engage with Ministries** on the European Semester.

Eurodiaconia regrets that the **Communication on the Country Reports uses only weak language** with regards to the consultation of civil society. In “Next steps” (p. 15) the European Commission stresses the opportunity provided by the European Semester, to work in a “constant dialogue between the Commission, Member States, social partners and stakeholders at all levels” instead of mentioning explicitly “civil society”. In addition, the **recommendation to Member States** to draw up the National Reform

perspective on many aspects of society and have valuable insight information, especially in the area of social inclusion. Eurodiaconia welcomes the steps taken by the European Commission in order to **improve this civil dialogue at EU level**. Programmes with the support of “civil society organisations as appropriate” **gives Member States a lot of room to manoeuvre not to engage civil society** in the decision-making process.

When having a look at the single Country Reports, it is also regrettable that **civil society involvement in the European Semester process at national level is not addressed**, except for the best practice example in Sweden. The Country Reports are a **good place to analyse Member States openness to receive input from civil society** (just like what is already done with the social partners) and provide further guidance on what could be improved (**Recommendation 5**).

### How to better take into account social challenges in the European Semester:

- **Add an analysis of the general state of implementation of the Social Pillar** in the Communication accompanying the publication of the country reports ([see Recommendation 1](#)).
- **Work with the SPC and EMCO on developing more indicators** that better reflect the principles of social inclusion ([see Recommendation 2](#)).
- **Better analyse the progress on implementation of the 20 principles in the body** of all the country reports by devising a qualitative and systematic approach ([see Recommendation 3](#)).
- **Add quantifiable targets to reach for all indicators** of the Social Scoreboard ([see Recommendation 4](#)).
- **Promote better civil society involvement at both EU and national levels** by giving clear guidelines to member states for the NRPs and by dedicating a part of all country reports to an analysis of civil society participation ([see Recommendation 5](#)).

## Part II: National service providers assess their 2018 Country Report

### Issues of particular importance for Eurodiaconia members

Eight of our members sent feedback on their respective country reports: Denmark, France, Italy, The Netherlands, Austria, Germany, Sweden, and Romania. We have listed below the issues they have considered particularly important in the social field.

Country	Integration	Risk of poverty / social exclusion	Labour market reform	Migration	In-work poverty / Income inequality	Children/ Young people	Old age / pensions	Social housing/ Homelessness	People with disabilities
DK	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
FR	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
IT	Mentioned	Mentioned	Mentioned	Not mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
NL	Mentioned	Mentioned	Mentioned	Not mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
AT	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
DE	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
SE	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned
RO	Mentioned	Mentioned	Mentioned	Not mentioned	Mentioned	Mentioned	Mentioned	Mentioned	Mentioned

Mentioned    Not mentioned

### The 2018 Country Report for Denmark

Our member, Dansk Diakonirad, **globally shares the analysis of the 2018 Danish country report**. Working together with other social NGOs taking part in the “Stop Poverty Initiative”, they informs us that they share the Commission’s assessment of the **lack of progress towards reaching the Europe 2020 target of reducing the number of people at risk of poverty and social exclusion in Denmark**. It is appreciated that the Danish government highlights this as an issue in its

National Reform Program (NRP). Indeed, our member underlines that there was a 14% increase in the number of persons living in a household with a very low work intensity between 2008 and 2017 (from 347 000 to 395 000, students excluded) in Denmark. As the Commission points out, despite the overall increase in economic activity and decline of unemployment, **some categories of people remain socially excluded**, such as migrants and young NEETs, and in some cases their situation is worsening. Denmark had no CSR on social policies in 2017, but our member



underlines a willingness to act on the government's part, although this has not been followed up by any action yet.

However, focusing on people's employment to foster their social integration is too narrow. This has largely been the policy of the Danish government so far and the increase in the number of poor and socially excluded people points to the limits of this approach. **The country report could have insisted more on the need for a more holistic, preventive, and personalized approach to social inclusion, beyond the integration onto the labour market.** Furthermore, a key issue regarding poverty and social exclusion is missing from the executive summary, despite being a priority for the Danish government: **tackling the rising homelessness in Denmark, particularly among young people.** Indeed, the number of homeless people has risen by 8% between 2015 and 2017 (from 6 138 to 6 638), and by 50% for young people. Our member suggests taking inspiration from Norway, where the policies set up to tackle homelessness were successful in reducing homelessness by 33% in 4 years according to their information, mainly thanks to increased support for housing and hiring of specialised social workers. **Denmark has the financial means to invest more in the issues of poverty and social exclusion,** and should therefore allocate more budget to more tailored and comprehensive actions.

Dansk Diakoniråd would therefore make the following **three recommendations to the Danish government:**

- **Foster social inclusion and poverty reduction beyond employment,** through holistic, tailored and preventive approaches, and by partnering with social NGOs.
- **In particular, focus on tackling the rising homelessness,** especially for young people, by exploring new successful policies such as the ones set

up in Norway, and by allocating the necessary budget for hiring more specialised social workers.

- **Further reform the labour market to make it more inclusive,** by, among other actions, setting up a minimum wage that allows for decent and dignified living conditions.

## The 2018 Country Report for Germany

Our member, **Diakonie Germany,** is in line with **most of the analysis of the German Country Report** and is happy to see that social issues have been given a stronger weight this year. Diaconia Germany shares the Commission's concerns that the **gender pension gap is one of the highest in the EU** and wants to highlight the fact that social outcomes for migrants and their children remain a concern.

Although Germany is doing relatively well, according to the social scoreboard, there is still a lot to be done in terms of **working conditions and equal opportunities** on the labour market, despite the low unemployment rate and the high employment rate. Moreover, it is not explicit enough in the report that the decline in the **"at-risk-of-poverty rate"** is mainly due to population growth (+ 346 000). In fact, the number of persons affected by monetary poverty has fallen by only 10 000. Furthermore, the "at-risk-of-poverty rate" before social transfers increased from 25.1% to 25.3% and the risk of poverty in unemployment remains high with 70.5% (2015: 69.1%). Additionally, the country report does not cover enough the fact that the fall of the poverty rate only affects men. Indeed, in-work poverty is increasingly affecting women in Germany, and the report only mentions it in passing. **Tackling wealth inequality in Germany** - which is high in international comparison – should be a priority. Additionally, asset inequalities are increasing despite the good employment situation.



Thus, Diakonie Germany would like the Commission to make the following **three recommendations to the German government**:

- **Effectively implement the statutory minimum wage** in all sectors in order to protect many employees from in-work poverty.
- **Set up efficient and sustainable structures within the pension system** to prevent old-age poverty and preserve the purchasing power of pensioners.
- Ensure tailor-made, participatory **support structures for the most disadvantaged in the labour market** in order to increase the employment rate of this group as well.

### The 2018 Country Report for France

Our national member, the Fédération de l'Entraide Protestante (FEP), **globally agrees with the analysis** in the 2018 French Country Report. Most **social problems have been identified correctly** in the text. On **housing policy**, the fact that the issue was mentioned in the executive summary, that a whole subpart covers it in the Reform Priorities chapter, and that it is extensively discussed in the Social Protection subpart is much appreciated. As it is pointed out in the report, there is a need to increase the social housing supply in France, which suffers from an important social housing deficit. Additionally, **more preventive measures** should be set up to help people not to suffer expulsion. Furthermore, the Fédération de l'Entraide Protestante agrees with the Commission's evaluation that more needs to be done to foster better **labour market and social integration of people with a migrant background** in France. And indeed, the report

analyses the issue extensively, both in the Executive Summary and in the labour market part. However, the analysis covers only those people who have full rights to live and work in France. The situation is much worse for undocumented migrants and migrants with not yet stable legal status who have very limited access to the labour market.

The following **points could nonetheless have been further developed** due to their importance in the French social context. Firstly, although our French member agrees that the government's liberalisation efforts have resulted in a decrease of unemployment, this should be balanced with the risk of increasing **in-work poverty**. More emphasis should have been put on the issue of in-work poverty since it has been increasing both in France and in Europe since 2010, and particularly so in Member States with more liberal labour markets, such as Germany or the UK<sup>4</sup>. Secondly, **vulnerable groups face increasing difficulties**, such as people with a migrant background, or people living in disadvantaged urban areas, and this is noted by the Commission. There however, it is less a question of raising the minimum income support, than of **making sure people are aware of their rights and can access the benefits** they are entitled to. Further analysis on this question of "non-recours" to social benefits in France would therefore have been useful, especially for the vulnerable groups in question. More generally, our French member stresses that the country report should have promoted **more preventive approaches** for many of the above-mentioned issues.

The Fédération de l'Entraide Protestante (FEP) would therefore make the following **three recommendations to the French government**:

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<sup>4</sup> <http://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180316-1?inheritRedirect=true>

- **Focus the policies on the most vulnerable groups** as a priority, including undocumented migrants and homeless people, by setting up more preventive and personalised measures.
- **Provide more support to young people both in education and on the labour market**, in particular by promoting pre-emptive approaches to early-school leaving.
- **Better recognise and value the work of social workers** by providing better working conditions and salaries which will attract new talents to the profession. **Partner with civil society organisations who work in the social field** in order to improve social outcomes, by recognising and benefitting from their experience on the field.

### The 2018 Country Report for Italy

Our Italian member, Diaconia Valdese, is **widely in agreement with the analysis** of the Italian Country Report. The Executive summary covers all the most pressing social challenges, namely **youth unemployment, early school leaving, and the high risk of poverty and social exclusion**. In particular, the labour market, education and social policies section is considered to be especially accurate. The various government incentives aimed at inducing employers to offer permanent contracts have indeed been very successful and widely used.

It is regrettable however, that in the Public finance and taxation sub-section, there was no mention of healthcare, and very little analysis on **pensions**. The question of pensions in Italy is crucial. Further analysis in this section would have been useful in this context. Furthermore, there is one vulnerable group which is lacking from this report's analysis, namely the **older unemployed**. In particular, there seems to be very little public funding available for projects

aiming at helping older adults get back into work in Italy, according to our member's experience. Given the Italian demographic situation, promoting the employment of older generations is very important, and this is therefore a lapse in the Commission's analysis.

Hence, Diaconia Valdese would make the following **three recommendations to the Italian government**:

- **Increase and diversify incentives for youth employment.**
- **Reduce and simplify bureaucratic procedures** and requirements, particularly related to taxation and for non-for-profit organisations.
- **Encourage local governments to seek partnerships with not-for-profit service providers** in order to meet both historic and newly arising needs in the territories.

### The 2018 Country Report for the Netherlands

Our Dutch member, Kerk in Actie, **globally agrees with the analysis** in the Dutch Country Report., The **flexibility and segmentation of the labour market** is indeed critical and the source of most major social challenges in the Netherlands. The prominent part it has in the country report analysis is therefore welcome. According to our member, there has been less than limited progress with regards to last year's recommendation on the matter, since our member informs us that the measures taken so far have delivered hardly any result.

In addition, the report does not go far enough when it comes to evaluating the social impact this has in the Netherlands. Indeed, according to our member, it is the reason for the increasing number of **working poor** – which is hinted at in the report itself when the higher at risk of poverty rate of temporary workers is highlighted (7.9% compared to 3.7%), as well as for future pension

unsustainability and social protection inequalities. Moreover, there is not enough focus on two vulnerable groups which face very difficult situations in the Netherlands, namely poor children and disabled workers. In fact, there is no mention of **child poverty** in the report despite it being often linked to in-work poverty due to the flexible Dutch labour market. As part of principle 11 of the European Pillar of Social Rights, child poverty should have been given more prominence in this report. Finally, our member stresses that considering the measures taken as part of the Participation law as having made significant progress in improving the situation of **disabled workers** is overly optimistic. Indeed, their employability might have improved, but this comes at the expense of their legal status and pay. These people, working in so-called “sheltered work”, get **poorer working conditions** (such as exclusion from collective agreements) than they had under the former legislation. Moreover, the ambition of the Dutch government to replace the current labour cost subsidy by a social benefit (wage compensation) is a serious step back for disabled workers, especially in terms of status.

Kerk in Actie would therefore make the following **three recommendations to the Dutch government**:

- **Explore the possibility of decoupling social protection from the form of employment/contract**, thus tackling some of the negative effects of the flexible and segmented labour market. The strong competitiveness of the Dutch economy seems to offer room to investigate such a reform of the social protection system.
- **Reduce child poverty by reforming the labour market in order to limit the negative social effects of its flexibility and segmentation.** In light of the Social Pillar, it should be given greater emphasis, such as having an indicator in the social scoreboard.

- **Focus more on the situation of disabled workers**, especially by fixing the problem of weaker working conditions for those in “sheltered work” and by keeping disabled workers in wage complementation schemes rather than in benefit schemes.

### The 2018 Country Report for Austria

In general, the 2018 Austrian Country Report gives a **good summary of the current economic situation** and our member, **Diakonie Austria**, shares the Commission’s analysis concerning the implementation of their Country Specific Recommendations (CSRs).

However, some social challenges are missing. For instance, **people in need of long-term care services** are not mentioned in the summary, although demographic development is asking for urgent reforms. Furthermore, Austria still has very low rates of **care for children aged under three** and segregation still exists for **children with disabilities** in schools, which is perpetuated on the labour market later on. Concerning **pensions**, this topic is covered extensively in the Country Report and seems to overcome every other topic. The focus is also very much on expenditures, although the ageing issue cannot be limited to it. In this respect, the 2018 pension’s adequacy report’s insistence on both the poverty rate of pensioners and the gender pay gap in Austrian pensions is welcomed, even though the sustainability angle is still predominant.

More generally, Diakonie Austria considers that Austria does have enough financial capacities to invest in social services for people in need but in order to have a balanced budget it is likely that the government will be unwilling to spend a lot on social policy. On a more general basis, investments should also comprise **social investments** which are necessary for higher quality of life and better functioning labour

markets. Moreover, our member strongly advocates for a **better involvement of civil society** at both national and EU level to contribute in the process of the European Semester.

Thus, Diakonie Austria would make the following **three recommendations to the Austrian government**:

- **Increase early access to care**, especially in child care and long-term care. Given the current good economic situation, stronger overall social investments in social services should be made.
- **Focus on female employment** and not only on minimising the female part-time ratio. The goal must be to bring more women into work in general, for instance older women or women with a migrant background, which again has an impact on and can be combined with better child-care provisions.
- **Open the labour market to asylum seekers**. A paradigm-shift is needed to better utilize the available potential.

### The 2018 Country Report for Sweden

Our member, Church of Sweden, welcomes the overall perception of the Swedish Country Report and considers that it **reflects well the economic and social situation in the country**. Indeed, Sweden has one of the highest employment rates in the EU at 81.2 % and is named best performer in five categories of the social scoreboard. Nevertheless, **household indebtedness** and income inequality keep rising from already high levels, as is clearly emphasised in the country report.

However, there are some **related social issues** that should be more strongly addressed, especially concerning **young people**. As stated in the country report, the household debt grew by 7.0 % in 2017, reaching about 86 % of GDP and

184 % of disposable income – among the highest levels in the EU. This is driven mainly by higher mortgage borrowing, linked to high house prices and rising new construction volumes, coupled with structural distortions favouring mortgage-financed property investment. The younger generation is particularly suffering from this development since they often lack the financial means needed, and younger households often struggle with high debts loads, which makes their situation vulnerable.

In Sweden, the **gap between those with the lowest incomes**, often standing outside the labour market, **and those who are in work has widened**. Real wages are steadily increasing but subsidies have not increased to the same extent. **Relative poverty** often affects children and young people in a negative way: too many people living in a small apartment makes it difficult to study and might have negative impacts on school results. A low family income also makes it difficult for children to take part in recreational activities which cost money. The consequences of **income inequality** is directly witnessed by our member working on the ground, for instance when the number of people who seek advice and ask for financial support for food and other basic items increases.

Another significant challenge that remains and worries our member is the **integration of refugees and migrants** into the Swedish society. While the topic of migration is being dealt with accurately in several parts of the report, the Church of Sweden, would have liked to see some additional challenges addressed. A change in the political agenda and tendencies of **political polarization** can be seen, especially on issues related to asylum seekers, migrants, undocumented persons, and on access to social welfare services for these groups. This development is threatening social cohesion in society.

In addition, there is a **lack of a coherent and comprehensive plan to promote the integration** of newly arrived persons. Our member is concerned about **recent shifts in Swedish migration policy**, including the temporary asylum law. This law contains temporary residence permits for most asylum seekers, restrictions of the right to family reunification, and the general removal of the possibility to obtain a resident permit on humanitarian grounds. These changes have a significantly negative impact on the wellbeing of asylum seekers and newly arrived persons.

Thus, Church of Sweden would make the following **two recommendations to the Swedish government**:

- **Intensify the integration efforts for newly arrived refugees and migrants** with stronger overall social investments in social services and a holistic approach by the government, churches, NGOs, civil society and all the other actors involved to better work together and keep the cohesion in society.
- **Tackle income inequality** to guarantee the current social welfare system for the next generation and to alleviate hardship on persons/families with low incomes.

### [The 2018 Country Report for Romania](#)

Our member, **Eparhia Reformata din Ardeal**, is **in agreement with the analysis** of the Romanian country report. **The main social challenges are reflected in the analysis**, including the high number of early-school leavers, the high rate of young NEETs, the poor social dialogue, the increased poverty, and high income inequality. As it is pointed out in the report, **inequality of opportunity remains high** in Romania, particularly between rural and urban area and for the most disadvantaged groups like Roma.

Eparhia Reformata din Ardeal would therefore make the following **three recommendations to the Romanian government**:

- **Increase the opportunities** on the internal labour market for young people.
- **Better integrate Roma people** into the Romanian society.
- **Provide more financial support** for the NGOs active in the medical and social fields.

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