



Policy Paper

Boosting sustainable and inclusive growth through the European Semester

Eurodiaconia is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice.

Mission

Eurodiaconia is a network of churches and Christian organisations that provide social and health care services and advocate for social justice. Together we work for just and transformative social change across Europe, leaving no-one behind.

Vision

Driven by our Christian faith, our vision is of a Europe where each person is valued for their inherent God-given worth and dignity and where our societies guarantee social justice for all people, including the most vulnerable and marginalised.

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POLICY SNAPSHOT



This report provides our analysis of this year's country-specific recommendations and gives a comparison of the recommendations provided by our members to the final text as adopted by the European Council.



This paper is primarily addressed to European Commission Units working on the European Semester, in particular DG Employment, Social Affairs and Inclusion.



As well as a general analysis of the country-specific recommendations, this report looks more closely at Austria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Latvia, the Netherlands and Sweden.



This paper is an opportunity for Eurodiaconia to assess if our input provided after the publication of the Winter Package has been taken into account in the country-specific recommendations and to what degree the European Pillar of Social Rights is having an impact in the Semester cycle. It also gives an overview of the situation on the ground in the countries covered in detail.



We welcome the clear effort being made to address social aspects within the European Semester and we warmly welcome the direction of travel towards seeking inclusive and sustainable economic growth across the EU. We welcome the positive impact of the European Pillar of Social Rights on the content of the country-specific recommendations.

Introduction



Eurodiaconia is a network of 51 organisations in 32 European countries providing health and social services and working for social justice. Founded in the Christian tradition, we work to ensure that our societies provide opportunities for all people to live in dignity and to reach their full potential. Our members, representing more than 30,000 social and healthcare providers, have strong and long-standing expertise in providing services to the most vulnerable in Europe.

Eurodiaconia has been closely monitoring the European Semester process since its inception. As a network and together with other civil society organisations, we have consistently called for the inclusion of stronger social analysis within the European Semester. Since 2011, Eurodiaconia has published regular reports on the European Semester calling on the European Commission to develop the social dimension of the Semester as macro-economic recommendations should not be made without taking into account the potential effects on the well-being of citizens and particularly on the accessibility, affordability, availability and quality of social and healthcare services and the prevalence of poverty and social exclusion among vulnerable groups.

Macro-economic recommendations should not be made without taking into account the potential effects on the well-being of citizens.

Following the publication of the Country Reports on 27 February 2019, Eurodiaconia consulted with our members to gather their opinions on how accurately the reports depicted the situation in their country. Members

were also asked to provide their own country-specific recommendations (CSRs) to guide the European Commission in their drafting during the next stage of the Semester cycle.

In this document, we provide our analysis of the country-specific recommendations as adopted on 9 July 2019, identification of the correlations with the principles of the European Pillar of Social Rights and a comparison of the recommendations provided by our members and the final text as adopted by the European Council.

Within our analysis, we have chosen to separate those recommendations which refer to purely fiscal measures in comparison to specific social elements. This is in order to maintain consistency with our analysis of previous years, as well as to examine the balance between the economic and social within the recommendations.

General analysis



Eurodiaconia welcomes this year's country-specific recommendations and is pleased that the European Pillar of Social Rights is having an impact on the general direction of the recommendations. There appears to be a clear effort to address social aspects and we warmly welcome the direction of travel towards seeking inclusive and sustainable economic growth across the EU.

As was the case in previous years, this year there is a reduced number of recommendations for each country. This targeted approach is understandable but it must not result in an abandonment of the essential need to ensure a Semester focus on reducing inequalities. Furthermore, the reduction in numbers must be accompanied by a rise in the implementation rate otherwise the validity of the Semester process will inevitably be questioned.

Continuing progress on implementation is crucial if the Semester process is going to remain relevant.

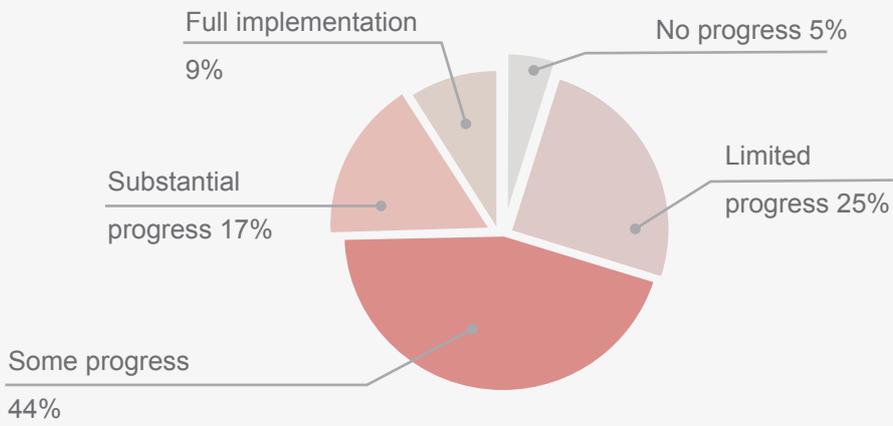
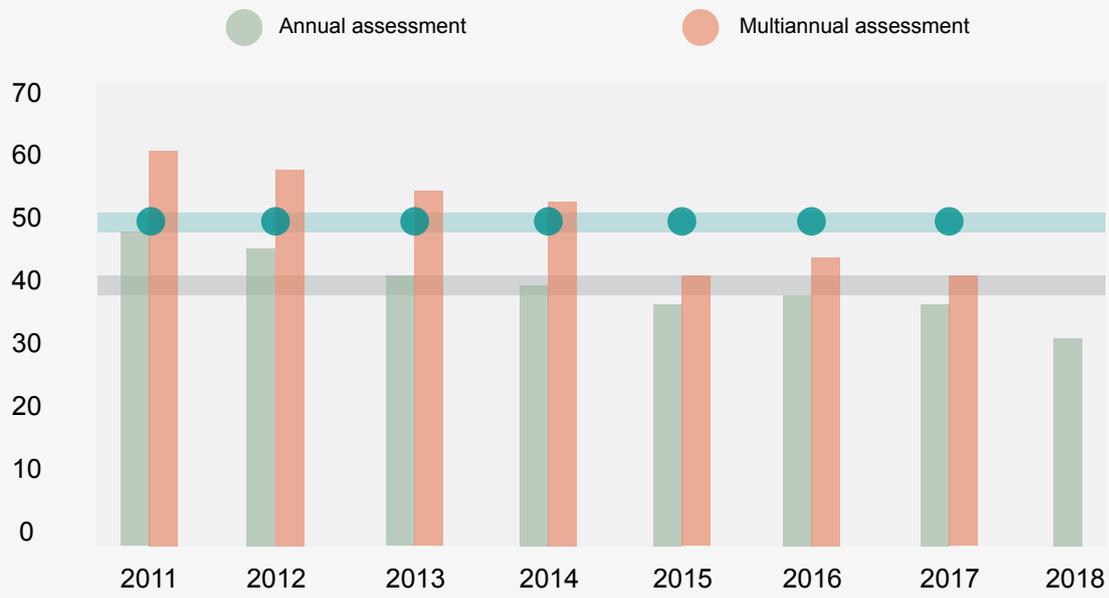
In good economic times, the pressure to reform diminishes. As we emerge from the 2008 crisis with employment numbers at record highs and unemployment at record lows, will member states and the EU institutions continue to exert the same pressure on - and give the same sense of urgency to - reform as has been the case for the last decade? The Commission identifies that most progress has been made in financial services, a topic upon which there has been great scrutiny since the crisis

began¹. With the immediate concerns addressed and changes made in this field, will pressure remain to implement reforms in other areas without the spectre of imminent economic shocks overhead? Continuing progress on implementation is crucial if the Semester process is going to remain relevant. Eurodiaconia appreciates the efforts made by the Commission to provide guidance and to signpost appropriate funding opportunities through the Structural Reform Support Service in order to encourage member states to implement necessary reforms. We further welcome the Commission's commitment to establish a stronger link between the Semester and the Cohesion Policy Funds 2021-2027.

This year saw a full contingent of 28 member states receiving CSRs, now including Greece after their exit from the Stability Support Programme. Even without the inclusion of Greece, there would be an increase in the total number of recommendations issued, but with Greece this is a more apparent trend (see p10 – CSRs over the years). Nevertheless, since the peak of 157 recommendations issued in 2014, the number has halved over the last five years (79 recommendations in 2019).

As in 2018, the tendency to combine recommendations into clusters has continued this year with countries receiving, on average, three recommendations, though several countries received only two (DK, DE, EL, UK) whilst others received as many as five (CY, IT and RO). Whilst we appreciate the efforts made to ensure that important elements are not omitted from the recommendations, there is also **a danger that implementation rates will not accurately reflect the situation in the countries**: it will be increasingly possible to claim that limited/some/substantial

¹<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0500&from=EN>
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Design Sara Gianguzza

European Commission tables on the implementation rate of CSRs

progress has been made on implementing the recommendations (given that they incorporate so many different aspects) but this may entirely hide the fact that some priorities may have been completely neglected by governments.

The lack of uniformity and consistency in the number of recommendations issued to each member state raise some questions². Whilst Denmark and Germany enjoy a comparatively good employment, social and health

European Semester	Total no. of CSRs	No. of MS	Minimum no. of CSRs		Maximum no. of CSRs	
2012	138	23	4	DE, SE	8	ES
2013	141	23	3	DK	9	ES, SI
2014	157	26	3	DK	8	ES, HR, IT, PT, RO, SI
2015	102	26	1	SE	6	FR, HR, IT
2016	89	27	1	SE	5	FR, HR, IT, CY, PT
2017	78	27	1	DK, SE	5	HR, CY
2018	73	27	1	DK, SE	5	CY
2019	79	28	2	DK, DE, EL, UK	5	CY, IT, RO

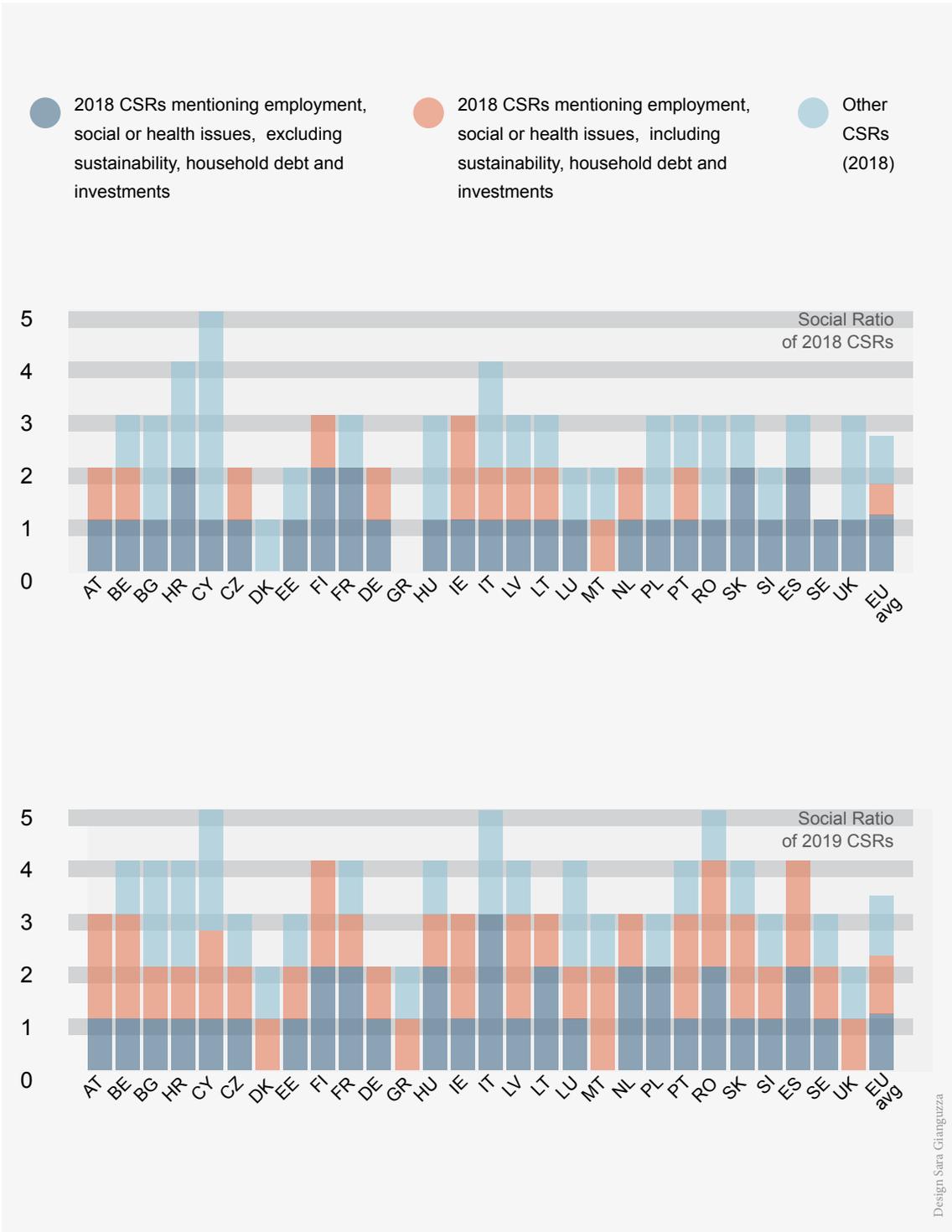
CSRs over the years

² We appreciate that Greece also received further recommendations through the post-programme commitments (June 2018) which accounts for its low number of CSRs this year.

situation, the UK continues to have issues around income inequality where it is one of the lower performers according to the Social Scoreboard 2019. Nevertheless, this issue is not addressed in the recommendations even though it was identified as a problem in the recitals. It is also surprising that Estonia, who received three recommendations this year, did not receive one addressing health provision or receive a mention of focusing investment on healthcare as it has the lowest score regarding unmet healthcare needs in the EU (15.3% compared to 2.6% as the EU average). Malta, a country with the worst scores on the gender employment gap (25.5% compared to 11.6% EU average) and on early leavers from education (19.2% compared to 10.7% EU average), did not receive a mention of either issue in the recommendations. The omission of these topics is not explained and whilst Eurodiaconia understand the requirement to prioritise, it is questionable that **those countries performing worst across the EU on particular issues did not receive recommendations specifically addressing these matters.**

The number of recommendations focused primarily on purely social elements has stayed broadly in line with 2018. However, thanks to the investment emphasis this year, if those investment recommendations that touch on social investment are also included then the 2019 CSRs show a **considerable increase** on the previous year.

The merging of recommendations has allowed for each country to receive a specific recommendation focused on investment. Eurodiaconia recognises the progress made by the Commission in its aim to encourage sustained economic and social convergence through a "virtuous triangle" of boosting investment, pursuing structural reforms and ensuring responsible public finances. We welcome this year's emphasis on investment in public goods and infrastructure as we agree that it is necessary to ensure long-term, sustainable and inclusive growth. **Developing and maintaining social inclusion and social protection should rightly be viewed as investments, not just costs.** However, within the investment-focused



Social ratios of the 2018 and 2019 CSRs

recommendations, only Greece received a recommendation that its investment-related economic activity must specifically take into account the need to ensure social inclusion. Why this angle is not replicated in the other recommendations on this subject is not clear. Eurodiaconia wishes to see this emphasis consistently repeated in the other investment CSRs. In terms of greater consistency, we would also like to see further efforts made to **harmonise the vocabulary** in the recommendations. This would greatly improve the accessibility of the documents and make comparison far easier. This has already been done in some instances: for example, “Address features of the tax system that may facilitate aggressive tax planning...” and “taking into account regional disparities” but could be replicated in other areas too.

Similarly, more prominence must be placed on **providing quality services** for citizens. Eurodiaconia would like to see the word "quality" used as the default terminology when referring to social improvement recommendations, in line with the relevant sections of the European Pillar of Social Rights (EPSR).

The proclamation of the EPSR in November 2017 has clearly strengthened the evolution of the European Semester towards greater balance between economic and social policies. The twenty principles identified in the Pillar provide a compass for the European Semester and we are pleased to see that this year **the Pillar continues to have a positive impact** on the content of the recommendations. In 2019, education, training and lifelong learning in Chapter One of the EPSR, and access to essential services in Chapter Three show clear emphasis with nearly all countries having a recommendation which touches upon them. Similarly, healthcare, active support to employment and old age income and pensions are priorities and receive considerable attention. Whilst we welcome the emphasis on these issues, old age income and pensions in particular are often only addressed in terms of fiscal sustainability which risks impacting quality if not balanced with other social aspects.

Chapter of EPSR	Pillar	Total countries with a CSR	Countries detail
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Equal opportunities and access to the labour market	1	Education, training and lifelong learning	28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, GR, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI, ES, SE, UK
	2	Gender equality	4	AT, CZ, EE, IT
	3	Equal opportunities	11	AT, BE, BG, CZ, HR, FI, FR, HU, LU, RO, SK
	4	Active support to employment	17	AT, BE, BG, HR, CY, FI, FR, DE, GR, HU, IE, IT, LU, NL, PL, SI, ES

Fair working conditions	5	Secure and adaptable employment	7	HR, CY, DK, IE, PL, PT, ES
	6	Wages	7	HR, EE, DE, LV, LT, NL, RO
	7	Information about employment conditions and protection in case of dismissals	0	
	8	Social dialogue and involvement of workers	7	AT, HR, DE, HU, NL, PL, RO
	9	Work-life balance	1	AT
	10	Healthy, safe and well-adapted work environment and protected data	0	

 Social protection and inclusion	11	Childcare and support to children	7	AT, CY, CZ, IE, IT, PL, SK
	12	Social protection	6	HR, EE, NL, PT, RO, ES
	13	Unemployment benefits	3	HU, ES, LT
	14	Minimum income	4	BG, LV, RO, ES
	15	Old age income and pensions	17	AT, BE, CY, CZ, FR, DE, IE, IT, LV, LU, MT, NL, PL, RO, SK, SI, ES
	16	Health care	15	AT, BG, CY, CZ, FI, GR, HU, IE, LV, LT, MT, PL, RO, SK, SI
	17	Inclusion of people with disabilities	1	LV
	18	Long term care	6	AT, BE, IT, PL, SK, SI
	19	Housing and assistance for the homeless	9	FI, DE, IE, LV, LU, NL, SK, SE, UK
	20	Access to essential services	28	AT, BE, BG, HR, CY, CZ, DK, EE, FI, FR, DE, GR, HU, IE, IT, LV, LT, LU, MT, NL, PL, PT, RO, SK, SI, ES, SE, UK

CSRs and the European Pillar of Social Rights

Considering the impact that demographic change is having - and will continue to have - on the EU, **the topics of ageing and quality, accessible and affordable long-term care were remarkably under-represented** in the recommendations. This is despite the fact that, in the Communication which accompanied the recommendations, the Commission identi-

fied that: the impact of an ageing population poses additional challenges; continued reforms must be made; implementing reforms in long-term care have been particularly slow; and that the reform process must be set in motion without delay³. Nevertheless, long-term care only features in six of the twenty-eight country recommendations.

Many members of Eurodiaconia continue to work on migrant integration and inclusion and it remains a priority issue for them. Therefore, it is **disappointing that the situation of migrants does not receive more of a focus** within the recommendations. Barriers to the labour market for migrants are a considerable problem in many countries and continue to have a negative impact on integration, also pushing many migrants into informal or illegal work.

Civil society organisations are well-placed to monitor and react to changes on the ground in member states, as well as to identify how actively and efficiently member states are implementing the reforms suggested through the country-specific recommendations. Eurodiaconia would like to see a continuation of the engagement already seen at EU level but also a **strengthening of the interaction between civil society organisations and national and regional governments** to ensure that all partners are engaged in this process.

Eurodiaconia welcomes the efforts made to **highlight the regional disparities** within member states and to signpost exactly how to access EU funding in order to tackle this challenge. Member states must take full advantage of the available support so to improve convergence within their own borders.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0500&from=EN>
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Recommendations for 2020



- At least one recommendation should be centred specifically on reducing social exclusion or inequalities if we are to improve the balance between economic and social policies in the Semester.
- More attention should be paid to the gaps and under performance identified in the Social Scoreboard when determining the priorities to be addressed in the recommendations, in particular in relation to the investment priorities.
- Effort should be made to improve consistency in the structure of the recommendations and consistency in language.
- Assessment of the impact of the European Pillar of Social Rights within the Semester needs to be standardised and expanded.
- There must continue to be up-to-date and reliable data on the implementation of reforms by member states.
- Consideration should be given to whether the one-year Semester cycle is an appropriate length or if it would not be more productive to lengthen the cycle in order to properly implement changes and to allow results data to become available.
- Considering the impact that demographic change will have on the economy and society in coming years, recommendations should always explicitly include reforms aimed at preparing for the changes ahead.
- Continuing effort must be made to ensure that civil society is fully involved in the Semester process, including in monitoring the implementation of reforms in member states.

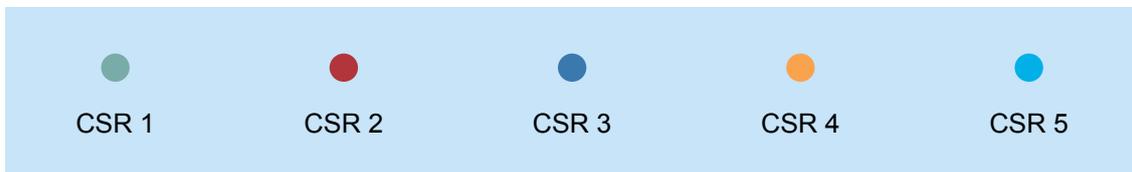
Country-specific analysis



Throughout the year, Eurodiaconia consults with members in order to ascertain the degree to which the situations in their countries are accurately represented at the various stages of the cycle. Following the publication of the Country Reports in February 2019, Eurodiaconia asked our members to provide their own country-specific recommendations for the European Commission.

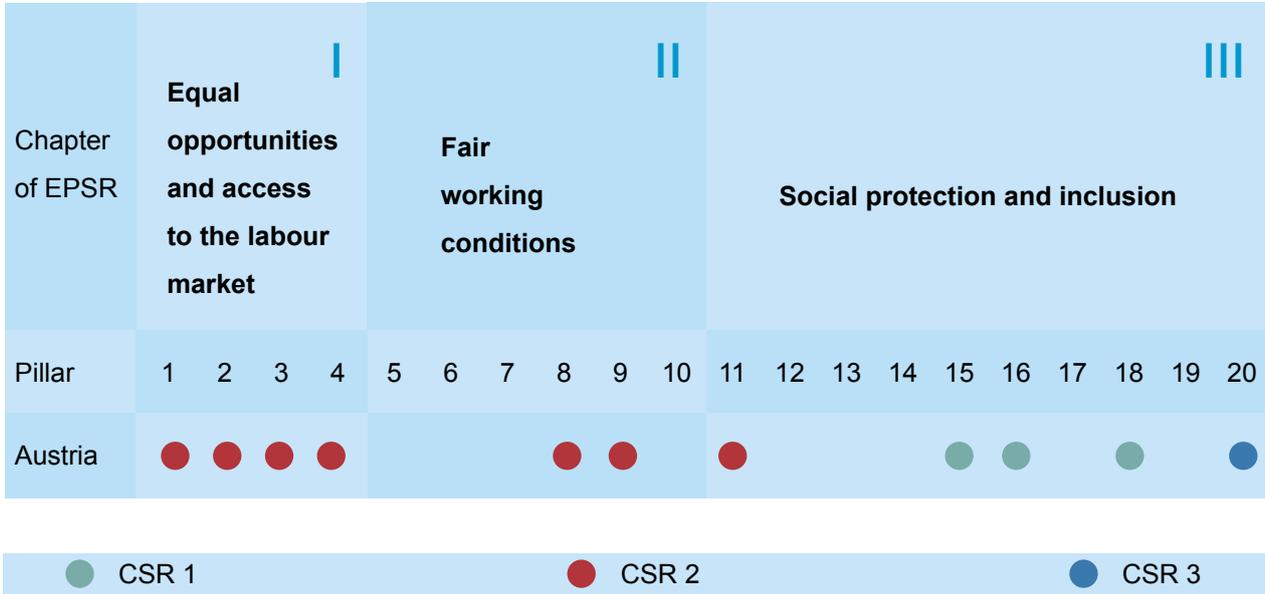
In this section, we look more closely at those countries where our members provided their own recommendations for the Commission. We explore the degree to which each set of CSRs corresponds with the principles of the European Pillar of Social Rights and compare the recommendations provided by our members and the final text of the CSRs as adopted by the European Council. If one or several principles of the EPSR are identified in a recommendation, they are marked with the following colour code:

Eurodiaconia asked our members to provide their own country-specific recommendations for the European Commission.



Austria

The 2019 Austrian CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Ensure the sustainability of the health, long-term care, and pension systems, including by adjusting the statutory retirement age in view of expected gains in life expectancy. Simplify and rationalise fiscal relations and responsibilities across layers of government and align financing and spending responsibilities.
- Shift taxes away from labour to sources more supportive for inclusive and sustainable growth. Support full-time employment among women, including by improving childcare services, and boost labour market outcomes for the low skilled, in cooperation with the social partners. Raise the levels of basic skills for disadvantaged groups, including people with a migrant background.

- Focus investment-related economic policy on research and development, innovation, digitalisation, and sustainability, taking into account regional disparities. Support productivity growth by stimulating digitalisation of businesses and company growth and by reducing regulatory barriers in the service sector.

Our member's recommendations:

- Develop a national strategy to overcome the extreme shortage of staff in long-term care. This should include different measures to attract more people in this sector. Investment in long-term care services could better support family carers.
- Invest in inclusive school settings. Develop a plan for the upcoming years to promote inclusive schooling for children with and without disability.
- Implement a wealth tax. Given Austria's current wealth situation and striking inequalities, the absence of taxes on inheritance and gifts or net wealth, and the low recurrent property tax, our member believes this is an opportune time for tax shifts.

Austria received three recommendations this year, one more than in 2018. Though all recommendations mention employment, social or health issues, if we exclude the ones focussing only on sustainability, household debt and investments, there is only one social recommendation (CSR 2), which is the same as the final number of Austrian social recommendations in 2018.

CSR 1 focusses on the Principles 15, 16 and 18 of the European Pillar of Social Rights (EPSR), namely on old-age income and pensions, healthcare, and long-term care. However, as was already the case in

2018, it is regrettable that the question is merely about the sustainability of these systems. Our member, **Diakonie Austria**, calls for a more social approach, with the extreme shortage of staff in long-term care addressed. This recommendation should therefore include the need for different measures to attract more people to this sector. Additionally, investment in long-term care services should be increased to better support family carers.

CSR 2 emphasises the need to shift tax away from labour towards a more inclusive and sustainable system. Given the Austrian current wealth situation and striking inequalities (absence of taxes on inheritance and gifts or net wealth, and the low recurrent property tax), **Diakonie Austria** would recommend implementing a wealth tax as a way to foster better redistribution.

CSR 2 alludes to many social principles. Out of the three recommendations, this is the only one addressing Austria's social challenges as a way to foster inclusion. It is welcome that measures to support full-time employment of women are highlighted in the second sub-recommendation (Principles 2+3 of the EPSR).

Improving childcare services (Principles 11+9), especially for children aged under 3 years, is important to respond to the current situation, as reflected in the Social Scoreboard 2019. However, it should not only be viewed in the perspective of boosting labour market outcomes (Principle 4). It should primarily support the need of children and supporting both parents to establish a better work-life balance.

We welcome the acknowledgement of the need for ongoing cooperation with social partners (Principle 8). **Diakonie Austria** would like to see better cooperation with social organisations and civil society, especially in the field of disadvantaged groups and migrants. Our member would like to see

a new contract for minimum income and social assistance in the country.

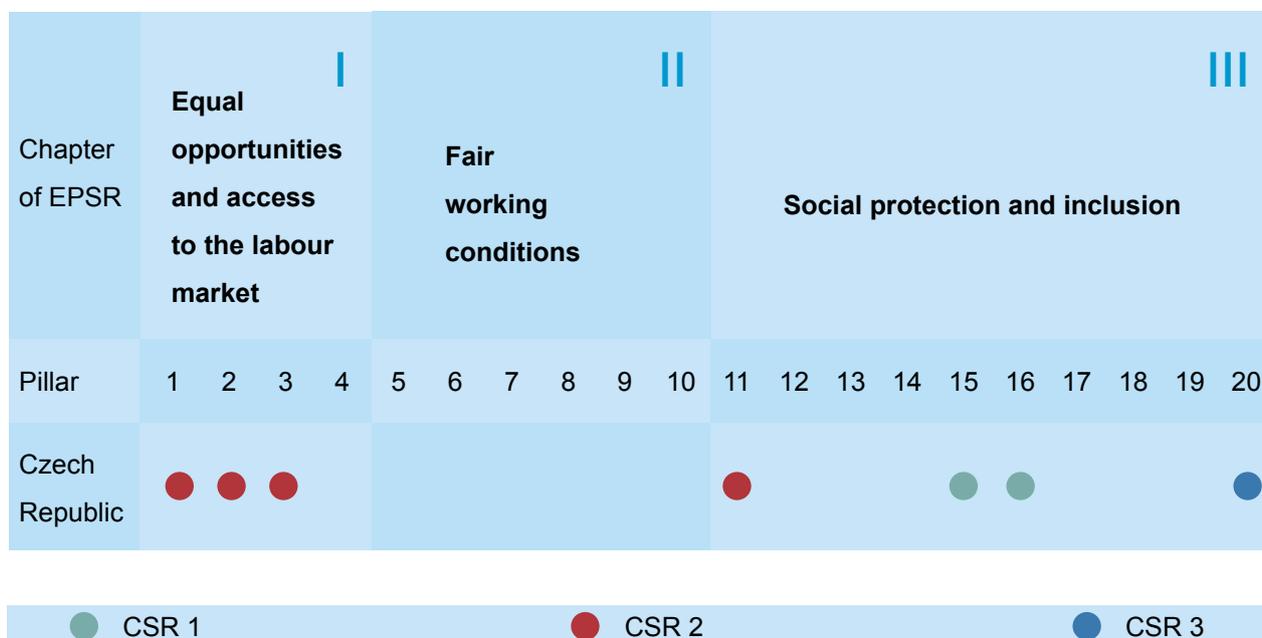
Here, **Diakonie Austria** encourages an explicit focus on the need to invest in inclusive school settings, to promote inclusive schooling for children with and without disabilities.

Whilst **Diakonie Austria** warmly welcomes the emphasis on skills for disadvantaged groups including migrants (Principles 1+3), they would also like to see a focus on labour market access for the same groups, for instance through new incentives and awareness-raising campaigns targeting employers.

CSR 3: Austria received an additional recommendation focussed on 'Access to services' (Principle 20). Investments should be oriented towards research, innovation and digitalisation. However, it should be explained how investing in these services will benefit people and support their social rights. Furthermore, these services must be good quality.

Czech Republic

The 2019 Czech CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Improve long-term fiscal sustainability of the pension and health-care systems. Adopt pending anti-corruption measures.
- Foster the employment of women with young children, including by improving access to affordable childcare, and of disadvantaged groups. Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.
- Focus investment-related economic policy on transport, notably on its sustainability, digital infrastructure, and low carbon and energy transition, including energy efficiency, taking into account regional

disparities. Reduce the administrative burden on investment and enable more quality-based competition in public procurement. Remove the barriers hampering the development of a fully functioning innovation ecosystem.

Our member's recommendations:

- Adjust legislation to prevent lending at unreasonably high interest rates as well as deliberate abuses of the system by creditors.
- Improve the labour market access of immigrants to avoid illegal work, including by reducing bureaucracy related to work and residence permits.

The Czech Republic received three recommendations this year, one more than in 2018. Though two recommendations mention employment, social or health issues, if we exclude the ones focussing only on sustainability, household debt and investments, there is only one social recommendation (CSR 2), the same as the final number of Czech Republic 2018 social recommendations.

CSR 1: Similar to last year, the first recommendation mentions the long-term sustainability of the pension system, this year adding the question of the sustainability of the healthcare system (Principles 15+16 of EPSR). Our member, **Diaconia ECCB**, recognises that the ageing population poses a threat to the sustainability of the future budget and is concerned that without a long-term fiscal strategy in place, there is a risk of a reduction of social rights in the country.

CSR 2: As in 2018, there is a recommendation to foster the employment of disadvantaged groups, in particular women (Principles 2+3 of EPSR). This is a positive move to reduce the gender employment gap, considering that the Czech Republic is in a weak position in that area according to the Social Scoreboard 2019. Here, **Diaconia ECCB** recommends that the Commission adds a sub-recommendation on

reducing bureaucracy and simplifying residence permits to allow migrants to access legal work and foster their employability. Currently, many migrants are pushed into illegal employment because of the demanding process to receive a permit and therefore receive no legal protection, are open to abuse and cannot receive health insurance.

CSR 2: It is appreciated that improving access to childcare services is seen as a priority, given that the Czech Republic has one of the poorest positions among EU countries (Social Scoreboard 2019). This is also in line with Principle 11 of the EPSR. **Diaconia ECCB** agrees that this childcare provision must be affordable and accessible. Furthermore, childcare support should not be viewed merely as a way to boost employability, but also regarded as a way to support children's welfare and social rights. **Diaconia ECCB** also would like to see more effort made to provide flexible working solutions for parents, including the provision of childcare facilities by employers.

CSR 2: It is also welcome that qualitative inclusive education is again among the priorities (Principle 1 of EPSR). This year there is a particular focus on technical and digital skills. Although the Czech Republic is positioned 'better than the EU average' on the Social Scoreboard 2019, **Diaconia ECCB** would like to see more effort made to encourage the development of digital skills amongst older generations.

CSR 3: As with other EU countries, the Czech Republic received an additional recommendation on investing in services and digital infrastructure. Investment should be particularly oriented towards affordable housing, transport and energy transition. However, it should be better underlined how investing in these services will benefit people, strengthen their 'access to services' (Principle 20 of EPSR) and support their social rights.

Finally, **Diaconia ECCB** would like the Commission to add one recommendation to prevent lending at unreasonably high interest rates and abuses of creditors through inadequate legislation.

Denmark

The 2019 Danish CSRs compared to the European Pillar of Social Rights

Chapter of EPSR	I Equal opportunities and access to the labour market				II Fair working conditions						III Social protection and inclusion										
	Pillar	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Denmark	●																				●

● CSR 1
 ● CSR 2

Final CSRs:

- Focus investment-related economic policy on education and skills, research and innovation to broaden the innovation base to include more companies, and on sustainable transport to tackle road congestion.
- Ensure effective supervision and the enforcement of the anti-money laundering framework.

Our member’s recommendations:

- Come up with policy responses to social inequality and poverty.
- Implement the homelessness strategy “Housing First” in order to support homeless people and those at risk of homelessness.

Denmark received two recommendations this year, one more than in 2018. It is notable that the recommendations are very different from last year. Only one recommendation mentions employment and social matters, and as it focusses only on sustainability and investments, there is no 'social' recommendation, as was the case in 2018.

CSR 1 prioritises investment on education and skills, in line with Principle 1 of the EPSR. It is appreciated that investing in education and skills is seen as a priority as Denmark is in a weak position regarding the rate of early leavers from education and training, reflected on the Social Scoreboard 2019. However, there should be a stronger emphasis on how that will empower people and improve their social inclusion. Our member **Kirkens Korshær** would encourage measures to address the issues of inequality in Denmark. The numbers of vulnerable people struggling with homelessness, poverty, poor mental and physical health and substance abuse are on the rise. These people need basic help and care – they do not need further stress and pressure.

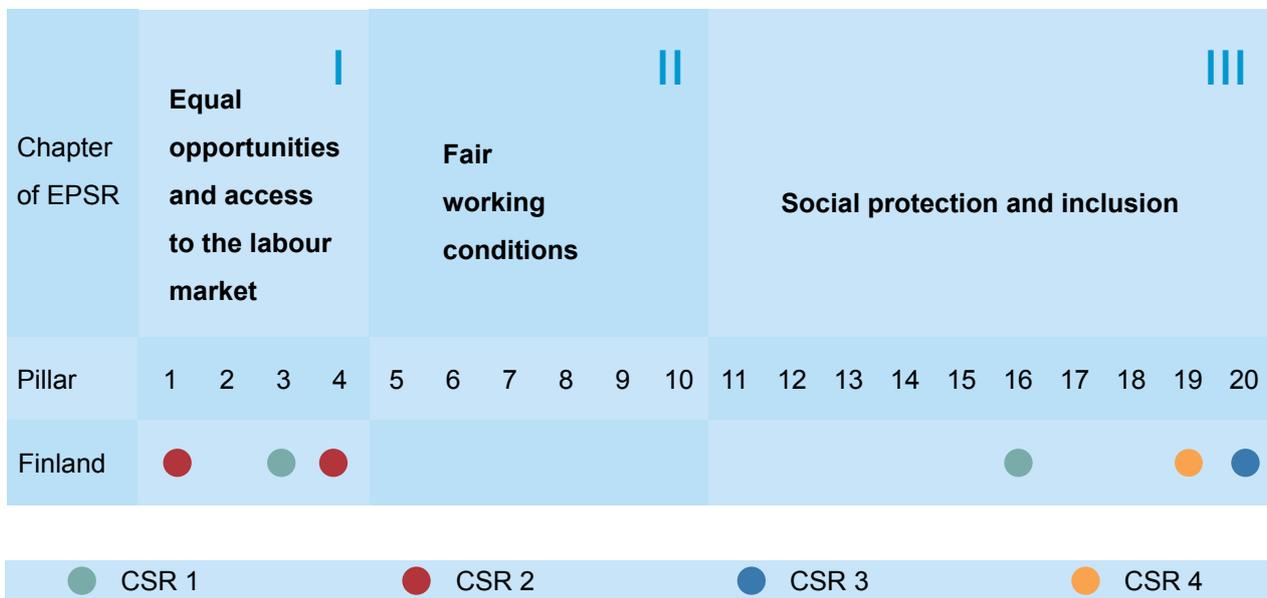
CSR 1 further supports investment on research and innovation and sustainable transport. However, there is no mention of how it impacts upon the social rights of individuals.

CSR 2 touches upon the question of anti-money laundering through adequate measures. However, there is no mention of tax evasion. Our member **Kirkens Korshær** would also encourage measures to address the issues of social inequality and poverty more effectively, especially regarding children.

Finally, it is disappointing that there is no mention of investment in social housing or the homelessness strategy, "Housing First". **Kirkens Korshær** would encourage the implementation of this strategy in combination with individual support and guidance to help homeless people and those at risk of homelessness.

Finland

The 2019 Finnish CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.9% in 2020, corresponding to an annual structural adjustment of 0.5% of GDP. Improve the cost-effectiveness of and equal access to social and healthcare services.
- Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.
- Focus investment-related economic policy on research and innovation, low carbon and energy transition and sustainable transport, taking into account regional disparities.

- Strengthen the monitoring of household debt and establish the credit registry system.

Our member's recommendations:

- *Our member did not provide specific recommendations at the time of the Country Report publication.*

Finland received four recommendations this year, one more than in 2018. Though all recommendations mention employment, social or health issues, if we exclude the ones focussing only on sustainability, household debt and investment, there are only two social recommendations (CSR 1+2), the same as the number of final social CSRs in Finland in 2018.

CSR 1 proposes a limitation of public expenditure. The questions of equal access to social and healthcare services are also mentioned, in line with Principles 3 and 16 of the EPSR. However, the need for social investment or reforms to achieve this should be addressed more clearly. Moreover, the question of cost-effectiveness of the social and healthcare services seems to take priority.

CSR 2: The second recommendation promotes a punitive system, rather than an inclusive one to tackle unemployment. Our member, the **Evangelical Lutheran Church of Finland (Kirkon)** does not view this positively. Though employment is an issue in Finland, they are positioned on the EU average so such a severe approach is not warranted. There is also a sub-recommendation on enhancing skills and active inclusion, in line with Principles 1 and 4 of the EPSR. This is welcome, especially for more vulnerable groups like young people.

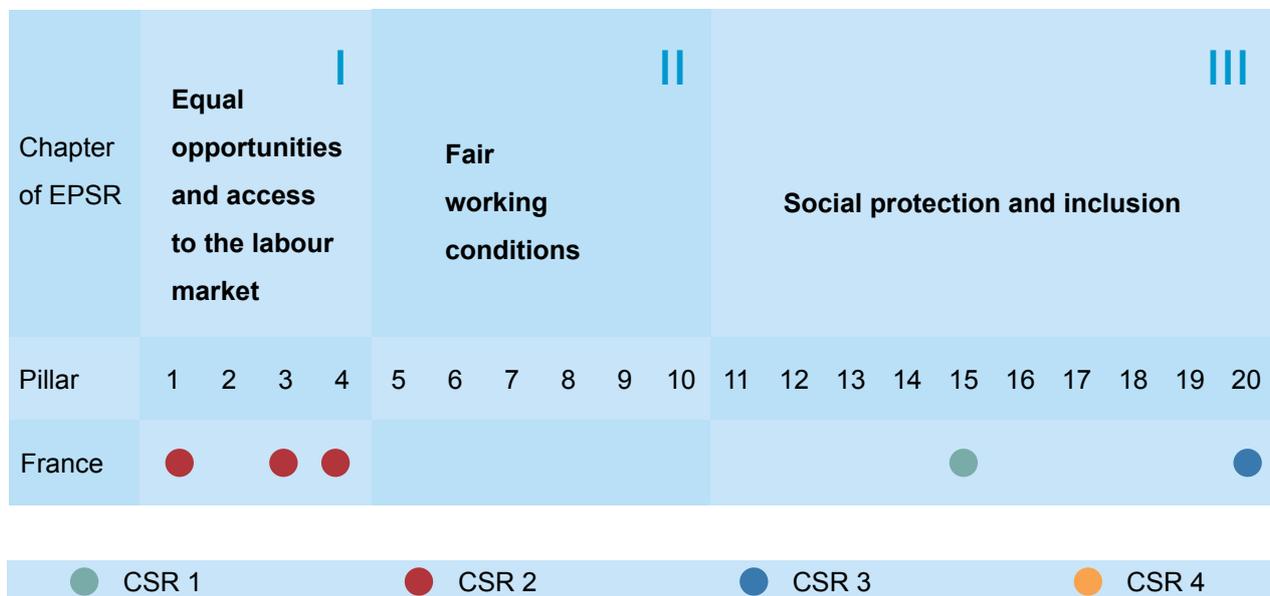
CSR 3: As with other countries, Finland received an additional recommendation on investing in services and research and innovation. Investment should be oriented towards the energy transition and

sustainable transport. However, it should be better underlined how investing in these services will benefit people, strengthen their 'access to services' (Principle 20 of EPSR) and support their social rights.

CSR 4: The question of affordable housing is also mentioned, similar to last year (Principle 19 of the EPSR). It is regrettable, however, that this question is mentioned only from a financial point of view with negative terms such as 'household debt' and not on the social impact it has. For instance, there is no mention of social housing here.

France

The 2019 French CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Ensure that the nominal growth rate of net primary expenditure does not exceed 1.2% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfalls gains to accelerate the reduction of the general government debt ratio. Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022. Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.
- Foster labour market integration for all job seekers, ensure equal

opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.

- Focus investment-related economic policy on research and innovation (while improving the efficiency of public support schemes, including knowledge transfer schemes), renewable energy, energy efficiency and interconnections with the rest of the Union, and on digital infrastructure, taking into account territorial disparities.
- Continue to simplify the tax system, in particular by limiting the use of tax expenditures, further removing inefficient taxes and reducing taxes on production. Reduce regulatory restrictions, notably in the services sector, and fully implement the measures to foster the growth of firms.

Our member's recommendations:

- Create 500,000 new social housing places. This is seen as a priority given the French national context and the immediate need for assistance among the most vulnerable people
- Allow migrants to access the labour market. This would help tackle the miserable state of persons who are currently forced to accept low-paid or illegal jobs as they are not entitled to work.
- Give non-profit organisations the liberty and financial means to choose and develop their social priorities. Citizens' initiatives are currently limited by a vertical regulatory system. It is very difficult to create a social action that is not framed in a bureaucratic control.

France received four recommendations this year, one more than in 2018. Although three recommendations mention employment, social or health issues, if we exclude those focussing only on sustainability, household debt

and investments, there are only two social recommendations (CSRs 1 and 2), similar to the number of final CSRs for France in 2018.

It is notable that France is on the EU average for almost all of the criteria of the Social Scoreboard 2019, apart from a few which are above average. This is significant as it reflects that many social challenges are not being sufficiently tackled. This could explain why France received four recommendations this year.

CSR 1 proposes a limitation of public expenditure and reduction of government debt. Whilst we appreciate the necessity of ensuring the long-term sustainability and accessibility of the healthcare system and maintenance of quality public services for all, this approach must be monitored to ensure that it does not result in a reduction in accessibility and quality.

CSR 1: Similar to last year, the question of the sustainability of the pension system is also addressed, in line with Principle 15 of the EPSR. Though the question of fairness is mentioned in passing, the accent is once again put on sustainability. After having increased the minimum age of early retirement in 2010, from 60 to 62, and the age of full retirement from 65 to 67, it is now recommended that action should be taken to unify the rules of the different pension regimes.

CSR 2: As in 2018, the second recommendation strengthens the need to foster active support to employment for all people, especially people with a migrant background and vulnerable groups (Principle 3 and 4 of EPSR). Our member, **Fédération de l'Entraide Protestante (FEP)**, welcomes that support should be given to migrants to access labour market. However, they ask that there should be work done to improve of the situation of migrants so that they can gain an entitlement to work more easily. They should not be forced to accept low-paid or illegal jobs.

CSR 2: The sub-recommendation addressing the labour market relevance of skills again this year is in line with Principle 1 of the EPSR and is welcome.

CSR 3: As with other countries, France received an additional recommendation on investing in services and research and innovation. Investments should be particularly oriented towards public transport, energy efficiency and digital infrastructure. However, it should be better underlined how investing in these services will benefit people, strengthen their 'access to services' (Principle 16, 18 and 20 of the EPSR), improve the quality of services and support social rights.

CSR 4 goes in the same direction as the third recommendation of 2018 to continue simplifying the tax system and remove inefficient taxes. These measures should foster the growth of firms. However, there is no mention of how simplifying the current tax system could encourage a better redistribution and contribute to inequality reduction and benefit the most deprived persons.

Furthermore, the **Fédération de l'Entraide Protestante** would like the Commission to recommend that their government creates 500,000 new social housing places. This is seen as a priority given the national context and the immediate need for assistance among the most vulnerable people.

Moreover, **FEP** would like the French government to recognise and value the work of social workers by giving them more liberty and financial means to choose and develop their social priorities. Citizens' initiatives are currently limited by a vertical regulatory system. This discourages social partners from commencing new social initiatives.

Germany

The 2019 German CSRs compared to the European Pillar of Social Rights

Chapter of EPSR	I Equal opportunities and access to the labour market				II Fair working conditions						III Social protection and inclusion											
	Pillar	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Germany		●		●	●		●		●							●					●	●

● CSR 1 ● CSR 2

Final CSRs:

- While respecting the medium-term budgetary objective, use fiscal and structural policies to achieve a sustained upward trend in private and public investment, notably at regional and municipal level. Focus investment-related economic policy on education; research and innovation; digitalisation and very-high capacity broadband; sustainable transport as well as energy networks and affordable housing, taking into account regional disparities. Shift taxes away from labour to sources more supportive for inclusive and sustainable growth. Strengthen competition in business services and regulated professions.
- Reduce disincentives to work more hours, including the high tax

wedge, in particular for low-wage and second earners. Take measures to safeguard the long-term sustainability of the pension system, while preserving adequacy. Strengthen the conditions that support higher wage growth, while respecting the role of the social partners. Improve educational outcomes and skills levels of disadvantaged groups.

Our member's recommendations:

- Increase investment in education on all levels and training.
- Increase minimum wages and assure their implementation in all branches in order to prevent in-work poverty and old-age poverty.
- Foster the labour market integration of migrants and refugees to contribute to their overall integration.

Germany received two recommendations this year, the same as in 2018. Though all recommendations mention employment, social or health issues, if we exclude the ones focussing only on sustainability, household debt and investments, there is only one social recommendation (CSR 2), as in 2018.

CSR 1: Again this year, Germany received a recommendation on investment and research. It is appreciated that investment should focus on education, matching our member **Diakonie Deutschland's** recommendation to 'increase investment in education on all levels and training' (Principle 1 of EPSR).

This year, research and innovation needs are identified in areas such as digitalisation, sustainable transport and energy (Principle 20 of EPSR). This is in line with the recommendation given to EU countries to improve the general effort on investment and innovation and preserve adequacy. However, emphasis should be placed on ensuring that services are accessible, affordable and of a good quality.

The question of affordable housing is also mentioned which was not the case last year (Principle 19 of EPSR). It is regrettable, however, that this issue is mentioned only from a financial point of view and not in terms of the social impact. For instance, there is no mention of social housing here.

CSR 2: Similar to 2018, Germany received a recommendation on wages (Principle 6 of EPSR), pensions (Principle 15 of EPSR), disadvantaged groups, and integrating most of the points advocated by our member **Diakonie Deutschland**. However, the angles remain quite different. **Diakonie Deutschland** insists on the need to tackle wealth inequality in Germany and asks specifically for a higher minimum wage and its implementation in all sectors to combat in-work and old-age poverty. However, for this to have a real impact it must be implemented nationwide and further accompanying measures must be taken.

The sub-recommendation on disincentives to work more hours is, at first glance, positive in terms of labour market participation. However, there needs to be an accompanying focus on the quality of employment as around 20% of the labour force are working in precarious conditions. An increase in employment does not necessarily lead to a decrease in poverty levels. Furthermore, **Diakonie Deutschland** wishes to see a specific comment on reducing the levels of long-term unemployed in Germany and the extremely negative effects of sanctions on this group. These measures create a vicious circle and only result in making a bad situation much worse.

The pension system is only considered in the context of safeguarding long-term sustainability. However, further explanation of how to do this while maintaining adequacy is absent. It is positive, though, that the role of social partners is highlighted in this sub-recommendation, matching Principle 8 of the EPSR.

CSR 2: It is welcome that the Commission seeks better support for disadvantaged groups as regards to education and skills (Principles 3+4 of EPSR). However, it could be more specific that measures must foster the labour market integration of migrants and refugees and contribute to their overall integration. Furthermore, Diakonie Deutschland would like a recognition of the value of informal or non-formal learning too. Finally, it is surprising that improving support for children aged under 3 years and investing in childcare services is not mentioned, though it is the only criteria of the Social Scoreboard 2019 where Germany is in a weak position compared to other EU countries.

Greece

The 2019 Greek CSRs compared to the European Pillar of Social Rights

Chapter of EPSR	I Equal opportunities and access to the labour market				II Fair working conditions						III Social protection and inclusion										
	Pillar	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Greece		●			●													●			●

● CSR 1 ● CSR 2

Final CSRs:

- Achieve a sustainable economic recovery and tackle the excessive macroeconomic imbalances by continuing and completing reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018.
- Focus investment-related economic policy on sustainable transport and logistics, environmental protection, energy efficiency, renewable energy and interconnection projects, digital technologies, research and development, education, skills, employability, health, and the renewal of urban areas, taking into account regional disparities and the need to ensure social inclusion.

Our member's recommendations:

- Improve the quality of education through higher academic standards. Education should also be in relevance to the needs of the labour market.
- Find a better balance between the national budget and the social welfare system. The government should be able to reallocate inhabitants' tax into the social welfare system. It will be especially important to reevaluate the priorities of the social welfare reform.
- Reform the judicial system to encourage action and limit its impact on the social and economic national situation. More technical support should be provided.

In 2018 Greece did not receive any country-specific recommendations as the country was subject to the Stability Support Programme. This year, Greece received two recommendations, including one mentioning employment, social and health issues. However, this recommendation is focussed purely on an investment angle, so there is no fully social recommendation this year. Nevertheless, we strongly welcome the mention of the need to ensure social inclusion in the text of the second recommendation.

CSR 1 encourages measures and reforms to achieve a sustainable economic recovery. Our member, the **Evangelical Church of Greece**, advocates that the Greek government should find a better balance between the national budget and the social welfare system through a reevaluation of the priorities of social welfare reform.

CSR 2 supports investment and research policies, similar to the overall direction of the 2019 CSRs. Those needs identified are: sustainable transport, environment, energy efficiency and digital technologies.

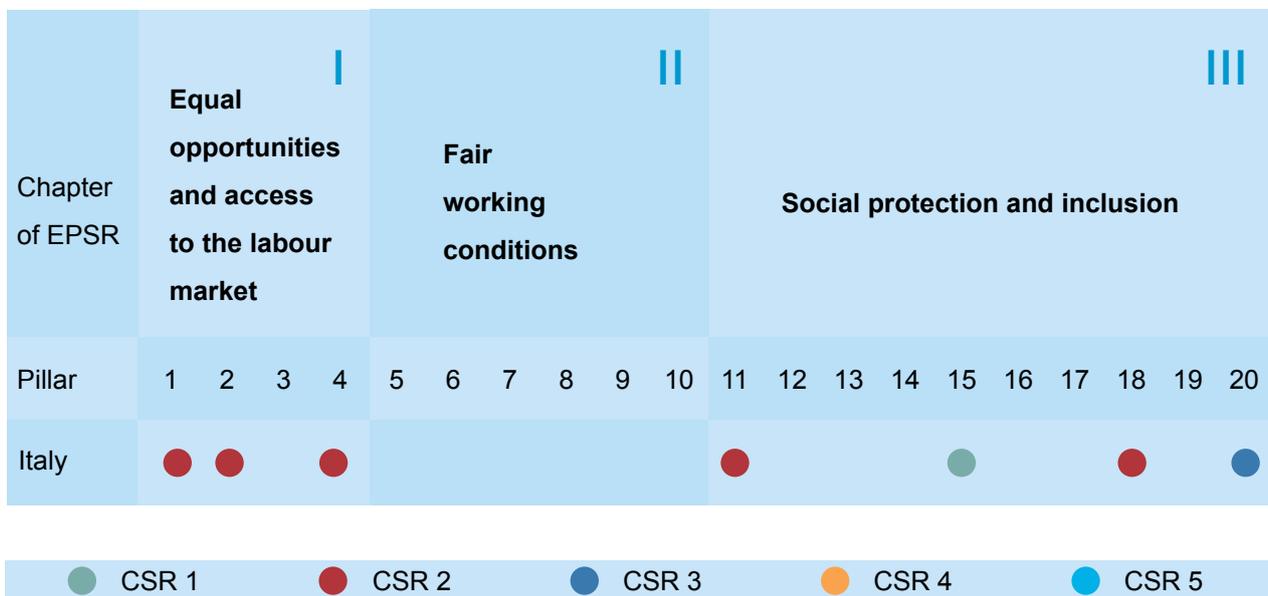
The Evangelical Church of Greece welcomes that ‘education, skills, employability, health’ are also identified as priorities, matching with several principles of the EPSR (1, 4, 16, 20). It is regrettable, however, that this is mentioned only in passing.

CSR 2: Our member would like to see better quality in education and more attention paid to the needs of the labour market throughout. The Social Scoreboard 2019 attests that many young people are Not in Education, Employment or Training (NEET), yet the country performs well in terms of the rate of early leavers from education and training.

Finally, the **Evangelical Church of Greece** would encourage a reform of the judicial system to encourage action and to limit its impact on the social and economic national situation. More technical support should be provided.

Italy

The 2019 Italian CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Ensure a nominal reduction of net primary government expenditure of 0.1% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Shift taxation away from labour, including by reducing tax expenditure and reforming the outdated cadastral values. Fight tax evasion, especially in the form of omitted invoicing, including by strengthening the compulsory use of e-payments including through lower legal thresholds for cash payments. Implement fully past pension reforms to reduce the share of old-age pensions in public spending and create space for other social and growth-enhancing spending.
- Step up efforts to tackle undeclared work. Ensure that active labour market and social policies are effectively integrated and

reach out notably to young people and vulnerable groups. Support women's participation in the labour market through a comprehensive strategy, including through access to quality childcare and long-term care. Improve educational outcomes, also through adequate and targeted investment, and foster upskilling, including by strengthening digital skills.

- Focus investment-related economic policy on research and innovation, and the quality of infrastructure, taking into account regional disparities. Improve the effectiveness of public administration, including by investing in the skills of public employees, by accelerating digitalisation, and by increasing the efficiency and quality of local public services. Address restrictions to competition, particularly in the retail sector and in business services, also through a new annual competition law.
- Reduce the length of civil trials at all instances by enforcing and streamlining procedural rules, including those under consideration by the legislator. Improve the effectiveness of the fight against corruption by reforming procedural rules to reduce the length of criminal trials.
- Foster bank balance sheet restructuring, in particular for small and medium-sized banks, by improving efficiency and asset quality, continuing the reduction of non-performing loans, and diversifying funding. Improve non-bank financing for smaller and innovative firms.

Our member's recommendations:

- Invest more in secondary education and vocational training.
- The government should put more efforts to attract people and give them good working conditions. This is a major priority in the Italian context to foster young people's access to qualitative education and avoid early school leavers.

- Rationalise bureaucratic procedures. For instance, migrant people are often faced with the difficulty of bureaucratic load, which is added to the language barrier. This slows down the process of their integration.
- Improve access to the labour market to foster economic growth. The unemployment rate is still too high, especially for young people and vulnerable groups.

Italy received five recommendations in 2019, the most alongside Cyprus and Romania, and one more compared to 2018. If we exclude the recommendations focussing only on sustainability, household debt and investments, there are three social recommendations (CSR 1, CSR 2 and CSR 3), one more than the 2018 final CSRs.

CSR 1: There is an unsurprising focus on reduction of government debt. However, in CSR 1, it is positive to see “shift taxation away from labour.” It also highlights the need to continue reforms to reduce public spending on pensions (Principle 15 of the European Pillar of Social Rights (EPSR)). As in 2018, it is good that mention is made of encouraging other social and growth-enhancing spending.

CSR 2: CSR 2 covers many social points (undeclared work, policies on youth and vulnerable groups, gender equality, provision of childcare, long-term care, education and upskilling) though integration of migrants is not mentioned specifically, nor is a minimum income or in-work poverty despite the large share of the population at risk of poverty or social exclusion. Our member, **Diaconia Valdese**, would like to see further investment in measures to promote active inclusion.

CSR 2: The reference to improving educational outcomes is positive though it does not specifically mention improving the quality or inclusiveness of education. **Diaconia Valdese** calls for more investment in quality education in particular to tackle the issue of early school leavers.

Furthermore, overly bureaucratic procedures hinder the integration of migrants and Diaconia Valdese would like to see attention paid to rationalising and streamlining the administrative processes in Italy.

CSR 2: Long-term unemployment is not noted, as well as unsecure work (transition from temporary to permanent contracts). The low impact of social transfers on poverty is highlighted in the Preamble but is not specifically addressed in the recommendations. **Diaconia Valdese** calls for improved access to the labour market for young people and disadvantaged groups.

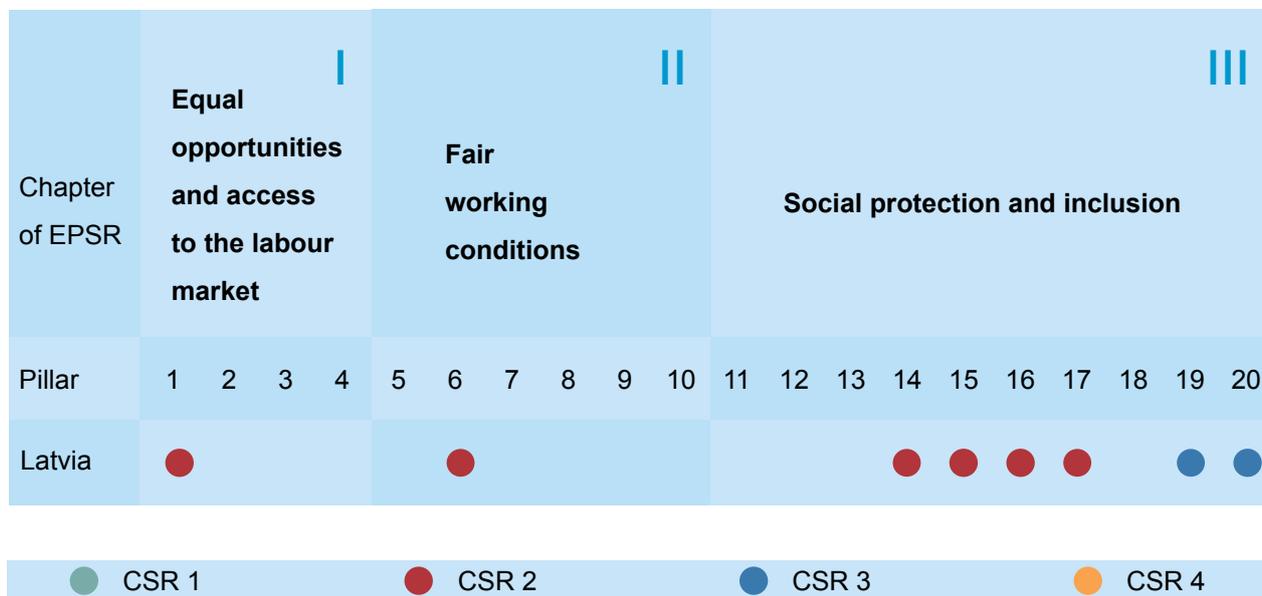
CSR 2: A recommendation on improving childcare services (Principles 11 and 9 of the EPSR), especially for children aged under 3 years, is welcome and necessary, as reflected in the Social Scoreboard 2019. However, it should not be seen merely in terms of boosting labour market outcomes (Principle 4 of the EPSR). It should primarily support the needs of children and to help support both parents to establish a better work-life balance.

CSR 3: As with nearly all EU countries, Italy received an additional recommendation focussed on 'Access to services' (Principle 20 of the EPSR). Investments should be oriented towards research, infrastructure, public administration and digitalisation. It is also good to see a point on increasing efficiency and quality of local public services. However, it should be emphasised how investing in these services will benefit people and support their social rights. There must always be attention paid to the affordability, accessibility and quality of these services. The recommendation to take into account regional disparities is very pertinent in Italy where there are wide differences between north and south, especially in terms of education, a point also underlined by **Diaconia Valdese**.

CSR 5: We welcome attention on improving non-bank financing for smaller and innovative firms.

Latvia

The 2019 Latvian CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Ensure that the nominal growth rate of net primary government expenditure does not exceed 3.5% in 2020, corresponding to an annual structural adjustment of 0.5% of GDP. Reduce taxation for low-income earners by shifting it to other sources, particularly capital and property, and by improving tax compliance. Ensure effective supervision and the enforcement of the anti-money laundering framework.
- Address social exclusion notably by improving the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities. Increase the quality and efficiency of education and training in particular of low-skilled workers and jobseekers, including by strengthening the participation in vocational

education and training and adult learning. Increase the accessibility, quality and cost-effectiveness of the healthcare system.

- Focus investment-related economic policy on innovation, provision of affordable housing, transport notably on its sustainability, resource efficiency and energy efficiency, energy interconnections and on digital infrastructure, taking into account regional disparities.
- Strengthen the accountability and efficiency of the public sector, in particular with regard to local authorities and state-owned and municipal enterprises and the conflict of interest regime.

Our member's recommendations:

- Increase civil society and expert consultations and undertake comprehensive impact assessments before implementing social and economic reforms.
- Reaffirm the states' commitment to social responsibility, including by amending respective legislative documents.
- Assure the inclusion of the vulnerable and marginal groups, such as homeless people.

Latvia received four recommendations in 2019, one more than in 2018. If we exclude the recommendations focussing only on sustainability, household debt and investments, there are two social recommendations (CSR 2 and CSR 3), the same as in the final 2018 CSRs. Overall, the recommendations are very similar to 2018, just with the addition of a recommendation on the suggested investment focus.

CSR 1: It is positive to see the first recommendation call for the tax burden to be reduced for low-income earners and shifted to more progressive taxes.

CSR 2 touches on social exclusion, minimum income, pensions and income support for people with disabilities in line with Principles 14, 15, 6 and 17 of the European Pillar of Social Rights (EPSR). The focus on education and training (Principle 1 of the EPSR) is to be welcomed as adult participation in learning has decreased in recent years. Our Latvian member, **Diaconia Center of the ELCL**, agrees that the low participation in vocational training in particular requires attention, plus there is a lack of a strategic plan for education and training at state level. Furthermore, there should also be an acknowledgement of the wider benefits of education and training, not just restricted to labour market relevance. No mention is made of tackling the gender pay gap (Principle 2 of the EPSR) which is not inconsiderate in Latvia.

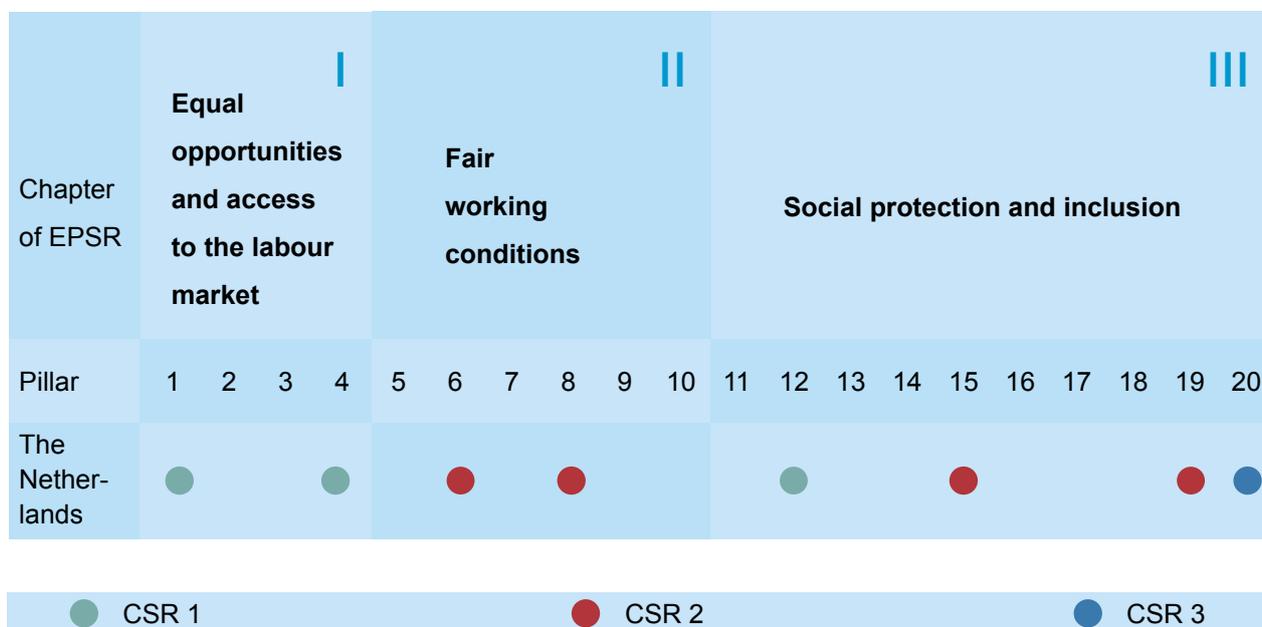
The recommendation to increase investment in healthcare (Principle 16 of the EPSR) is also positive as, on average, spending in Latvia is lower than other EU member states. **Diaconia Center of the ELCL** would also like emphasis placed on the general shortage of medical staff which particularly affects homeless people and those on a low income.

CSR 3: The mention of the provision of affordable housing (Principle 19 of the EPSR) is welcome and it is an issue also raised by **Diaconia Center of the ELCL**. They also feel that the issue of homelessness should be specifically addressed in this recommendation.

Finally, our member would like to see a recommendation that addresses the need for thorough and systematic civil dialogue and a firm commitment by the state to social responsibility in accordance with Principle 8 of the EPSR.

The Netherlands

The 2019 Dutch CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Reduce the debt bias for households and the distortions in the housing market, including by supporting the development of the private rental sector. Ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks. Implement policies to increase household disposable income, including by strengthening the conditions that support wage growth, while respecting the role of social partners. Address features of the tax system that may facilitate aggressive tax planning, in particular by means of outbound payments, notably by implementing the announced measures.

- Reduce the incentives for the self-employed without employees, while promoting adequate social protection for the self-employed, and tackle bogus self-employment. Strengthen comprehensive life-long learning and upgrade skills notably of those at the margins of the labour market and the inactive.
- While respecting the medium-term budgetary objective, use fiscal and structural policies to support an upward trend in investment. Focus investment-related economic policy on research and development in particular in the private sector, on renewable energy, energy efficiency and greenhouse gas emissions reduction strategies and on addressing transport bottlenecks.

Our member's recommendations:

- Reduce child poverty. This is one of the most pressing social issues as a consequence of the flexibility of the labour market and its segmentation, increasing the phenomenon of the working poor. Based on the European Pillar of Social Rights n°11, children have the right to protection from poverty. Special attention should be given to the structural causes of child poverty.
- Tackle social insecurity, for instance with an alternative system disconnecting social security from the labour market. In the current very flexible labour market, only people with a permanent contract benefit from their full rights, while flexible contracts mean insecurity.
- In order to strengthen the support for sustainability broadly among the population, sustainability and poverty reduction should be linked to each other. Sustainability costs should be distributed accordingly.

The Netherlands received three recommendations in 2019, one more than in 2018. The three recommendations are very similar to those given in 2018,

only slightly expanded to include life-long learning and skills (in line with Principle 1 of the European Pillar of Social Rights (EPSR)), particularly for disadvantaged groups and long-term unemployed as well as a widened recommendation on investment focus. If we exclude the recommendations focussing only on sustainability, household debt and investments, there are two social recommendations (CSR 1 and CSR 2), the same as in the final 2018 CSRs.

CSR 1: Despite being low in comparison to the EU average, the Netherlands has witnessed an increasing rate of people at risk of poverty and in-work poverty in the last five years, therefore CSR 1 with its focus on wage growth (Principle 6 of the EPSR), household disposable income and household debt bias is welcome. Our Dutch member, **Kerk in Actie**, feels that the prevalence of temporary contracts and precarious work has had a wage-dampening impact in the country thanks to the associated low labour costs. **Kerk in Actie** expresses frustration that CSR 2 from 2018 on temporary contracts and self-employed without employees has had very little impact thus far and would like to see a full evaluation of the social impact that precarious work has in the country.

A call for the review of the adequacy of the minimum income scheme (Principle 14 of the EPSR) should also be made. The mention of housing market distortions is positive but specific mention should be made of social housing (Principle 19 of the EPSR).

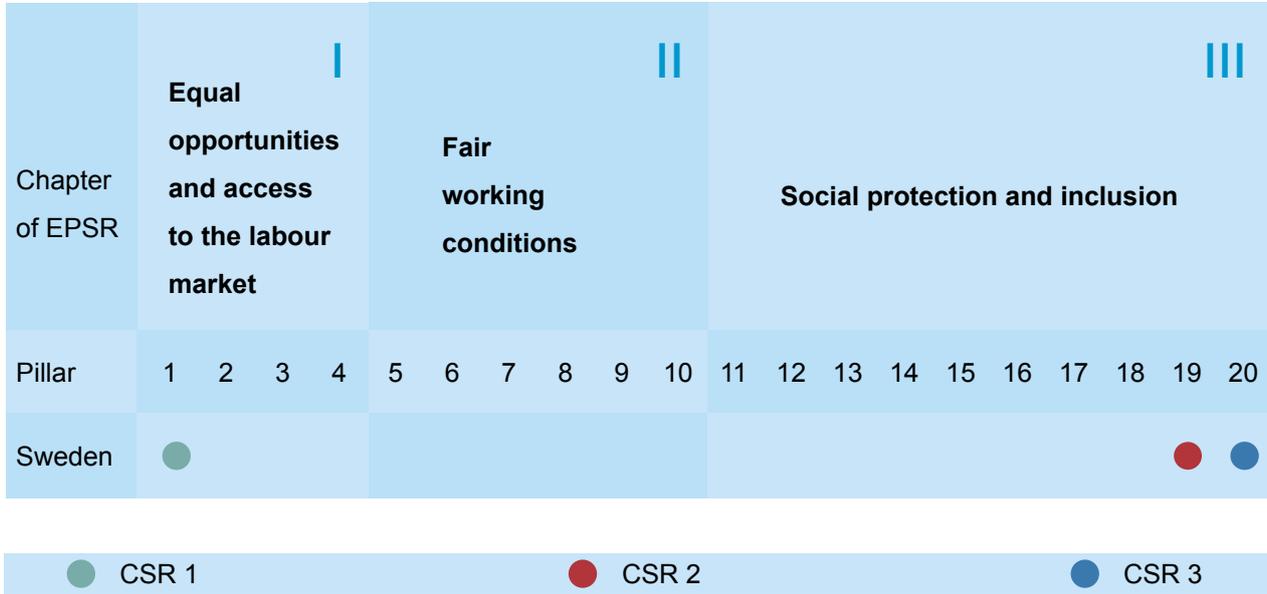
CSR 2: Income inequality and the segmentation of the labour market is a growing problem in the Netherlands and concerns over accessibility of care services, education and housing will need to be addressed if the gap is not to continue widening. Our member suggests that social security should be disconnected from the labour market as currently only those with a permanent contract benefit fully.

Kerk in Actie is also disappointed not to see any mention of the rates of child poverty in the recommendations (Principle 11 of EPSR). More than half of the children living in poverty in the Netherlands have parents who are working but who do not have the financial means to support their children.

CSR 3: **Kerk in Actie** considers that while the call for increased investment in renewable energy, energy efficiency and emissions are pertinent, there should also be a recognition of the social impact of these reforms as increased taxes to encourage and support sustainability will disproportionately affect those on lower incomes which will therefore negatively impact upon support for sustainability amongst lower income groups. Services must be affordable, accessible and of a good quality. Therefore, our member advocates that sustainability should be overtly linked to poverty reduction.

Sweden

The 2019 Swedish CSRs compared to the European Pillar of Social Rights



Final CSRs:

- Address risks related to high household debt by gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes. Stimulate investment in residential construction where shortages are most pressing, in particular by removing structural obstacles to construction. Improve the efficiency of the housing market, including by introducing more flexibility in rental prices and revising the design of the capital gains tax.
- Focus investment related economic policy on education and skills, maintaining investment in sustainable transport to upgrade the different transport modes, in particular railways, and research and innovation, taking into account regional disparities.

- Ensure effective supervision and the enforcement of the anti-money laundering framework.

Our member's recommendations:

- Develop a national strategy to tackle the problem of homelessness.
- Address the problem of social exclusion in Sweden's "vulnerable areas", for instance by allocating structural funds or by rising social benefits for certain groups.
- Improve the access to housing for disabled people, including by engaging the responsible authorities on the local level.

Of Sweden's three recommendations in 2019, only one can be considered social (CSR 2). In 2018, Sweden received only one recommendation which was entirely focussed on the housing market and associated issues. In 2019, Sweden's recommendations are similarly focussed, specifically highlighting the issue of household indebtedness in CSR 1. This is primarily from the perspective of the lack of affordable housing and overvaluation in the housing market (Principle 19 of the EPSR). Our Swedish member, **The Swedish National Association for City Missions**, welcomes the emphasis on housing but is disappointed that homelessness is not identified as a specific issue as it is estimated that 33,000 people in the country are homeless, including children and the elderly.

Our member agrees with the addition of a recommendation on education and skills. However, CSR2 should also emphasise the unacceptable and increasing inequality between social groups in Sweden. The gap between foreign-born and Swedish-born students in terms of educational outcomes is considerable and the 36,000 unaccompanied children in Sweden are particularly affected by low educational outcomes.

The gender employment gap (Principle 2 of the EPSR) has increased in recent years, despite being better than average across the EU, and pressure should not be removed on this point. Our member also finds it surprising that no mention has been made about the integration of refugees and migrants into the labour market. There is currently no coherent, comprehensive approach to deal with integration and such a scheme would help coordination between government, NGOs, civil society and others who work in this field.

The Swedish National Association for City Missions would also like to see a specific mention made for investment in digitalisation that could help with the integration of people with disabilities.



Ramona Petrika, Diaconija Latvia

"Population projections for Latvia suggest a further decrease in the working age population and an increase in the share of the elderly in the medium and long term. There is also the problem of emigration, usually motivated by the working and living conditions in other countries, which contributes to skill shortages."

RECOMMENDATIONS AT A GLANCE

At least one recommendation should be centred specifically on reducing social exclusion or inequalities if we are to improve the balance between economic and social in the Semester.

Effort should be made to improve consistency in the structure of the recommendations and consistency in language.

There must continue to be up-to-date and reliable data on the implementation of reforms by member states.

Assessment of the impact of the European Pillar of Social Rights within the Semester needs to be standardised and expanded.

More attention should be paid to the gaps identified on the Social Scoreboard when determining the priorities to be addressed in the recommendations, in particular in relation to the investment priorities.

Considering the impact that demographic change will have on the economy and society in coming years, recommendations should always explicitly include reforms aimed at preparing for the changes ahead.

Consideration should be given to whether the one-year Semester cycle is an appropriate length or if it would not be more productive to lengthen the cycle in order to properly implement changes and to allow results data to become available.



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