



Report

Promoting shared prosperity in the European Semester: taking stock of the 2019 cycle and launching the 2020 Semester

Eurodiaconia is a European network of 51 organisations in 32 countries, founded in the Christian faith and working in the tradition of diaconia. Representing over 30,000 local organisations, our members provide social and healthcare services and promote social justice. They are engaged in all facets of social inclusion, from the integration of people with a migrant background, to work with disadvantaged young people, to elderly care.

Mission

Eurodiaconia is a network of churches and Christian organisations that provide social and healthcare 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 paper takes stock of the evolution of the 2019 Semester cycle and sets our priorities for promoting shared prosperity in the coming Semester cycle.



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



This paper assesses if the Semester sufficiently balances economic and social priorities, if the European Pillar of Social Rights is being adequately reflected, and to outline our priorities and recommendations for the 2020 Semester cycle.



Throughout the Semester cycle, Eurodiaconia consults our members in order to determine the degree to which the Semester output reflects the situation in their own countries. This information is used to direct our advocacy in Brussels. This paper provides an opportunity to assess the degree to which our recommendations have been incorporated into EU analysis.



Eurodiaconia welcomes the effort being made to address social aspects within the European Semester and we warmly welcome the direction of travel towards establishing a « virtuous triangle » of boosting investment, structural reforms and responsible fiscal policies. However, it is crucial that social policy obtains equal prominence to economic throughout the cycle.

About this publication



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.

The European Semester is an annual cycle of coordination of all EU member state national economic policies. It allows EU countries to discuss their economic and budgetary plans and monitor progress at specific times throughout the year. 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 a stronger social focus 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 impact on the well-being of citizens; particularly on the accessibility, affordability, availability and quality of social and healthcare services and the prevalence of poverty and social exclusion among vulnerable groups.

The proclamation of the European Pillar of Social Rights (EPSR) in November 2017 created a framework of social rights and principles, building upon existing European and international human rights standards

The EPSR has strengthened the evolution of the European Semester towards greater balance between economic and social policies though more remains to be done.

which aimed to bring the EU towards a social Triple A status. The EPSR has strengthened the evolution of the European Semester towards greater balance between economic and social policies though more remains to be done.

Eurodiaconia's members - with the wide range of services they provide and the emphasis placed on quality and helping the most vulnerable - are already contributing to the implementation of the EPSR. Their expertise and experience place them in a position to analyse the degree to which the EPSR is being implemented in the regions and countries where they operate and to judge how accurately the output of the European Semester cycle depicts the situation as they see it.

Thanks to the input of our members, Eurodiaconia has been deeply engaged in the 2019 European Semester cycle and has published several reports in the last twelve months. These reports have consistently called for the Commission to continue to move towards a Semester which is truly balanced between the importance of maintaining economic growth and supporting the wellbeing of all EU citizens. The Semester remains the most important legislative tool available to encourage, support and pressure member state governments to work to make the principles enshrined in the EPSR into a reality in the EU. Therefore, Eurodiaconia is active in pushing for a Semester which is designed to truly balance macro-economic priorities with the wellbeing of EU citizens.

Following on from our previous publications, this paper aims to look back over the 2019 Semester cycle and chart its developments during the past twelve months, as well as looking forward to the 2020 Semester and setting out our priorities for the coming year. Our ambition - to see the full implementation of the EPSR - requires a Semester cycle that is truly inclusive and balanced and our recommendations, based on the experience of our members, seek to encourage this evolution.

This report is structured in two sections: the first provides a general assessment of the 2019 European Semester and traces its development



Image: Eurodiaconia members at the Scottish Parliament (March 2019)

and the balance between social and economic priorities throughout the year; the second presents our policy recommendations for the year to come, taking into account the expertise of our members and the experience of the preceding twelve months.

Assessing the 2019 Semester



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. Nevertheless, this triangle does not specifically recognise the importance of maintaining the wellbeing of citizens, nor does it put equal emphasis on ensuring the accessibility, affordability, availability or quality of services.

The Europe 2020 Strategy makes it clear that economic development, social development and environmental protection are complementary and interdependent. Inclusive growth is not just about high employment levels but also social cohesion and this balance needs to be central in all tenets of policymaking. Until the current imbalance is rectified, the aim of making all of the principles of the EPSR a reality for all people in the EU will remain out of reach.

Despite this imbalance, the 2019 Semester cycle has seen movement in the right direction. As with the previous year, there has been greater emphasis on social policy areas which is welcome. Nevertheless, there is a lack of consistency throughout the yearly cycle which raises questions regarding priorities and can make the related documents quite impenetrable to those not familiar with the EU legislative process. Themes do not always follow through from the Joint Employment Report to the Annual Growth Survey to the Country Reports to the Country-Specific Recommendations (CSRs) and there is often no clarity as to why one topic has been prioritised over another, and this prioritising does not always correspond from one country to another. Greater explanation regarding why certain priorities have been identified or dropped would make the process more transparent and easier to understand.

Progress in making the terminology and phrasing consistent has been made but could certainly be improved further. The CSRs saw uniform

language with regards to investment recommendations and tax evasion/tax avoidance but more could be done to ensure that policy recommendations always pay due attention to the quality of service provided or its accessibility, availability or affordability. Ensuring that reference is made to quality of services or adequacy of support within the recommendations would add political pressure on member states and avoid a situation where only a minimal, insufficient service is offered, purely in order to tick a box next to a Commission recommendation.

Implementation levels continue to be a concern and increased effort must be made to ensure that pressure remains on member states to make the required changes. Even taking due consideration of the period of time required in order to acquire reliable data, with the implementation rate deteriorating over the years, it is clear that member states are not putting sufficient or, indeed, the same effort into meeting the recommendations as they did in the early years of the Semester. The stalling of progress on implementation has the potential to damage the Semester process as a whole, as well as undermining efforts being made to create a truly Social Europe.

Furthermore, the Social Scoreboard (which should provide a useful tool for those monitoring progress on implementation in member states) does not cover all principles of the EPSR. As such, it cannot be used to track changes in topics such as child poverty, homelessness and housing, or the inclusion of people with disabilities, among others. In order to make this a truly useful tool, the content and the language should match. Whilst the EPSR makes mention of the need for social dialogue, it does not specify civil society involvement in the policy-making process, and the Social Scoreboard lacks any indicator which looks at either of these important elements. This gap impacts upon the data available regarding the involvement of civil society, and subsequently also the barriers that exist to full engagement of civil society organisations at both national and EU level.

2019 Country Reports

Eurodiaconia was pleased that this year's Country Reports had a particular focus on demographic change and its impact on labour markets and social protection systems. Nevertheless, although the effects on long-term care, healthcare and pensions are touched upon, it is too often viewed only from a fiscal standpoint. Too little is said of the role care services will need to perform in order to support an ageing society, as well as on the need to further invest in these services.

The efforts to create a clear link between the Winter Package and the negotiations of the future Multiannual Financial Framework was very welcome.¹ This evolution and the clear inclusion of social investment as priorities were promising developments. Nevertheless, investments in health and social services should have been better highlighted, in line with their relevance to tackling the many challenges created or exacerbated by demographic change in Europe.

In line with last year's reports, "building up skills" featured prominently in the Winter Package, rightly viewed as part of the solution for current and future challenges such as digitalisation, new forms of work and demographic change.

We regret the lack of general, qualitative and systematic analysis of the Social Pillar in the Chapeau Communication, the lack of indicators reflecting all principles of the Pillar, as well as the lack of clear EU and member state targets for each of the Social Scoreboard indicators. There were, however, clear improvements in the coverage and analysis of the Social Pillar in the draft Joint Employment Report, in line with the updating

¹ The 2019 Country Reports assess investment levels in each member state and determine what the requirements are. Each chapter includes analysis on investments and an annex (Annex D) gives guidance on the use of cohesion funds in five priority investment areas. These include "a more social Europe" which promotes investment in social infrastructure and in reforms of the labour market and education system.

of the Employment Guidelines, which led to better coverage of key Pillar areas such as housing and homelessness, child poverty and job quality. We welcome this evolution and hope to see further improvements in the next cycle.

Indeed, the Winter Package still lacks emphasis on the role of civil society in reform-making and implementation. Engagement with civil society organisations will help to create ownership for, and quality of, reforms. The European Semester is becoming increasingly inclusive: this is noticeable with the systematic involvement of social partners in the process. Efforts have been made at European level to improve engagement with civil society organisations, and these now need to be mirrored at the national level. A thorough analysis of the involvement of civil society organisations in designing and implementing reforms – on the model of studies done for social partners – would be an important step towards determining the existing shortcomings and best practice. Eurodiaconia has been conducting such research among its members and will continue to do so in order to inform policy-making.

2019 National Reform Programmes

In mid-April, member states submitted their National Reform Programmes (NRPs), detailing their national strategies and policies to boost jobs and growth and prevent or correct imbalances in order to meet the Europe 2020 targets. They are also an occasion for member states to reflect how the priorities of the Annual Growth Survey and EU guidance from the Country Reports and Country Specific Recommendations (CSRs) of the previous year have been successfully implemented, and what concrete actions have been undertaken.

This process should also provide a unique opportunity for dialogue between civil society organisations and national governments - to analyse previous actions and look towards future priorities - before member states present their final report to the European Commission within the NRPs.

Eurodiaconia strongly encourages its members to take part in this process. Each year, Eurodiaconia's members are invited to take part in a survey on their involvement at national level, within the framework of the NRPs.

As with the 2018 NRPs, Eurodiaconia was disappointed that our previous criticism remains largely accurate in 2019. Yet again, lack of uniformity in format and content of the reports does not aid transparency or assist engagement. Critically, some reports are not available in their national language(s) (EE and CY). Others are not available in English (HR, DE, HU, IT, PT, SK and ES). This certainly impedes stakeholder engagement at national and EU level and should be addressed as a priority in the 2020 Semester cycle.

The Europe 2020 Strategy sets out a partnership approach to the development of the NRPs, involving a range of stakeholders including civil society. Nevertheless, our members report great frustration in their efforts to engage at national level, citing that they felt that national authorities did not consider their input in a serious manner. Many members outlined that their sole involvement in the Semester process was through Eurodiaconia and at EU level. Eurodiaconia recognise and welcome the efforts made to formalise and strengthen the engagement with civil society organisations at EU level by the European Commission and hope that this will remain the case in the forthcoming Semester cycle. Nevertheless, the observations of our members suggest that much more remains to be done to encourage full stakeholder involvement at national level. The updated Employment Guidelines, issued in July 2018, contain a clear reference to the need to involve civil society and this, alongside the EPSR, should provide the European Commission with support in its effort to encourage national governments to make concrete changes to include more structured and effective stakeholder dialogue.

2019 Country-Specific Recommendations

Eurodiaconia welcomed this year's CSRs and was pleased to note that the EPSR is having an impact. Nevertheless, the continual reduction in the number of recommendations must not result in an abandonment of the essential need to ensure a Semester focus on reducing inequalities. Furthermore, unless there is an accompanying rise in the implementation rate, the validity of the Semester process will inevitably be questioned.

We appreciate 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. Eurodiaconia welcomes the efforts made to highlight the regional disparities within member states and to establish stronger links between the Semester and the Cohesion Policy 2021-2027. Member states must take full advantage of the available support to improve convergence.

As in previous years, the tendency to combine recommendations into clusters continued. Whilst we appreciate the efforts made to ensure that important elements are not omitted from the recommendations, there is a danger that implementation rates will not accurately reflect the situation in the countries: it will be possible to claim that limited/some/substantial progress has been made on implementing recommendations (given that they incorporate so many different aspects) but this may entirely hide the fact that some priorities may be completely neglected by governments.

The lack of uniformity and consistency in the number of recommendations issued to each country raise some questions. Whilst we 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.

Eurodiaconia welcomes the 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 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 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: e.g. “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. More prominence must also be placed on providing quality services for citizens. Eurodiaconia would like the word “quality” used as the default terminology when referring to social improvement recommendations, in line with the relevant sections of the EPSR.

The EPSR has strengthened the evolution of the Semester towards greater balance between economic and social policies. In 2019, education, training and lifelong learning in Chapter One of the EPSR, and access to essential services in Chapter Three show clear emphasis as nearly all countries have a recommendation which touches upon them. Similarly, healthcare, active support to employment and old age income/pensions receive considerable attention. Whilst we welcome the emphasis, old age income and pensions are often only addressed in terms of fiscal sustainability which risks impacting quality if not balanced with other aspects.

Considering the impact that demographic change will have on the EU, the topics of ageing and long-term care were remarkably under-represented in the CSRs. This is despite the Commission identifying 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 delay.² Nevertheless, long-term care only featured in six of the twenty-eight country recommendations.

Civil society organisations are well-placed to monitor and react to changes on the ground, as well as identifying how actively member states are implementing CSRs. Eurodiaconia wishes to see a continuation of engagement seen at EU level but also a strengthening of interaction between civil society organisations and national governments to ensure that all partners are fully engaged in this process.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0500&from=EN> p3

Looking forward to the 2020 Semester



According to the draft European Council conclusions on the Economy of Wellbeing, “...well-designed social, employment, education and health policies are indispensable for long-term economic growth, they are an essential part of the European Semester.”³ Nevertheless, these policies have not yet achieved the same level of prominence as the economic and fiscal measures throughout the Semester process. Until this balance is achieved, it remains hard to argue that the wellbeing of citizens is as important as economic growth in the EU to policymakers, despite many positive moves in the right direction.

These positive moves must continue in the 2020 Semester. The emphasis placed on social investment in the 2019 Semester should be replicated in the next one. Spending on social services should be viewed as investments not costs, especially at this time of record low interest rates. Support

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should continue to be given to member states to access EU funding to support their investment targets and implementation of their CSRs. There should also be an accompanying acceptance that if such spending is truly being viewed as a long-term investment to support economic growth and social wellbeing, then it is not useful to simultaneously demand strict limits on public spending.

There are growing inequalities across and within member states and it is vital that EU funds remain focussed on reducing these gaps. It is also vital that efforts to monitor implementation of CSRs and other aspects of the European Semester properly consider regional divergence and do not merely refer to national implementation rates or statistics which may

³ <https://data.consilium.europa.eu/doc/document/ST-11164-2019-INIT/en/pdf> p. 6

conceal regional differences and not fully capture the extent of social challenges in the EU. As such, Eurodiaconia warmly support the expansion of the regional Social Scoreboard which provides a useful tool for monitoring the implementation of the EPSR within the European Semester. Simultaneously, strengthening current measures to address growing levels of migration towards capital regions in order to maintain the sustainability of other regions is increasingly urgent. Without quality, affordable and accessible services available in rural and remote areas, urban migration will certainly continue at the cost of the decline of those areas further from the capital region.

Whilst the Social Scoreboard is an invaluable tool in terms of monitoring the social situation in member states, it should have indicators which mirror the chapters of the EPSR. If the Pillar is the compass of the European Semester then there needs to be data available in order to properly assess the degree to which member states are implementing the related recommendations. Furthermore, Eurodiaconia wishes to see an indicator that measures fairness which we believe would help to address the sense of the European Union working only in the interests of business, not citizens. Similarly, an indicator on social coverage would also provide a very useful benchmark in terms of assessing the levels of social protection for citizens in each member state.

Helpful to encouraging better implementation of the EPSR across the EU would be a study of governance of the Pillar at member state level, looking into how each country organises itself in terms of working towards full implementation of the EPSR. This overview would provide an analysis of best practice, thereby increasing peer pressure on EU governments to adopt more efficient and supportive methods of working to increase the implementation rates of the Pillar across the EU.

Eurodiaconia appreciate the open and frequent dialogue that has been established between civil society and the European Commission and wish to see this continue in future Semester cycles. Nevertheless, the degree to which civil society is consulted at national level varies considerably between member states. Eurodiaconia would thereby suggest that an

analysis should take place along the same lines as that done for social partners in order to fully assess the current situation in the EU.

We also hope that the new structure of the European Commission, with Vice Presidents of the Commission overseeing several portfolios, will begin to address the current tendency for the Directorates-General of the Commission to operate in silos from one another. In terms of the development of the European Semester, and regarding the full implementation of the European Pillar of Social Rights, it is absolutely necessary for different stems of the Commission, as well as the various parts of the European institutions more widely, to work in a more coordinated manner.

Eurodiaconia would also suggest that it is considered if the annual cycle of the Semester is the appropriate length or whether it would not be more efficient to lengthen the cycle. Currently, due to the speed of various elements of the Semester, there is not the time or ability for national governments to properly engage with civil society and social partners, to make the changes that are recommended or for the results of those changes to be recorded. This has the potential to undermine the Semester process as a whole if it consistently shows that implementation of recommendations is not increasing.

In light of the above observations, and considering the urgent need to balance the Semester through strengthening the place of social policy reforms in the cycle, Eurodiaconia believes that priority should be given to the following five topics in the 2020 Semester :

Promote social investment

Demographic change, technological change, migration, job polarisation, the rise of non-standard and new forms of employment are all putting pressure on our social models. Social investment helps to make our societies more resilient, to better equip workers for the changing nature of employment, to reduce inequalities and to help all citizens to reach their full potential.

Social infrastructure is a crucial component for the creation of inclusive growth. Since the global economic and financial crisis, the EU has been suffering from low levels of investment. Indeed, infrastructure investments in 2016 were 20% below the 2007 level.⁴ With an increasingly complex and mobile society, social investment levels must be increased to provide services which are inclusive and fit for purpose. Considering current levels of political distrust and detachment, ensuring that the wellbeing of citizens is placed at the heart of EU policy-making may help to counter populist discourse and strengthen trust in the European project.

Crucial to being able to fully participate in society is having access to a safe, good quality home. Homelessness is a growing problem in Europe which is utterly unacceptable in 2019. Our members can clearly see the challenges that rising house and rent prices are causing. Substantial increases in rents and the lack of adequate and affordable housing or social housing in many cities across Europe represents a considerable risk for vulnerable people. Having a home is a basic right and the European Semester must prioritise investment in these areas throughout the cycle, in line with the principle on housing and assistance to the homeless in the European Pillar of Social Rights.

Promoting social investment has multifaceted benefits, helping to support social cohesion and the reduction of inequalities but also creating sustainable, fairer economic growth and therefore it must continue to be placed at the heart of the Semester.

Promote quality employment

Despite the signs of a slow recovery from the economic crisis, a closer look at labour market trends show that unemployment rates vary widely across the EU and some groups of people remain disproportionately exposed to unemployment and inactivity. Job polarisation (i.e. employment growth

⁴ *Boosting Investment in Social Infrastructure in Europe*, Lieve Fransen, Gino del Bufalo and Edoardo Reviglio, January 2018, p. vi

concentrated at both the bottom and the top of the income distribution) and non-standard forms of employment are increasing, bringing implications for the future of social protection systems, the cohesion of our societies and the wellbeing of citizens.

Social protection schemes are valuable tools which serve to prevent individuals and families falling into poverty. Nevertheless, punitive approaches which deliberately seek to exclude have resulted in a situation which meant that, in 2016, two in three jobseekers in the EU received no unemployment benefit at all.⁵ The implications of such measures go much wider than just the individual concerned. Furthermore, changing forms of work are creating new challenges in terms of providing social protection. Workers with non-standard contracts are up to 40 - 50 % less likely to receive any form of income support when out of work.⁶

The rapid pace of technological change requires citizens to have access to opportunities for lifelong learning in order to ensure that they can still access employment as the job market continues to develop. Access to lifelong learning not only helps our economy through ensuring a workforce which is talented and skilled as employment options become increasingly technical, but it also creates equal chances to participate fully in society, get high-quality jobs and achieve personal development.

Our members have also witnessed the rise of in-work poverty, impacting over 9% of all EU workers (2018),⁷ and the resulting increase in the demand for social services. Whether this is a result of the weakening of collective bargaining, a rise in involuntary part-time, zero hour or temporary contracts, wage levels or reduced employment protection, it is an indication that employment alone no longer offers a route out of poverty. It is now necessary to emphasise the importance of quality jobs if we wish to maintain a link between employment and social inclusion.

⁵ [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642343/IPOL_BRI\(2019\)642343_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642343/IPOL_BRI(2019)642343_EN.pdf)
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⁶ *ibid*

⁷ https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_01_41&plugin=1

Labour markets must also be fully inclusive, promoting equal opportunities for all with necessary attention given to those groups currently under-represented. The next Semester cycle must pay specific attention to those groups who face particular barriers: for instance, Roma children and migrant women. Furthermore, considering the mutually reinforcing links between poverty and exclusion from labour markets, tackling the current barriers which reinforce discrimination against certain groups, and which limit the possibility of every citizen to reach their full potential, is not only good sense in terms of social outcomes but also for the future competitiveness of the EU.

Prepare for demographic change

Europe is ageing dramatically; primarily due to a significant increase in life expectancy and lower birth rates. The proportion of people aged 80 or over in the EU is expected to more than double by 2050 (from 5.4 % of the population in 2016 to 11.4 % in 2050).⁸ EU citizens aged over 65 may expect to be able to manage their daily living activities independently for less than half of their remaining years. As well as putting greater pressure on the sustainability of pension systems, this will also change the care requirements of the elderly in the future. With increasing numbers of people becoming frail, developing multiple chronic conditions and with projections showing that the number of people living with Dementia worldwide may triple by 2050, we need to develop different ways of providing health, social and long-term care services with much greater integration than is currently the case, whilst ensuring accessibility, affordability and quality.⁹

The ageing of our society is a strategic and structural challenge for European social protection systems in the coming decades. Rising demand for care, the declining supply of carers and financial pressures to deliver

⁸https://ec.europa.eu/eurostat/statistics-explained/index.php/File:Population_structure_by_major_age_groups,_EU-28,_2016-80_%28%25_of_total_population%29.png

⁹ <https://www.who.int/news-room/fact-sheets/detail/dementia>

high quality health and social services need to be addressed through structural reforms now if we are to successfully prepare for future challenges. The European Semester is the most appropriate vehicle for promoting these changes and the future cycle should place sufficient emphasis on preparing our societies, whether through greater integration of health and social care services, promoting socially responsible public procurement practices, or greater investment in social infrastructure. These steps will be fundamental if we wish to meet the changing needs of older persons and to ensure our care services are of good quality, accessible to everyone, efficient and sustainable.

Tackle child poverty

With one in four children in the EU at risk of poverty and social exclusion, this must be a priority area for the next Semester.¹⁰ With evidence suggesting that children who grow up in poverty are less likely to do well in school, enjoy good health and realise their full potential later in life, there are sound economic benefits of tackling child poverty as well as the very obvious social incentives.

Whilst we warmly welcome the recent commitments made to a Child Guarantee, and we appreciate that more attention has been paid to child poverty in the 2019 Semester - and we especially welcome the emphasis on the risk of poverty for specific groups/households, including for children of low-skilled parents, or refugees - concrete measures are often still missing. Dedicating a specific CSR to this topic would increase pressure on member states to take focused action on this point. A target on child poverty post 2020 would add to this emphasis: for instance, to remove from poverty those 2.5 % of children who are affected by all three dimensions

¹⁰https://ec.europa.eu/eurostat/statistics-explained/index.php/Children_at_risk_of_poverty_or_social_exclusion#General_overview

(living in households with relative income poverty, low work intensity and severe material deprivation).¹¹

Our members observe a lack of focus on the accessibility, affordability and quality of childcare services. This is regrettable as access to such services enables children to fully participate in society, such as in extra-curricular activities or leisure pursuits. Measures to support disadvantaged children which would permit them to take part in after-school activities and in their community should therefore be promoted within the European Semester.

Moreover, many recommendations are not directly linked to tackling child poverty but are aimed at wider measures such as reducing numbers of early school leavers or increasing women's participation in the workforce. Though enhancing employment-based policies, education outcomes, social and healthcare services, affordable housing and social inclusion (especially for the most vulnerable persons), will have a positive impact on reducing child poverty, there is a lack of a comprehensive policy approach to address this cross-cutting issue.

As a child's well-being depends heavily on the family within which they grow up, direct support for families (such as an adequate child allowance for every child) must be provided and more effort must be made to tackle in-work poverty so that working parents can support their families. Breaking the intergenerational poverty cycle is key to developing the full potential of all citizens, which is why the issue of child poverty should be given more focus in the European Semester, in line with Principle 11 of the European Pillar of Social Rights.

Close the gender gap

Despite significant progress being made on gender equality, there remains a considerable disadvantage in being female in the EU. This disadvantage not only impacts upon the women in question but also has much broader

¹¹ [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/638429/IPOL_BRI\(2019\)638429_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/638429/IPOL_BRI(2019)638429_EN.pdf)
p. 9

repercussions on society. Much remains to be done in closing the gender pay gap, ensuring equal female representation at decision-making level, ending gender-based violence and pushing for equal economic independence.

The 2020 Semester must push member states to increase female labour-market participation but this must be simultaneously accompanied by efforts to address current imbalances in caring and professional responsibilities and caring and household responsibilities. Quality, accessible and affordable childcare must be provided throughout the EU as barriers to access to childcare are also barriers to employment: the higher the proportion of income that families spend on childcare, the lower the incentive to take up employment.¹² Progress on this front should be closely monitored throughout the Semester cycle, in particular through examination of the National Reform Programmes and through the country-specific recommendations.

Furthermore, there must be targeted measures directed at those women experiencing the most challenges, in particular migrant women. Migrant women often face a double disadvantage due to their status as women as well as immigrants.¹³ They must usually confront more obstacles to access employment, training, language courses and integration services than their male counterparts. Moreover, within the group of non-EU migrants, refugee women are confronted with additional challenges often related to their forced migration, including poor health, trauma, and lack of documentation of their education and work experience. In addition, migrant women often experience multiple forms of discrimination based on factors including gender, race, ethnicity, religion, and immigration status, putting them at a higher risk of experiencing violence, poverty and social exclusion.

Successful integration therefore depends on a package of measures that are tailor-made and give greater consideration to these specific challenges

¹² *Employment and Social Developments in Europe, Annual Review 2019*, European Commission (2019) p. 138

¹³ *Triple Disadvantage?: A first overview of the integration of refugee women*, Liebig and Tronstad, OECD Social, Employment and Migration Working Papers, No.216, OECD Publishing, Paris (2018), p. 8



and to the migrant's experience. Thus, effective systems that recognise migrants' skills, experience and existing qualifications such as the EU Skills Profile Tool for Third Countries Nationals and mentoring programmes are key for an optimal labour market integration and the 2020 Semester must give due emphasis to them.

CONCLUSIONS AT A GLANCE

Social investment levels must be increased to provide services which are inclusive and fit for purpose. Considering current levels of political distrust and detachment, ensuring that the wellbeing of citizens is placed at the heart of EU policy-making may help to counter populist discourse and strengthen trust in the European project.

The **ageing of society** will be a strategic and structural challenge for European social protection systems in the coming decades. Rising demand for care, the declining supply of carers and financial pressures to deliver high-quality health and social services need to be addressed through structural reforms now if we are to successfully prepare for future challenges.

Unemployment levels, job polarisation and non-standard forms of **employment** bring implications for the future of social protection systems, the cohesion of our societies and the wellbeing of citizens.

Children who grow up in poverty are less likely to do well in school, enjoy good health and realise their full potential later, thus there are sound economic benefits of tackling **child poverty** as well as obvious social incentives.

Much remains to be done in closing the **gender gap**, ensuring equal pay and representation at decision-making level, ending gender-based violence as well as pushing for equal economic independence.



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