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Eurodiaconia Recommendations for the 2020 Semester

Eurodiaconia is a network of 51 organisations in 32 European countries providing 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 realise their full potential. Based on their experience, we would like to share with you our proposals for the 2020 Semester.

Ensuring a social market economy that promotes inclusive growth constitutes a priority for our members. Eurodiaconia strongly welcomes the intention of incoming European Commission President von der Leyen to develop an action plan for the implementation of the European Pillar of Social Rights. This action plan must continue to emphasise the importance of the Semester cycle for promoting positive social change. The Semester cycle represents a unique opportunity to shape the implementation of the European Pillar of Social Rights in member states and provide a framework for monitoring and reporting. If the Pillar is going to become a true compass for the EU in all of its policy-making then it is vital that the Semester continues in its current trajectory of increasingly balancing its social and economic priorities.

Considering these objectives, along with the achievements and limitations of the previous Semester cycle, Eurodiaconia would like to see the following five priorities emphasised in the 2020 European Semester. These recommendations are informed by our members' experience on the ground and backed up by our policy work. They are detailed more extensively in our position paper, *Promoting shared prosperity in the European Semester*, which we attach to this message for your information:

Promote social investment

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.¹ Demographic change, technological change, migration, increasing homelessness, 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.

¹ *Boosting Investment in Social Infrastructure in Europe*, Lieve Fransen, Gino del Bufalo and Edoardo Reviglio, January 2018, p. vi

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 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.

Our members have also witnessed the rise of in-work poverty, impacting over 9% of all EU workers (2018),² 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.

Labour markets must also be fully inclusive, promoting equal opportunities for all with necessary attention given to those groups currently under-represented. 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

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 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.

² https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_01_41&plugin=1

Tackle child poverty

With one in four children in the EU at risk of poverty and social exclusion, and 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.

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.

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.

Close the gender gap

Despite significant progress being made on gender equality, 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 accompanied by efforts to address current imbalances in caring/household responsibilities and professional 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.³

Furthermore, there must be targeted measures directed at those women experiencing the most challenges. Migrant women usually confront more obstacles to access employment, training, language courses and integration services than their male counterparts. Successful integration therefore depends on a package of measures that are tailor-made and give greater consideration to these specific challenges and to the migrant's experience. Thus, effective systems that recognise migrants' skills, experience and existing qualifications are key for an optimal labour market integration and the 2020 Semester must give due emphasis to them.

³ *Employment and Social Developments in Europe, Annual Review 2019*, European Commission (2019) p. 138