



Eurodiaconia assessment of the 2020 Winter Package

Eurodiaconia is a European network of 52 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 advocate for 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 position paper assesses the Country Reports published as part of the Winter Package on 27th February 2020. It gives a general assessment and a country-specific one, based on the input of Eurodiaconia members.



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



Following an overview of Eurodiaconia's priorities for the 2020 Semester and a general assessment of this year's reports, this paper focuses on the reports of Austria, Czechia, Denmark, Germany, Greece, Italy and the Netherlands.



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 paper provides the opportunity to assess whether the input Eurodiaconia has provided during the year has been taken into account in the drafting of the Winter Package.



The 2020 country reports continue the progress seen in previous years of increasing attention given to the social situation in member states. This is now complemented by a strong emphasis on the transition to a sustainable economy which we welcome. The reports generally provide an accurate and comprehensive picture of the challenges and progress of each member state.

About this publication



COVID-19 has had a devastating impact on the entire continent, leaving no one untouched. People have been forced to adapt their lives as they face a new reality.

Eurodiaconia is a network of 52 churches and Christian organisations that provide social and health care services and advocate for social justice. Our members, representing more than 30,000 social and health care providers, approximately 800,000 staff and over a million volunteers around Europe, have strong and long-standing expertise in providing services to the most vulnerable across Europe. On a daily basis, our members support people in poverty (homeless and unemployed people, asylum seekers and migrants, Roma etc.) and people requiring long-term care (dependent older people, people with physical or mental disabilities etc.).

COVID-19 has had a devastating impact on the entire continent, leaving no one untouched. People have been forced to adapt their lives as they face a new reality.

Our members are currently at the forefront in confronting the impact of COVID-19. Every day we see the social, health, economic, emotional and spiritual needs faced by people. We have a unique view of the challenges on the ground and the emerging needs and trends.

Based on this indepth knowledge and experience, this report brings together their observations and analysis of this year's Country Reports, published by the European Commission on 27th February 2020, as the second stage of the European Semester. Whilst we recognise that the Country Reports were written and published before the COVID-19 pandemic took hold of Europe, we consider that many of the important issues raised therein are still relevant in this changed context and, in many instances, have now increased in importance and urgency.

Why this publication



The European Semester is an annual cycle of coordination of all national policies with an impact on the economy, organised around five stages throughout the year. The proclamation of the European Pillar of Social Rights (EPSR) in November 2017 showed recognition of the necessity of taking a holistic policy approach when discussing economic and financial reforms. The need for such an approach has since been confirmed by the impact of the COVID-19 pandemic. Together with other civil society organisations, we have been active in pushing for a stronger social focus to the Semester since 2011.

Macro-economic policy must not be made without full consideration of the implications on the wellbeing of citizens, as well as the affordability, accessibility, availability and quality of social and health care services and the prevalence of social exclusion among vulnerable groups. Eurodiaconia warmly welcomed the Finnish Presidency's focus on the Economy of Wellbeing and fully supports the development of the welfare economy contributing to a socially, economically and environmentally sustainable Europe.¹ We know, from our diaconal work at the grass-roots level, the importance of promoting accessible social and health care services for all and of enhancing participation and equality.

Macro-economic policy should not be made without full consideration of the implications on the wellbeing of citizens.

Putting wellbeing of people and the planet at the centre of all policy and decision-making is vitally important in many aspects. First, it is in line with

¹ <https://www.eurodiaconia.org/2019/11/eurodiaconia-signed-a-joint-statement-with-its-finnish-members-on-the-economy-of-wellbeing/>

the *raison d'être* and the fundamental values of the European Union. Secondly, a more coherent approach to linking social policies with economic policies and sustainable development is likely to lead to better competitiveness and economic developments within the EU; a strong focus on social policy is good for the economy and vice versa. And, thirdly, the Economy of Wellbeing is likely to increase legitimacy and the feeling of trust in the EU, thus bringing the EU closer to its citizens.

We especially welcome the cross-sectoral, horizontal approach, which is needed in order to include an Economy of Wellbeing perspective into all EU policies. We also appreciate the focus on implementing the European Pillar of Social Rights as a compass for renewed upward convergence towards better working and living conditions for European citizens. The European Semester currently provides the most important vehicle to achieve this ambition.

As a result, with the guidance of our members and their extensive experience in providing social services across the EU and wider, this report aims to analyse the accuracy of the 2020 Country Reports as published by the European Commission in February. It further seeks to assess the degree to which the European Semester is paying more attention to social outcomes and the implementation of the EPSR, as well as to outline the perspectives of our members as to the situation in their countries and the policy recommendations they wish to make to their national governments. It is hoped that these will influence the drafting of the final stage of the European Semester cycle, the Country-Specific Recommendations, to be published in May.

At the beginning of the 2020 Semester cycle, Eurodiaconia published its priorities for the coming twelve months.² These were:

² <https://www.eurodiaconia.org/wordpress/wp-content/uploads/2019/11/Promoting-shared-prosperity-in-the-European-Semester-2020.pdf> and

- **Promote social investment** to make our societies more resilient, to better equip workers for the changing nature of employment, to reduce inequalities and to help all citizens reach their full potential.
- **Promote quality employment** to ensure sustainable growth, an end to job polarisation and in-work poverty, with particular attention paid to those groups currently under-represented.
- **Prepare for demographic change** through greater integration of health and social care services, promoting socially responsible public procurement practices, and greater investment in social infrastructure.
- **Tackle child poverty** to ensure that the intergenerational poverty cycle is broken, allowing all citizens to reach their full potential. It is unacceptable that one in four children in the EU are at risk of poverty and social exclusion.
- **Close the gender gap**, ensuring equal pay and pensions, equal female representation at decision-making level, ending gender-based violence and pushing for equal economic independence, including for those women currently facing the most challenges such as female migrants and Roma women.

Eurodiaconia was pleased to note that all of our priorities are reflected in the Annual Sustainable Growth Strategy for 2020.³ Throughout this report, the degree to which these recommendations have also been echoed Throughout the Country Reports will be assessed. A comparison will also be made to the 2018 and 2019 Country Reports in order to analyse the degree to which the European Pillar of Social Rights has had an impact on the content and focus of this stage of the Semester cycle.

<https://www.eurodiaconia.org/wordpress/wp-content/uploads/2020/03/Eurodiaconia-Recommendations-for-the-2020-Semester.pdf>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0650&from=EN>



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General overview



Overall, this year's Country Reports are following the positive direction of previous years, encompassing more awareness of the social situation in each member state as well as increased coverage of particular issues of concern to our members, such as child poverty, homelessness and in-work poverty.

Our members feel that the reports present an accurate picture of the challenges in their countries. They were generally content that the most urgent matters were addressed. However, on some occasions, the situation of vulnerable groups is not adequately covered or connections between topics are not clearly drawn; for instance, in-work poverty and its implications on child poverty.

Our members feel that the reports present an accurate picture of the challenges in their countries. They were generally content that the most urgent matters were addressed.

The increasing attention given to the implementation of the EPSR throughout the Semester is welcome and the recent addition of the Sustainable Development Goals (SDGs) into the analysis is a positive step though there remains a need for a more thorough integration throughout the Country Reports. Nevertheless, the annex dedicated to examining the progress made towards the SDGs provides a very useful overview of outstanding challenges in each country. It should be noted that, in the chart in each Country Report which monitors the implementation of the EPSR, the use of the SDGs alongside the Social Scoreboard indicators with their traffic light colour system can seem confusing, e.g. a country might receive a dark green colour (suggesting a “best performer”) for “Early leavers from education and training” but SDG4 on quality education, next to it, is shown in red (suggesting a “critical situation”). It might be clearer to merely list the SDGs instead of using their coloured symbols.

We are pleased to witness an increase in the references to the position of civil society organisations (CSOs) throughout the reports, with more than half of the reports making specific mention of CSOs. This is a dramatic change over the last two years, rising from only one mention in all of the 2018 Country Reports. Nevertheless, there remains more to be achieved in terms of engaging with civil society throughout the Semester process. Some of our members report that there is little outreach by their national governments and this is not always highlighted in the individual reports, for instance, for Austria, Poland or Slovakia.

Considering the growing issue of homelessness in the EU, it is positive to see that this issue is addressed in over half of the reports, and more than double as many as last year. However, it is not always the case that in referring to homelessness, subsequent connections are also made to the availability of social housing or to the adequacy of national support services. The current absence of any mandatory right to housing is a key weakness in the EU social model. The right to a decent and affordable home should be seen as main EU acquis drawing on a growing EU and international jurisprudence in relation to housing rights.⁴ The right to housing should be enforced regardless of residence status, to ensure access to rights for migrants, homeless people and other excluded groups.

This year's emphasis on in-work poverty in the Country Reports is welcome and complements Eurodiaconia's own priority for the 2020 Semester of advocating for quality employment in the EU. Issues with poverty, indebtedness, child poverty and gender inequality are all exacerbated by in-work poverty and if we wish to see a European economy that works for the benefit of all then there must be action on this point. For instance, we want to see progress on the provision of adequate minimum wages, tackling precarious work, and a reduction in the gap between short-time

⁴ FEANTSA (2016) Five key principles for implementing the housing priority in the European Pillar of Social Rights.

work benefits and normal earnings for families, particularly for single parents, families with many children and children with special needs.

Many of our members work with vulnerable groups, including refugees, migrants and Roma. The situation of Roma is referenced in six of the 28 reports, but not in France, Germany, Greece or Italy. Considering the still extensive degree of social exclusion that Roma face, it is surprising that they do not receive a mention in all of those countries where they make up a sizable minority. That being said, the Country Reports for Bulgaria, Czechia, Hungary, Romania, Slovakia and Spain all dedicate considerable attention to issues surrounding the inclusion of Roma which is a welcome development but we would also like to see attention given to the underlying problem of antigypsyism which exacerbates much of the exclusion this group face.⁵

Similarly, several countries received dedicated sections in their report looking at the integration of migrants (for example, Denmark and the Netherlands). These were useful in providing a summary of the situation that migrants face and it would be helpful to have similar chapters in all of the Country Reports in future. As the Social Scoreboard, the EPSR and the SDGs do not demand specific targets for migrants, there are no indicators to refer to in order to trace the progress, or lack thereof, towards full social inclusion of this vulnerable group. We encourage the European Commission to use the upcoming Action Plan on the Integration of Third Country Nationals as a tool where progress towards the integration of migrants in different member states can be assessed using specific indicators and benchmarks.

⁵ The Council of Europe's Commission Against Racism and Intolerance defined antigypsyism as, "an especially persistent, violent, recurrent and commonplace form of racism, an ideology founded on racial superiority, a form of dehumanisation and institutional racism nurtured by historical discrimination, which is expressed, among others, by violence, hate speech, exploitation, stigmatisation and the most blatant kind of discrimination." See page 14 of https://ec.europa.eu/info/sites/info/files/post2020_eu_roma_in_antigypsyism.pdf

The need to more effectively integrate migrant women in European societies has come to the forefront of policy debates in recent years. Research has shown that migrant women often face a 'double disadvantage' due to their status as women and migrants. They usually face more obstacles to access employment, training, language courses and integration services than their male counterparts. Furthermore, refugee women in particular face additional challenges related to their forced migration, including poor health, trauma and lack of documentation of their education and work experience. Member states with significant migrant populations should therefore be encouraged to report on the integration outcomes of this specific group.

A priority of Eurodiaconia in 2020 is to tackle child poverty. As such, we were pleased to see that more than half of the Country Reports touched upon this topic. Nevertheless, considering that even before the COVID-19 pandemic nearly one in four children in the EU lived in poverty – including many in the wealthiest EU member states - and that this number will now surely rise further, this topic should be present in all reports.⁶ We would also welcome the introduction of an indicator into the Social Scoreboard which measures progress of each member state on tackling child poverty.

Eurodiaconia and our members will be actively working with the EU and partners on the development of the European Child Guarantee in order to ensure that, once finalised, all vulnerable children have access to the support they require. The Child Guarantee is a key initiative to ensure access to free healthcare, free education, free childcare, decent housing and adequate nutrition, but needs to be embedded in an integrated approach based on the Investing in Children Commission Recommendation (2013): supporting access to resources, services and participation.

⁶https://ec.europa.eu/eurostat/statistics-explained/index.php/Children_at_risk_of_poverty_or_social_exclusion

As partners of the EU Alliance for Investing in Children, Eurodiaconia fully supports the recent joint statements on protecting children and their families during and after the COVID-19 crisis⁷ and the proposal for a Council Recommendation on the Child Guarantee for the wellbeing of all children across the EU in 2020⁸, recognising the multidimensionality of poverty and framing the recommendation within an integrated approach, tackling the needs of children and their carers/parents. This is an important opportunity to show how the EU's social model can work in practice and the European Commission and Member States must use this opportunity to make a difference to this and future generations.

With regards to the composition of the Country Reports, it would be useful to have a set structure for the chapter on *Labour market, education and social policies* as they all cover different elements and in a different order, with some countries receiving a more thorough analysis of the social situation in that country than others. The Country Reports for the Netherlands and for Italy both have a variety of sub-sections within this chapter which help make the document more accessible. We recommend that, in future, this structure is repeated in all of the reports.

We recognise that the current COVID-19 pandemic has utterly reshaped our societies and that the impact will be felt for many years to come. The 2020 Country Reports analysed economies and societies that have dramatically altered in the meantime. Whilst the economic response from the European Commission recognises that high unemployment will be a result of the crisis, it cannot limit itself to protecting SMEs alone. It must also look at how social protection systems can be enhanced with increases in not only the coverage of such systems but also the level of benefits provided. It is unacceptable to see higher rates of relative and absolute

⁷ <http://www.alliance4investinginchildren.eu/joint-statement-on-protecting-children-and-their-families-during-and-after-the-covid19-crisis/>

⁸ <http://www.alliance4investinginchildren.eu/proposal-for-a-council-recommendation-on-the-child-guarantee-for-the-wellbeing-of-all-children-across-the-eu/>

poverty because of the inadequacy of social benefits. It is therefore essential that, alongside the proposals on an Unemployment Reinsurance Scheme, work is accelerated on adequate minimum income and that Member States are given guidance on the level of social benefits that will ensure people are able to retain a dignified life.

We welcome the loosening of fiscal rules through the Stability and Growth Pact to allow for greater spending in urgent areas by Member States but this must not be a time-limited, one-off measure. The social impact of this crisis will not unfold in fullness for some time and so investment in education, training, social and health care will need to be incorporated into the Stability and Growth Pact as required. It is imperative that the European Commission work with Member States to ensure that a complete package of social benefits for the overall wellbeing of people is put in place quickly, mitigating the severe social and economic impact and increase in poverty post COVID-19, especially towards vulnerable populations.

Country-by-country analysis



In this section, we will look at those countries where our members gave us detailed feedback on their Country Reports. Unfortunately, due to the increased pressures placed on social service providers by the COVID-19 pandemic at the time of the publication of the reports, there has been a lower feedback rate than we have had in previous years. Nevertheless, each member was asked to consider: the degree to which they agreed with the assessment of the report; which issues, if any, they felt were missing; and the degree to which they agreed with the Commission assessment on the level of implementation of the EPSR in their country. They were further asked to identify their priorities for recommendations for their national governments. It is hoped that these will influence the drafting of the final stage of the European Semester cycle, the Country-Specific Recommendations.

The rate of labour market participation of women and the limited use of childcare is exacerbating the gender employment gap in the country.

Austria

Diakonie Österreich feels that the Country Report for Austria presents an accurate and balanced picture of the situation and addresses most of the key challenges for the country. Nevertheless, they would underline that the key points selected for the Executive Summary are not fully representative of the situation in Austria and do not include several important challenges, such as the position of vulnerable groups and any reference to the situation of asylum-seekers and migrant integration. Furthermore, the summary also focuses on the labour market and economic perspectives rather than a wider picture of Austrian society.

Regarding the labour market, our member would also agree with the emphasis placed on the issue of the over-qualification of skilled migrants in the labour market. Similarly, the rate of labour market participation of women and the limited use of childcare is exacerbating the gender employment gap in the country. Diakonie Österreich would also like to see more focus given to in-work poverty in this section, as well as a focus on issues around accessibility for people with disabilities. Furthermore, in the section on social dialogue, there is no mention made of the engagement of civil society in the legal and institutional framework for dialogue in the country.

In terms of social policy, Diakonie Österreich generally agrees with the assessment of the Commission. They welcome the mention of the reform of *Neue Sozialhilfe* and the recent judgement that elements of this reform are unconstitutional and they would further point out that access and entitlement to social security worsened under the right-wing government in Austria during 2019, especially for vulnerable groups.

They would also highlight that the report for Austria makes little mention of the situation of refugees and migrants despite there being considerable challenges in the country related to access to social security and affordable housing and labour market participation and job quality for these groups.

With reference to education and skills, Diakonie Österreich feel that some elements of the report are optimistic in their evaluation of recent reforms in the country when, as yet, it remains unclear how these reforms will be implemented and who will eventually profit from them. Furthermore, much greater attention should be paid to early years education (0 – 6 years). While important progress has been made, much more remains to be done to improve the quality and accessibility of childcare and education for this age group.

Diakonie Österreich would issue the following recommendations to the Austrian government:

- More attention must be paid to the situation of asylum seekers in social policy reforms;
- As well as with social partners, social dialogue should also include civil society;
- The most vulnerable groups must also be represented in reforms and new policies.

Czechia

Diaconia ECCB is largely very supportive of this year's Country Report for Czechia. On the whole, the report is found to be accurate and thorough, covering most of the urgent concerns in the country.

While the country is performing well on many indicators of the Social Scoreboard (Diaconia ECCB agrees with the perception of the level of implementation of the EPSR in the country), there remain challenges in the country. Many of these have been outlined in the Country Report and were also identified by our member. In particular, concerns over the severe shortage in nursing staff, childcare staff and teachers are underlined, along with a growing skills shortage of those trained in skilled craft activities.

Diaconia ECCB is concerned that the long-term reduction of participation in apprenticeships is resulting in a closure of schools and therefore creating an even greater problem in terms of training skilled craftsmen. This is subsequently increasing the pressure on those currently working in these fields and stimulating the black market economy by encouraging those without the appropriate training or qualifications to fill the gaps. Our member argues that there needs to be greater effort spent on making apprenticeships a more attractive avenue for young people, including through improving the quality of education that apprentices receive.

In addition, Diaconia ECCB expresses great concern over the current shortage of nursing staff in Czechia. At present, there are around 5,000 too few nurses in the country. This has led to situations where some

departments are having to limit the number of beds, reject patients or close altogether. They view the cause of this shortage to be primarily down to the major demographic changes the country has experienced in recent years, as well as the high pressure placed on nurses and the comparatively low salary they are paid.

Regarding social policies, our member agrees that Czechia must make further progress on tackling indebtedness. The largest Czech household debts are associated with mortgages and consumer credit. They are concerned that Czechia is facing a real estate bubble with increasing property prices, and the relatively easy access to cheap mortgages is creating a trap for people for whom rent payments would be a more sustainable solution.

Regarding the implementation of the EPSR, Diaconia ECCB agrees that healthcare in Czechia is generally available to all and remains highly regulated, though quality may sometimes be compromised due to financial pressure. They would also agree that the European Commission is correct in identifying the lack of childcare for children aged under three years. In their opinion, the fees for both public and private kindergartens are too high in comparison to average salary levels and the capacity levels of both are not adequate for the numbers of families who require their services.

To conclude, Diaconia ECCB would make the following recommendations:

- The healthcare system requires greater funding and reform to prepare for the impact of demographic change;
- Greater effort must be made to increase the attractiveness of the teaching profession, thereby improving the quality of the graduates;
- The integration and inclusion of migrants must be improved in order to reduce discrimination and prejudice.

Denmark

Kirkens Korshær, our member in Denmark, feels that the report presents an accurate picture of the country and the challenges it faces. While they agree with the overall analysis of the employment and education sectors in Denmark, they would add emphasis to the growing skills gap in the country and the issue of early school leavers and low achievers. They share the concern outlined in the report that there is currently a clear link between socio-economic status and education results.

The inclusion of a section on integration in the Danish report is welcome as there remain issues related to the inclusion of migrants in Denmark. Kirkens Korshær feel that it should be noted in the report that, in some areas of the country, migrants still do not have a good understanding of Danish even after many years of residence. This lack of language knowledge only strengthens feelings of societal exclusion. Furthermore, undocumented migrants are unable to access healthcare except for acute illnesses.

While the integration section of the report makes reference to the *Denmark without parallel societies – no ghettos by 2030* initiative, Kirkens Korshær would further highlight that the destruction of ghettos is creating a housing problem in the country as these cheaper apartments are no longer available. As Denmark already has a lack of affordable housing, especially in the area around Copenhagen, this issue needs to be addressed. Housing expenditure is very high in the country and the removal of cheaper accommodation risks worsening the situation.

Kirkens Korshær feels that the Commission assessment on the state of the implementation of the country-specific recommendations is accurate for Denmark and would make the following points to their government:

- More effort must be made to work towards ending social inequality and tackling poverty;

- Changes should be made to ensure that healthcare is provided equally for all, including the poor and uneducated;
- There should be a greater transfer of resources between wealthier municipalities and the more deprived areas of the country.

Germany

Diakonie Deutschland, our German member, feels that the German Country Report covers most of the social issues that they see in the country. They agree that social inequalities in mortality and life expectancy have increased and are considerable and that growth must be inclusive and sustainable. This should be addressed through the tax system. They would also agree that the German government is not investing at sufficient levels, and it should prioritise investment in education and local infrastructure.

In terms of employment, Diakonie Deutschland would highlight that there are currently perverse incentives for taking up employment: for instance, the tax privilege for married couples.

In relation to affordable housing, Diakonie Deutschland agrees with the report that there has so far been only limited progress in extending provision and there needs to be strict and targeted development of social housing.

A priority issue for our member is the need for greater training opportunities for people with few qualifications in order to help upskill the workforce. With only 3.2 million jobs available for those with low qualification levels, there must be investment made to enable social providers to buy the necessary equipment to provide training which meets the demands of the current and future job market; in particular, for machines, devices, tools and instruments that are modern, digitised and adjusted to the needs of new and technical jobs.

Diakonie Deutschland would also raise the issue of in-work poverty in direct relation to long-term unemployment levels in order to underline the reality that being in employment, especially if you possess low qualifications, does not automatically mean that the wages are sufficient to live on. In the report, the issue of in-work poverty is only raised in relation to social policy and in a table (Table C4) in the annex. In the executive summary, in relation to Germany's performance on the Social Scoreboard, it is also not mentioned.

Finally, Diakonie Deutschland would also suggest that the use of the term, "hoarded", in relation to the labour market is not appropriate and that "under-utilised" would be a preferable description.

Diakonie Deutschland wishes to make the following recommendations to the German government:

- Make changes to the tax system in order to remove perverse incentives and to tackle inequalities;
- Increase investment in education, training and local infrastructure;
- Increase minimum wages in order to tackle the growing problem of in-work poverty.

Greece

The Evangelical Church of Greece feels that the Country Report for Greece provides a thorough overview of the current challenges in the country. In terms of the labour market, they would agree that there remain issues related to the employment rate in the country, that the current activation programmes do not provide jobseekers with a prompt and tailor-made approach and would highlight that more than half of the jobs created in the private sector were part-time or rotational jobs. Furthermore, the gender employment gap in Greece is particularly large and is only partly attributable to family caring responsibilities. They would also highlight that there remain considerable and growing challenges in terms of labour

market integration of migrants and refugees, as well as the Roma population of the country.

The Evangelical Church of Greece would agree with the Commission assessment of the state of the education sector in Greece. They would add that greater effort should be made to strengthen links between education and training and the labour market, also in vocational education.

With reference to the section covering social policies, our member also feels that while income inequality has declined, it remains higher than in the EU as a whole. It is also their impression that there remain challenges in terms of the integration of third-country nationals, including recently arrived refugees. Until now, the integration of migrants into the Greek education system has focused primarily on schools but more must be done in other public institutions.

Our member is also concerned that while the introduction of the Single Social Security Fund (EFKA) has been subject to many delays, and despite the laudable aim behind the Fund, there are increasing reports of inefficiencies in its approach.

Regarding the European Pillar of Social Rights, the Evangelical Church of Greece agrees with the assessment of the Commission in terms of the level of implementation of the principles in Greece. They would further underline that the minimum wage level is not fair and does not support a dignified life, and since the crisis of 2008-9, many families do not have a decent standard of living. As such, there remains much to be done to ensure that children are not growing up in poverty, especially children from disadvantaged backgrounds. Similarly, many elderly people lack an adequate income and, as such, cannot live in dignity.

The Evangelical Church of Greece agrees with the Commission assessment on the state of the implementation of the country-specific recommendations and would make the following points to their government:

- To set up a stable and long-term taxation system which encourages direct foreign investments;
- To prepare a short-term non-performing loan centralised monitoring system;
- To design a new approach on the pension regulatory system.

Italy

Diaconia Valdese considers that the Country Report for Italy paints an accurate picture of the situation in the country. They would agree with the report's emphasis on the huge regional variations in Italy, in particular in terms of employment rates in the south of the country, and underline their concern that this problem has become entrenched.

In terms of the labour market, our member also welcomes the increase in permanent contracts over the previous year. They would also agree that the shadow economy remains a serious concern in the country and would suggest that it remains such an issue because it is still viewed as a useful tool in order for many families to get by.

Diaconia Valdese is also greatly concerned by the high percentage of young people not in employment, education or training (NEETs) in Italy. The percentage of early school leavers indicates the expected higher figures for the south of Italy but it is also important to note that there are also surprisingly high percentages in the industrial (or, in some cases, post-industrial) areas within Piedmont and Liguria. Our member would suggest that part of the problem may lie in a widespread belief among young people that additional education or training will not really help them. A robust public information campaign by the government may help.

Regarding education in Italy, Diaconia Valdese strongly agrees with the Commission analysis but would like to see greater focus on the difficulties faced by migrants and refugees as groups requiring more support in terms of education and training. In terms of tertiary education, our member also

regrets that family background remains an important factor in educational attainment. Furthermore, the continually low employment rate of tertiary graduates is a concern but our member feels that the modernisation of university courses, along with more extensive cooperation between universities, the private sector and third sector organisations, would make a positive difference in this regard.

Our member agrees with the Commission assessment of the Italian healthcare system, but would also highlight the problem caused by the emigration of doctors and nurses. They similarly agree that, despite social services being viewed as a strength in the country for many years, they are now overburdened and under-funded, especially in rural areas. Whilst a variety of third sector actors are trying to fill the gaps, a significant increase in funding from the national level to the regions (which have responsibility for social care) is essential.

Diaconia Valdese would underline that whilst they recognise that almost half of social spending is on old-age pensions, this is due to demographic change in the country (Italy has the highest median age in the EU and the highest old-age dependency ratio in the EU⁹) and the creation, in previous decades, of so-called “baby pensioners” who retired at 48 or 50 years old in certain sectors.

Diaconia Valdese is also concerned with the high level of income inequality in Italy but is generally supportive of the new *Reddito di cittadinanza* (citizenship income) as a tool to help people. They would agree, however, that the baseline is not sufficient and that it must be further complemented by active labour market policies.

One aspect not covered in the chapter on social policy and demography is the need to address specific aid and incentives towards women who

⁹https://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing#Median_age_is_highest_in_Italy

remain under-represented in the workforce, often because of the lack of adequate childcare facilities or due to other family caring responsibilities.

Diaconia Valdese would issue the following recommendations to the Italian government:

- Direct more targeted funding to the regions for upgrades in social and health care in both urban and rural contexts;
- Offer incentives to universities and polytechnics to start new programmes of collaboration with qualified private sector and third sector actors so as to facilitate better collaboration between academia and future workplace destinations of students;
- Dedicate more funding to projects and initiatives that make it easier for women to enter into the workforce, including through increasing the provision of childcare and elderly care.

The Netherlands

Our member in the Netherlands, Kerk in Actie, feels that while the Country Report covers many of the challenges the country faces, it does not always fully explore the social implications of economic measures. For instance, whilst the report refers to the Netherlands as one of the most productive economies in the EU, it is not simultaneously recognised that a growing number of people are approaching charities in order to meet basic needs. Kerk in Actie has recorded that, between 2015 and 2018, the total number of those seeking the assistance of diaconal organisations rose from 49,474 to 62,568.¹⁰ Most commonly, the primary issues are related to debt and trying to make ends meet after years of low income.

¹⁰ Armoede in Nederland 2019: Onderzoek naar hulpverlening door diaconieën, parochiële caritasinstellingen en andere kerkelijke organisaties in Nederland, p19

Whilst our member is pleased to see the report again place emphasis on the issues related to flexible employment, they wish to see the link explicitly drawn between precarious work and poverty. The recent growth seen in the number of permanent jobs, mainly linked to the shortage in the labour market, is also mainly benefitting highly skilled workers. Kerk in Actie would also agree that flexible employment is having a downward pressure on wages in the Netherlands, and more so for temporary than permanent workers. Lower taxes and social security contributions for self-employed workers, allowing them to offer lower rates than employees, is also placing downward pressure on wages. Our member would also stress that this issue should be urgently addressed by the Dutch government.

Kerk in Actie would further highlight that whilst unemployment is at its lowest level since 2001 (at 3.4% in 2019),¹¹ it should be noted that the picture is distorted due to a change in the definition of unemployment in 2015. Before that point, anyone who worked under twelve hours a week was viewed as unemployed. Since the change, anyone working two hours a week is viewed as employed. As a result, in 2015, a million workers joined the employed labour force and the unemployment rate fell drastically.

Child poverty is only mentioned very briefly in the Country Report. Whilst *Het Centraal Bureau voor de Statistiek* in the Netherlands reports that the number of children living in poverty has fallen slightly, there remain 264,000 children who live in poverty, often due to the inadequate wages of their parent(s). It should also be underlined that more than a quarter (26.9%) of the children of people born outside the Netherlands live in poverty. This is about three times as many as children with parents born in the Netherlands (8.91%).¹²

Our member would also emphasise that, with 40% of the additional tax burden resulting from the climate agreement borne by households, this

¹¹ Page 9 of the 2020 Country Report for the Netherlands

¹² Page 48 of the 2020 Country Report for the Netherlands

pressure will be relatively heavier for low-income households and should be identified as a social risk. They would furthermore stress that this increased pressure on lower income groups could have an undermining effect on the support for sustainability among these groups.

Kerk in Actie would draw attention to the contrast between different sections of the Country Report: for instance, in relation to the implementation of the EPSR, the Netherlands appears to have a very good score with regard to the good labour market situation and social situation. In terms of social protection and inclusion, the Netherlands is recognised as one of the best performing member states. Nevertheless, this runs contrary to the country's position as one of the frontrunners of the EU in terms of precarious work. This is referred to as a "concern" on the same page, but it is clearly not reflected in the scores related to the labour market situation and social situation.

Finally, Kerk in Actie wish to raise the question of whether the government's current care and protection system is functioning adequately considering the rising demand for diaconal help in meeting basic needs. At the very least, the increasing demands on churches in the field of poverty reduction raises questions about what it means if the Netherlands is named in the report as one of the best-performing member states in the field of social protection and inclusion.

Kerk in Actie wish to make the following recommendations to the Dutch government:

- Adequately tackle social insecurity as a result of the current flexibility of the labour market, perhaps including an exploration of the possibility of disconnecting social security coverage from employment;
- In order to avoid undermining support for sustainability among lower income groups, ensure that that costs of the transition to a sustainable economy are divided according to capacity to pay;

- Consider whether the current care and protection network in the Netherlands is functioning properly if an increasing number of people have to turn to diaconal organisations in order to meet their basic needs.

Kerk in Actie wish to make the following recommendation to the European Commission:

- In order to strengthen the relevance of the European Pillar of Social Rights within the European Semester, an indicator should be introduced in order to measure, using the position of the weakest member state as a base, how much progress each member state has made in terms of reducing child poverty.



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CONCLUSIONS AT A GLANCE

Tackle child poverty to ensure that the intergenerational poverty cycle is broken, allowing all citizens to reach their full potential. It is unacceptable that one in four children in the EU are at risk of poverty and social exclusion.

Close the gender gap, ensuring equal pay and pensions, equal female representation at decision-making level, ending gender-based violence and pushing for equal economic independence, including for those women currently facing the most challenges such as female migrants and Roma women.

Promote quality employment to ensure sustainable growth, an end to job polarisation and in-work poverty, with particular attention paid to those groups currently under-represented.

Promote social investment 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.

Prepare for demographic change through greater integration of health and social care services, promoting socially responsible public procurement practices, and greater investment in social infrastructure.



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