

Report

Boosting sustainable and inclusive growth through the European Semester

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 health care 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 paper examines and assesses the 2020 country-specific recommendations published on 20th May 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) and members of the European Parliament EMPL committee.



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 and our members have provided during the year has been taken into account in the drafting of the Spring Package.



Eurodiaconia recognises that COVID-19 has reshaped the 2020 European Semester and that the primary focus of this year's recommendations is on economic recovery. However, we are concerned that many of society's most vulnerable are now at risk of falling even further behind and, as such, there must be more, not less, attention paid by the European Commission and national governments.

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 (the homeless, asylum seekers, refugees, migrants, unemployed people, Roma, children, amongst others) and people requiring long-term care (dependent older people, people with physical or mental disabilities etc.).

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

Based on this knowledge and experience, this report brings together their observations and analysis of this year's country-specific recommendations, published by the European Commission as part of the Spring Package on 20th May 2020, as the final stage of the 2020 European Semester.

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Why this publication



Introduced in 2010, the European Semester enables EU member states to coordinate their economic policies throughout the year and address the economic challenges facing the EU. 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 beyond, this report aims to analyse the accuracy of the 2020 country-specific recommendations as published by the European Commission in May. 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.

At the beginning of the 2020 Semester cycle, Eurodiaconia published its priorities for the coming twelve months.² We were pleased to note that all of them were reflected in the Annual Sustainable Growth Strategy for 2020.³ They were:

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

<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/TEXT/PDF/?uri=CELEX:52019DC0650&from=EN>

- **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.
- **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.
- **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.
- **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.

The COVID-19 pandemic has done nothing to alter these priorities. The opposite is true. The changes brought about by the virus have highlighted the absolute urgency in tackling these issues. The pandemic has exposed the results of years of underinvestment in social infrastructure. This must now be remedied. Investment in education, training, social and health care will need to be incorporated into the Stability and Growth Pact as required. National and regional governments must invest in social services and social infrastructure: they are at the forefront of responding to the pandemic and they will continue to be the means of delivering services to some of the most vulnerable in our societies.

It is imperative that the European Commission works 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 the vulnerable populations in each country. A long-term post-2020 strategy should recognise the benefits of social investment and encourage such spending as a way to ensure the empowerment and autonomy of all people in our societies as well as encouraging economic growth.

COVID-19 has exposed just how unprepared the continent is for the reality of demographic change. The impact of the virus on the elderly has been catastrophic, whether simply in terms of the mortality rate or in broader ways, such as the cognitive decline of those with dementia, and increased loneliness and isolation. Existing structural weaknesses in the care sector have been exposed. Whilst those working in the care sector have finally received the recognition they deserve for the challenging work they do, that has not yet been translated into sufficient personal protective equipment, testing or a decent salary. According to the OECD, the number of long-term care workers will need to increase by 60% by 2040 to keep the current ratio of carers to elderly people across OECD countries.⁴ Unless there is much greater effort made to improve the perception of care workers and the conditions they work in, meeting this target will be extremely challenging. This will need to include a rethink of public procurement and a strengthening of collective bargaining schemes if we wish to see contracts being awarded with anything more substantial than a minimum wage attached.

The need for quality employment has been highlighted by the sudden visibility of those people working in precarious jobs, often outside social protection systems, who have been at the forefront of keeping our societies going during lockdown. This includes many migrants working in essential services, including the care sector. The pandemic has shed light on the exploitation of migrant workers across the EU, who are often forced to work

⁴ <http://www.oecd.org/coronavirus/policy-responses/workforce-and-safety-in-long-term-care-during-the-covid-19-pandemic-43fc5d50/>

for long hours without the necessary protection and with little or no pay. Any response to COVID-19 must 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 poverty because of inadequacy of social benefits.

It is deeply regrettable that the current crisis has further worsened the already unacceptable figures on child poverty in the EU. It is more important than ever to put children at the heart of the EU's recovery strategy. An overarching social and sustainable Europe 2030 Strategy, an ambitious EU long term budget and a holistic Council Recommendation on the Child Guarantee – based on the 3 pillar approach of the 2013 Investing in Children Recommendation - are needed to support the EU's most vulnerable, including children. Meanwhile, it is vital to model and keep monitoring both health and socio-economic impacts of mitigation measures impacting populations differently across society. Eurodiaconia is in full support of the measures proposed in the joint statement signed as partner of the EU Alliance for Investing in Children.⁵

Finally, the impact of COVID-19 on the already substantial gender divide in Europe is unmistakable and extremely concerning. Domestic violence has increased.⁶ Teleworking, which, in normal times, would be seen as a positive development allowing for greater flexibility and a better work-life balance has, in contrast, proved to be an added burden for many working mothers as they have needed to juggle work, home-schooling and care simultaneously. As a result of the lockdown, women's share of unpaid work is likely to have increased considerably, with children out of school and any older dependents at home needing more care.⁷ Furthermore, the recession

⁵ <http://www.alliance4investinginchildren.eu/joint-statement-on-protecting-children-and-their-families-during-and-after-the-covid19-crisis/>

⁶ <https://eige.europa.eu/news/covid-19-and-gender-based-violence-has-pandemic-taught-us-anything>

⁷ <https://www.eurofound.europa.eu/publications/report/2020/living-working-and-covid-19-first-findings-april-2020>



we now face as a result of the pandemic is likely to affect women's employment prospects more than men's, the main cause being existing gender imbalances across different jobs in the economy with men more likely to work in roles which are less heavily impacted by COVID-19 (farming, building and maintenance, policing etc) and women in sectors where public contact is more frequent, such as hospitality, retail, tourism and personal service activities. Added to this, because women are more likely not to be in paid work or to be in low-paid and temporary jobs, they are more financially vulnerable than men.⁸ The situation of those women who were already suffering from social exclusion and discrimination such as female migrants and Roma has become absolutely critical. These women, who are often working in the frontlines or employed in the informal sector (for instance, as domestic workers, cleaners and seasonal workers),

⁸ <https://www.socialeurope.eu/covid-19-fallout-takes-higher-toll-on-women>

are at a higher risk of losing their livelihood or having their labour and human rights violated. It is crucial that the gender impact of the current crisis continues to be monitored and that tackling the gender gap is a centre point of the recovery plan, with special attention paid to those most at risk.

If ever it was important to ensure that macro-economic policy is not 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, it is now.

General overview



Eurodiaconia recognises that the 2020 country-specific recommendations are unlike any that have come before and are, primarily, a crisis response. The recommendations issued broadly allow member states to design their own responses to the pandemic, being all quite general and similar across all countries, with little diversion from the main focus of economic recovery, usually tied to supporting health care. Nevertheless, we are concerned that, considering the degree to which the COVID-19 pandemic has, once again, brutally exposed how wide many of the inequality gaps in our society are, it is dangerous to use a broad brush to respond to the crisis. There is a real risk that those who were already struggling will fall further behind and those who were already socially excluded will face even greater deprivation. There is a total absence of references to society's most vulnerable groups such as Roma, refugees or migrants in the recommendations, as well as regarding issues such as the gender gap or youth. We appreciate that the Communication accompanying the recommendations and the recitals often do cover these points but it remains to be seen as to whether member states pursue an approach of "if it is not specifically a recommendation then we can ignore it" which may result in many vital social considerations being abandoned.

There is a real risk that those who were already struggling will fall further behind and those who were already socially excluded will face even greater deprivation.

As such, we appreciate that the European Commission has confirmed that the far more specific 2019 recommendations remain relevant for this year and would stress that, whilst economic recovery is essential, it must be pursued in such a way that the wellbeing of all in our society is ensured. There must be no repeat of the approach taken after the 2008/2009 economic and financial crisis with no attention paid to the damage caused

by slashing investment and inflicting deep austerity. Instead, now is the time for Europe to implement a programme of transformative public investments. Nevertheless, this can only be possible if member states are able to exempt public investments in future-oriented projects – such as the digital and green transformation – from the current European fiscal rules.

The crisis resulting from the pandemic has shown the Stability and Growth Pact to be inadequate, not allowing member states the space they need to absorb imbalances and mitigate the social consequences. We welcome the activation of the escape clause but the fact that it was a necessary step underlines the faults of the existing rules. While financial stability and fiscal consolidation is vital for the stability and health of the EU and the member states, it cannot be pursued at the expense of social and ecological objectives.

If we wish to successfully combat populism, euroscepticism and nationalism, every attention must be paid to the equity of policy responses and to the level of support given to those most in need of it. Public trust in institutions is consistently higher in those countries with smaller inequality gaps.⁹ Taking a “jobs first” response to the crisis may have been the norm in previous years but the damage of this approach has been well-illustrated and it must not be repeated. If the recovery is not managed successfully, the doors will be wide open for populists to exploit. Jobs created should be of good quality and inclusive, working towards better integrating those groups currently under-represented in the labour market, and with safeguards to ensure that in-work poverty is no longer a reality for so many. Unfortunately, this year’s country-specific recommendations do not put sufficient emphasis on this point, only touching on in-work poverty in the recitals of three of the reports whereas this is a far more systemic problem in many EU member states. Nevertheless, we appreciate the general tone

⁹ <https://www.socialeurope.eu/what-to-do-about-economic-inequality>
<https://www.imf.org/external/pubs/ft/wp/2016/wp16176.pdf>

of the recommendations which address strengthening employment: often touching on promoting digital skills, flexible working arrangements, distance learning, strengthening public employment services and ensuring the adequacy of unemployment benefits.

The 2020 country-specific recommendations are centred around the need for investment in health care, providing liquidity to firms (in particular, SMEs), measures to support a symmetric recovery and to preserve the integrity of the Single Market, as well as income support to affected workers.¹⁰ We warmly welcome this attention given to the issue of the adequacy of income. Many member states are called upon to ensure that coverage, accessibility and adequacy are addressed but this is not a recommendation in every case. This recognition of the importance of adequate minimum income schemes as well as the need to ensure overall adequacy of social protection must be accompanied by a push forward on EU-wide action on minimum income.

Although 2020 has seen a slight increase in the number of recommendations issued overall, the distribution and content is far more uniform than is usually the case. Most member states have three or four recommendations, with the only exceptions being Hungary with five and Germany with two. As with last year, many of the recommendations include many sub-sections, sometimes covering a wide scope of policy areas. However, in contrast with previous years, the subject focus and the structure of the recommendations are remarkably uniform. The first recommendation for all member states is centred around using fiscal policy to support the recovery, usually linked to health care. There is nearly always a recommendation covering the labour market, social and education priorities, public administration and promoting investment and access to finance for SMEs. Other subjects to receive considerable

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[https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651362/IPOL_BRI\(2020\)651362_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651362/IPOL_BRI(2020)651362_EN.pdf)

attention are money-laundering, the independence or efficiency of the judicial system, aggressive tax planning as well as simplification of tax or an adequate tax mix.¹¹

Eurodiaconia welcomes the focus on health care throughout the recommendations but regrets that the long-term care sector is not given similar attention. In contrast, only two countries (Portugal and Slovenia) received recommendations related to this sector, despite the enormous impact COVID-19 has had. Demographic change is a reality in Europe and we must have quality, accessible and affordable long-term care to support our increasing number of elderly citizens. Furthermore, the pandemic has made absolutely clear the need to encourage far better cooperation between health care services, social services and the long-term care sector. The requirement to keep hospital beds available for COVID-19 patients led to the rapid discharge of people into the community without appropriate testing and, when combined with the inadequate protection of staff, transferred risks from hospitals to social care. It is not appropriate for the recommendations to place all emphasis on improving the resilience of only one part of the care sector (health care) when the pandemic has clearly highlighted, on one hand, the tendency of many governments to view the long-term care sector as of secondary importance and, on the other, the hugely important role it plays in providing care.

While education is mentioned in all of the documents, Eurodiaconia would prefer to see greater emphasis placed upon the need for inclusivity and quality. Socio-economic background continues to have a great impact on educational outcomes and many of the Country Reports published earlier this year highlighted the efforts that many member states still need to make if all children and young people are truly to achieve their full potential, no matter their family background or circumstances. However, this focus is not

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[https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651362/IPOL_BRI\(2020\)651362_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/651362/IPOL_BRI(2020)651362_EN.pdf)

fully reflected in the recommendations. Education is still viewed primarily through the lens of the labour market. Whilst many of the recommendations refer to the inclusivity of education, ensuring equal access for all, we fear that not naming those minority groups who are consistently excluded will mean that they are, yet again, ignored. This is particularly the case for migrant, refugee and Roma communities who are not mentioned in any of the final recommendations, despite their already extremely challenging reality becoming more difficult during the course of the COVID-19 pandemic with increases in discrimination and antigypsyism widely reported. Many of the recitals of the documents recognise that these groups are particularly vulnerable to becoming even more excluded from society as a result of this crisis but, even so, they do not warrant a full mention in the recommendations themselves. Merely using the term “vulnerable groups” does not shine the appropriate spotlight on this major issue.

Furthermore, if we are truly going to end the scandal of child poverty in the EU then it is absolutely vital that Roma communities in particular are prioritised in policy-making and in funding allocations. Whilst one in four children in the EU are at risk of poverty and social exclusion, this number rises to nine in ten for Roma children, and this number is expected to rise because of the COVID-19 pandemic.¹² Over the last decade, there has been an increase in segregated education for Roma children despite all efforts to reduce this practice.¹³ In order to break the intergenerational poverty cycle, this community must be prioritised with focused investment and political commitment.

Poverty and income inequality have a large bearing on the extent to which children are exposed to COVID-19 risks. Poorer families are less financially

¹² <https://www.reyn.eu/nine-in-ten-roma-children-experience-poverty-in-europe/> and <http://ergonetwork.org/2020/05/roma-equality-as-part-of-the-eu-accession-process-2/>

¹³ <https://fra.europa.eu/en/publications-and-resources/infographics/plight-roma-sees-little-change>

resilient and are more exposed to job and earnings losses while their children are likely to be disproportionately disadvantaged by school closures. Growing up in poorer neighbourhoods increases the risk of catching or carrying the virus, experiencing underlying health issues and reduced prevalence of vaccination among children; it also affects access to good nutrition, quality housing, sanitation issues, space to play or study, and opportunities to engage in on-line schooling.¹⁴ Poverty can fuel contagion, but contagion can also create or deepen impoverishment. For that reason, one cannot fight the COVID-19 spread without tackling poverty.¹⁵

As such, as lockdowns ease and children go back to day-care and school, member states will need to focus on services designed to reduce these inequalities, be these specialised or universal. The EU's efforts to support investment and reform by member states should recognise that. In its new MFF proposal, the European Commission calls for at least 5% of the ESF+ to be allocated to the fight against child poverty. We are hopeful a European Child Guarantee initiative will be agreed in early 2021 with the aim of accelerating national action to address poverty and inequality in childhood. Eurodiaconia will voice its call for putting children's rights front and centre in Europe's recovery. This is the EU's chance to play a crucial part in the fight against growing inequality. It can remind decision-makers to make children's wellbeing central in structural reform - connecting, for instance, welfare policies, education and healthcare policies, social protection and support services through a strategy aimed at preventing and reducing child poverty.

¹⁴ "COVID-19: Protecting people and societies", *Tackling the coronavirus (COVID-19): Contributing to a Global Effort*, https://read.oecd-ilibrary.org/view/?ref=126_126985-nv145m3i96&title=COVID-19-Protecting-people-and-societies.

¹⁵ Roelen, K. (2020), *Coronavirus and poverty: we can't fight one without tackling the other – Poverty Unpacked*, <https://poverty-unpacked.org/2020/03/23/coronavirus-and-poverty-we-cant-fight-one-without-tackling-the-other/>

Eurodiaconia is pleased to note that, despite the impact of COVID-19, the aims of the Green Deal are still clearly visible within the country-specific recommendations. We welcome the intention to align the economic recovery with the ambition of the Green Deal, promoting a digital and green transition. Nevertheless, very little attention is devoted to ensuring that this transition is a just and inclusive one, with investment in public services and social protection systems, rather than higher energy bills or public transport costs for those who can least afford it. It also appears that any reference to the Sustainable Development Goals (SDGs) has been combined into text on the Green Deal which, therefore, does not adequately address all elements of the SDGs such as reduced inequalities, quality education and gender equality.

Similarly, the European Pillar of Social Rights does not appear to provide a compass for this year's recommendations. Instead, the North Star is economic recovery with everything else built around this. However, if we are to reshape our society into a fairer, more inclusive one then the path we choose to take towards economic recovery must fully embrace the principles of the Pillar. There should be no reduction in investment spending, no abandonment of vulnerable groups, no reduction in the social services which so many rely on. Social investment makes our societies more resilient, better equips workers for the future, reduces inequalities and helps all citizens reach their full potential. There must be a holistic response to this crisis which keeps the principles of the economy of wellbeing at its centre.

Eurodiaconia is disappointed that, despite the absolutely crucial role that many civil society organisations played during the COVID-19 pandemic, civil society is largely absent from this year's country-specific recommendations. This is in clear contrast to the position of social partners. It should be recognised that civil society organisations have the on-the-ground experience, links to service users and expertise to help shape policies to better match the needs of those expected to benefit from them.



In conclusion, Eurodiaconia fully appreciates that the 2020 European Semester has been utterly reshaped by the COVID-19 pandemic and we expect and understand the focus on the economic recovery. Nevertheless, this can not be at the expense of the most vulnerable in our society. Furthermore, the whole process of the Semester must be perceived with greater importance and urgency by member state governments if it is not going to be undermined. In short, there is very little point in issuing recommendations if they are not going to be acted upon. Member states must make better progress on implementation.

Country-by-country analysis



Throughout the year, Eurodiaconia consults with members in order to ascertain the degree to which the situations in their countries are accurately represented at the various stages of the cycle. Following the publication of the Country Reports in February 2020, Eurodiaconia asked our members to provide their own country-specific recommendations for the European Commission.

In this section, we look more closely at those countries where our members provided their own recommendations for the Commission. We explore the degree to which each set of CSRs corresponds with the principles of the European Pillar of Social Rights and compare the recommendations provided by our members and the final text of the CSRs as adopted by the European Council.

We recognise that the Country Reports were published before the full extent of the COVID-19 pandemic became clear and, as such, they did not fully reflect the reality that had unfolded. Similarly, the recommendations from our members were drafted as the situation developed across Europe. Nevertheless, the issues raised therein have not disappeared in the interceding months but, rather, have become more critical. COVID-19 has, once and for all, highlighted just how damaging it has been to consistently chip away at the safety nets of our social services and social protection systems, often deliberately excluding the most in need in our societies, who are now at greatest risk from COVID-19 and for whom emergency procedures are now required, for instance, the homeless, refugees in overcrowded and unsanitary camps and those in precarious work.

Austria

CSRs:

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability while enhancing investment. Improve the resilience of the health system by strengthening public health and primary care.
- Ensure equal access to education and increased digital learning.
- Ensure an effective implementation of liquidity and support measures, in particular for small and medium-sized enterprises, and reduce administrative and regulatory burden. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on innovation, sustainable transport, clean and efficient production and use of energy.
- Make the tax mix more efficient and more supportive to inclusive and sustainable growth.

Our Member, Diakonie Österreich, made 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.

Austria received four recommendations this year, one more than 2019, with two of the recommendations focused on economic recovery.

CSR 1 focuses on effectively addressing the pandemic, sustaining the economy and support to ensure recovery. It touches on improving the resilience of the health system by strengthening public health and primary care, thereby addressing Principle 16 of the European Pillar of Social Rights (EPSR) on the right to timely access to affordable, preventive and curative health care of good quality. We welcome the recommendation to improve the resilience of the public health system and primary care. Regrettably, however, there is no mention of long-term care, a sector that has been badly hit by the pandemic. In 2019, Diakonie Austria called for more attention to be paid to the extreme shortage of staff in long-term care. They also called for an increase in investment in long-term care services to better support family carers. The recent crisis has reinforced the urgency of this call.

CSR 2 emphasises the need to ensure equal access to education and increased digital learning. The recommendation integrates Principle 1 of the EPSR. We welcome the proposal of equal access to education. The shift to online education that was seen during the COVID-19 pandemic has served to increase inequalities due to those children living in poverty frequently having little or no access to computers or the internet which is highly likely to have a substantial impact on educational outcomes. Therefore, to ensure equal access to education and digital learning, attention must also be given to socio-economic status and vulnerable groups in particular.

CSR 3 focuses on effective implementation of liquidity and support measures, reducing administrative and regulatory burdens, front-loading public investment and promoting private investment. We welcome the move to foster economic recovery and the focus on public investments to support the green and digital transition. This links to Principle 20 of the EPSR on access to essential services. However, we would note that the digital transformation must be inclusive, ensuring that vulnerable groups are not further excluded.

Austria received a fourth recommendation on making the tax mix more efficient and more supportive to inclusive and sustainable growth. This echoes one of the recommendations of the 2019 Semester: the need to shift tax away from labour towards a more inclusive and sustainable system. Diakonie Austria also recommended the implementation of a wealth tax as a way to foster better redistribution.

Diakonie Austria would also like to see a better partnership with social partners and civil society who also form a crucial role in social recovery. This alludes to Principle 8 of the EPSR: civil society and social partners should be involved in the design and implementation of employment and social policies. This is even more urgent as we plan the recovery after COVID-19. It is disappointing that the role of civil society is not highlighted in this year's recommendations.

Czechia

CSRs:

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability while enhancing investment. Ensure the resilience of the health system, strengthen the availability of health workers, primary care and the integration of care, and deployment of e-health services.
- Support employment through active labour market policies, the provision of skills, including digital skills, and access to digital learning.
- Support small and medium-sized enterprises by making greater use of financial instruments to ensure liquidity support, reducing the

administrative burden and improving e-government. Front-load mature public investment projects and promote private investment to foster economic recovery. Focus investment on the green and digital transition, in particular on high-capacity digital infrastructure and technologies, clean and efficient production and use of energy, and sustainable transport infrastructure, including in the coal regions. Ensure access to finance for innovative firms and improve public-private cooperation in research and development.

Our Member, Diaconia ECCB, made the following recommendations to the Czech government:

- The health care 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 to reduce discrimination and prejudice.

Czechia received three recommendations this year, the same as in 2019. Two of these refer to recovery, investment, strengthening the resilience of health system and integration of care. One recommendation covers employment, digital skills and support to small and medium-sized enterprises. As in 2019, there is only one social recommendation (CSR 2).

The first recommendation focuses on recovery, debt sustainability and enhancing investment. We warmly welcome the emphasis on the resilience of the health system and the call to strengthen the availability of health workers (in line with Principle 16 of the EPSR). However, it is regrettable that there is no mention of long-term care (Principle 18 of the EPSR) within this CSR as it has been equally badly hit by the pandemic. Diaconia ECCB also agrees that there is an urgent need for more funding for the health care system in order to build up resilience and prepare for the impact of demographic change. While there is a welcome focus on strengthening the

availability of health workers, caregivers and social workers should not be excluded from this.

In 2019, the second recommendation sought to foster the employment of women with young children, including by improving access to affordable childcare and of disadvantaged groups. This year, whilst there remains a reference to supporting employment (in line with Principle 1 and 4 of the EPSR), in contrast to the previous year, women and disadvantaged groups are no longer explicitly mentioned. Diaconia ECCB would also prefer to see labour market policies encouraging better integration and inclusion of migrants, including a reduction in bureaucracy and simplification of the residence permit procedures that would enable migrants to access legal work.

COVID-19 has clearly highlighted the crucial importance of digital skills and the provision of these skills and access to digital learning is rightly identified as a priority in Czechia. Nevertheless, as underlined by Diaconia ECCB, any moves towards acquiring these skills will require an adequate supply of good quality teachers. Therefore, as Diaconia ECCB recommends, greater effort must be made to increase the attractiveness of the teaching profession, thereby improving the quality of graduates.

CSR 3 emphasises support to small and medium-sized enterprises and promoting public and private investment to ensure economic recovery. There is also a focus on access to finance for innovative firms and public-private cooperation in research and development. Whilst we welcome this recommendation, we would also appreciate recognition of the importance of social innovation to better tackle the social challenges resulting from this crisis.

Denmark

CSRs:

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Enhance the resilience of the health system, including by ensuring sufficient critical medical products and addressing the shortage of health workers.
- Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, sustainable transport as well as research and innovation. Support an integrated innovation strategy with a broader investment base.
- Improve the effectiveness of anti-money laundering supervision and effectively enforce the anti-money laundering framework.

Our Member, Kirkens Korshær, made the following recommendations to the Danish government:

- More effort must be made to work towards ending social inequality and tackling poverty.
- Changes should be made to ensure that health care 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.

Denmark received three recommendations this year, one more than in 2019. Two of the recommendations focus on recovery whilst the other addresses the anti-money laundering framework. As in 2018 and 2019, there is no recommendation which is fully focused on social issues.

As with the other countries, CSR 1 focuses on economic recovery, debt sustainability, enhancing investment, the resilience of the health system and addressing the shortage of health workers (reflecting Principle 16 of

the EPSR). However, Kirkens Korshær would further insist that reforms need to be made to ensure that health care is provided for all, including the poor and uneducated. It is also disappointing that no mention is made of the long-term care sector which has been heavily impacted by the pandemic. Many of the COVID-19 deaths in the country were of nursing home residents.

CSR 2 prioritises public and private investment to foster economic recovery with a focus on investment in the green and digital transition. The social service sector is an active job creator and should be included in efforts towards recovery.

As in 2019, the topic of anti-money laundering is again identified as a priority with a call for better supervision and effective enforcement of the anti-money laundering framework. However, it is disappointing that there is no mention of tax evasion.

Germany

CSRs

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability while enhancing investment. Mobilise adequate resources and strengthen the resilience of the health system, including by deploying eHealth services.
- Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on sustainable transport, clean, efficient and integrated energy systems, digital infrastructure and skills, housing, education and research and innovation. Improve

digital public services across all levels and foster the digitalisation in small and medium-sized enterprises. Reduce the regulatory and administrative burden for businesses.

Our member, Diakonie Deutschland, made 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.

Germany received two recommendations this year, the same as in 2019. Both cover economic recovery and promoting investment, as well as touching upon housing and education.

CSR 1 focuses on ensuring debt sustainability and enhancing investment. We appreciate that mobilising resources to strengthen the resilience of the health system is given priority and note the move towards eHealth services. Nevertheless, we would underline that health care must be accessible, affordable and of good quality (in line with Principle 16 of the EPSR) and so any increasing digitalisation of health care must pay sufficient attention to ensuring that it remains fully accessible to everyone.

It is disappointing that there is no mention of long-term care in the recommendations. It has been demonstrated, especially through the COVID-19 pandemic, just how important the sector is in terms of care provision, and it also suffers from significant staff shortages in Germany. It is surprising that it is not included alongside the recommendation touching upon the resilience of the health system.

Germany also received a recommendation on investment in the green and digital transition, in particular on sustainable transport, clean, efficient and integrated energy systems, digital infrastructure and skills, housing, education, and research and innovation. Whilst we appreciate that

investment is targeted towards housing (in line with Principle 19 of the EPSR), we would also highlight that both should be affordable, of good quality and accessible to everyone. As in 2019, there is no mention of social housing although this is an issue that Diakonie Deutschland sees as a priority.

Diakonie Deutschland welcomes the call for an increase in investment in education and training (in line with Principle 1 of the EPSR). They recognise that the federal government has taken steps in recent years to strengthen vocational training and that a lifelong learning strategy is being developed. Diakonie Deutschland would further stress that beneficiaries of the SGB II (the basic security system for job seekers) should be able to participate on an equal footing in vocational training schemes in order to help avoid long-term unemployment. Furthermore, those participating in training schemes should be paid a monthly allowance in addition to the ALG II (unemployment benefit). Flexible, modular approaches to training, through which it would be possible to attract disadvantaged target groups, should be increasingly implemented and promoted.

Finally, Diakonie Deutschland would highlight (as they did in 2019) that there must be an increase in minimum wages in order to tackle the growing problem of in-work poverty.

Greece

CSRs

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system and ensure adequate and equal access to health care.

- Mitigate the employment and social impacts of the crisis, including by implementing measures such as short-time work schemes and ensuring effective activation support.
- Swiftly deploy measures to provide liquidity and continued flow of credit and other financing to the economy, focusing in particular on small and medium-sized enterprises most affected by crisis. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on safe and sustainable transport and logistics, clean and efficient production and use of energy, environmental infrastructure and very-high capacity digital infrastructure and skills. Improve the effectiveness and digitalisation of the public administration and promote digital transformation of businesses.
- Continue and complete reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018 to restart a sustainable economic recovery, following the gradual easing up of constraints imposed due to the COVID-19 outbreak.

Our Member, the Evangelical Church of Greece, made the following recommendations to the Greek 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.

Greece has received four country-specific recommendations in 2020, two more than in 2019. Whilst the recommendations this year are focused on measures to address the repercussions of the pandemic, we welcome the mention of the need to mitigate the employment and social impacts of the crisis.

CSR 1 encourages measures to sustain the economy and support recovery while enhancing investment. We welcome the attention paid to the health system, specifically the emphasis on ensuring that health care services are adequate and accessible. However, in line with Principle 16 of the EPSR, health care should not only be sufficient and accessible but should also be affordable, preventive, curative and of good quality. Furthermore, we note with disappointment that there is no mention of long-term care in the recommendations, despite the heavy impact of the pandemic on that sector. Measures should also be put in place to strengthen the resilience of the care sector.

We welcome the attention paid to employment and social impacts of the crisis in CSR 2. The Evangelical Church of Greece welcomes that short-time work schemes and activation support are identified as priorities (in line with Principle 4 of the EPSR).

CSR 3 calls for a swift deployment of measures to provide liquidity and a particular focus on small and medium-sized enterprises affected by the crisis. We warmly welcome the focus on public and private investment to foster economic recovery and the move to promote the digital transformation of businesses. However, we would also like to see attention given to the potential of social innovation. Social investment should also be at the heart of recovery.

Italy

CSRs:

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience and capacity of the health

system, in the areas of health workers, critical medical products and infrastructure. Enhance coordination between national and regional authorities.

- Provide adequate income replacement and access to social protection, notably for atypical workers. Mitigate the employment impact of the crisis, including through flexible working arrangements and active support to employment. Strengthen distance learning and skills, including digital ones.
- Ensure effective implementation of measures to provide liquidity to the real economy, including to small and medium-sized enterprises, innovative firms and the self-employed, and avoid late payments. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy, research and innovation, sustainable public transport, waste and water management as well as reinforced digital infrastructure to ensure the provision of essential services.
- Improve the efficiency of the judicial system and the effectiveness of public administration.

Our member, Diaconie Valdese, made the following recommendations to 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 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.

Italy received four recommendations in 2020, one less than in 2019. The recommendations focus on effectively addressing the pandemic,

sustainability, research and innovation and the judicial system. We strongly support the mention of social protection, active support to employment and digitalisation.

CSR 1 emphasises economic sustainability, recovery, debt sustainability and investment. We welcome the suggestion to strengthen the resilience and capacity of the health system (in line with Principle 16 of the EPSR). We are pleased to see that health care is given high importance in the recommendations. In line with this, Diaconie Valdesse calls for more targeted funding to the regions for upgrades in social and health care in both urban and rural contexts. It is disappointing that long-term care is not mentioned in the recommendations, especially considering the impact of COVID-19 on the sector.

CSR 2 touches on several social issues such as adequate income, access to social protection, active support to employment, distance learning and skills (Principles 14, 12, 4 and 1 of the EPSR). The emphasis on the provision of an adequate income replacement and access to social protection (Principle 12 of the EPSR), in particular for atypical workers, is a very welcome and important addition. We also welcome the focus on active support to employment, but Diaconie Valdesse would emphasise the need for more funding dedicated to projects and initiatives to assist women into employment, including through increasing the provision of childcare and elderly care (in line with Principles 2, 1, 9 and 11 of the EPSR).

Furthermore, regarding distance learning and skills, Diaconie Valdesse suggests that incentives should be given to universities and polytechnics to start new programmes of collaboration with qualified private sector and third sector actors to facilitate better collaboration between academia and future workplace destinations of students.

It is encouraging to see both public and private investment promoted in CSR 3. Similarly, we welcome the priority accorded to the provision of essential services (in line with Principle 20 of the EPSR). It should be

underlined that these essential services should be accessible, affordable and of good quality.

The Netherlands

CSRs:

- In line with the general escape clause, take all necessary measures to effectively address the pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Strengthen the resilience of the health system, including by tackling the existing shortages of health workers and stepping up the deployment of relevant e-Health tools.
- Mitigate the employment and social impact of the crisis and promote adequate social protection for the self-employed.
- Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on digital skills development, sustainable infrastructure and clean and efficient production and use of energy as well as mission-oriented research and innovation.
- Take steps to fully address features of the tax system that facilitate aggressive tax planning in particular on outbound payments, notably by implementing the adopted measures and ensuring its effectiveness. Ensure effective supervision and enforcement of the anti-money laundering framework.

Our Member, Kerk in Actie, made 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 the 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 also made 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.

The Netherlands received four recommendations in 2020, one more than in 2019. The recommendations touch on economic sustainability and recovery, the resilience of health system, employment, social protection, research and innovation, tax reforms and the anti-money laundering framework.

We welcome the call to strengthen the resilience of the health system, tackling the existing shortage of health workers and the deployment of relevant e-Health tools. Quality health care is a significant investment for the future of EU citizens and it must be affordable, of good quality and accessible to all. Whilst we support the use of e-Health tools, attention must be paid to ensuring that health care remains available to everyone.

On the other hand, we note with disappointment the lack of mention of long-term care and would welcome measures to strengthen the resilience of this sector alongside the health care sector.



We strongly support the focus on the social impact of the crisis and the call for adequate social protection for the self-employed. This ties to Principles 4 and 12 of the EPSR: everyone has the right to receive support for job-seeking, training and re-qualification; and is likely to be especially relevant in the wake of the COVID-19 pandemic. Kerk in Actie recommend that Dutch government take measures to tackle social insecurity as a result of the flexibility of the labour market in the Netherlands, perhaps including an exploration of the possibility of disconnecting social security coverage from employment.

Whilst fully supporting the transition towards sustainable infrastructure and clean energy, Kerk in Actie would underline the importance of ensuring that lower-income groups do not bear the brunt of the costs of the transition. In order to avoid undermining support for sustainability, the government should ensure that the costs are divided according to the capacity to pay.

CONCLUSIONS AT A GLANCE

COVID-19 has exposed the inequality gaps in our society and it is dangerous to use a broad brush to respond. There is a risk that those already struggling will fall further behind and those excluded will face greater deprivation.

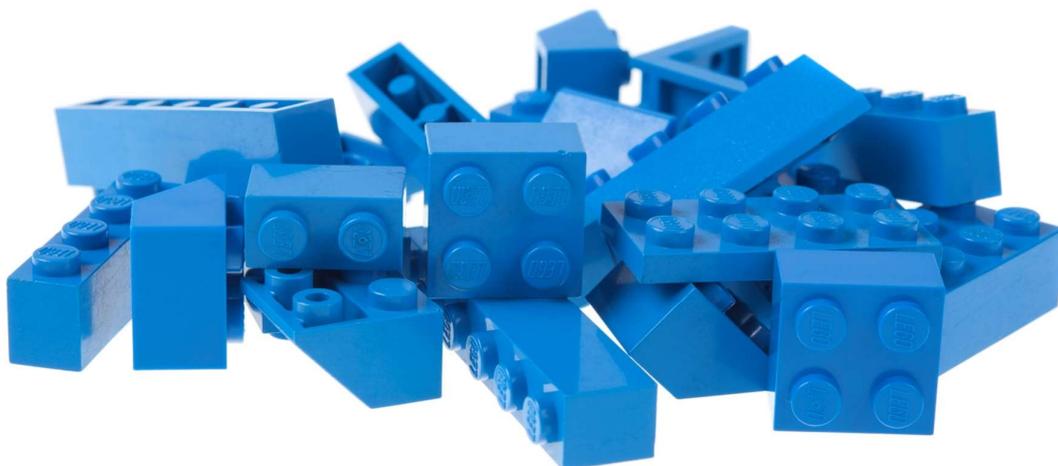
We welcome the focus on health care but regret that long-term care is not given similar attention, with only two countries receiving CSRs on this point, despite the huge impact COVID-19 has had.

Europe must now implement a programme of transformative public investment. This can only happen if member states can exempt public investment in future-oriented projects from the current European fiscal rules.

Jobs created should be of good quality and inclusive, working towards the better integration of those groups currently under-represented, with safeguards to ensure that in-work poverty is no longer a reality for so many.

Eurodiaconia is disappointed that, despite the absolutely crucial role that many civil society organisations played during the pandemic, civil society is largely absent from this year's CSRs.

The Semester must be perceived with greater urgency and importance by member states if the process is not going to be undermined. In short, there is little point in issuing recommendations if they are not acted upon.



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